

No.5/3/2020-PESB

भारतसरकार / Government of India  
कार्मिकएवंप्रशिक्षणविभाग / Department of Personnel and Training  
लोकउद्यमचयनबोर्ड / Public Enterprises Selection Board

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Block No.14, C.G.O. Complex, Lodhi Road,  
नईदिल्ली/ New Delhi – 110003,  
दिनांक/ Dated: 27<sup>th</sup> August, 2020

**कार्यालयज्ञापन/ OFFICE MEMORANDUM**

**Subject: - Consultation on Reforms for selection of personnel for Board Level posts in CPSEs.**

The Public Enterprises Selection Board has reviewed the extant Guidelines and processes being followed in the selection of personnel for Board level posts in CPSEs as per its mandated contained in Government Resolution No. 27(21)-EO/86 (CC) dated 03.03.1987. Reforms are contemplated inter alia, for simplification and rationalization processes, attracting better talent from all sectors, widening the pool, providing a level playing field to applicants, standardizing the Job Description, increasing the slots for short-listing, allowing fungibility of vacant slots across categories so that no slot is allowed to go vacant, standardizing eligibility criteria, modifying the short-listing criteria accordingly, faster processing of confirmation and extension of tenure, mandating filing of APARs online, etc. A draft “**Suggestive Reforms Proposal**” has been uploaded on PESB website for consultation with all stakeholders which will be available till 30.09.2020. Suggestions/comments, if any, may be forwarded to e-mail id [secypesb@nic.in](mailto:secypesb@nic.in) latest by **30.09.2020**.

  
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F. No.5/3/2020-PESB  
Government of India  
Department of Personnel & Training  
Public Enterprises Selection Board

Block No. 14 C.G.O. Complex  
New Delhi-110003  
Dated: 27.8.2020

**Subject: Consultation on reforms in selection of personnel in the Board Level posts of Central Public Enterprises (CPSEs)**

**1. Background**

**The PESB was set up by a Government of India** Resolution No. 5(1)/74/BPE(PESB) dated 30<sup>th</sup> August, 1974. A compendium of Guidelines pertaining to Board level appointments in Central Public Sector Enterprises (CPSEs) incorporating the reference of extant governing OMs/orders/instructions was circulated by the EO/DoPT under his D.O.No. 28/43 (EO)/ 2013-ACC dated 29<sup>th</sup> August 2017 (**available on [www.pesb.gov.in/Home/Guidelines](http://www.pesb.gov.in/Home/Guidelines)**). Thereafter, few more instructions have been issued by ACC on the subject from time to time. As per ToR contained in Resolution No. 27(21)-EO/86 (CC) dated 3<sup>rd</sup> March, 1987 the PESB has been given the following mandate: -

- a. Selection & Placement of personnel in the Board Level Posts of CPSEs.
- b. Advise the Government on matters relating to appointment, confirmation or extension of tenure and termination of services.
- c. Advise the Government on the desired Board structure.
- d. Advise on suitable Performance Appraisal System.
- e. Build a data bank containing data relating to the performance of PSEs and its officers
- f. Formulation of code of Conduct & Ethics.
- g. Advise the Government on evolving suitable training & development programmes.

**2. The Procedure being Followed at present** The procedure being followed for selection of candidates for appointment to Board level positions in the Central Public Sector Enterprises *inter- alia* includes the following:

- (i) **Post specific advertisements** are issued by PESB. Since eligible candidates may be shortlisted four times in a year often without getting recommended, they keep getting shortlisted within the available slots. Further repeated interviews for functionally similar posts (like Director Finance/HR/marketing across the same schedule and cognate group) amongst almost the same pool are conducted by PESB. This leads to restrictive pool for shortlisting candidates, repetitive appearance, time consuming, procedural delays and denial of opportunity to other candidates. As a result, the system also loses on younger talent due to repetitive shortlisting of unsuccessful candidates, who can appear four times in a year.

