Q. The governments National Monetization plan is a promising plan, but, if it is to work as envisaged, several things need to fall into place. Discuss.

Ans.- Government of India working on to monetise government assets with including private parties, for developing the roads, railways and power sector etc.

Some of specific points need to know :-

(i) First of all in monetisation transaction, the government of India is basically transferring revenue rights to private parties for a specified transaction period in return for upfront money, or revenue share, and commitment of investments in the bas assets.

(ii) Monetisation models on PPP (public-private partnership) basis include : Operate maintain transfer (OMT), Toll operate transfer (TOT), and operations, maintenance & development (OMD), .

(iii) In terms of annual phasing by value, with an indicative value 15% of assets of Rs 0.88 Lakh crore are envisaged for rollout in the current financial year.

(iv) Key challenges also with NMP roadmap are: lack of identifiable revenues streams in various assets, level of capacity utilisation in gas and petroleum pipeline networks, dispute resolution mechanism.

(v) Regulated tariffs in power sector assets and low interest among investors in national highways below four lanes.

(vi) The slow pace of privatisation of in government companies including Air-India and BPCL, and less than encouraging bids in the recently launched PPP initiative in trains indicate that attracting private investors interests is not that easy.

Thus we can say NMP steps started by government will be good for assets but for challenges will be also dealing with this need to modification at the required time.