सत्यमेव जयते
Government of India

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D.O. No.13/07/2010-PESB

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Dated, the 13th May, 2011

Dear

The Public Enterprises Selection Board (PESB) has been entrusted with the responsibility of making recommendations for Board level appointments in Central Public Sector Enterprises and has issued guidelines in this regard from time to time in addition to the guidelines issued by the Appointments Committee of the Cabinet and the Department of Public Enterprises.

As you are aware, PESB handles the following responsibilities with respect to Board level appointments in CPSEs:

1. **Vacancies:**

PESB monitors all vacancies and sends the Job Description of various posts to the Administrative Ministry for comments well in advance of one year prior to the date of vacancy. On receipt of comments, PESB approves the Job Description and requests the CPSE to place advertisements in at least two leading national dailies besides putting them up on the website of PESB. On receipt of applications, PESB shortlist 15 candidates on the basis of eligibility criteria and invites them to be interviewed by the Board. Out of these 15 candidates usually 8 are internal (from the same CPSE or its subsidiary), 3 are sectoral (from PSEs of the same Administrative Ministry) 2 external (from any other CPSE) and 2 are from Govt./ State Govt./ State PSE and the private sector. Any shortfall in any quota is distributed on pro rata basis to other groups.

2. Confirmation:

PESB has been monitoring the Board structure of PSEs and writes to Administrative Ministries on the completion of the first year of tenure of a Board level executive requesting for a proposal of confirmation. This proposal includes a Special Performance Report (SPR) in prescribed format devised by PESB, up to date ACRs and a report on the performance of the executive vis a vis MOU targets.The SPR of Director level executives is initiated by the CMD/MD/Chairman of the PSE and countersigned by the Secretary of the Ministry indicating his agreement/disagreement with the evaluation of the CMD/MD and is sent to PESB. For CMD/MD/Chairman, the SPR is written by the Secretary of the Administrative Ministry and sent to PESB along with the documents after completion of 1st year.

Executives who score less than 37.5 marks on the SPR are called for a joint appraisal meeting with the Board in presence of the Secretary of the Administrative Ministry. In case the recommendation of non-confirmation is approved by the Competent Authority, the executive vacates the post.

3. Extension:

Board level executives are given a tenure of five years or a tenure upto their age of superannuation, whichever is earlier. On completion of a tenure of five years, if an executive has not attained the age of superannuation, a proposal for extension/non-extension is required to be forwarded to PESB by the Administrative Ministry and the said proposal is considered in a joint appraisal meeting which is attended by the executive and the Secretary of the Administrative Ministry. The proposal has to include a Special Performance Report, Performa B,C, and D devised by PESB alongwith up-to-date ACRs and a recommendation in narrative form by the Secretary of the Administrative Ministry. Executives continue in their posts until the recommendation of PESB is approved or otherwise by the Competent Authority. In case of non-extension, the tenure of the executive will come to an end.

All other proposals like proposals for appointment of nonofficial Directors, up-gradation of Schedules, creation of posts etc are required to be routed through the Department of Public Enterprises to PESB.

Now ACC has reviewed the various procedures and timelines of the aforementioned areas of responsibility and has issued directions vide their letter no. 28(30)EO/2010(ACC) dated 31st March, 2011 (copy enclosed).

I am taking this opportunity to draw your kind attention to the directions contained in ACC guidelines for future compliance.

Vacancies:

In compliance of the ACC direction that vacancies will be advertised one year in advance of the occurrence of vacancy, PESB will send the Job Description of the post 16 months in advance to the Administrative Ministry in case of "superannuation" vacancies. In case Ministry's comments are not received within 15 days, PESB shall finalize the same, on the basis of existing description so that the schedule for advertising vacancies is adhered to strictly.

The recommendation of the PESB shall be sent to the Ministry concerned six months before the expiry of tenure of the incumbent in case of "superannuation" vacancies. The PESB shall send only one name to the Ministry for its consideration. A reserve name shall be kept in a sealed cover with the PESB and shall be disclosed only upon orders of the ACC.

