

NO. AAP. 102/86/1
GOVERNMENT OF ASSAM
DEPARTMENT OF PERSONNEL (PERSONNEL-A)
ASSAM SECRETARIAT (CIVIL), DISPUR,
GAUHATI - 781006.

The 13th May, 1986.

To: All Commissioners & Secretaries/Secretaries to the Government of Assam.
Sub: Appointment/nomination of Chairman/Director/Member under Board/Body and
Cooperative Organisation.

Sir,

I am directed to say that any appointment to the post/office of the
Chairman/Managing Director/Director or Member in any public sector undertaking like
Boards, Corporations etc. and in co-operative societies or any other statutory body under
the Administrative control of your Deptt. shall be made only with the prior approval of the
Chief Minister.

This may kindly be brought to the notice of all concerned.

Yours faithfully,

Sd./- B.C. THAKURIAH,
Secretary to the Govt. of Assam.

GOVERNMENT OF ASSAM
DEPARTMENT OF PUBLIC ENTERPRISES
ASSAM SECRETARIAT, DISPUR, GAUHATI.

No. PE.21/88/18

Dated Dispur, the 23rd September, 1988.

OFFICE MEMORANDUM

Sub: ROLE AND RESPONSIBILITIES OF PART-TIME CHAIRMAN OF STATE
PUBLIC ENTERPRISES.

Attention of State Government has been drawn towards the lack of guide lines
regarding the role and responsibilities of part-time chairman of State Public Enterprises.
Since it is necessary that the part-time Chairman and the whole time Chief Executive work
in a mutually supportive manner in the best interests of the public enterprise, after careful
consideration the State Government has decided to issue the following guidelines :

(1) The part-time Chairman should guide the Board of Directors in the discharge of the role entrusted to them in respect of formulating corporate policy and the corporate plan and their implementation and evaluation with a view to improving the enterprises performance.

(2) The part-time Chairman can call for information, but this should be appropriately done through the Managing Director and not directly from the officers. A healthy relationship should develop between the part time chairman and the Managing Director. It will be improper for the Managing Director to withhold information from the part-time Chairman.

(3) The part-time Chairman cannot issue directives, as the management of public enterprises is vested under the Companies Act in its Board of Directors.

Sd./- S. D. PHENE,
Chief Secretary to the Govt. of Assam.

Memo No. PE.21/88/18-A,

Dated Dispur, the 23rd September, 1988.

Copy to :-

1. All Administrative Departments.
2. Chief Executives of all State Public Enterprises.
3. Chairman of all State Public Enterprises.

By order etc.
Sd./-
Secretary, Public Enterprises.

GOVERNMENT OF ASSAM
DEPARTMENT OF PUBLIC ENTERPRISES
ASSAM SECRETARIAT, DISPUR, GAUHATI.

✓ No. PE.21/88

Dated Dispur, the 18th May, 1989.

OFFICE MEMORANDUM

Sub. : Role and responsibilities of Chief Executive Officers of Public Enterprises.

Attention of Government has been drawn to instances of financial and administrative irregularities committed by Chief Executives and other functionaries of Public enterprises on the pretext that such irregularities had been committed at the instance of the Chairman/Member of the Board of Directors, Managing Committee etc. As has been clearly spelt out in this Department OM. No. PE.21/88/18, dated 23rd September, 1988, under the Company's Act/Assam Cooperative Societies Act, the Chief Executive is responsible for observance of all financial and administrative procedure in conducting the transactions of Public Enterprises. It should be noted that no Board or Managing Committee charged with the running of a public enterprise can take any decision or action which is itself irregular and violative of the existing law, rules or Memorandum and Articles of Association. It is the personal responsibility of the Chief Executive of public undertaking to ensure observance of rules and procedures in the transaction of business of the undertaking. The mere fact that certain irregular action was taken at the instance of a Chairman or a Member of the Board of Directors will not be accepted as an excuse for any irregularity committed by the undertaking.

Chief Executive or any other functionary of any Public Enterprise in transaction of business resulting in financial loss shall be dealt with as such.

Copy to :-

- (1) Managing Director/Chief Executive Officer of all State Public Enterprises.
- (2) Chairman of all State Public Enterprises.
- (3) Commissioner/Secretary of all Admn. Departments.