- (ii) **Job description including the eligibility criteria** is finalised for each post in consultation with the concerned Administrative Ministry/Department. While CPSE specific requirements are appreciated this often leads to different mandatory qualification and experience criteria prescribed for identical posts like Director Finance/HR etc. where CPSE specific experience is not all that critical. E.g. Historically different mandatory experience criteria ranging from 2-8 years have been prescribed for similar/identical posts, like eight years in Coal sector, which results in elimination of most candidates from other categories. Further, prescribing different mandatory qualification & experience allows subjectivity and restrict competition by inbuilt exclusion of candidates from other categories.
- (iii) **Verification of applications** by respective CPSEs/Ministries is still offline, though candidates apply online on PESB's portal. This leads to delay in filling up of posts.
- (iv) **Vigilance Clearance.** Vigilance clearance is often not available at the time of shortlisting and interview. Possibility of recommending candidates to whom vigilance may later be denied cannot be ruled out and consequently leads to delay as the entire selection process needs to be repeated.
- (v) **Prospective Candidates from Autonomous Bodies.** Certain Government Organisations i.e. DMRC, NHAI, other Government Companies are not presently eligible to apply. Further, under Central Government Category only organised Group 'A' services are eligible to apply. In this regard, there are many other Central Government Services which are not a part of the organised service i.e. Indian Bureau of Mines etc. There is limited justification in excluding candidates from such services/autonomous bodies when candidates from SPSEs and private sector are allowed to apply.
- (vi) **Confirmation of incumbent is done after evaluation** of one-year performance. It is, however, not meaningful as financial results and APAR are not available in one year. Thus, in the present system, confirmation cannot be objectively linked with the performance of the incumbent.
- (vii) **Extension of Tenure.** Each selected candidate is allowed a maximum tenure of **5 years**, subject to the age of superannuation. In case the incumbent is left with residual service, retirement, extension of service is usually processed, subject to satisfactory performance and good conduct of the individual. However, in case residual service to retirement is short say 1 day to 6 months, presently the procedure followed for extension is time consuming and cumbersome.
- (viii) **As regards APARs**, there are different formats, timelines across CPSEs. In many cases APARs are not on a system like SPARROW with inbuilt provisions like auto-forwarding to the next level. While the responsibility of appraisal exists in the off-line system, different formats also makes it difficult to compare across CPSEs, even in the same cognate group.
- (ix) **The criteria followed for short-listing** candidates is not explicitly listed in the public domain, though it can be gleaned from various guidelines, which are available in the public domain on PESB's website.
- (x) **A maximum of 12/13 candidates are shortlisted for interview** for each post. Internal candidates are given a greater share of the representation amongst the

shortlisted candidates (6 out of 12). Some other criteria presently followed in shortlisting and needing review include the following: -

- (a) The eligibility criteria relating to period of experience in the eligible scale of pay and residual service as on the date of vacancy and requirement of educational qualifications are more favourable to some category of candidates.
- (b) The Resolution dated 03.03.1987 provides that external candidates are to be selected only if their performance is '**markedly better**' than that of internal candidates.
- (c) The high annual turnover limits fixed for **private candidates** tend to exclude them especially in sectors where there is near monopoly of public sector and private sector has not reached that level, Ex. Coal, Oil Sectors etc.

Restriction on fungibility of candidates from one category to other despite maximum of 12/13 slots available for shortlisting (6 internal, 2 sectoral (Cognate Group), 2 other CPSEs and 2/3 Central Government/SPSE/Private candidates, limits the availability of talent pool. As a result, despite large number of applicants (say 40-50) shortlisting against all 12 slots very rarely happen.

3. **Data Analytics of PESB, Selection Data Base.** While arriving at reforms proposed, data on 218 Selection Meetings (approx.) held at PESB, from Apr'17 to Aug'18 was analysed. PESB, however could make recommendations only in 166 cases at CMD/MD/ Director Levels. In 52 interviews, PESB could not find suitable candidate. One of the main contributing factors for this was limited selection pool leading to shortlisting of six or less candidates as against 12 permissible shortlisting against each vacancy. The key findings are placed below.

**Table 1:**

**Break up of Selection of 166 candidates by Category**

Category of Candidate	Total candidates interviewed	Number of candidates recommended	Share in Selection
	(1)	(2)	(3)
Internal	648	108	65%
Cognate Group	157	11	6.6 %
Non-cognate group	245	33	19.8 %
Govt/SPSE/Private	112	14	8.4%
<b>Grand Total</b>	<b>1162</b>	<b>166</b>	<b>100%</b>

In 46 SM, no candidate was selected, while in 6 SM, no candidate appeared in the interview

**Table 2:**

**Analysis of number of candidates attending selection meetings from April 17 to August 18**

Number Appeared for interview	Total Number of Interviews held	Selection Successful	None found Suitable
Interviews held with single candidate	15	6	9
Interviews held with 2 candidates each	20	15	5
Interviews held with 3 candidates each	25	17	8
Interviews held with 4 candidates each	30	16	14
Interviews held with 5 candidates each	12	11	1
Interviews held with 6 candidates each	25	20	5
Interviews held with 7 candidates each	33	31	2
Interviews held with 8 candidates each	22	21	1
Interviews held with 9 candidates each	13	12	1
Interviews held with 10 candidates each	12	12	
Interviews held with 11 candidates each	2	2	
Interviews held with 12 candidates each	3	3	
Interviews where no candidate turned up	6	-	6
<b>Total</b>	<b>218</b>	<b>166</b>	<b>52</b>

**Observations.** From analysis of data and Table 1 and 2 above, it is seen that: -

- In 58% (127 cases) 6 or lesser candidates were interviewed, against 12 allowed
- In 60 instances (27.5%) 3 or less candidates were interviewed for a post. In 22 such cases (8%) no candidate was selected.
- In 6 instances selection has been made with single candidate interviewed.
- In 21% (46 instances) no candidate has been found suitable and another 6 times no candidates turned up for interview. Thus in 24% cases no candidate could be selected.
- Only in 8% (17 instances) 10 or more candidates were interviewed
- In the internal category quota of 6 was full in only 61(28%) cases.
- Average number of candidates interviewed per post was about 5.5.

