

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY

RAJYA SABHA
UNSTARRED QUESTION NO. 2351
TO BE ANSWERED ON 31.07.2014

Extension of CMDs of Public Sector Undertakings

2351. SHRI NARESH GUJRAL:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether it is a fact that normally extensions are not granted to CMDs of Public Sector Undertakings;
- (b) whether it is a fact that CMD of BHEL was granted an extension by the last Government; and
- (c) whether it was done under pressure from some influential persons in the then PMO, if not, the reasons of granting the said extension?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND
PUBLIC ENTERPRISES (SHRI PON. RADHAKRISHNAN)**

(a): CMDs of Public Sector Undertakings are appointed for an initial term of 5 years. Extension in tenure beyond the initial term is given with the approval of the Competent Authority.

(b): Yes, Sir. CMD of BHEL was granted an extension for a period of 2 years beyond 31.12.2013, as a special case, with the approval of the Competent Authority.

(c): No, Sir. Extension of tenure was granted in view of the difficult situation confronting the power sector as a whole and BHEL in particular in the face of adverse economic situation, resulting in inadequate order booking; urgent need to undertake accelerated diversification strategy in both core and non-core business, which entailed the need for continuity in top leadership at such a crucial juncture. Committee of Secretaries constituted to examine the proposal for extension of tenure of CMD, BHEL recommended for extension of tenure, which was approved by the Competent Authority.