As per ACC directions the details of all the candidates interviewed and recommended by the PESB for each vacancy are being placed on the website of the PESB, www.pesb.gov.in, the same day the interviews are concluded.

In case of "unanticipated vacancies" the comments of the Ministry on the Job Description should be sent to PESB within a week so that PESB is enabled to send its recommendation within four months of the occurrence of vacancy.

Any vacancy or joining of post/by Board level executives needs to be informed immediately to PESB so that the date of vacancy/ date of joining can be known which is very crucial for formulating job descriptions.

In order to facilitate compliance of the timelines stipulated by ACC, Ministries may take appropriate action to ensure the availability of ACRs and vigilance profiles at short notice.

2. Confirmation of Board level appointees

Now Ministries are required to send proposals to PESB only in cases of non-confirmation on performance grounds i.e. in cases where the score on the SPR is less than 37.5.A CMD/ MD/Functional Director would be deemed to be confirmed unless the Ministry/Department sends a proposal to the PESB, to the contrary, within 30 days after the expiry of one year.

Within this stipulated period of one year and thirty days, the officer would be deemed to have been confirmed and the Ministry shall issue necessary order for confirmation, if the Ministry fails to send a proposal to the contrary, to the PESB.

The PESB shall hold a Joint Appraisal on receipt of the proposal for non-confirmation, after which the proposal shall be sent to the Ministry for placing before the ACC for orders. Therefore, Ministry must ensure that proposals reach with complete documents to avoid delay.

If the Ministry/Department is not inclined to confirm the appointee for reasons other than performance such as vigilance issues etc., then such proposal shall be submitted to the ACC directly at least 30 days in advance of the expiry of the scheduled tenure of the incumbent.

The EO shall monitor all cases of confirmation every month and send a report for information of the ACC. Ministry is requested to send a monthly report in this regard to PESB for information.

3. Extension of Board level appointees

Now only proposals of non-extension on performance grounds are required to be sent to PESB by the Administrative Ministries.

All cases of extension shall be referred to the ACC, as is the existing procedure.

The PESB is in consultation with the DPE to evolve a benchmarking system to be applicable while considering proposal for extension. It will be sent to the Ministries shortly. All proposals in which the incumbent meets the benchmark and the Ministry/Department decides to recommend extension shall be referred to the ACC for approval, not later than two months before the scheduled expiry of the tenure of the incumbent. No reference would be needed to PESB for a fresh joint appraisal.

All proposals, wherein the incumbents meet the benchmark, but have some other issue such as vigilance etc. for which the Ministry/Department is not inclined to recommend extension, shall be referred to the ACC for consideration six months before the scheduled expiry of tenure of the incumbent.

All proposals wherein the incumbent does not meet the benchmark shall be referred to the PESB by the Department/ Ministry concerned. This reference has to be made six months before the scheduled expiry of tenure of the incumbent. The recommendation of the PESB shall be referred to the ACC, for orders as at present.

4. **<u>Designation of a nodal officer</u>**

A nodal officer is sought to be appointed in every Ministry at the level of Joint Secretary to facilitate these procedures and adhere to the ACC timelines.

The name, address, telephone, fax, mobile number of the nodal officer may be communicated to PESB and also displayed on the website of the Ministry

With

Yours

Sd/-
(Dr.(Mrs.) Parvinder Sohi Behuria)

Enclosure: ACC letter no. 28(30) EO/2010(ACC) dated 31/03/2011.

GOVERNMENT OF INDIA
SECRETARIAT OF THE
APPOINTMENTS COMMITTEE OF THE CABINET
DEPARTMENT OF PERSONNEL AND TRAINING
OFFICE OF THE ESTABLISHMENT OFFICER
NORTH BLOCK, NEW DELHI

No.28(30)EO/2010 (ACC) Dated the 31st March, 2011

Reference correspondence resting with the Public Enterprises Selection Board communication No. 13(7)/2010-PESB dated 6.8.2010.

