

F.NO.A-11011/10/2007-Ins-IV  
Government of India  
Ministry of Finance  
Department of Financial Services  
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Jeevan Vihar Bldg, Parliament, Street,  
New Delhi. Dated: 18<sup>th</sup> July, 2007

✓ Sh. T.S.Vijyan  
Chairman, LIC of India  
Central Office

**MUMBAI**

✓ Sh. Yogesh Lohia,  
Chairman-cum- Managing Director,  
GIC of India

**MUMBAI**

✓ Sh. M. Ramdoss  
Chairman, GIPSA

**New Delhi**

**Sub: Appointment of Nominee Directors on the Board of the Investee Companies –  
Guidelines regarding**

Dear Sir,

In continuation of this Division's letter No. 15/4/2001-Ins.V dated 8.7.2002 on the subject cited above and to say that the issue regarding appointment of nominee directors on the Board of the Investee Companies in LIC, GIC and Public Sector General Insurance Companies is under consideration of the Government. The following decisions have been taken with the approval of Hon'ble Finance Minister:-

- (i) The Chairman and Managing Directors of LIC/GIC/GIPSA Companies should not be appointed on the Board of assisted companies.
- (ii) The nominee directors may exercise ESOPS only in favour of nominating / employer company and not in favour of their own names.
- (iii) LIC/GIC/GIPSA companies should draw up possible lists of good candidates and appoint from those lists. Guidelines should be framed for appointees.

It is requested that the requisite guidelines may be framed for appointees as nominee directors on the Board of the assisted companies and send to this Department for information of Hon'ble Finance Minister.

Yours faithfully,

  
(Lalit Kumar)

Deputy Secretary to the Government of India,

Tel. No. 23365808

*MS-cced*  
*19/7/07*

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