

F. No. PD-18/0001/2026-PD
Government of India
Ministry of Finance
Department of Public Enterprises
(Policy Division)

Public Enterprises Bhawan,
Block No.14, C.G.O Complex
Lodhi Road, New Delhi-110003
Dated: 16th June, 2026

OFFICE MEMORANDUM

Subject: - Consolidated guidelines on 'Policy for acquisition of Raw Material Assets abroad by Central Public Sector Enterprises (CPSEs)'-reg.

The undersigned is directed to refer to the Guidelines issued by Policy Division from time to time on 'Policy for acquisition of Raw Material Assets abroad by Central Public Sector Enterprises (CPSEs)' and to inform that these guidelines have been consolidated and enclosed for ease of reference.

2. This issues with the approval of Secretary, DPE.

Encl. as above


(Neeraj Verma)
Deputy Director
Tel. 011-24364192

To,

Administrative Ministries/Departments
of all the CPSEs

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Block No. 14, CGO Complex
Lodhi Road, New Delhi-110003
Date: 16th June, 2026

OFFICE MEMORANDUM

Subject: Consolidated guidelines on Policy for acquisition of Raw Material Assets abroad by Central Public Sector Enterprises (CPSES)

Reference:

1. (DPE O.M. No.16(4)/2010 dated 24.10.2011)
2. (DPE O.M. No.16(4)/2010 dated 29.12.2011)
3. (DPE O.M. No.16(4)/2010 dated 23.01.2012)

The Department of Public Enterprises had earlier issued three above referred guidelines on Policy for acquisition of Raw Material Assets abroad by Central Public Sector Enterprises (CPSES). These guidelines have now been consolidated as under for ease of reference:

1. **DPE O.M. No.16(4)/2010 dated 24.10.2011**

Subject: Acquisition of Raw Material Assets abroad by Central Public Sector Enterprises (CPSES)

The undersigned is directed to state that the matter of ensuring availability of adequate quantities of raw materials, which is crucial not only for the growth of the manufacturing sector in particular but also the economy as a whole, has been considered by the Government and it has been decided to issue a clear policy statement with regard to the acquisition of raw material assets abroad by CPSES. In the long term interests of the economy, the Government has approved the implementation of a Policy for acquisition of Raw Material Assets abroad by CPSES, a copy of which is enclosed for information, guidance and further necessary action.

2. The contents of above Office Memorandum may also be brought to the notice of CPSEs under the administrative control of your Ministry/Department for their information, guidance and further necessary action.

(DPE O.M. No.16(4)/2010 dated 24.10.2011)

2. **DPE vide its OM of even No. dated 29.12.2011**

Subject: Constitution of a Coordinating Committee of Secretaries for Policy for acquisition of Raw Material Assets abroad by Central Public Sector Enterprises (CPSES).

The Government has approved the Policy for acquisition of Raw Material Assets abroad by CPSEs in order to ensure availability of adequate quantities of raw material which is crucial for the growth of manufacturing sector and also for the economy as a whole. This policy would be applicable to CPSEs in Agriculture, Mining, Manufacturing and Electricity Sectors. In order to implement this policy, an integrated mechanism is being put in place which can be relied upon by the concerned CPSEs and the Ministries.

2 Accordingly, it has been decided to set up a Coordinating Committee of Secretaries with the following composition:-

i. Cabinet Secretary	Chairman
ii. Member-Secretary, Planning Commission	Member
iii. Finance Secretary	Member
iv. Secretary, Ministry of External Affairs	Member
v. Secretary, Department of Legal Affairs	Member
vi. Secretary, Department of Public Enterprises	Member
vii. Secretary of the administrative Ministry/ Department of the concerned CPSE whose proposal is being considered	Member

The above Committee would co-opt any other Secretary(s), considered relevant to decision making as member(s).

3. The mechanism of Empowered Committee of Secretaries set up by M/o Petroleum & Natural Gas and by M/o Steel shall continue to function and consider proposals for acquisition of raw materials abroad beyond the powers delegated to the Boards of concerned CPSES. Other Ministries are also similarly authorized to notify the ESC mechanism after vetting by Finance Ministry and D/o Public Enterprises.

Proposals, which are beyond the powers of the Board of CPSEs and require a coordinated approach or budgetary support, would be considered by Coordinating Committee of Secretaries (CCoS). This Committee would, if required, facilitate a consortium approach in high value or strategically important acquisitions.

