

CHAPTER II **PERSONNEL POLICIES**

(b) Composition of Board of Directors

17. DPE/Guidelines/II(b)/17

Composition of Board of Directors of Public Sector Enterprises.

The undersigned is directed to say that the Department Related Parliamentary Standing Committee on Industry, in its 17th Report on "Industrialization of Backward Areas and the state of Capital Goods Sector, has made the following observations/recommendations:

"The Committee has also noticed that post of Chief Executive in many of the PSUs including Director level posts have been lying vacant for months and these undertakings are being looked after by the Joint Secretaries of the Ministry as additional charge. The perception of the experts and skilled professionals and that of the bureaucrats is always different, as a result, growth of the companies and their competitiveness is being compromised. If the public sector has to be made commercially viable and strive towards excellence, it is necessary that immediate steps should be taken to delink the bureaucracy from professional jobs".

2. The above observations/recommendations were considered in the Government and it has been decided that temporary vacancies of Chairman and Managing Directors of public enterprises may be filled in by giving officiating charge to the senior most Functional Director on the Board of the concerned enterprise. In case a Public Sector Undertaking does not have a post of Functional Director on its Board, necessary steps to implement the decisions contained in DPE O.M. NO. 18(6)/91-GM dated 16.3.1992 wherein it was indicated that every board should have some Functional Directors whose number could be upto 50% of the actual strength may be taken.

3. All the administrative Ministries/Departments are requested to follow the above decisions and take action accordingly.

(DPE O.M. No. 18(5)/96-GM dated 10th October, 1996)