

INDEPENDENT DIRECTORS

Govt to purge PSU boards of UPA nominees

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NEW DELHI: Public sector units are set for new-look boards with the government sending out informal diktats to managements to replace independent directors whose appointments were seen as "politically motivated".

The move is similar to the government's decision to appoint new governors of states such as Kerala, Rajasthan and Uttar Pradesh among others, replacing those who were seen to be close to the erstwhile UPA regime.

Top government sources confirmed that the NDA government has informally asked the man-

agement's of top PSUs to axe a couple of independent directors whose appointments were done after the announcement of elections and the period following February 2014.

"The advisers of the new government will be those who can add real value to the working of our PSUs... we are a government with new thinking and ideas... we want to get those with sound technological background as the new independent directors on PSU boards to help our companies become world-class," a senior minister in the Modi government told *HT* on the condition of anonymity.

"Independent directors are gov-

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ernment's advisers on board of the PSUs and so they cannot be just those with sound political references... all such cases of politically motivated appointments have been reviewed ...the best is that they should themselves resign on moral grounds," he added.

An independent director

of a PSU is appointed by the Appointments Committee of Cabinet, which consists of Prime Minister and home minister.

"The government has sounded us on some appointments that were done during the period after the elections were announced... we plan to execute this exit path at our annual general meetings by seeking the shareholders approval without making it evident that the diktat is from the government," revealed a senior PSU official.

For instance, IOC at its AGM on Wednesday may take a call on four of its recently appointed independent directors.

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