

No. 9(15)/2012-GM
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises


Public Enterprises Bhawan,
Block No. 14, CGO Complex,
Lodhi Road New Delhi-110003.
Dated the 31st July, 2013

OFFICE MEMORANDUM

Subject: Eligibility criteria for persons to be considered for appointment as non-official Directors on the Boards of CPSEs.

The undersigned is directed to state that the Appointments Committee of the Cabinet (ACC) has approved the proposal for laying down a limit of not more than 10 private companies (with the existing ceiling of not more than 3 for CPSEs remaining unchanged), a person can hold directorship for being considered for appointment as non-official Director in a CPSE.

2. A copy of the revised eligibility criteria for persons who can be considered for appointment as non-official Directors on the Boards of CPSEs is enclosed. The enclosed criteria may be referred to while preparing the panel of names to be furnished to DPE for appointment of non-official Directors on the Boards of CPSEs and processing the recommendations of Search Committee for obtaining the approval of competent authority.


(Umesh Dongre)
Director
Tel:2436-3066

Encl: As stated

To:

Secretaries of all Ministries/Departments (by name)

Copy to: Department of Personnel & Training (Shri Chetan Prakash Jain, Director (ACC), North Block, New Delhi:- with reference to ACC decision No.13(15)EO/2007(ACC) dated 22nd July, 2013.

O/C

Criteria for selection/appointment of non-official Directors on the Boards of CPSEs as laid down by the Government

(A) Criteria of Experience

- (i) Retired Government officials with a minimum of 10 years experience at Joint Secretary level or above.
- (ii) Persons who have retired as CMD/CEOs of CPSEs and Functional Directors of the Schedule 'A' CPSEs. The ex-Chief Executives and ex-Functional Directors of the CPSEs will not be considered for appointment as non-official Director on the Board of the CPSE from which they retire. Serving Chief Executives/Directors of CPSEs will not be eligible to be considered for appointment as non-official Directors on the Boards of any CPSEs.
- (iii) Academicians/Directors of Institutes/Heads of Department and Professors having more than 10 years teaching or research experience in the relevant domain e.g. management, finance, marketing, technology, human resources, or law.
- (iv) Professionals of repute having more than 15 years of relevant domain experience in fields relevant to the company's area of operation.
- (v) Former CEOs of private companies if the company is (a) listed on the Stock Exchanges or (b) unlisted but profit making and having an annual turnover of at least Rs.250 crore.
- (vi) Persons of eminence with proven track record from Industry, Business or Agriculture or Management.
- (vii) Serving CEOs and Directors of private companies listed on the Stock Exchanges may also be considered for appointment as part-time non-official Directors on the Boards of CPSEs in exceptional circumstances.

(B) Criteria of Educational Qualification

Minimum graduate degree from a recognized university.

(C) Criteria of 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.

(D) Reappointment

The non-official Directors, will not be re-appointed in the same CPSE after completing a maximum of two tenures, each tenure being for a period of three years.

(E) Appointment in number of CPSEs at the same time

One person will not be appointed as non-official Director on the Boards of more than three CPSEs at the same time.

(F) Directorship in private companies

A person being considered for appointment as non-official Director on the Board of CPSEs should not hold directorship in more than 10 private companies.