**Deductions.** Against 12 candidates envisaged for 1 vacancy, only 5.5 candidates have appeared on aggregate basis during 18 months' period. In 24% cases, PESB did not find appropriate candidates due to limited (or NIL) number of candidates appearing in interview. Further except for '*internal*' candidates, **other** categories have remained **not** fully represented in majority of cases, due to limited slots available for **other** categories and fungibility amongst categories, not being permitted.

**4. Reforms Proposed for Revamping the Selection Process:** In order to address the above issues, accord more transparency and make it more optimum, a slew of new measures is proposed to be incorporated which aims at the following: -

a) **Processes Simplification: -**

- Move away from post specific advertisements.
- Forwarding of verification of application by Ministries on-line.
- Hosting of shortlisting Criteria on PESB Website.

b) **Attracting Better Talent:**

- Expansion of pool,
- Infusing talent from outside,
- Level playing field for applicants across different categories.

c) **Rationalisation of Interview Process:**

- Avoiding repetitive interviews within almost the same set of people for similar positions within different CPSEs,
- Standardisation of Job descriptions across CPSEs of same Cognate group, according to domains (Examples: Finance, HR, Marketing etc.),
- Selection and allocation on merit cum preference of successful candidates within same cognate group.

d) **Modifying Shortlisting Criteria:** -Expansion of the pool of shortlisted candidates from 12 candidates to 16 for one vacancy and including provisions of '**fungibility**' to have wider choice. In view of non-fungibility, slots as high as 7-8 out of 12 often remain vacant despite eligible candidates being available in other categories.

e) **Inclusion of Candidates from Autonomous Bodies:** Certain Government Organisations i.e. DMRC, NHAI, other Government Companies are not presently eligible to apply. Further, under Central Government Category only organised Group 'A' services are eligible to apply. In this regard, there are many other Central Government Services which are not a part of the organised service i.e. Indian Bureau of Mines etc., whereas, candidates from SPSEs and private sector are allowed to apply. Candidates from State Government Services are also not allowed to apply.

f) **Performance Assessment:**

- Confirmation after a year is not meaningful as Financial results and APAR come after a year and as a result no meaningful performance appraisal is possible.
- Link continuation of tenure to mid-term performance.
- Longer tenure.
- APARs on SPARROW.

g) **Vigilance Clearance:** Online Vigilance clearance platform to be updated by CVOs of CPSEs & Ministries on quarterly basis.

h) **PESB to also focus on** assigned mandate other than only selection. The CPSE-wise pipeline of candidates eligible for consideration for Board Level posts have not been adequately exposed to strategic thinking including collaboration amongst CPSEs, Financial re-engineering, leveraging funds on the strength of Balance Sheet, Best HR practices etc. PESB to identify & train future pipeline of talent/ leaders across CPSEs on the lines of BBB.

5. In view of the above, the following suggestive reforms are being circulated for wider consultation amongst stakeholders including CPSEs and Ministries.

S. No.	Existing Provisions	Changes proposed
1.	<p><b>Separate Job description for each post</b></p> <p><b>Problem:</b> Historically different Mandatory Qualification and experience have been prescribed for different CPSEs for identical posts. E.g. Mandatory experience criteria ranges from 2-8 years prescribed for similar/identical posts.</p> <p><b>Disadvantages:</b> Prescribing different mandatory qualification &amp; experience is often seen as a distinct benefit to internal candidates, allows subjectivity and at times restrict competition.</p>	<p><b>Standardisation of the Job description</b> for all identical posts- e.g. Chairmen/CMDs/MDs, Dir (HR/Pers), Dir (Fin), Dir (Marketing) &amp; Dir (Tech) It is therefore proposed to prescribe:</p> <p>(i) Same qualification for all identical posts  (ii) 5 years' experience for all posts across all CPSEs</p> <p><b>Advantage:</b> Uniform mandatory qualification and experience will lead to more competition, transparency and bring about parity.</p>
2.	<p><b>Currently, each vacancy of a company is advertised separately.</b> Separate Advertisements are issued for each post, company wise, one year prior to the date of occurrence of vacancy.</p> <p><b>Disadvantage:</b> Since eligible candidates, as per extant guidelines, may be shortlisted four times in a year even if not recommended, they keep getting shortlisted within the available slots, viz; internal, sectoral, external Government etc. This blocks chances of others who are otherwise eligible. This leads to Restrictive Pool in shortlisting of candidates, repetitive appearance, time consuming, procedural delays, duplication of process, and denial of opportunity to other eligible candidates. Some eligible officers continue to get not shortlisted. The system losses on younger talent due to repetitive shortlisting of seniors, who often appear 4 times in a year that too without getting recommended.</p>	<p><b>1. Posts of CPSEs are proposed to be grouped</b> based on Schedule A &amp; B together and Schedule C &amp; D together by clubbing these post across each Cognate group of these two sets of Schedules:-</p> <ul style="list-style-type: none"> <li>• Cognate groups wise for CMDs/MDs</li> <li>• Cognate groups wise for posts other than Director HR/ Finance, such as Director Technical/ Marketing, etc.</li> </ul> <p><b>2. Functions/ Disciplines wise</b> for Director Finance &amp; /HR for Schedule A &amp; B together and Schedule C &amp; D together by clubbing these post across cognate groups in these two sets of Schedules.</p> <p>Advertisements to be issued for vacancies falling during 1<sup>st</sup> July to 30<sup>th</sup> June, one year prior to the date of vacancies, for the following posts and a panel will be submitted for following group of posts, based on merit-cum preference:</p> <ul style="list-style-type: none"> <li>• Chairman/ CMDs/ MDs</li> <li>• Director(Marketing)</li> <li>• Director(Technical)</li> <li>• Director (Finance),</li> <li>• Director(HR)</li> </ul> <p><b>Advantage:</b> The above proposal will widen the pool, assess comparative</p>