The Appointments Committee of the Cabinet has approved the following proposal:

(1) Fresh appointments:

(a) The Ministry/Department concerned shall finalize/modify the job description/qualifications/eligibility conditions and communicate the same to the PESB, three months in advance of the stipulated period of one year. In the event of such a job description/qualifications/eligibility conditions not being received by the stipulated time, the PESB shall finalize the same, on the basis of existing description so that the schedule for advertising vacancies is adhered to strictly.

(b) The advertisement for a vacancy should be released by the PESB one year before the expiry of the tenure of he incumbent.

(c) The recommendation of the PESB shall be sent to the Ministry concerned six months before the expiry of tenure of the incumbent.

(d) The PESB shall send only one name to the Ministry for its consideration. A reserve name shall be kept in a sealed cover with the PESB and shall be disclosed only upon orders of the ACC.

(e) The details of all the candidates interviewed and recommended by the PESB for each vacancy shall be placed on the website of the PESB, the same day the interviews are concluded.

(f) The PESB shall send a copy of its recommendation to the Ministry / Department concerned and to the CVC as advance information.

(2) Confirmation of Board level appointees:

(a) A CMD/ MD/Functional Director would be deemed to be confirmed unless the Ministry/Department sends a proposal to the PESB, to the contrary, within 30 days after the expiry of one year.

(b) Within this stipulated period of one year and thirty days, the officer would be deemed to have been confirmed and the Ministry shall issue necessary order for confirmation, if the Ministry fails to send a proposal to the contrary, to the PESB.

(c) The PESB shall hold a Joint Appraisal on receipt of the proposal, within one month, after which the proposal shall be sent to the Ministry for placing before the ACC for orders.

(d) If the Ministry/Department is not inclined to confirm the appointee for reasons other than performance such as vigilance issues etc., then such proposal shall be submitted to the ACC directly at least 30 days in advance of the expiry of the scheduled tenure of the incumbent.

(e) The EO shall monitor all cases of confirmation every month and send a report for information of the ACC.

(3) Extension of Board level appointees:

(a) All cases of extension shall be referred to the ACC, as is the existing procedure.

(b) The PESB shall, in consultation with the DPE, evolve a benchmarking system to be applicable while considering proposals for extension.

(c) All proposals in which the incumbents meet the benchmark and the Ministry/Department decides to recommend extension shall be referred to the ACC for approval, not later than two months before the scheduled expiry of the tenure of the incumbent. No reference would be needed to PESB for a fresh joint appraisal.

(d) All proposals, wherein the incumbents meet the benchmark, but have some other issue such as vigilance etc. for which the Ministry/Department is not inclined to recommend extension, shall be referred to the ACC for consideration six months before the scheduled expiry of tenure of the incumbent.

(e) All proposals wherein the incumbents do not meet the benchmark shall be referred to the PESB by the Department/ Ministry concerned. This reference has to be six months before the scheduled expiry of tenure of the incumbent. The recommendation of the PESB shall be referred to the ACC, for orders as at present.

(f) All proposals wherein the Ministry suggest termination/non-extension of the incumbent shall be accompanied by the proposal for giving additional charge.

(4) Unanticipated vacancies:

As far as unforeseen vacancies are concerned, the PESB shall give three weeks for the applications and in any case select and recommend a candidate within four months of the date of vacancy.

(5) Scope of the above guidelines:

While these guidelines relate to appointment/confirmation and extension of CMD/MD/Functional Directors of Schedule A and B PSEs, the same would apply to those belonging to schedule C and D except that the final decision would be taken by the Ministry, as at present, and no reference to the ACC would be needed.

(6) Designation of a nodal officer

While the overall responsibility for keeping a track of the vacancies and filling them would be with the Secretary concerned, the Ministry/Department shall assign Specific tasks to the Joint Secretaries concerned and also include this as a part of key deliverables of the officer.

Sd/-
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