

## **CHAPTER-I**

### **ACCOUNTABILITY**

#### **3. Power of President to issue directives—Provisions in the Articles of Association— regarding.**

As the Ministry of Agriculture & Rural Development, etc., are aware the Articles of Association of the public enterprises contain an article to the effect that the President may from time to time issue such directives or instructions as may be considered necessary in regard to conduct of business and affairs of the company and in like manner may vary or annul any such directive or instruction.

2. The Committee on Public Undertakings (1987-88), in their 32nd Report on "accountability and autonomy of public undertakings", have recommended that all directives issued by the President should be in writing addressed to the Chairman and that the contents of those directives should be incorporated in the annual report of the Company.

3. This recommendation was considered and it has been found that the Articles of Association of some public enterprises already contain such a provision while others do not. It has now been decided that the following provision may be incorporated, at the appropriate place, in the Articles of Association of all such public enterprises which do not have this provision:—

Provided that all directives issued by the President shall be in writing addressed to the Chairman. The Board shall, except where the President considers that the interest of the national security requires otherwise, incorporate the contents of directives issued by the President in the annual report of the Company and also indicate its impact on the financial position of the Company.

4. The Ministry of Agriculture and Rural Development, etc. are, therefore, requested to advise the public enterprises under their administrative control accordingly.

**(BPE O.M. No. 2 (100)/87-BPE (GM) dated 18th February, 1988)**

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