



Finance (BPE) Department.
Fort St. George, Secretariat,
Chennai-600 009.

Lr.No.5211/Fin(BPE)/2012 dt. 31.01.2012

From
Thiru S.Krishnan,I.A.S.,
Secretary to Government (Expenditure)

To
The Chief Executive Officers of all State Public Sector Undertakings/
Statutory Boards.

Sir / Madam,

Sub: SPSUs / Boards – Board Meetings – circulation of Agenda Notes and materials well in advance – reiteration of earlier instructions – Regarding.

Ref: Govt. Lr.No.67316/BPE/2006 dt. 26.10.2006.

I am directed to invite your kind attention to the reference cited wherein instructions were issued to all CEOs to ensure that the Agenda notes for the Meetings of the Board are received by the Directors atleast three days in Advance.

2) In spite of the above instructions, certain SPSUs / Boards continue to forward the Agenda notes either on the day of the Board meeting or in certain cases, the Agenda notes are handed over just before the commencement of the meeting, leaving the Director representing Finance department with less time to concentrate or to contribute adequately to the discussion on the Agenda items.

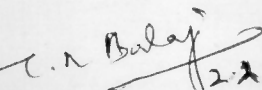
3) The Officials from the Finance department only act as part-time Directors on the Boards of SPSUs and Statutory Boards. But as a 'Board member' they are expected to (a) attend all the Board and Committee meetings and as a duty of care they have to ensure that all material information is available before making a business decision (b) think of alternatives to a proposed business decision for which they may request for any information considered to be necessary before taking any decision (c) act in good faith and with due care so as to exercise their judgment on an informed basis in what they may reasonably and honestly believe to be in the best interests of the Company and its stakeholders (d) have adequate time and resources to contribute to effective Board performance.

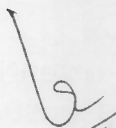
4) Further, as a matter of good Corporate Governance, the agenda and agenda notes are normally expected to be circulated to all the Directors well in advance [i.e., atleast 7 days in advance] of each meeting of the Board of Directors so as to facilitate meaningful discussion at the meeting. Moreover, as per the SS—1.2.6 of the Secretarial Standards on meetings of the Board of Directors suggested by the Institute of Company Secretaries of India, it has been indicated that the Agenda, setting out the business to be transacted at the Meeting, and Notes on Agenda should be given at least **seven** days before the day of the Meeting to all the Directors concerned.

5) As such, I am therefore directed to request that the management of the SPSUs/ Boards may kindly ensure that (a) the Agenda notes for the Meetings of the Board are received by the Directors atleast seven days in Advance prior to the date of the Board meeting (b) the Agenda notes in electronic form are forwarded to the Directors concerned either thro' e-mail or in the form of CD.

6) This letter may be placed before the Board of Directors for adoption.

Yours faithfully,


for Secretary to Government (Expenditure)


2/2/12

Copy to : All Finance Directors