

## ANNEXURE – I

### COMPOSITION AND TERMS OF REFERENCE OF APPOINTMENT OF DISINVESTMENT COMMISSION<sup>1</sup>

**MINISTRY OF INDUSTRY**  
*(Department of Public Enterprises)*

#### RESOLUTION

New Delhi, the 23<sup>rd</sup> August, 1996

No. 11013/3/96-Admn. – In pursuance of the Common Minimum Program of the United Front, Government hereby constitutes a Public Sector Disinvestment Commission, initially for a period of three years

2. The composition of the Commission will be as follows

1. Shri G V. Ramakrishna, Full-time Chairman
2. Shri Dipankar Basu, Part-time Member
3. Shri M.R R. Nair, Part-time Member
4. Dr. Suresh Tendulkar, Part-time Member
5. Dr. D.M. Nanjundappa, Part-time Member

The commission will have a full-time Secretary who will be appointed separately.

G. Ganesh was appointed Member-Secretary vide Government of India Notification No. 13/18/1997 vide Shri P Shanka.

3. The board terms of reference of the Commission are as follows

- I To draw a comprehensive overall long-term disinvestment programme within 5-10 years for the PSUs referred to it by the Core Group.
- II. To determine the extent of disinvestment (total/partial indicating percentage) in each of the PSU.
- III. To prioritise the PSUs referred to it by the Core Group in terms of the overall disinvestment programme.
- IV. To recommend the preferred mode(s) of disinvestment (domestic capital markets/international capital markets/auction/private sale to identified investors/any other) for each of the identified PSUs. Also to suggest an appropriate mix of the various alternatives taking into account the market conditions.
- V To recommend a mix between primary and secondary disinvestments taking into account Government's objective, the relevant PSU's funding requirement and the market conditions
- VI To supervise the overall sale process and take decisions on instrument, pricing, timing, etc. as appropriate

- VII. To select the financial advisers for the specified PSUs to facilitate the disinvestment process.
  - VIII. To ensure that appropriate measures are taken during the disinvestment process to protect the interest of the affected employees including encouraging employees' participation in the sale process.
  - IX. To monitor the progress of disinvestment process and take necessary measures and report periodically to the Government on such progress.
  - X. To assist the Government to create public awareness of the Government's disinvestment policies and programs with a view to developing a commitment by the people.
  - XI. To give wide publicity to the disinvestment proposals so as to ensure larger public participation in the shareholding of the enterprises; and
  - XII. To advise the Government on possible capital restructuring of the enterprises by marginal investments, if required, so as to ensure enhanced realisation through disinvestment.
4. The Disinvestment Commission will be an advisory body and the Government will take a final decision on the companies to be disinvested and mode of disinvestment on the basis of advice given by the Disinvestment Commission. The PSUs would implement the decision of the Government under the overall supervision of the Disinvestment Commission.
  5. The Commission while advising the Government on the above matters will also take into consideration the interests of stakeholders, workers, consumers and others having a stake in the relevant public sector undertakings.

S. Talwar,  
Joint Secretary

## REFERENCE

1. Disinvestment Commission, Disinvestment Commission Reports –IX-XII, October, 1999, Appendix –I, pp.217-218.