		<p><i>merit, eliminate repetitive interviews amongst the same pool, optimise the selection process and will help to select and appoint the best talent suited for the post. The panel can also be operated for unanticipated vacancies.</i></p>
3	<p><b>Allocation of Slots Amongst Various Categories.</b> As per the existing guidelines 12 slots are allocated to the following categories for shortlisting:</p> <ul style="list-style-type: none"> <li>• Internal: 6</li> <li>• Sectoral: 2</li> <li>• External: 2</li> <li>• Govt./SPSEs/Pvts.: 2</li> </ul> <p><b>Total 12</b></p> <p><b>Disadvantage</b> Limited pool of eligible internal candidates often leads to 6 internal slots remaining vacant. Further Govt/ SPSEs/ Private having only 2 combined slots, often exclude applicants from these sectors. Rarely candidates are shortlisted against all 12 slots, even if applicants are much more.</p>	<p>In view of clubbing of posts, encouraging applications from all sector, it is proposed to increase the minimum number of slots as below for short-listing from 12 to 16:</p> <ul style="list-style-type: none"> <li>• Internal: 8</li> <li>• External: 2</li> <li>• Central Government/ Govt. Cos/Autonomous/ SPSEs/ State Govt. Services: 4</li> <li>• Private 2</li> </ul> <p><b>Total 16</b></p> <p><i>(Note: Sectorial candidates will benefit from clubbing across Schedules/ Cognate groups, becoming at par with the internal.)</i></p> <p><b>Advantages:</b> Widening the pool will infuse talent from the entire Schedule / Cognate group and also from outside leading to competition and better performance and management of the CPSEs.</p>
4.	<p>No existing provision. New provision is being added</p>	<p>1. Distribution of 16 Slots for Short listing:</p> <p>Since vacancies are being clubbed cognate/schedule-wise arising during the period 1<sup>st</sup> July, to 30<sup>th</sup> June, and proposed to be advertised in one go, the Shortlisting ratio is proposed to be 6 times for one vacancy across groups of clubbed vacancies or 16 whichever is more and distributed amongst categories in the ratio as applicable for 16 slots.</p> <p>For example, shortlisting slots would be 16 upto 2 vacancies, 18 for 3 vacancies, 24 for 4 vacancies, 30 for 5 vacancies and so on.</p> <p>(Note-</p> <p>1. Shortlisting ratio of 6 times the vacancy, as proposed, is in line with the present trend of participation on the basis of analysis of data during Apr'17 to Aug'18, as in <b>Table 2</b>, where average number of candidates interviewed per post was about 5.5. This</p>



		<p><i>included all category of candidates, besides internal candidates. 2.</i>  <i>An illustrative table showing computation for likely vacancy for Director (Fin)/ HR in Sch. 'A' CPSEs is enclosed as <b>Annexure-I</b></i></p> <p><b>2. Size of selection panel</b>  A panel in the ratio of 1:2 for vacancy up to 4 posts and 1.5 times for higher vacancies will be recommended based on Merit cum Preference. (For example, a panel of 4 for 2 vacancies, 6 for 3, 8 for 4, 8 for 5, 9 for 6 and so on in order of merit cum preference will be recommended.</p> <p>3. The shortlisted candidates would be required to fill up their preferences for all the advertised posts. Allocation of CPSEs to successful candidates would be based on their preference cum merit in interview which would be based, inter alia, on experience, leadership, educational qualification, APARs, &amp; broad knowledge sectoral issues, performance in the interview, etc.</p> <p><b>Advantage:</b> Slots for shortlisting are utilised to the maximum limit permissible thus providing wider pool of talent. It is also envisaged that such a change will provide wider choice leading to selection of competent and capable candidates, as per merit in order of schedule/Cognate group of companies.</p> <p>The extended panel will also take care of unanticipated vacancies, if any falling during the currency of the panel.</p>
5	<p><b>Fungibility of Vacant Slots is not allowed.</b> 12 slots are presently allocated to the following categories for shortlisting:</p> <ul style="list-style-type: none"> <li>• Internal: 6</li> <li>• Sectoral: 2</li> <li>• External: 2</li> <li>• <u>Govt./SPSEs/Pvts.:</u> 2</li> <li>• Total 12</li> </ul> <p><b>Disadvantage:</b> Non-fungibility leaves many slots vacant due to non-receipt of applications/non-eligibility in a particular category, thus limiting the pool and as a consequence limiting the pool of talent. Many a times applicants are not shortlisted for all the 12 slots despite eligible</p>	<p><b>In order to avoid slots to go unutilised, and to expand the pool,</b> in the event of less number of eligible applications in any one category, it is proposed to provide fungibility in the slots remaining vacant. It is proposed to distribute the vacant slots in "internal/sectoral category" amongst other groups in the present order(External/Govt/SPSEs/Pvt.) and ratio in a roster format. For e.g. 5 vacant slots in internal category will be distributed as follows:</p> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> to External</li> <li>• 2<sup>nd</sup> to Central Govt/ GovtCos./Central Autonomous /SPSE/ State Government</li> </ul>

