

CHAPTER II

PERSONNEL POLICIES

(b) Composition of Board of Directors

31. DPE/Guidelines/II(b)/31

Policy regarding date of upgradation of pay scales of Board level executives of PSUs consequent upon the upgradation of the PSU.

The Public Sector Undertakings are categorized into four schedules, namely, A, B, C and D. The schedule of a PSE is sometimes upgraded on the basis of criteria laid down for this purpose. The question as to the date from which the upgradation of the pay scales of the incumbent Board level functionary should take effect as a consequence of the upgradation of the schedule of the PSU concerned has been under consideration of the Government for some time.

2. As per the extant instructions on the subject, the approval of the Appointments Committee of the Cabinet is required for making appointments to the posts of Chairman and other Members of the Board of Management (including the Managing Director and Financial Adviser, if the Financial Adviser is a Member of the Board of Management) of Schedule 'A' and 'B' State owned public corporations, companies or enterprises, except where such appointment is made on ex-officio basis by the Government. The powers for making appointments to the Board level posts in Schedule 'C' and 'D' PSUs have been delegated to the administrative Ministries/Departments provided such appointments are strictly in accordance with the recommendations of the Public Enterprises Selection Board.

3. All decisions of the Appointments Committee of the Cabinet have prospective effect unless otherwise specified therein. Therefore, it has been decided that the date of order of ACC in respect of upgradation of an officer should be the relevant date for allowing the higher scale of pay to him. In the cases of Schedule 'C' and 'D' PSUs, the date of approval of the PESB recommendations by the competent authority in the administrative Ministry/Department concerned would be the relevant date for allowing the higher scale of pay.

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