



Draft Urban Asset Mapping and Monetization Policy

***Housing and Urban Development Department,
Jammu & Kashmir Union Territory***

1. Preamble

1.1 This policy shall be called “**Urban Asset Mapping and Monetization Policy**” and shall be applicable on all Urban Local Bodies, Development Authorities, Housing Board and departments under Housing and Urban Development Department (HUDD) of Jammu & Kashmir Union Territory.

1.2 Objectives of the policy

- i. Creation of Online Asset Register using IT & GIS technology and regular updation of assets.
- ii. Monetization of Non-Core Assets through asset recycling approach so that assets are handed back to the Government organization at the end of transaction life.
- iii. New green field development or redevelopment of existing core/non-core assets and utilizing the asset for creation of new non-core / core asset for public purpose.
- iv. Monetization or Optimization of Operation and Management Cost of Core Assets.

2. Definition

2.1 Core Assets: Assets which are under construction or created by any Government Organization as part of its objectives for delivering infrastructure services to the public/ users are considered as Core Assets. This will include, but not limited to, roads, physical (water supply and distribution, sewerage, Solid waste management, public transport facilities, sanitation, storm water network etc) infrastructure power, information technology, telecommunication, pipelines, etc.

2.2 Non- Core Assets: Assets in form of land, under the ownership of Government Organization, and building constructed by Government organization as part of its obligation for creation of social infrastructure (education institute, community building, health facility etc), or for any other purpose.

3. Components and Process of the Asset Monetization

3.1 Asset Listing and Mapping:

- i. All the HUDD organizations shall identify and list the core and non-core assets as per the **Annexure 1** format.
- ii. SUAMC shall create online registration system of asset mapping and listing of assets and its geotagging using GIS. However, till the development of system all the HUDD organization shall use offline asset mapping and inventory system.
- iii. SUAMC shall review and update the online asset inventory of all HUDD Organization on monthly basis to update the core and non-core assets.

- iv. A GIS cell to be created and an officer with expertise in GIS shall be nodal officer for this activity.

3.2 Asset identification for Monetization / Redevelopment:

- i. In accordance with the Asset Inventory (Annexure-1), the State Urban Asset Management cell (SUAMC) shall engage in discussions with relevant Housing and Urban Development Department (HUDD) organizations to assess the priority and potential for monetization, redevelopment, or optimization of operations and management. The organization should also establish a quantifiable Key Performance Indicators (KPI), in consultation with SUAMC and HUDD, prior to start of the Assessment. The KPIs should be designed, considering, the objectives of this policy, monetization potential, priority, and other technical and financial criteria.
- ii. Following consultations with the relevant HUDD organizations and in alignment with the monetization objectives outlined in this policy, the SUAMC shall identify specific assets and submit recommendations along with KPI ratings to the Housing and Urban Development Department Committee (HUDDC) for their decision making and selection for monetization.
- iii. The HUDDC shall evaluate the assets recommended by the SUAMC, considering the KPI ratings, and subsequently approve the asset(s) for the monetization or redevelopment process.
- iv. A list of assets selected and approved shall be published on the official websites of the HUDD and SUAMC.
- v. Projects shall be finalized in accordance with the meeting structure established by the HUDD committee.

3.3 Appointment of Advisors:

- i. The required Advisors for rendering advisory support for the technical studies, planning and transaction advisory services shall be appointed by SUAMC through HUDD. These include but are not limited to Technical Consultant(s), Transaction Advisor(s), Legal Advisor(s), Asset Valuer(s) and institutions such as multilateral organizations like the World Bank (WB), International Finance Corporation (IFC), Asian Development Bank (ADB) and other international expert bodies. SUAMC shall also receive support from PPP Cell / Asset Monetization Cell of Union Territory, if constituted.

3.4 Finalization of Asset Monetization Structure:

- i. The structure for Asset Monetization may vary, ranging from simple contractual agreements between the private entity and SUAMC to more complex structured finance models. The selection of the appropriate monetization model shall be based on technical, planning, statutory requirements, financial analysis and investor feedback. Various models and approaches are detailed in Annexure-2.
- ii. Model formats for asset monetization, along with associated contractual documentation, shall be approved by the AC or HUDDC up on the recommendation of the SUAMC.

