

CHAPTER II **PERSONNEL POLICIES**

(b) Composition of Board of Directors

32. DPE/Guidelines/II(b)/32

Age of retirement of part-time Chairmen and criteria for appointment of part-time non-official Directors in Central PSUs.

The question of prescribing age of retirement for part-time Chairmen of Central Public Sector Enterprises as also laying down requisite criteria for appointment of part-time non-official Directors on the Boards of PSUs were under consideration of the Government.

2. Government have now decided that the age of retirement of part-time Chairmen of public enterprises should be 62 years.

3. As regards the selection and appointment of part-time non-official Directors, the following criteria will come into force forthwith:-

(a) Qualification: Minimum qualification for part-time non-official Directors would be graduate degree from a recognized university.

(b) Experience: Not less than 10 years at the level of Joint Secretary and above in the Government; CMD/MD in Corporate Sector/PSU; Professor level in an Academic Institution or professionals of repute like eminent Chartered Accountants/Cost Accountants at the level of Directors of Institutes/Heads of Department.

In selecting academics at the level of Professors, these academics should be in fields relevant to the company's area of operation, e.g. management, finance, marketing, technology, human resources, or law, as Professors of some other disciplines may have little to contribute.

(c) Age: The age band should be between 45-65 years (minimum/maximum limit). This could however, be relaxed for eminent professionals, for reasons to be recorded, being limited to 70 years.

4. It has also been decided that the above criteria should be applied for Navratna/Miniratna enterprises in such a way as to ensure that they could be globally competitive and have a level playing field with the Corporates.

5. All the administrative Ministries/Departments are requested to take note of the above decisions of the Government for guidance and compliance.

(DPE O.M. No. 18(10)/2003-GM-GL-55 dated 11th March, 2004)