

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): The Government has issued guidelines to the all-India term lending financial institutions, including the Industrial Finance Corporation of India, regarding the nomination of directors on the Boards of assisted concerns. The guidelines cover aspects like criteria for selection, remuneration and duties of the nominee directors, etc.

Criteria for Selection of nominees of ICICI on Boards of management of Private undertakings

1024. SHRI ERA ANBARASU: Will the Minister of FINANCE be pleased to state the criteria that the Industrial Credit and Investment and Investment Corporation of India adopts in selecting the nominees and in putting them on the Boards of Management of private undertakings which have been helped financially by the Industrial Credit and Investment Corporation of India?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): The Industrial Credit and Investment Corporation of India (ICICI) selects the persons to be nominated on the Boards of management of the assisted concerns from a common panel of nominee directors drawn up by the Industrial Development Bank of India (IDBI) with the approval of the Government. In terms of the existing guidelines issued by the Government to the financial institutions, the panel drawn up by the IDBI should include persons of good reputation having expertise in one or more of a variety of fields in industry drawn from different regions of India. In selecting the nominee directors from the panel, ICICI takes into account the overall suitability and experience and expertise of the individual relevant to the industrial activity and requirements of the assisted concern.

Nominees of ICICI and IFCI on Boards of management of companies

1025. SHRI ERA ANBARASU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that most of the nominees of Industrial Credit and Investment Corporation of India and Industrial Finance Corporation of India on the Boards of Management of companies are above 60 years of age;

(b) whether it is also a fact that the ICICI and IFCI permit their nominees to be on the Boards of Managements of more than 15 companies individually at a time; and

(c) if so, whether this is due to paucity of suitably qualified and experienced people for these public sector financial institutions on account of which nominees aged beyond 60 years and in some cases even beyond 70 years are asked to represent the institutions on more than 15 Boards of Management at a time?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Out of 124 persons who have been nominated by the Industrial Credit and Investment Corporation of India (ICICI) as nominee directors, 56 persons are over 60 years of age. Out of 284 persons, who have been nominated by the Industrial Finance Corporation of India (IFCI), 123 persons are over 60 years of age.

(b) Generally, barring exceptional cases, the ICICI and IFCI do not appoint a person as their nominee on the Board of more than 4 companies at a time.

(c) The All India term lending institutions select eligible persons for nomination from a common panel drawn up by the Industrial Development Bank of India and approved by