By order etc.

Sd./-
Secretary to the Govt. of Assam,
Department of Public Enterprises.

GOVERNMENT OF ASSAM
DEPARTMENT OF PUBLIC ENTERPRISES
ASSAM SECRETARIAT, DISPUR, GAUHATI-6.

No. PE.5/91/14

Dated Dispur, the 12th April, 1991.

OFFICE MEMORANDUM

Sub. : Responsibilities of the Board of Directors.

The Board of Directors of State Level Public Enterprises (SLPEs) are required to look into policy issues as also into the major operational matters of the Enterprises. Some of the major areas which need to be given specific attention by the Board of such Enterprises are indicated below.

2. Corporate Planning :

It is necessary that the SLPE gives serious thought to corporate medium/long term planning keeping in view the changing environment. Such corporate plans should bring out, inter alia, the likely physical achievements in the next 3/5 years, the sources of funding and cash-flow analysis, the likely profit and loss scenario, the need and feasibility of taking up new schemes/diversification measures, etc. In short, an attempt should be made to bring out in such a plan the strength, weakness, opportunities and threats to each organisation in medium and long term.

3. Organisation :

It is necessary to have a total look into the staffing pattern of the SLPEs with reference to the present and likely future job requirements as also the career progression possibilities that should be built into the organisational structure. Besides, the appropriateness of otherwise of the existing system of delegation of powers needs also to be reviewed. Similarly, the possibility of introducing a system of appraisal of the

performance of particularly key individuals with reference to the concept of Management By Objective (MBO) could be examined. Particular attention will also have to be given to the capabilities of the financial management in the organisation and the need for strengthening/augmentation of the existing arrangement. For all this, the Board might like to get an overall indepth analysis of the organisational structure made by an outside consultant for taking a final view about the reforms that should be introduced.

4. Physical and Financial Targets :

Each SLPE prepares its physical and financial targets at the beginning of each financial year. Such targets will have to be framed, among other things, for production, sales turnover, number of beneficiaries under different schemes (for promotional organisations), etc. The Board is required to review the annual targets with reference to past performance as also future capabilities. An attempt will have to be made to anticipate to the extent possible the constraints and difficulties in achieving these targets and possible remedial action be discussed in the Board.

5. Inventory Management :

The Board could prescribe broad targets of inventory levels after taking into account the financial capability of the organisation, the fast-moving items, and after conducting some sort of ABC analysis. The actual inventory levels could therefore be reviewed periodically.

6. Schemes and Projects :

The Board may at the beginning of each year, take stock of the on going schemes as also the projects that are expected to be taken up in the current financial year. The administrative and other arrangements as also the sources of funding, the schedules of completion, etc. of such projects and schemes can be laid down by the Board after discussion at the beginning of each year so that the same can be reviewed periodically.

7. Annual Statement of Accounts :

It has been found that there are very large backlogs in presentation of Annual Statement of Accounts before the Annual General Meeting after completion of the audit formalities. It is necessary that the Board makes an attempt to lay down schedules for finalisation of Accounts for the past years and this matter needs also to be reviewed periodically. For this purpose, it is necessary that the internal audit machinery of the SLPE is activated, as this will also help completion of current accounts expeditiously.

8. Periodical review :

The Board of Directors may work out their own formats for a quarterly review of the subjects indicated above. Particular attention has to be given in such quarterly reviews to physical and financial targets, cash flow position and funding sources, inventory levels and monitoring of the position relating to the on-going and future projects.

9. It is requested that the Chief Executives of each SLPE take steps for placing before their respective Boards these broad guidelines as also the position relating to the subjects indicated above.

Sd/-
(PRABIR SENGUPTA)
Commissioner to the Govt. of Assam,
Department of Public Enterprises.

non-official members are delegated with the cheque signing power which is against the administrative and financial norms. Such types of practices should be withdrawn immediately. The part-time Chairman can not issue directions independently as the management of the public enterprises is vested in its Board of Directors.

It should be noted that no Board or Managing Committee charged with the running of a Public Enterprises can take any decision or action which is itself irregular and violation of the existing laws, rules or Memorandum of Articles of Association. It is the responsibility of the Chief Executives of Public Organisation/Co-operative Mills to ensure observance of rules and procedure in the transaction of the business of the Public Sector units. The mere fact that certain financial & administrative irregular action were taken at the instance of a Chairman of a non-official Director will not be accepted as an excuse for any irregularity committed.

