

**GOVERNMENT OF INDIA
PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA**

UNSTARRED QUESTION NO:3113
ANSWERED ON:12.12.2012
APPOINTMENT OF BOARD OF DIRECTORS
Vasava Shri Mansukhbhai D.

Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

- (a) whether the Government has made any efforts to appoint more specialised/ expert persons in the Board of Directors of Navratna and Miniratna companies instead of appointing the IAS and IPS officers;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor and the reaction of the Government thereto; and
- (d) the details of the steps taken in this regard?

Answer

Minister of State in the Ministry of Personnel, Public Grievances and Pensions and Minister of State in the Prime Minister's Office.
(SHRIV. NARAYANASAMY)

(a) & (b): Yes, Madam. Apart from Government Directors, the Board of Central Public Sector Enterprises (including Navratna and Miniratna companies), comprises Functional and Non-official Directors. The Selection of Functional Directors is done through Public Enterprises Selection Board (PESB). The Government officers (including IAS and IPS) can also apply for the posts of Functional Director on immediate absorption basis i.e. after leaving the government job. PESB recommends the panel for vacancies of Functional Directors, keeping in view the performance of candidates interviewed with special regard to their qualities of managerial capability, leadership, broad vision, track record. Thus, only experts/specialized persons in their respective field are likely to get selected. Only in rare and exceptional cases, when the PESB is unable to find suitable candidate(s), the post is allowed to be filled up from Government officers on deputation basis.

The Non-official Directors are appointed on the basis of recommendation of Search Committee of Department of Public Enterprises. As per extant guidelines, apart from retired Government servants, Ex-Chief executives of CPSEs, Ex- functional Directors of Schedule 'A' CPSEs, Academicians, Professionals, Persons with proven track record from Industry, Business, Agriculture or Management, having requisite qualifications and experience, are also eligible to be considered for appointment as Non-official Directors on the Board of CPSEs. The guidelines also provide consideration of former/serving Chief Executive Officers (CEOs) and Directors of Private Companies subject to certain conditions, for appointment as Non-official Directors on the Board of CPSEs. The field has been thus kept very wide and choice is not restricted to retired government servants alone.

(c): In view of the above, question does not arise.

(d): Reply to this part is included in the replies to part (a) & (b).