

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3680

ANSWERED ON:03.09.2012

APPOINTMENT OF CMD

Baitha Shri Kameshwar ;Saroj Smt. Sushila;Upadhyay Seema;Verma Smt. Usha

Will the Minister of STEEL be pleased to state:

- (a) the procedure and eligibility criteria prescribed for the appointment of any person to the post of the Chairman and Managing Director (CMD) of National Mineral Development Corporation (NMDC);
- (b) whether prescribed procedure and criteria had been diligently followed and necessary clearance from the Central Vigilance Commissioner was sought in case of appointment and extension of the tenure of the CMD of the NMDC;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) whether there has been reports of irregularities in the award of tenders and selling of iron ore by the NMDC causing a huge loss to the national exchequer;
- (e) if so, the details thereof; and
- (f) the action taken/proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a) Appointment to Board level Posts in Public Sector Enterprises, including the post of Chairman and Managing Director (CMD) of NMDC Limited, are made as per the Government of India (Transaction of Business) Rules, 1961 after securing prior approval of Appointments Committee of the Cabinet (ACC) on the basis of recommendation made by Public Enterprises Selection Board (PESB) and clearance of the Central Vigilance Commission (CVC). The job description indicating the eligibility criteria for the post of CMD, NMDC Limited is annexed.

(b)&(c): Yes, Madam As per the procedure, PESB made its recommendation for the post of CMD, NMDC Limited on 20.07.2011. Thereafter, CVC was requested on 04.08.2011 for vigilance clearance in respect of the candidate recommended by PESB for the post of CMD, NMDC Limited. However, due to non receipt of CVC clearance, regular appointment to the post of CMD, NMDC Limited could not be made till 31.12.2011, the date on which regular incumbent to the post retired on superannuation. No extension of tenure was given to the then regular CMD.

(d)to(f): Some representations regarding alleged irregularities in award of tenders by NMDC for installation of Thin Slab Caster for Rolling Mill and Hot Strip Mill for the Integrated Steel Plant at Nagarnar have been received in the Ministry of Steel. Preliminary examination reveals that no irregularities have been committed. The matter has been investigated and investigation report has been sent to CVC.