

No.25-10/28/2021-PG  
Government of India  
Ministry of Power

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Shram Shakti Bhawan, Rafi Marg,  
New Delhi, the 03<sup>rd</sup> October, 2022

To,

1. The Chief Secretary / Secretary(Energy), All State Governments and UTs
2. The Chairperson, All State Transmission Companies /Utilities

**Subject: Guiding Principles for Monetization of Transmission Assets in the Public Sector through Acquire, Operate, Maintain and Transfer (AOMT) based Public Private Partnership model – reg.**

Sir,

I am directed to convey that the Government of India have been emphasizing the need for quality infrastructure creation, as it results in increased employment opportunities, access to market and materials, improved quality of life and empowerment of vulnerable sections. In order to fast-track quality infrastructure creation, the Government of India have identified asset monetization as an important financing option for creation of infrastructure, as it serves two critical objectives, unlocking value from public investment in infrastructure and tapping private sector flexibility in operations and management of infrastructure.

2. Monetization of assets unlocks their value, eliminates their holding cost and enables scarce public funds to be deployed to new projects, thus fast-tracking new infrastructure creation. India has developed a solid track record of attracting institutional investment in infrastructure assets utilizing innovative structures such as Infrastructure Investment Trusts (InvITs) and PPP based models [Toll Operate Transfer (TOT), Operation, Management and Development Agreement (OMDA) etc.] to monetize assets such as toll roads, transmission assets, pipelines and telecom.

3. In this regard, Power Grid Corporation of India Limited (POWERGRID), a Central Power Sector Enterprise under the Ministry of Power, had monetised more than Rs. 7700 crore in May 2021 by monetizing 5 of their transmission assets through Infrastructure Investment Trust (InvIT).

4. The States also have a significant potential for monetisation of their transmission assets, so that the much needed capital for creation of transmission assets in the States is available. With a view to evolve a common framework and approach for transmission companies desirous of undertaking monetisation of transmission assets, Ministry of Power has developed the “Guiding Principles for Monetization of Transmission Assets in the Public Sector” in consultation with relevant stakeholders. A copy of the same is enclosed.

5. Considering the need to retain a degree of oversight through contractual mechanisms, protection of user interests and maximization of value to the public authority, this document lays down the contours of monetisation of transmission assets through an Acquire, Operate, Maintain and Transfer (AOMT) based Public Private Partnership model. The model suggested comprises of a limited period transfer of ownership of a transmission service provider SPV along with a mandatory buy back to the asset owning public sector entity at the end of the transaction period.

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6. It is requested that the States may consider the monetisation of transmission assets with the principles suggested in the Guiding Principles.

Encls: As above

Yours faithfully,



(Sanjeev Jain)

Under Secretary to the Govt. of India  
Tele: 011- 23730264

Copy to:

1. The Chairperson, Central Electricity Authority, New Delhi
2. CMDs of all CPSEs under administrative control of Ministry of Power
3. CTUIL, Saudamini Plot 2 Sector 29 Gurugram, 122001
4. Vice Chairman, NITI Aayog, NITI Bhawan, Sansad Marg New Delhi 110001
5. In-Charge, NIC Cell, MoP with a request to upload the Draft Guideline on the website of Ministry of Power for wider publicity.