	<p>candidates being available in other categories.</p>	<ul style="list-style-type: none"> <li>• 3<sup>rd</sup> to /Private</li> <li>• 4<sup>th</sup> Back to External and so on.</li> <li>• Similarly, vacant slots in other categories will also be distributed in same order amongst categories other than “Internal” in roster format.</li> <li>• In case there are no eligible applicants from categories other than “Internal”, for re-appropriation, vacant slot(s), if any, will be allocated to “Internal” category.</li> </ul> <p><b>Advantage:</b> Portability of vacant slots will enlarge the pool of applicants appearing for selection and would address the problem of vacant slots being faced presently as evident from the data analysis at <b>Table 2</b></p>
6.	<p>No existing provision. New provision being added.</p>	<p>In line with the Government policy of Zero tolerance towards corruption, applicant during currency of Minor/ Major punishment, inclusion in ‘Agreed’/ ODI list as on the date of advertisement inviting applications will <b>not</b> be considered for shortlisting.</p>
7.	<p><b>Timelines for Sending Recommendations by PESB to Ministry/depts. for Foreseen/ Unforeseen vacancy:</b>  (a) PESB 6 months before the date of Vacancy  (b) 4 months from the date of vacancy  (c) As per the existing guidelines only one name is recommended and sent to the ACC for approval. Only upon rejection of the recommended name the ‘reserved candidate’ is disclosed</p>	<p><b>In view of the proposed selection panel</b> both foreseen and unforeseen vacancies (chain vacancies), will be filled from the panel itself and thereby ensuring that posts do not remain vacant for long periods.</p> <p><b>Advantage:</b> Selection timelines will substantially get compressed.</p>
8	<p><b>The existing guideline does not limit the number</b> of times an individual can apply during a year. However, he/she can only be shortlisted 4 times during a calendar year.</p> <p><b>Disadvantage:</b> Repeat applications from undeserving individuals denying chances to more deserving younger applicants</p>	<p><b><u>Maximum Chances for Applying.</u></b></p> <p>Since posts are proposed to be clubbed, an applicant would not be required to apply repeatedly. However, Candidate will continue to get in total 4 chances in a panel year in any of the following categories:</p> <ul style="list-style-type: none"> <li>• Cognate groups wise for CMDs/MDs</li> <li>• Cognate groups wise for posts other than Director HR/ Finance, such as Director Technical/ Marketing, etc</li> <li>• Functions/ Disciplines wise for Director Finance &amp; /HR for Schedule A &amp; B together and Schedule C &amp; D together by clubbing these post across these two sets of Schedules.</li> </ul>

