

Responsibilities of Part-time Chairman in PSEs. (BPE D.O. No 18(2)/82-GM-II dated 18th December, 1982)

CHAPTER II **PERSONNEL POLICIES**

(g) Composition of Board of Directors

43. DPE/Guidelines/II(b)/8

Responsibilities of Part-time Chairman in PSEs.

You would have seen the BPE's Office Memorandum of even number dated December 18, 1982—revising the extant guidelines on the remuneration of part-time Chairman of the Public Enterprises. While reviewing the remuneration to be paid to the part-time Chairman, Government also reviewed the role and responsibilities of the part-time Chairman, which have not so far been spelt out in specific terms. It has, however, been felt necessary that the role and responsibilities of part-time Chairman should be spelt out in clearer terms in order to enable the part-time Chairman and the Chief Executive to function in a supportive manner so that they may be able to give their best in the direction of the affairs of the public enterprises. The part-time Chairman should guide the Board of Directors in the discharge of the role entrusted to them in respect of formulating corporate policy and the corporate plan, their implementation and evaluation with a view to improving the enterprise's performance. The part-time Chairman can call for information, but this should be appropriately done through the MD and not directly from the officers. As Chairman of the Board of Directors, the part-time Chairman will also evaluate the work of the Chief Executive in implementing the policies laid down by the Board for improving the enterprise's performance. A healthy relationship should develop between the part-time Chairman and the M.D. It will be improper for the MD to withhold information from the part-time Chairman. The part-time Chairman cannot issue directives as the management of Public Enterprises is vested under the Companies Act with its Board of Directors.

2. The role and responsibilities of the part-time Chairman outlined above could hereafter be conveyed appropriately, as and when a part-time Chairman is appointed in a Public Enterprise.

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