

**LOK SABHA**

**STARRED QUESTION No. \*345**

TO BE ANSWERED ON MONDAY, March 28, 2022

Chaitra 7, 1944 (Saka)

**Establishment of NLMC**

\*345 : Shri Subrat Pathak  
Shri Sudheer Gupta

Will the Minister of Finance be pleased to state :

- a) whether the Government has approved the setting up of National Land Monetization Corporation (NLMC) and if so, the details thereof;
- b) the aims and objective of setting up of NLMC along with the composition thereof;
- c) whether it is true that Central Public Sector Enterprises (CPSEs) are holding considerable surplus and under utilised non-core assets in the form of land and buildings and if so, the details thereof;
- d) whether the Government proposes to monetize these unused and under utilised assets through NLMC and if so, the details thereof and the total revenue likely to be generated through it; and
- e) whether the Government proposes to hire professionals form private sector for this purpose and if so, the criteria for selection of such professionals?

**ANSWER**

**THE MINISTER OF FINANCE**

**(SMT. NIRMALA SITHARAMAN)**

(a) to (e) : A statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PART (a) to (e) OF LOK SABHA STARRED QUESTION No. \*345 TO BE ANSWERED ON MONDAY, MARCH 28, 2022 REGARDING “**Establishment of NLMC**”

**(a)** The Union Cabinet on 9<sup>th</sup> March 2022, approved setting up of National Land Monetization Corporation (NLMC) as a wholly owned Government of India company with an initial authorized share capital of Rs 5000 crore and paid-up share capital of Rs 150 crore. NLMC will undertake monetization of surplus land and building assets of Central Public Sector Enterprises (CPSEs) and other Government agencies. The proposal is in pursuance of the Budget Announcement for 2021-22.

**(b)** Aims and Objectives of the NLMC are as under:

- i. To undertake professional and orderly monetization of land and other non-core assets referred to it.
- ii. To own, hold, manage and monetize land and building assets of CPSEs under closure and surplus land and buildings of 100% Gov owned CPSEs under strategic disinvestment.
- iii. To advise and support monetization of surplus land assets of
  - i. Demerged companies holding surplus land
  - ii. Other CPSEs
- iv. To advise and assist government departments, statutory bodies/ authorities, autonomous bodies, corporations, etc. on monetisation of surplus and under-utilized non-core assets.
- v. To identify surplus land and building assets to create an inventory for monetization in consultation with CPSEs/other government agencies.
- vi. to build a capable organisation with skill and competencies to enable speedier and efficient monetisation which can generate maximum value from government assets.
- vii. To act as a repository of best practices in land monetization, assist and provide expert technical advice to Government of India in implementation of asset monetisation program.

NLMC would be administered by a Board of Directors. The proposed Board structure envisages a mix of senior government officials and eminent professionals in the field of real estate, banking, investment banking, construction, legal and related fields. The Board is expected to have necessary experience and expertise to steer the functioning of the NLMC in a professional manner. An eminent professional would be appointed as the Chairman of the Board.

NLMC Board would have 13 Directors of which 7 would be government officials and 6 would be from non-government/private sector. 6 Government directors would be Additional/ Joint Secretary level officers from DEA, MoHUA, DIPAM, DPE, DPIIT, DHI. NLMC will be headed by full-time Chief Executive Officer (CEO). The CEO would be responsible for day-to-day operations of the NLMC. CEO will be Additional Secretary /Joint Secretary level officer of Government of India.

**(c) & (d).** The assets of Central Public Sector Enterprises (CPSEs) consist of core assets which are used in operation of the CPSEs as well as non-core assets which are in the form of surplus, un-used or under-used land and buildings with no clear and

present plan for their optimal use in near future. So far, nine CPSEs have identified 3479 acres (approx.) of surplus land and building assets for monetization.

NLMC being established as a professional agency, will undertake due diligence, structuring and valuation for the non-core assets identified by CPSEs. Asset monetization will be carried out through a transparent, competitive market driven process.

**(e)** Monetization requires a wide range of specialized skills and expertise such as due diligence, valuation, investment banking, land management, etc. which is not fully available within government sector. NLMC would be a lean organization and would hire professionals from private sector. In order to attract and retain experienced professionals from private sector, the Board of NLMC will have flexibility to lay down the criteria for selection of professionals.

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