		<ul style="list-style-type: none"> <li>Individual CPSEs, if advertised separately due to non-inclusion in any of the above categories.</li> </ul> <p>A fresh panel would be prepared every year for each of the above categories.</p> <p><b>Advantage:</b> This will weed out weak candidates, who keep applying multiple times, getting shortlisted due to their seniority, scale etc. despite repeated rejections in the interview, and restrict the opportunities for other eligible candidates.</p>
9.	Preference to internal candidates in interview unless others are 'Markedly Better	Removal of the phrase "Markedly better" from Resolution dated 3.March 1987 is proposed, as internal candidates have more in-depth knowledge and expected to reflect it during interview.
10.	<p><b>Different Upper Age Limits for different candidates-</b></p> <ul style="list-style-type: none"> <li>Internal candidates: 58 years of age for all Board Level Posts</li> <li>External/SPSEs/Private/Government: 57 years of age for all Board Level Posts</li> </ul> <p>While this does not provide even playing field, it also restricts expansion of pool, talent etc.</p>	<p><b>It is proposed to introduce a uniform upper age limit for all categories of applicants-</b> The upper age limit for all posts in CPSEs both for internal category and other categories (Sectoral, External, Government Services/Cos., State Govt. Services/SPSEs, Private) is proposed to be 57 years of age where the retirement age is 60 years and 55 years where the retirement age is 58 years.</p> <p><b>Advantage:</b> This will allow level playing field for all categories of applicants. Further nurturing younger talent will go a long way in professionalization of CPSEs.</p>
11	<p><b>Minimum Service in the Eligible Pay Scale</b></p> <ul style="list-style-type: none"> <li>Internal candidates: 1 year</li> <li>External Candidates: 2 years</li> </ul> <p><b>Disadvantage:</b> Preferential treatment to one category of candidates restricts expansion of pool, talent etc.</p>	<p><b>Uniform Eligibility Criteria –</b></p> <ul style="list-style-type: none"> <li>01 year of service in the eligible grade for all candidates from CPSEs.</li> </ul> <p><b>Advantage:</b> This will allow level playing field for all candidates.</p> <p><i>Not applicable to Government/ Armed Forces/SPSEs/Private candidates.</i></p>
12	<p><b>Criterion for Eligibility of SPSE/Private candidates is linked with the Annual Turnover(ATO) of the company where candidates for selection of a post are being considered.</b> For example:</p>	<p><b>It is observed that the pool from SPSE/ Private Sector is quite restricted,</b> especially in sectors where private sector has, for variety of reasons including near monopoly of PSEs, not reached the turnover limits prescribed in the present eligibility criterion.</p>

	<p>a.) ATO  <b>(i) Schedule 'A':</b>  Maharatna :Rs. 10000 Cr. or more  Navratna:Rs. 5000 Cr. or more  Mini Ratna: Rs. 2000 Cr. or more  Others: Rs. 1500 Cr. more</p> <p><b>(ii) Schedule 'B'</b>  Miniratna: Rs 1000 Cr. or more  Others: Rs. 750 Cr. or more.</p> <p><b>(iii). Schedule 'C':</b> Rs.500 Cr. or more</p> <p><b>(iv) Schedule 'D':</b> Rs. 250 Cr or more</p> <p>b). Applicants from SPSEs &amp; Private Sector should be minimum below Board level executives for the Posts of Director.</p> <p>c)Only Board level executives from SPSE &amp; Pvt. are eligible to apply for the posts of Chairman/CMDs/MDs</p> <p><b>Disadvantage:</b> Disparity in the eligibility criteria esp. to sectors where private sector companies are not big players. E.g. Coal, Petroleum, hydro-power etc.</p>	<p>i. It is therefore proposed to revise ATO criteria as the last three years average of the company in which he/she is applying.</p> <p>OR</p> <p>ii. Candidates from SPSE/Private has on an average of last 3 years' salary has drawn double of the last 3 years' average salary of the post applied for.</p> <p><b>Advantage:</b>  The existing eligibility stipulation are quite restrictive as in case of private companies, majority of the Board level posts are often held by promoters- family members/ relatives leaving small number to professionals. Thus, besides existing provisions of Board/below Board level eligibility condition, the applicants may also be considered eligible provided their average salary for the last three years is 2times more than the advertised posts</p> <p><b>Advantage:</b>  This will attract larger pool of talent from private sector and will provide level playing field to all categories of applicants.</p>
13	<p><b>Continuation of Participation of Candidates from SPSE/Private Sector.</b>  As per the Government Resolution dated 10/6/2016 participation of SPSEs/Private is for a period of 5 years.  <b>Disadvantage:</b> The participation of SPSE/Private candidates was initiated in 2008 for a period of 5 years and subsequently, after a gap of 3 years the same was extended for another 5 years upto 9/6/2021.</p>	<p><b>Participation of candidates from SPSEs and Private sector is allowed up to 9<sup>th</sup> June 2021 only as per the ACC approval. It is proposed to extend this till further orders.</b></p> <p><b>Advantage:</b> Continuation of participation of candidates from SPSEs &amp; Private sector would provide wider pool and wider choice and create a healthy competition.</p>
14	<p><b>Inclusion of Candidate from Autonomous Bodies under Govt. Category Prospective Candidates from Autonomous Bodies,</b> certain Government Organisations i.e. DMRC, NHAI, Indian Bureau of Mines (IBM), other Government Companies etc. are <b>not eligible</b> to apply.</p> <p>Further, Under Central Government Category only organised Group 'A' services are eligible to apply. In this regard, there are many other</p>	<p>In order to expand the pool, all Central Government services including unorganised Services/ Government Companies (as defined in Indian Companies Act, 2013) may be permitted to be included in the slot earmarked for Government. Since private sector candidates are allowed to apply, there is nothing that stops other Government services and companies to be eligible to apply. Further, since SPSE candidates</p>

