

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

UNSTARRED QUESTION NO:4169  
ANSWERED ON:19.08.2010  
PROFESSIONALISATION OF PSUS MANAGEMENT  
Rathwa Shri Ramsinhbhai Patalbhai

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

- (a) the measures taken by the Government to professionalise the management of Public Sector Undertakings (PSUs);
- (b) the progress so far made in the matter of professionalisation of top management of PSUs;
- (c) whether this process will be proceeded to percolate down the line of the organisation;
- (d) if so, the details thereof;
- (e) whether the Board of Directors of PSUs enjoy autonomy in certain respects subject to broad policy guidelines issued by Department of Public Enterprises;
- (f) if so, whether there is any conflict in this regard; and
- (g) if so, the reasons therefor and the steps taken in this regard?

**Answer**

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV)

- (a) : The Government has issued guidelines for Professionalization of Boards of Central Public Sector Enterprises (CPSEs), which provide for appointment of requisite number of functional, government and non-official Directors.
- (b) : During the last three years (2007, 2008 and 2009), names of about 330 persons have been recommended for appointment as non-official Directors on the Boards of CPSEs.
- (c) and (d) : The professionalization of below Board level management is dealt with by the concerned CPSEs and their administrative Ministries.
- (e) : The Board of Directors of Maharatna, Navratna, Miniratna and other profit making CPSEs have been delegated powers in the areas of capital expenditure, investment in joint ventures/subsidiaries, human resource management, raising debt, entering into technology joint ventures or strategic alliances, etc.
- (f) and (g) : There is no conflict in this regard as the concerned CPSEs have been advised to take steps, wherever necessary, in consultation with their Administrative Ministry/Department, to amend their Articles of Association to bring them in line with guidelines issued by Department of Public Enterprises after complying with the provisions of the Companies Act.