- iii. The specific monetization proposal for any asset based on the Model Formats, along with the associated contractual documentation, shall be approved by the AC or HUDDC up on the recommendation of the SUAMC.
- iv. SUAMC shall be advised on the appropriate transaction model by the appointed technical, transaction advisors and consultants.

3.5 Transaction Process:

- i. The State Urban Asset Management Cell (SUAMC) shall develop a detailed transaction process based on the technical and financial assessments conducted by the appointed advisors. This process shall be approved by the Housing and Urban Development Department Committee (HUDDC) upon the recommendation of SUMAC for projects with a value or cost up to INR 250 crore, and by the Apex Committee (AC) upon the recommendation of HUDDC for projects exceeding INR 250 crore.
- ii. The transaction process shall be transparent and competitive, with a focus on rigorous analysis, stakeholder consultations, comprehensive data, and accurate price discovery. The tender process shall be detailed as part of this exercise, with final allotments typically awarded to the highest bidder. In cases where there is only one bidder, the decision shall rest with the Apex Committee (AC).
- iii. Revenues generated by SUAMC from asset monetization shall be classified as monetization proceeds and shared between SUMAC and the relevant HUDD organization in accordance with the Memorandum of Understanding (MoU). These proceeds shall be utilized by SUMAC and/or the HUDD organization in line with the objectives of this policy, specifically for the creation of new assets or the refurbishment of existing ones.

3.6 Monitoring of Performance

- i. The performance of monetized assets shall be monitored by the Urban Asset Management Cell (SUAMC) through independent consultants or experts, in accordance with the provisions outlined in the agreement between SUAMC and the private sector entity.
- ii. The Administrative Department shall monitor the performance of the SUAMC with respect to achieving the set targets. This oversight shall also include an examination of the linkage between the proceeds received or expected from asset monetization and the budgetary support provided.
- iii. SUAMC shall develop Key Performance Indicators (KPIs) for the effective monitoring of the projects.

4. Roles and Responsibilities

4.1 Jammu & Kashmir Union Territory Government (J&K UT)

- i. J&K UT shall approve Urban Asset Monetization Policy and modification in policy as proposed by the HUDD department.
- ii. J&K UT shall approve the constitution of Apex Committee and any modification in it.

- iii. J&K UT shall approve the formation of SUAMC and changes in the structure in subsequent time.
- iv. Overall review of Urban Asset Monetization Pipeline, monetization progress and process on half yearly basis.

4.2 Housing and Urban Development Department (HUDD), J&K UT

- i. HUDD, J&K UT shall approve the constitution of HUDD Committee and any proposed modifications to the relevant policy as recommended by the HUDD department.
- ii. J&K UT shall approve the formation of SUAMC and modify its composition as deemed necessary from time to time.
- iii. To ensure the timely completion of Asset Monetization for each identified.
- iv. To engage with potential investors, prospective bidders and other relevant stakeholders including representatives of the State/UT Government for effective facilitation of asset monetization.
- v. To supervise and monitor the asset monetization process for Central Public Sector Enterprises (CPSEs) / Central Enterprises and Public Institutions (CEPI) under their administrative Jurisdiction.
- vi. To supervise and ensure compliance with all contract agreements related to asset monetization activities.
- vii. To ensure the physical maintenance of all files and documents, and manage court cases, claims and related legal matters.

4.3 State Urban Asset Monetization Cell (SUAMC)

- i. Establishment of an online asset registration framework for the identification, mapping, geotagging, and collection of all necessary information regarding core and non-core assets, including details on ownership, status, valuation, and monetization potential.
- ii. Identification of listed assets in consultation with relevant HUDD organizations.
- iii. Development of a comprehensive asset monetization framework and structuring in coordination with all concerned departments.
- iv. The State Urban Asset Monetization Cell (UMAC) shall obtain all requisite approvals necessary for the monetization of assets.
- v. To conduct the selection of private sector participants in accordance with the approved tendering process.
- vi. Execution of a Memorandum of Understanding (MoU) with the concerned HUDD authority whose assets are selected for monetization, specifying the revenue-sharing model or other appropriate mechanisms.
- vii. Formulation of asset monetization guidelines, standard operating procedures, model bidding documents, and other necessary presentations/documents.
- viii. Provision of technical assistance and training to all relevant HUDD organizations.