	<p>Central Government Services which are not a part of the organised service i.e. Indian Bureau of Mines.</p> <p><b>Disadvantage:</b> Pool gets limited.</p>	<p>are eligible to apply, State Government Services are proposed to be included.</p> <p><b>Advantage:</b> The above proposed inclusion will enable wider pool of talent, and a healthy competition.</p>
15	<p><b>Applications submitted</b> by the candidates on-line but often forwarded by the concerned PSU/Ministry <b>off-line</b> to PESB.</p> <p><b>Disadvantage:</b> Off-line verification delays submission of duly verified applications thereby leading to disqualification. More carbon footprint.</p>	<p>The Ministries/Departments/PSUs will be mandated to verify and forward the applications to PESB in <b>on-line mode only</b>. There will be <b>no</b> physical movement of applications for all future advertisements.</p> <p><b>Advantage:</b> Paperless or minimise the use of paper, no postal delays, reduce complaints/grievances regarding non-receipt/delays in receipt of applications and will provide easy traceability.</p>
16	<p>No guidelines on the subject exist.</p> <p><b>Problem:</b> If in Selection Meeting(SM), the Board does not find suitable candidate and decides to “<b>see more candidates</b>”, same candidates get shortlisted due to seniority, for next SM, providing little option in repeat SM.</p>	<p>If in Selection Meeting, the Board does not find suitable candidate and decides to “<b>see more candidates</b>”, it is proposed that</p> <ul style="list-style-type: none"> <li>• During next round of applications, candidates not cleared for specific post for a Company in interview, will not be considered eligible for the repeat interview, if re-advertised within the same panel year.</li> <li>• Eligibility in terms of pay scale would be lowered by one scale for repeat SM during the same panel year. However, the original pay scale will be restored for eligibility during the next panel year.</li> </ul> <p><b>Advantage:</b> This will allow fresh younger candidates to appear, facilitating deeper selection and younger Boards.</p>
17	<p><b>Review of Performance of Directors/CMDs/MDs</b></p> <p>At present review of performance is undertaken only at the time of confirmation after one year or at the time of extension of tenure after 5 years’ tenure.</p> <p>At the time of confirmation, if the performance of a candidate is assessed as below</p>	<p><b>Review of Performance for Confirmation:</b></p> <p>To streamline the process and to make the performance result oriented, it is proposed that mid-term review of performance based on 2 years SPR may be introduced as proposed below:</p> <ul style="list-style-type: none"> <li>• All the incumbents who score a minimum of 90% &amp; above marks in</li> </ul>

	<p>benchmark i.e. less than 37.50 out of the total of 50, the instructions provide for joint appraisal by PESB and concerned administrative Ministry/Department.</p> <ul style="list-style-type: none"> <li>• <i>(No meaningful review is possible in one year as neither results can get declared nor the APARS be available)</i></li> <li>• <i>No provision for midterm review)</i></li> </ul> <p>There is no provision for mid-term review</p> <p><b>Disadvantage:</b> Assessment of performance for confirmation after one year is not meaningful as Financial Results &amp; APAR are available only after one year.</p>	<p>the SPRs would be processed for the full term.</p> <p>Below 90% may be referred to PESB for Joint Appraisal (JA) along with the concerned Administrative Ministry/ Department for confirmation/non-confirmation</p> <p>Thereafter, approval of ACC is to be obtained in case of Schedule 'A' &amp; 'B'. For Schedule 'C' &amp; 'D' the competent authority would be the Minister-in-charge. The contract would be recommended for termination in case incumbents do not qualify in the mid-term review or are under suspension or have charge-sheet pending / any penalty imposed.</p> <p>In spite of obtaining the minimum score of 90% in the SPR, the Ministry / Dept. if for reasons other than performance such as vigilance does not want to accord confirmation, must do so with the approval of the ACC, at least 30 days in advance of the date of expiry of the scheduled tenure.</p> <p><b>Advantage:</b> The performance of executives can be assessed objectively based on his/ her performance with reference the financial results of the company and his/her APARs. This will result in more meaningful assessment.</p>
18	<p><b><u>Extension in Tenure:</u></b> At present an incumbent is considered for extension of tenure for another term subject to age of superannuation and further subject to availability of Vigilance clearance and the incumbent meeting minimum performance benchmark of 80% in SPRs.</p> <p><b>Disadvantage:</b> The present process involves varying and time consuming procedure for approval of even if the extension is for one month</p>	<p><b><u>Extension in Tenure:</u></b> Extension of tenure up to 6 months' subject to the date of superannuation for Chairman/CMD/MD &amp; functional Directors:</p> <ul style="list-style-type: none"> <li>• Fast track for those who meet the benchmark of 90%,</li> <li>• Referring those with SPR score below 90% for Joint Appraisal (JA);</li> <li>• In case of CMD/MD/Functional Directors who meet the benchmark, but for reasons other than performance such as vigilance or the Ministry /Dept. is not inclined to extend the tenure shall be referred to ACC 6 months before the expiry of the tenure.</li> </ul> <p><b>Advantage:</b> This will simplify the processes and curtail avoidable delays.</p>

