

Guidelines on holding meetings of Board of Directors

**GOVERNMENT OF ASOM
DEPARTMENT OF PUBLIC ENTERPRISES
BLOCK : 3RD FLOOR : ASSAM CIVIL SECRETARIAT
DISPUR : GUWAHATI 781006**

No. PE. 81/2002/12 Dated Dispur the 23rd May 2006

From:

Sri J.S.L.Vasava IAS
Commissioner & Secretary to the Government of Asom

To:

1. The Addl. Chief Secretary to the Government of Asom Industries & Commerce/ Information Technology/ Home/ Transport Departments, Dispur
2. The Principal Secretary to the Government of Asom Soil Conservation / WPT & BC/ Power/ Mines & Minerals Departments Dispur
3. The Agriculture Production Commissioner, Asom, Dispur
4. The Commissioner & Secretary to the Government of Asom Education (Elementary)/ Cultural Affairs/ Tourism/ Hill Areas/ AH & Veterinary/ Finance (Taxation)/ HT & S / Fisheries/ Minority Welfare Development/ Urban Development/ Co-operation Departments Dispur
5. The Commissioner & Special Secretary to the Government of Asom Public Works Department, Dispur
6. The Secretary to the Government of Asom, Irrigation Department Chandmari, Guwahati 781 003

Sub: GUIDELINES ON HOLDING MEETINGS OF BOARD OF DIRECTORS / MEMBERS OF STATE LEVEL PUBLIC ENTERPRISES

Ref: PE.81/2002/4 Dated 26-12-2002

Sir,

I am directed to draw your attention to above referred guideline, a copy of which is given overleaf for your ready reference.

It has been noted that not only in many cases the meetings of the Board of Directors are being held regularly as stipulated in the Act, there are instances where there are no Board of Directors in existence. These lapses have caused serious impediments in the Public Sector Reform process.

Your attention is drawn to the provision in Section 285 of the Companies Act 1956 and you are requested to ensure that the meetings of the Board of Directors are held at least once in three calendar months and at least four meetings are held in a year. If there are no constituted or reconstituted Boards in existence, you are requested to constitute the same

immediately.

In this connection, it may be noted that even in cases of State Public Sector Undertakings decided to be closed, the Boards should be in existence till legal winding-up of the Companies are completed. As such, same actions on constitution/ reconstitution of the Boards and holding of meetings of the Board of Directors are to be ensured in cases of such Undertakings.

Yours faithfully

Overleaf : Copy of PE.81/2002/4 Dated 26-12-2002

(J.S.L.Vasava)
Commissioner & Secretary to the Government of Asom
Department of Public Enterprises

Memo No. PE. 81/2002/12-A Dated Dispur the 23rd May 2006

Copy to:

1. Commissioner & Secretary to the Government of Asom Finance Department, Dispur.
This refers to his U/O FEA.127/2004/46 Dated 12-05-2006
2. P.S. to Minister, Public Enterprises Department

By Orders etc.
Commissioner & Secretary to the Government of Asom
Department of Public Enterprises

GOVT. OF ASSAM

DEPARTMENT OF PUBLIC ENTERPRISES

No. PE 81/ 2002/4 Dated Dispur the 26th December 2002

GUIDELINES ON HOLDING MEETINGS OF BOARD OF DIRECTORS / MEMBERS OF STATE LEVEL
PUBLIC ENTERPRISES

The Companies Act 1956 has provided certain sections on holding meetings of the Board of Directors of Companies, registered under the said Act. As per Section 285, the Board of Directors of the Companies are required to meet at least once in three calendar months and at least four Directors' meetings should be held in a year. The Section 286 provides that notices for every meeting of the Board of Directors of the Company should be given in writing to every Director residing in India and the officer, whose duty is to give notices as aforesaid

shall be punishable with fine, if he fails to do so.

There are thirty-four State Level Public Enterprises (SLPEs) registered under the Companies Act 1956, in Assam, at present. These Government Companies are required to follow the provisions of the Act.

Further, it has been observed that in many cases, the Enterprises fail to deliver the notices and detailed agenda notes for the meetings well ahead of time, to enable the Directors to adjust their engagements and to attend the meetings with full preparations, for fruitful deliberations. The Enterprises are therefore advised to deliver the notices for the meetings & detailed agenda notes to all the Directors, at least ten days ahead of the scheduled dates of the meetings.

The agenda notes for the meetings should invariably contain copies of the approved minutes of the previous meeting of the Boards, with Action Taken Notes on each of the decisions. In addition, in every meeting of the Boards, compliance reports on Statutory Obligations eg. Finalization of Accounts, Deposits on account of CPF, ESI contributions etc. as applicable and also the progress on Projects / Schemes under implementation should be reported in writing.

Resolution by circulation is one method resorted to by many Enterprises. The Method of resolution by circulation should be applied, only when the matters are of extremely urgent natures, which cannot afford to wait for decisions in regular meetings of the Boards. Such proposals should accompany detailed explanatory notes for consideration of approvals of resolutions and preferably should be brought-up personally to the Directors by one responsible senior Executive of the Enterprise for required clarifications. Resolutions approved by circulation should be placed in the next regular meeting of the Board for ratification.

It is seen sometimes that the circulations of the minutes of the meetings of the Boards are inordinately delayed. These frustrate the very purpose, as the Directors are required to react to any objectionable recording. Because of the delays, the deliberations & decisions of the meetings might also slip from the memory of the Directors. The Enterprises are therefore advised that the approved minutes of the meetings of the Boards be circulated to all the Directors within fifteen days of holding the meetings.

The Enterprises, registered under Statutory Acts and Co-operative Societies Act are also advised to follow above guidelines.

Sd/-P. K. Chowdhary

Commissioner & Secretary

Department of Public Enterprises

Memo No. PE 81/2002/ 4-A Dated Dispur the 26th December 2002

Copy to :

1. Principal Secretary / Commissioner & Secretary / Secretary to the Govt. of Assam _____Department (All administrative departments of SLPEs) DISPUR / Chandmari, GUWAHATI 781 003 for information & necessary actions
2. Chairman / Chairman-cum-Managing Director / Managing Director / Executive Director / Chief Executive Officer / Commissioner _____ (All SLPEs) for necessary actions

By Order etc.

Sd/-

Commissioner & Secretary

Department of Public Enterprises