Any administrative and financial irregularity resulting in financial loss administrative lapse should be immediately brought to the notice of Administrative Department, Public Enterprises Department & Finance Department, Administrative Department will take suitable action in consultation with the above Govt. Department. It is expected that overall performance of your organisation would definitely be improved under your earnest endeavour if Govt. circular, instructions are followed in right spirit.

In this connection, the Government reiterated for strict compliance of the instructions/guidelines issued to you under Office Memorandum No. PE.21/88/18, dtd. 23.09.88 and PE.21/88, dtd. 18.05.89. The Chief Executive Officer is hereby requested to bring to the notice of the members of the Board/Committee about their role and responsibilities towards the enterprises issued vide Office Memorandum No. PE.5/91/14, dtd. 12.04.91, and the prescribed limits of honorarium and perks for part-time non-official Chairman of the State Public Enterprises as laid down in the Govt. circular No. PE.7/79/157, dtd. 21.03.84, PE.7/79/162, dtd. 04.04.84; PE.7/79/Pt/25, dtd. 19.06.84; PE.88/77/92 dtd. 12.10.88 and PE.7/79/237 dtd. 5/10/89. Copies of the above


11)
Circulars are attached for ready reference. In case any deviation/violation is noticed, that may kindly be brought to the notice of Govt. immediately for remedial measures.

Enclo:As stated

Copy of the -

1. OM NO. PE. 21/88/18
2. OM No. PE. 21/88
3. OM No. PE. 5/91/14
4. OM No. PE. 7/79/157
5. OM No. PE. 7/79/162
6. OM No. PE. 7/79/Pt/25
7. OM No. PE. 88/77/92
8. OM No. PE. 7/79/237

Yours faithfully,


(S. MEDHI)
Secretary to the Govt. of Assam,
Department of Public Enterprises.
Dispur, Guwahati-6.

Memo No. PE. 92/91/11-A

Dtd. Dispur the 4th Feb. '95

Copy for: information and necessary action to :

1. The P.S. to Minister Industries, Govt. of Assam
2. The P.S. to Minister of State, Public Enterprises Govt. of Assam.
3. The _____


(S. MEDHI)
Secretary to the Govt. of Assam,
Department of Public Enterprises.
Dispur, Guwahati - 6.



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GOVERNMENT OF ASSAM
DEPARTMENT OF PUBLIC ENTERPRISES
DISPUR, GUWAHATI -6

Dtd. Dispur the 4th. Feb. '95

No. PE. 92/91/11

From : Dr. S. Medhi, IAS,
Secretary to the Govt. of Assam

To : 1. Commissioner/Secretary to the Govt. of Assam
Department

2. The Chairman/Managing Director

Ambedkar, Guwahati

Sub : Role and Responsibilities of Part-time Chairman/Chief Executive Officer of State Public Enterprises/Board/ Corporation/Co-operative Mills/Units etc.

Ref. : This Deptt's U/O letter No. PE. 92/91/5 dtd. 17.01.94.

Sir,

I am directed to refer to this Deptt.'s letter quoted above where in a compendium of instructions and guidelines issued by the Government of Assam from time-to-time on various aspects of management for bringing about an overall improvement in the performance of State Public Enterprises was endorsed to you for compliance.

It has come to the notice of the Government that many of the Public Enterprises have violated Government instruction guidelines in running the affairs of their organisation. The part-time Chairman are supposed to guide the Board of Director in the discharge of the role entrusted to them in respect of formulating policy and the plan and their implementation and evaluation with a view to improving the performance of the organisation but many discussions are taken in the Board of Director meeting superseding Govt. circulars, instructions. Even executive powers and function are delegated to the part-time chairman & non official Directors. Chairman and non-official Directors are respected persons, their advices are valuable but interference in day to day affairs of the management of the public organisation is not desirable. Providing more than the prescribed, PDL, Vehicle, Personal Staff to the Chairman/Non-official Directors recruitment of surplus staff/workers without any plan and programme at the cost of the organisation and superseding Govt. instructions are not healthy signs of the activities of the

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the Govt. of Assam
Public Enterprises Department