19.	<p><b><u>APAR for CPSE Executive</u></b></p> <ul style="list-style-type: none"> <li>At present timeline for completion of APARS for CPSE Executive have been prescribed by DPE but it is not being followed in letter and spirit by the administrative Ministry/Department and CPSEs.</li> </ul>	<p><b><u>APAR for CPSE Executive</u></b></p> <p>APARs to be mandatorily implemented from the year 2020-21 through SPARROW on the same lines as for AIS and Central Service Officers. Director (HR) in each CPSE will be personally responsible. No APARs without SPARROW to be accepted from the year 2021-2022.</p> <p><b>Advantage:</b> Provide measureable based APARs and verifiable assessments.</p>
20	<p><b><u>Non-Availability of Vigilance to PESB during Shortlisting &amp; Interview</u></b></p> <p>At present for appointments, additional charge arrangements and extension of tenure of the incumbents, vigilance clearance from CVC sometimes take time and panel may also get scrapped due to denial of vigilance clearance, post selection.</p> <p><b>Disadvantage:</b> Non-Update of 'SOLVE' Portal by CPSEs. Vigilance status from CVOs/Ministries takes time which further delays the appointment process. As per practice applicants get shortlisted in the absence of vigilance status. In the absence of vigilance status during interview also there is a serious inherent possibility of recommendation of a candidate who is later denied vigilance clearance. It reflects poorly on the selection process.</p>	<p><b><u>Updating Vigilance Clearance/ Status Online on quarterly basis (As followed by DoPT in the case of AIS officers)</u></b></p> <p>To fast-track the vigilance clearance process, it is proposed that online Vigilance status for officers working in eligible grades, is regularly done by CVOs of CPSEs in "SOLVE" where like for AIS officers, short listing is done on the basis of Vigilance status of the previous quarter.</p> <p>The CVOs of the CPSEs and Ministries/Depts. are proposed to be mandated to maintain and provide Vigilance status online on quarterly basis on "SOLVE", DoPT.</p> <p><b>Advantage:</b> Mandatory update of Vigilance status of all CPSE employees from General Manager and above on quarterly basis. This will enable weeding out applicants who are not clear from vigilance angle from the short-listing process, thereby giving a chance to other eligible candidates and will increase the available pool for selection and will reduce the selection time.</p>
21.	<p><b><u>Recommendation of PESB Sent to the Ministry/Deptt.</u></b> immediately after the selection meeting. In case there is a reserve candidate, the same is retained in PESB. The name in the reserve candidate is disclosed only with the approval of ACC in the event, the primary candidate recommended for the post is not approved by ACC.</p>	<p><b><u>The full selection panel would get published</u></b> on PESB website post completion of interviews and would be forwarded to the concerned Ministry/ dept., ACC Secretariat and CVC (For simultaneously initiating the process of vigilance status).</p> <p><b>Advantage:</b> It will enhance the transparency of the process of selection. It will also provide a pool of eligible candidates for the appointing authority to choose from.</p>

6. The Public Enterprises Selection Board considered and approved the proposed "Draft Reforms" and further decided to circulate & publish on PESB website for consultation with

stakeholders, including concerned Ministries, CPSEs, etc. The draft proposal will remain open for consultation for 35 days i.e. till 30.9.2020 on PESB website ([www.pesb.gov.in](http://www.pesb.gov.in)). Feedback/comments, if any, should be sent by email to Secretary, PESB by 30/9/2020 at email ID: <[secypesb@nic.in](mailto:secypesb@nic.in)>.

Annexure-I

**Illustration for likely Vacany of Dir/Finance & HR in Sch' A' CPSEs for 2021-22 Selection Year and Distribution of Slots for Different Categories**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
No of vacancies in Seelction year	Distribution of 12 slots to Internal Candidates (As per exisitng ACC approved guidelines)*	Distribution of Vacancies					
		No of applicants to be shortlisted	Internal (including sectorial)**	External	Centerl Govt / Defence services/ Other Govt Companies/ State Govt employee/State PSEs	PVT	Total
1	6	16	8	2	4	2	16
2	12	16	8	2	4	2	16
3	18	18	9	3	4	2	18
4	24	24	12	3	6	3	24
5	30	30	15	4	7	4	30
6	36	36	18	5	9	4	36
7	42	42	21	6	10	5	42
8	48	48	24	6	12	6	48
9	54	54	27	7	14	6	54
10	60	60	30	8	15	7	60
11	66	66	33	9	16	8	66
12	72	72	36	9	18	9	72
13	78	78	39	10	20	9	78
14	84	84	42	11	21	10	84
15	90	90	45	12	22	11	90

\* In present system, selection is done for each post for each CPSEs , thus there will be only one vacancy under consideration each time

\*\* As selection will be either schedule wise across CPSEs (for Dir/Finance & HR) or Cognate group wise, Sectoral category will get merged with Internal category for the purpose of slot for shortlisitng

# Total foreseen vacancies for Dir (HR) in Sch A CPSE for proposed selection year 21-22 is 10

## Total foreseen vacancies for Dir (Fin) in Sch A CPSE for proposed selection year 21-22 is 13

Vacant slot in any category will be distributed in terms of para 5(5) of the proposal