- ix. Monitoring the progress, operation, and management of monetized assets transferred to the private sector in accordance with the terms of the contract agreement.

5. Decision Making and Monetisation Bodies

5.1 The Apex Committee (AC):

The apex committee shall review and approve all monetization projects of Value or Project Cost of INR 250.00 Crore and above, the structure of Apex Committee are as follows the project. The structure of Apex Committee is as follows:

- i. Chief Secretary – Chairman
- ii. Principal Secretary, Finance – Member
- iii. Principal Secretary, Revenue – Member
- iv. Principal Secretary, PWD – Member
- v. Principal Secretary, Forest & Environment – Member
- vi. Principal Secretary, HUDD – Convenor/ Executive Member
- vii. CEO/ MD of State Urban Asset Monetization Cell - Member

5.2 HUDD Committee (HUDDC):

- i. The committee shall review and approve all monetization project of Value or Project Cost below INR 250.0 Crore. The structure of HUDD Committee are as follows:
 - a. Principal Secretary, HUDD – Chairman
 - b. Secretary, HUDD - Member
 - c. Secretary, Finance – Member
 - d. CEO/ MD of Urban Asset Monetization Cell – Member
 - e. Joint / Deputy Secretary, HUDD – member
 - f. Chief Town Planner, Town & Country Planning Department, HUDD– Member
 - g. Chief Engineer, PWD– Member
 - h. Municipal Commissioner/Officer/Vice Chairman of Development Authority/ MD of Housing Board – Special Invitee
- ii. The committee shall also identify the assets for monetization/ redevelopment on recommendation of Urban Asset Monetization Cell.

5.3 State Urban Asset Monetization Cell (SUAMC), J&K UT:

HUDD, J&K shall create State Urban Asset Monetization Cell (SUAMC) for development / redevelopment / monetization of selected assets from all identified assets. The SUAMC shall consists of following: (Additional members may be co-opted)

- i. Administrative Secretary, HUDD – MD/ CEO / Chairman of SUAM Cell
- ii. Joint / Special Secretary - Member
- iii. CEO / MD – Smart City Company Jammu and Srinagar- Member
- iv. Director Finance, HUDD – Member

- v. VC JDA /SDA – Member
- vi. VC JMRDA/SMRDA- Member
- vii. Chief Town Planner, TCPO – Member
- viii. Municipal Commissioner/ Officer / Vice Chairman/ Development Authority / Housing Board – Special Invitee
- ix. Planning and Design Cell (Comprising of qualified Planners, Designers, Legal experts, financial experts, Transaction experts with experience in private sector and hired on contract basis)

5.4 Roles and Responsibilities:

- i. The cell shall prepare and formulate a Capital Investment Plan (CIP) for all the potential assets under the purview of J&K HUDD.
- ii. The cell shall maintain the details of all the core and non-core assets of all the HUDD organizations.
- iii. An online dashboard/website shall be created including all the details but not limited to allotment of asset type, allotment asset criteria, particulars of land/property, type of tenure, lease deed/agreement, ownership, legal dispute etc.
- iv. The management shall extend support in the planning, financing, implementation, monitoring and provision of transaction advisory services for various projects in coordination with the cell.

6. Approval Process

The HUDDC shall follow three levels of approval process for the projects under SUAMC as follows:

a) Level-1: Conceptualization Stage

- i. The primary focus shall be on the conceptualization of asset monetization initiatives. The Housing and Urban Development Department (HUDD), in coordination with relevant stakeholders, shall identify potential core and non-core assets for monetization, assessing their ownership, value, and potential for revenue generation.
- ii. The strategic objective, vision, and broad guidelines for asset monetization shall be framed at this level. A committee comprising senior officials from HUDD, the State Urban Asset Monetization Cell (SUAMC), and other relevant departments shall initiate and obtain initial clearances/NOCs, ensuring alignment with government priorities, urban development policies, and land use regulations.

b) Level-2: Pre Finalization stage

- i. At this stage the actual workings of the asset monetization process shall be undertaken. This includes detailed mapping, geotagging, valuation, and feasibility assessments of identified assets.
- ii. Departments shall develop a preliminary framework, including the structuring of revenue models, contract terms, and potential private sector participation.

