



**PLANNING AND ECONOMICS AFFAIRS (D.P.E.)
DEPARTMENT**

**No. 1655/B.P.E.-1/98/Plg., Thiruvananthapuram,
dated 6th May 1998**

CIRCULAR

Sub.- Public Sector Undertakings-Government Directors on the Boards of Public Sector Undertakings-Instructions to streamline the effective functioning of the Board of Directors.

Ref.- Circular No. 12305/B.P.E.-2/85/Plg., dated 24th January 1986.

The Public Undertaking Committee in para 131 of its 5th report issued in the context of the ineffective functioning of the Board of Directors of Kerala Electrical and Allied Engineering Company Ltd., put forth the following recommendations to be implemented in respect of all Public Sector Undertakings.

1. Government may take necessary action for not appointing any person as its representative in the Board of Directors of Public Sector Undertakings who fail to discharge their duties and responsibilities effectively.
2. While selecting Government nominees to the Board of Directors of Public Sector Undertakings preference should be given to those who have proficiency in management.
3. The nominees of Government in the Board of Directors of Public Sector Undertakings should be directed to exercise effectively their duties and responsibilities as directors.

Government have considered the matter in detail and are pleased to issue the following instructions to be implemented in all Public Sector Undertakings in the State, so as to ensure that the Government Directors exercise their duties with more diligence and responsibility.

1. Administrative Department should not nominate any person as their representative in the Board of Directors of Public Sector Undertakings who had in the past failed to discharge effectively his duties and responsibilities as Government Directors in the Board of Directors of Public Sector Undertakings.
2. While selecting Government nominee to the Board of Directors of Public Sector Undertakings preference should be given to those who have proficiency in management.

3. The nominee of Government in the Board of Director of Public Sector Undertakings should exercise effectively their duties and responsibilities as directors.

Sd/-
K. MOHANDAS
Secretary (B.P.E.)