The following class of proposals for acquisition of raw material assets abroad by CPSEs would be put up before the Coordinating Committee of Secretaries and would not be required to be routed through the Empowered Committee of Secretaries:

(i) Proposals where the administrative Ministry/CPSE requests for a coordinated view even though acquisition is with CPSE's funds and the investment falls within the delegated powers of the Boards of the CPSE giving reasons also for its request.

(ii) All proposals for acquisition of raw material overseas by CPSEs involving Government funds, before such proposals are placed before the CCEA.

4. The above Committee shall add value to the proposals of acquisition of raw material assets abroad by CPSEs before they are considered by the Cabinet Committee on Economic Affairs by considering the following issues:

(i) Avoiding competition among Indian companies

(ii) Reconciling interests of the nation viz-a-viz those of the CPSE(s) in the event of a conflict

(iii) Providing a forum for sharing of available experience

(iv) Facilitating quick, coordinated decision making

(v) Exploring the possibility of infrastructure development in the target country

(vi) Coordinating grant of concessional credit to foreign enterprise/Government, in return for long term commitment for the supply of natural resources.

(vii) Recommending government funding, and its nature (grant, loan or equity), for the overseas investment proposal.

5. The above Committee will be serviced by a Special Cell, to be set up in the Department of Public Enterprises (DPE) which would undertake only coordination related activities in close cooperation with concerned Ministries.

6. Once a CPSE/Ministry decides to approach the above Committee, it would submit necessary details of the proposal to the DPE. DPE would circulate the details of the said proposal to the members of the above Committee on acquisition of raw material assets abroad for their comments. The concerned CPSE/Ministry would nominate a nodal officer with regard to their acquisition proposal, to ensure complete coordination with the cell in DPE/Committee.

7. The DPE would as early as possible but not later than two weeks from the receipt of the details of the proposal, convene a meeting of the above Committee on acquisition of raw material assets abroad to take a view, including on whether or not the proposal should be pursued on a standalone basis or whether the proposal should be taken up as an umbrella approach by a consortium of different CPSEs/private sector companies, or negotiated as a package deal. The above Committee would also decide on the infrastructure that can be developed as a part of the package and other assistance that can be offered including soft loans, educational, scientific, cultural, health and social infrastructure.

(DPE O.M. No.16(4)/2010 dated 29.12.2011)

3. DPE vide its OM of even No. dated 23.01.2012

Subject: Policy for acquisition of Raw Material Assets abroad by Central Public Sector Enterprises (CPSES)

The undersigned is directed to refer to this Department's O.M. of even number dated 24th October, 2011 enclosing a copy of the Policy for Acquisition of Raw Material Assets abroad by Central Public Sector Enterprises (CPSEs).

2. Para 21 of the above policy mentions that 'the Ministry of External Affairs (MEA) would advice suitable guidelines with regard to association of MEA and its missions abroad in this process. MEA would also issue an advisory to the missions abroad to actively participate in the process of acquisition of raw materials by the Indian Companies and also glean through any information on possibilities in this regard and share with the concerned Ministries'.

3. In terms of above provisions, the MEA has issued an advisory to its Diplomatic Missions abroad vide its letter no. 3557/Secy (ER)/2011 dated 30th December, 2011(copy enclosed).

4. In another letter no. 3557/Secy(ER)/2011 dated 30th December, 2011 addressed to Secretary (DPE), the MEA has formulated the following guidelines for CPSEs covered under this Policy.

I. CPSEs may bring to the attention of MEA/Mission at the very initial stage i.e. at the stage of preliminary information and due diligence (as outlined in the policy document.)

II. At an early stage of the due diligence process, CPSEs may wish to undertake a consultation procedure with MEA/Mission to develop possible value addition to the original proposal. Such value additions may include infrastructure or development in the target country, leveraging existing lines of credit extended to target country, harmonizing other diplomatic/commercial initiatives with that country etc.

III. Inform MEA at all stages with respect to Government-to-Government interaction required to expedite the acquisition.

IV. Energy Security (ES) Division will be the nodal Division in MEA for this purpose. The nodal Division may be invited to participate in meetings or consultations that deal with decision making or policy or negotiations with foreign governments in specific cases. Contact details of the Division are as below:

Mr. Prabhat Kumar
Joint Secretary (Energy Security),
Ministry of External Affairs, Room #3055,
Jawaharlal Nehru Bhawan, 23-D, Janpath,
New Delhi-110011.

Phone: 4901-5185, Fax: 4901-5186
email: jses@mea.gov.in

4. All the administrative Ministries/Departments are requested to take note of the above guidelines and advisory issued by MEA and bring it to the notice of CPSEs under their respective administrative control for their further necessary action under intimation to DPE.

(DPE O.M. No.16(4)/2010 dated 23.01.2012)
