



**PLANNING AND ECONOMIC AFFAIRS (BUREAU OF PUBLIC ENTERPRISES)  
DEPARTMENT**

**No.12305/BPE/85/Plg., dated, Thiruvananthapuram,  
24<sup>th</sup> January 1986**

*Sub.* – Public Sector Undertakings—Government Directors on the Boards or Public Sector Undertakings—Duties and responsibilities—Instructions issued.

The Public Accounts Committee 1982-84 in its XIII report has referred to the role of the Government Directors in the implementation of the directors and policy guidelines of the Government by the Public Sector Undertakings. The Public Enterprises Board has also recommended the need for defining the duties and responsibilities for the Government Directors. Accordingly, the role and functions of Government Directors were discussed at the meeting of the Government Directors held on the 27<sup>th</sup> November 1985 at Trivandrum.

2. Government Directors represent of share holders, namely thee Government, on the board are an important link between the Government and the Undertakings, Government have considered the matter in detail and are pleased to fix the following duties and responsibilities for the Government Directors in the Boards of the Public sector Undertakings.
  - (i) Ensure that all Policy guidelines/directors/instructions issued to the Undertakings/Directors are implements. If there are deviations the Directors should bring them to the notice of the Government.
  - (ii) Ensure periodical review of sales, production and working results with those in the annual budget of the undertakings and enquire into the reasons for non-attainment of the targets time.
  - (iii) Ensure that the report and accounts of undertakings are prepared and submitted to the Annual General Body Meeting in time.
  - (iv) Ensure that the Government loans and interests are rapid/paid in time. If for valid reasons the payments to Government cannot be made, the Directors should see that the undertakings seek Government Approval for rescheduling payments.
  - (v) Ensure that the term loans working capital loans and interest due to financial institutions/ banks are repaid in time. In case a reschedulement of payments in considered necessary, the Government Directors should ensure that the request is made to the institution in time.
  - (vi) Ensure prompt payment of all statutory dues.
  - (vii) Monitor progress of implementation of projects.
  - (viii) Co-ordinate/ speed up matters relating to the undertakings in which they are directors, if may pending in Government.
  - (ix) Ensure that the company gives adequate notice of the meetings of the Board, so that they could have adequate preparation.
  - (x) Attend all meetings of the Board of Directors and other meetings which they are re-

quired to attend. If for any valid reason, they cannot attend a meeting, they should inform the company well in advance and obtain leave of absence.

- (xi) Ensure that only those items which are required to be dealt with by the Board come to the Board.
- (xii) The Directors should see that only the minimum number of Board meetings is held by the Company. Holdings of frequent meetings of Board and sub-committee of the Board without valid reasons should be discouraged.
- (xiii) The Directors should seek Government orders on important items to be discussed at the Board before they attend the meeting. They should also request the Chairman of the Board to reserve such items for the Government decision, which they consider to be important to require prior Government approval. If any such items are decided by the Board contrary to the views of the Government Directors, they should see that their dissent is recorded in the minutes.
- (xiv) Ensure that all statutory requirements have been complied with by the Company. The Directors should see that a certificate to this effect recorded by the Principal Officer/ Secretary is made available at every meeting and should record it.
- (xv) After every meeting of the Board the Government Directors should inform the Secretary to Government concerned of the important decisions taken at meeting, items which have been reserved for the decisions of the Government and their dissent if any recorded at the meeting.

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*Commissioner of Public Enterprises.*