

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:6177
ANSWERED ON:05.05.2000
GUIDELINES FOR NAVRATNA PSUS
BHAWANA GAWALI (PATIL)

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government have issued any guidelines for the Board of Directors of Navratna Public Sector Undertakings; and
- (b) if so, the details thereof ?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES

(Dr. VALLABHBHAI KATHIRIA)

(a) & (b): Yes, Sir. The guidelines provide that the Boards of Navratna PSEs should be restructured by inducting non-official Directors as the first step before the exercise of the enhanced delegation of authority and that each of these PSEs should induct, in the first instance, at least four non-official part-time Directors of an impeccable stature and background. Within six months, the number of non-official part-time directors is to be increased to reach at least 1/3rd of the total strength of the Board. The guidelines also provide for setting up a Search Committee comprising Chairman (PESB), Secretary (DPE), Secretary of the administrative Ministry and eminent person(s) to be nominated by Industry Minister, for selection of non-official part-time Directors in these Companies. The final selection based on the recommendations of the Search Committee shall be made by the administrative Ministry. There shall be no separate requirement for any specific clearances for vigilance for non-official part-time Directors and the stipulation of the Companies Act regarding qualifications/disqualifications for Directors as applicable to public limited companies would apply in these cases also