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GOVERNMENT OF ASSAM
DEPARTMENT OF PUBLIC ENTERPRISES
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No. PE. 37/2015/ 15

Dated Dispur the 23rd July, 2015

OFFICE MEMORANDUM

Subject: ROLE & RESPONSIBILITIES OF PART-TIME NON-EXECUTIVE CHAIRPERSON OF STATE LEVEL PUBLIC ENTERPRISES.


It has come to the notice of the State Government that most of the Boards of Directors (BoDs) of the State Level Public Enterprises (SLPEs) have delegated the powers / authority to take decisions by the Part-Time Non-Executive Chairpersons in their individual capacity outside the Board meetings on the matters of the functioning of the SLPE's. This sort of delegation negates the spirit of collective decision by the members of the BoDs. Concentrating powers in a single hand, outside the statutory forum, is an unhealthy sign which is not desirable. This may also lead to decisions with mala-fide intention and against the interests of the organisation. Such bestowing of powers to Chairpersons of the organizations may lead to financial suffering due to wrong decisions and the BoDs will be reduced to a mere body to follow the decisions of the Chairpersons even though the ultimate responsibilities will fall on all Directors / Members. This is in violation of Government directives / guidelines on functioning of the SLPEs. Therefore the BoDs should adopt all decisions on the agenda items through formal resolution and should not delegate such decision making power to the part-time non-executive Chairpersons. All such decisions should be executed / complied with by the Managing Directors and not by anyone else.

For smooth functioning of the SLPEs, Government desires that the part-time non-executive Chairpersons and the full-time Managing Directors / Chief Executive Officers should work in mutual co-operation for the best interest of the public enterprises. Therefore, after careful consideration, Government has decided to issue the following guidelines regarding Role & Responsibilities of the Part-Time Non-Executive Chairpersons in supersession of the Public Enterprises Department's Office Memorandum issued vide No.21/88/18 dated 23rd September, 1988:

1. The part-time non-executive Chairperson should guide the SLPE through its BoDs on performing the role entrusted to them in respect of formulating corporate policy, corporate plan and their implementation & evaluation with a view to improving the enterprise's performance.
2. The part-time non-executive Chairperson can call for information, but this should be appropriately done through the Managing Director only and not directly from any officers / staff members of the enterprise to maintain

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- industrial harmony in the organisation. A healthy relationship should develop between the part-time non-executive Chairperson & the Managing Director / Chief Executive Officer. It will be improper for the Managing Director / Chief Executive Officer to withhold information from the part-time non-executive Chairperson and it is desirable that the part-time Chairperson in turn should also not directly interfere in regular functioning of the SLPE.
3. The part-time non-executive Chairperson cannot issue directives as the management of public enterprises is vested on its BoDs under the Companies and other Statutory Acts, Rules, Articles, Bylaws etc.
 4. The BoDs should not delegate any executive power or responsibility of the SLPE to the part-time non-executive Chairpersons since such practice is considered to be unhealthy for any organisation as in terms of the Government Notification, they are appointed as the Part-time Non-Executive Chairpersons. Being the part time non-executive Chairperson, their functions are basically to preside over the Board, Committee & General Meetings, conduct the agenda / business and record the votes and proceedings in the minute books.
 5. However, the Board level Committees or Sub-Committees constituted by the BoDs comprising of members of the Board / Officers, can be vested with specific responsibility to accomplish the task in greater interest and within the overall Policy & Programme of the organisation.
 6. The Perks and other facilities entitled to the Part-time non-executive Chairperson of the SLPE is subjected to the State Government instructions issued from time to time and financial position of the organisation.
 7. The Part-time non-executive Chairperson is expected to practice economy while availing the perks and other facilities approved by the State Government to him / her in the best interest of the organisation. Claims of reimbursement against any such facilities availed by the Part-time non-executive Chairperson should be made following proper procedures within the permissible limit only.


(Vinod Kumar Pipersenla)
Chief Secretary
Government of Assam

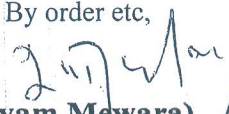
Dated Dispur the 23rd July, 2015

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Copy forwarded to:

1. All Administrative Departments.
2. PS to Hon'ble Chief Minister, Assam for kind information of Chief Minister.
3. PS to all Administrative Ministers for kind information of Hon'ble Minister.
4. Chairpersons of all State Level Public Enterprises.
5. Managing Directors / Chief Executive Officers of all State Level Public Enterprises are hereby instructed for scrupulous implementation of the above OM in terms of OMs issued vide No. PE.21/ 88 dated 18-05-1989, PE.5/ 91/ 14 dated 12-04-1991 and any other instructions from the State Government in this regard.

By order etc,


(Shyam Mewara) / 23-7-15
Additional Chief Secretary
Department of Public Enterprises