

**F. No 5/2/2020-Policy  
Government of India  
Ministry of Finance  
Department of Investment and Public Asset Management  
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Block No. 14, CGO Complex  
Lodhi Road, New Delhi-110003  
Dated: 23<sup>rd</sup> September, 2020

**OFFICE MEMORANDUM**

**Subject: Setting up of Inter Ministerial Committee namely '*Committee for Monitoring of Capital Management and Dividend in CPSEs (CMCDC)*' for discussing/approving proposals relating to capital management/restructuring and dividend payouts of CPSEs- regarding**

The '*Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs)*' was issued by DIPAM on 27.5.2016 in line with the comprehensive approach adopted by the Government for efficient management of its investment in CPSEs by addressing inter-related issues like capital restructuring, dividend payments, bonus shares, buyback etc. The guidelines laid down the general principles/policies to be followed by CPSEs while deciding on dividend payouts, buyback of shares, splitting of shares, issue of bonus shares etc.

2. CPSEs not able to comply with the guidelines on capital restructuring for any reasons, are currently required to take specific exemption from DIPAM, for which the '*Committee for Monitoring of Government Investment in CPSEs (CMGIC)*', constituted in DIPAM, decides on the exemption proposals of CPSEs sent through the Administrative Ministries/Departments.

3. After the transfer of work related to dividend payouts from DEA to DIPAM from this financial year onwards, dividend related issues are being discussed in a separate inter-Ministerial Committee namely, '*Inter Ministerial CPSE Dividend Committee (IMCDC)*' that was set up to examine and approve dividend payouts of CPSEs to the Government. However, it has been felt that the subjects of dividend, buyback, bonus shares are inter-related and need to be discussed in one Committee, rather than in two separate Committees. Accordingly, it has now been decided, with the approval of the competent authority *and in supersession of previous orders on setting up of CMGIC and IMCDC*, to constitute an Inter Ministerial Committee namely '*Committee for*

*Monitoring of Capital Management and Dividend in CPSEs (CMCDC)* where all matters relating to capital restructuring and dividend payouts of CPSEs would be discussed and finalized.

4. The CMCDC shall comprise of the following Members:

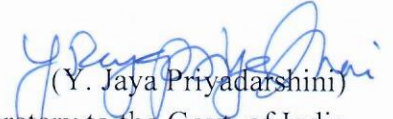
|   |   |                   |
|---|---|-------------------|
| 1   | Secretary, DIPAM  | Chairman          |
| 2   | Financial Adviser, DIPAM  | Member            |
| 3   | Representative from DEA (not below the rank of Joint Secretary);                              | Member            |
| 4   | Representative from DPE (not below the rank of Joint Secretary)                               | Member            |
| 5   | Joint Secretary of the Administrative Ministry/ Department dealing with concerned CPSEs       | Member            |
| 6   | Joint Secretary, DIPAM, dealing with concerned CPSE   | Member & Convener |
| 7   | Financial Adviser of the Administrative Ministry/ Department dealing with the concerned CPSEs | Member            |
| 8   | Economic Adviser, DIPAM   | Member            |
| 9   | CMD of the concerned CPSEs  | Special Invitee   |
| 10  | Director (Fin) of the concerned CPSEs.  | Special Invitee   |
| Other members can be co-opted by the Committee with the approval of Secretary DIPAM |   |                   |

5. The CMCDC will discuss and approve all proposals/matters relating to capital restructuring/management (buyback, splitting of shares, bonus shares) and dividend payouts of CPSEs, including specific exemption proposals (where they are not able to comply with the 'Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs)' issued by DIPAM on 27.5.2016). The exemption proposals shall be forwarded by CPSEs to DIPAM through the Administrative Ministry/Department.

6. The decisions of CMCDC shall be binding on the CPSEs and any non-adherence to the decisions of CMCDC shall be reported to the MOU division of DPE, DEA and the Administrative Ministries.

7. Joint Secretary, DIPAM dealing with the concerned CPSE shall be the Convener of the CMCDC. The Committee shall hold meetings from time to time in batches of CPSEs. For this purpose, the CPSEs shall ensure relevant information in such formats, as may be sought by transaction divisions of DIPAM from the CPSEs concerned. The information will be compiled and maintained by the policy division of DIPAM based on such inputs from time to time.

8. This issues with the approval of competent authority.



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To

Secretaries of Administrative Ministries/Departments (as per list)

Copy to

Sr. PPS to Secretary, DIPAM