

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

UNSTARRED QUESTION NO:2369
ANSWERED ON:13.03.2006
APPOINTMENT OF INDEPENDENT DIRECTORS IN PSUS
Nahata Smt. P. Jaya Prada

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

- (a) whether the Department of Public Enterprises has issued new guidelines for appointment of independent directors in Public Sector Undertakings (PSUs);
- (b) if so, the details thereof;
- (c) whether appointments have since been made in pursuance of the said guidelines; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) and (b): The Government has laid down criteria regarding age, qualification and experience for appointment of Independent Directors on the Boards of Public Sector Enterprises (PSEs). The criteria regarding experience was further amended recently to include `persons of eminence with proven track record from Industry, Business and Agriculture` .

(c) and (d) : The proposals for appointment of Independent Directors are submitted by the concerned Administrative Ministries on the basis of existing guidelines for the consideration of Search Committee/Public Enterprises Selection Board (PESB). The appointments are thereafter made by the concerned Administrative Ministries on the basis of recommendations made by Search Committee/PESB after obtaining the approval of the competent authority.