

GOVERNMENT OF ASSAM  
PUBLIC ENTERPRISES DEPARTMENT  
BLOCK – C, 3<sup>RD</sup> FLOOR, DISPUR

No. PE. 114/ 2007/ 291

Dated Dispur the 26<sup>th</sup> September, 2014

**OFFICE MEMORANDUM**

**Sub: Circulation of Agenda Note to the members of the Board of Directors of State PSUs.**

It has been observed that quite often Agenda Notes are received by the members of the Board of Directors of State Public Sector Undertakings (PSUs) only a day or two before the Board of Directors meeting, hardly giving any time to examine the issues in the Agenda items. But it is important for the members of Board of Directors of the PSUs to be conversant with the issues of Agenda Notes, so that any decision taken in the Board meeting will not be contrary to the interest of the PSUs or contrary to the State Govt. policy.

Moreover, under Section 173 of the Companies Act, 2013, it is mandatory that minimum 7 (seven) days notice is to be given for a Board meeting and it should be either hand delivery or by post or through e-mail or fax.

Further more there are number of other State PSUs running under different Statutes and governed under respective Rules & Regulations, where such provisions must have been laid down.

All the State PSUs are therefore requested to look into the aforesaid matter and to send the Agenda Notice and Notes thereon of Board meeting so as to reach all the members of the Board of Directors at least 7 days before the date of holding the Board meeting except in case of single agenda item for emergent Board meeting.

sd/-

Commissioner & Secretary to the Govt. of Assam  
Public Enterprises Department

Memo No. PE.114/ 2007/ 291- A

Dated Dispur the 26<sup>th</sup> September, 2014

Copy to:

1. PPS to the Hon'ble Chief Minister, Assam for kind information of Hon'ble Chief Minister, Assam.
2. PS to the Hon'ble Minister, Public Enterprises, Assam for kind information of Hon'ble Minister, Public Enterprises Assam.
3. The Additional Chief Secretary / Principal Secretary / Commissioner & Secretary / Secretary to the Govt. of Assam \_\_\_\_\_  
Department for kind information and necessary action.
4. The Principal Secretary to the Govt. of Assam, Finance Department for kind information with reference to the U/o No.FEA.93/2014/4 dated 10.09.2014.
5. The Chairman / Chairman-cum-Managing Director / Managing Director / Chief Executive Officer/ Commissioner of

\_\_\_\_\_ for kind information & necessary action.

By order etc.

sd/-

Commissioner & Secretary to the Govt. of Assam  
Public Enterprises Department

GOVERNMENT OF ASSAM  
PUBLIC ENTERPRISES DEPARTMENT  
BLOCK – C, 3<sup>RD</sup> FLOOR, DISPUR

No. PE. 150/ 2011/ 28

Dated Dispur the 4<sup>th</sup> November, 2011

**OFFICE MEMORANDUM**

**Sub: Guidelines on composition of Board of Directors of the State PSUs and holding of Board meeting.**

To achieve better corporate governance practices, the following guidelines on the composition etc. of the Board of Directors of the State Public Sector Undertakings are issued for the benefit of the Administrative Departments and the Chief Executive Officers / Managing Directors of the PSUs.

1. The Board of Directors / Board of Management / Managing Committee shall have an optimum combination of functional, nominee and independent directors.
2. The number of functional directors (including CMD / MD) should not exceed 50% of the actual strength of the Board / Committee.
3. The number of nominee directors appointed by the Government / other PSUs shall be restricted to a maximum of two.
4. In case of PSUs listed in the Stock Exchanges and whose Board of Directors is headed by an Executive Chairman, the number of independent directors shall be at least 50% of Board members and in case of other PSUs at least one-third (1/3) of the Board members should be independent directors. The expression 'independent director' shall mean a part time director of a company who:
  - a) apart from receiving the director's remuneration does not have any material & pecuniary relationship or transaction with the company, its directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the director,
  - b) is not related to persons occupying management position at the board level or at the one level below the board,
  - c) has not been a senior executive or managerial personnel of the company in the immediately three financial year,
  - d) is not a partner or an executive during the preceding three years of any of the following:
    - i) the statutory audit firm or the internal audit firm or tax audit firm or energy audit firm or risk audit firm or insurance audit firm that is associated with the company.
    - ii) the panel advocate (s) or legal firm (s) or consulting firm (s) or expert (s) that have a material association with the company.
    - iii) is not a material supplier, service provider or customer or a lessor or lessee of the company which may affect the independence of the director.
    - iv) is not a substantial shareholder of the company i.e. owning 2 percent (%) or more of the block of the voting shares.

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- 5 All fees / compensation, if any, paid to the part time directors including independent directors shall be fixed by the Administrative Departments / Board of Directors subject to the provisions of the guidelines issued by the Public Enterprises Department, Govt. of Assam and the provisions of the Act under which it was registered and the internal rules & regulations of the PSUs.
6. The Board / Committee shall meet at least once in every three calendar months and at least four such meetings shall be held every year.
7. The Board shall periodically review compliance reports of all laws applicable to the company, prepare by the company as well as steps taken by the company to rectify instances of non-compliances.

sd/--  
Commissioner & Secretary  
Public Enterprises Department

