

F. No. 16(4)/2012-GM
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhawan,
Block No. 14, CGO Complex,
Lodhi Road New Delhi-110003.
Dated the 20th June, 2013

OFFICE MEMORANDUM

Subject: Role & Responsibilities of non-official Directors on the Boards of Central Public Sector Enterprises (CPSEs)

The undersigned is directed to refer to this Department's O.M. of even number dated 28th December, 2012 circulating therewith copy of Model Role & Responsibilities for non-official Directors appointed on the Boards of CPSEs.

2. This Department has received a number of references regarding para 8 of the role and functions of non-official Directors which deals with separate meeting of non-official Directors. After due examination and taking into account the fact that Companies Bill in the present form is yet to be passed by the Parliament, it has been decided to amend the provisions of para 8 of the role and functions of non-official Directors as under.

Existing provision	Amended Provision
<p>8-SEPARATE MEETINGS</p> <p>(1) The non-official directors of the company shall hold at least one meeting in a year, without the attendance of Functional and Government Director and members of management;</p> <p>(2) All the non-official directors of the company shall strive to be present at such meeting;</p> <p>(3) The meeting shall:</p> <p>(a) review the performance of Functional and Government directors and the Board as a whole;</p> <p>(b) review the performance of the Chairperson of the company, taking into account the views of all the Directors.</p> <p>(c) assess the quality, quantity and timeliness of flow of information between the company management and Board that is necessary for the Board to effectively and reasonably perform their duties.</p>	<p>8-SEPARATE MEETINGS</p> <p>(1) The non-official directors of the company shall hold at least one meeting in a years, without the attendance of Functional and Government Directors and members of management;</p> <p>(2) All the non-official directors of the company shall strive to be present at such meeting;</p> <p>(3) The meeting shall assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.</p>

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3. All the administrative Ministries/Department are requested to bring the contents of above O.M. to the notice of CPSEs under their respective administrative control and also non-official Directors appointed on the Boards of such CPSEs for their information and compliance under intimation to this Department.


Sd/-
(Umesh Dongre)
Director
Tel: 2436-3066

To Secretaries of all (41) administrative Ministries/Departments

Copy to :-

- (i) PS to Minister (HI&PE)
- (ii) PS to Secretary (PE)
- (iii) PA to Joint Secretary (AKS)


20/6/13


(Umesh Dongre)
Director

o/c