

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

UNSTARRED QUESTION NO:3950
ANSWERED ON:06.08.2014
GUIDELINES FOR APPOINTMENTS IN PSUS
Gandhi Shri Dilip Kumar Mansukhlal

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

- (a) the details of guidelines for the appointment of Chairman and Managing Director and constitution of Board of Directors in the Public Sector Undertakings;
- (b) whether the appointment of CMD is only for three years, during which CMD can not implement development proposals;
- (c) if so, whether the Government has received any representation from several Members of Parliament; and
- (d) if so, the action taken/proposed to be taken by the Government on such representation?

Answer

Minister of State in the Ministry of Personnel, Public Grievances and Pensions and Minister of State in the Prime Minister's Office.
(DR. JITENDRA SINGH)

(a): The detailed guidelines for appointment of Chairman & Managing Director (CMD) and constitution of Board of Directors in the Central Public Sector Under takings (CPSUs) are available in the notified Public Enterprises Selection Board (PESB) Resolution dated 03.03.1987, as amended from time to time; PESB guidelines on policy and procedure to be followed for making Board level appointments; and the Department of Public Enterprises (DPE) O.M. No. 18(6)/91- GM dated 16.03.1992 and 13.11.1995 regarding appointment of Board level functionaries and are available at PESB/DPE websites (www.pesb.gov.in and www.dpe.nic.in) respectively.

(b): No, Madam. As per extant guidelines of DoPT/PESB, the Functional Directors (CMD/Directors) are appointed on the board of CPSUs for tenure of 5 years or till the age of superannuation, whichever is earlier. If the initial tenure of 5 years of an incumbent comes to an end prior to his attaining the age of superannuation, the term may be further extended till the date of his superannuation with the approval of the Appointments Committee of the Cabinet, subject to his meeting the prescribed performance benchmark, and on being clear from the vigilance angle.

(c) & (d): Since the Department of Public Enterprises is the nodal Department in this regard, information was sought from them. They have conveyed the details of two representations:

(i) A representation from Shri Dilip Gandhi, Member of Parliament requesting that the tenure of CMDs be raised from 3 to 5 years and if necessary, the age of superannuation may be raised by 2 years for this purpose.

(ii) A representation from Dr. M. Veerappa Moily, former Minister for Petroleum & Natural Gas recommending that the appointees to the posts of CMDs/Functional Directors should be given a fixed term of 5 years, or allowed to serve till the age of 63 years, whichever is earlier.

There is no decision of the Government to give a fixed tenure to CMD/Functional Director of any CPSU even by allowing them to continue beyond the age of superannuation.