- iii. Legal, financial, and technical due diligence shall be carried out in coordination with SUAMC and relevant HUDD organizations.
- iv. Inter-departmental consultations and stakeholder engagement will be critical at this stage, with all proposed mechanisms, agreements, and draft MoUs being reviewed.
- v. Pre-final decisions regarding the tendering process, private sector selection, and regulatory compliance shall be made, subject to final approval.

c) Level-3: Final Decision Making Stage

- i. The final stage involves the formal approval and decision-making process. This includes finalized asset monetization plan, including all legal, financial, and operational details, shall be presented to the highest decision-making authority within the UT Government or HUDD for approval alongside the approval of the Memorandum of Understanding (MoU), revenue-sharing mechanisms, and contract agreements with the selected private sector entities.
- ii. The SUAMC, in conjunction with HUDD, shall ensure all necessary clearances are obtained and that the monetization process proceeds in accordance with government guidelines and objectives.
- iii. Upon final approval, implementation of the asset monetization plan shall commence.

Enablers for departmental Collaboration: To support the amalgamation of land parcels and the monetization of assets, several key enablers shall be instituted to monetize the asset.

7. Institutional structure and other support for SUAMC

- i. The source of fund for operation and management of SUAMC are -
- ii. SUAMC will publish Recruitment rules for hiring staff on contractual and deputation basis.
- iii. SUAMC will be housed at
- iv. All other protocols for functioning of SUAMC will be published as separate orders approved by
- v. SUAMC will be allowed to purchase furniture, stationery, hardware, software and other necessary support for its functioning.

8. Policy Evaluation

- i. Policy may be reviewed as and when required for assessing its effectiveness and making changes if necessary.
- ii. This policy shall come into force from the date of issue of this resolution.

9. Power of UT J&K Government

Notwithstanding anything contained in the foregoing paragraphs of the UT of J&K, the “Urban Asset Mapping and Monetization Policy” the Housing & Urban Development Department by

issuance of notification in the official gazette may amend or withdraw any of the provisions and/or the schemes mentioned herein above.

Annexure1

(Asset Inventory listing format)

Sr. No.	Particulars	Details
1	Name of the ULB/Authority/Board/Corporation/Agency	
2	District	
3	City	
4	Zone	
5	Ward	

[illegible]

Annexure 2

Illustrative list of Asset Monetization Structure

a) Direct contractual approach

Under the direct contractual approach revenue generation from the underutilized or idle assets can be done in two ways. (i) large upfront payments are made to Government either coupled with small annual payments or no annual payments; (ii) small or no upfront payment is made coupled with annual payments. Adoption of one or the other would depend upon many factors, like type and use of asset, objective for monetization and various other factors specific to that sector.

The model favoring a large upfront payment maximizes value upfront of asset, but could create issues of service levels, which would then need to be assured by putting standard service parameters in the contract with clearly defined penalties for every day's delay of meeting them, along with a termination clause; the concession /license period would need to be such that there is no windfall to the concessionaire/licensee but is sufficiently long for the concessionaire/licensee to retain interest in the asset. One of the models that has been successful, in recent times, is the one being used by the NHAI, is where operations of existing revenue generating assets are entrusted to a private party for a specific period on specified terms and conditions like the Toll-operate Transfer.

The key issue with the other model" of small or no upfront payment coupled with large annual payment would be the determination of parameters for the regular payments to be made. Concession /License period, revisiting of the payments to be made, ease of enforceability of service levels through the regular revenue share etc are other issues. Clarity in tariff determination and its regulation, dispute resolution mechanism etc. are key for both models.

b) Land / Built Up Space monetization

Land / Built up space monetization of the different possible models and instruments for unlocking the value of land, the ones used so far across different public sector entities remain centered around lease arrangements mainly. Guidelines and policy of J&K UT for land allotment under PPP shall be the guiding document for land monetization.

However, structured finance models can also be used including REITS.

c) Other Monetization Tools

There are other many ways of using land as a resource including Transferrable Development Rights (TDRs), Land Pooling Policy, taxation on vacant land, development impact fees and other fees and levies.

There exist examples in the world, of countries like the US and Canada where land belonging to many military installations-had been transferred to local development authority/(ies) for commercial and development use. To be able to effectively monetize the surplus Government land with the public sector, clear and transparent methods of valuation would be needed, creation of proper inventories and proper legal formalities would need to be followed depending on the title and agreement of the PSUs land with the State Government.