From

The Chief Secretary to Govt., Haryana.

To

All Administrative Secretaries to Govt., Haryana (By name).

Memo No. 62/25/GSI-AR

Dated Chandigarh the, 30-9-1987.

Subject: **Guidelines for the functioning of the Chairmen and the Managing Directors of Public Undertakings (Corporation/Boards Companies /Apex Level Cooperative Institutions).**

Government has been issuing guidelines about the functioning of Chairman and Managing Directors/Public Undertakings from time to time, and reference in this connection may be made in the instructions contained in Memo No. 12/6/78-AR dated 15th June, 1978 and Memo No. 12/6/78-AR, dated 11th January, 1979 (copies enclosed). In the light of the experience gained over the years and with a view to achieving greater involvement of Chairman of such Public Undertakings, it is felt that these guidelines require to be elaborated as follows :—

1. **Access to information and field visits by Chairman**

There should be no ambiguity about the necessity of providing the Chairman with due access to all information concerning the organisation. All facilities should also be made available to the Chairman to facilitate their visits to various field offices and operating units of the Public Undertakings to whom they belong. Due consideration has also to be shown to all suggestions for action emanating from the Chairman in the course of such visits and access to such information as they may decide to favour. This point has been detailed in the Memo. No. 12/6/78-AR dated the 15th June, 1978. It need not be emphasised that the successful and profitable running of these Public Undertakings will depend to a large extent on the harmonious relationship of the Managing Director and the Chairman of such Public Undertakings.

2. **Recruitment of Staff**

Recruitment of staff, except of class IV employees should be made through a selection committee, to be presided over by the Chairman of the Public Undertaking. Its members should include the Managing Director (or the Chief Administrator as the case may be) and one or more technical or administrative members as may be decided by the Board (or Board of Directors of such Autonomous Body as the case may be). In the case of class IV posts, final order for selection from amongst qualified persons may be obtained from the Chairman.

3. **Transfers**

The transfer season is over and transfers are generally banned at present. However, wherever they are unavoidable due to admininistrative reasons, these should be ordered as agreed between the Chirman and the Managing Director of such Undertakings, In the case of disagreement the matter may be brought to the Secretary to the Government in the Department concerned who may, if necessary, obtain the orders of the Chief Minister.

4. **Writing of Annual Confidential Reports**

(i) Report on the work and conduct of the Managing Director should continue to be initiated by the Secretary to the Govt. in the Department concerned. He should, however, informally obtain the views of the Chairman before recording his remarks.

(ii) In the case of employees whose reports are initiated by Managing Director, the report should be reviewed by the Chairman and the Secretary in the Department concerned should be the accepting authority.

(iii) In the case of employees where the Managing Director is the reviewing authcrity the Chairman should be the accepting authority.

(iv) Chairman and the Managing Director should be both the initiating and the accepting authority with regard to the reports of their personal staff.

Representations against adverse remarks should lie to the authority higher to the authority accepting the remarks. In cases the Managing Director is the accepting authority, the appeal should lie to the Chairman. In a case, the report is accepted by the Chairman, representation should lie to the Secretary to the Government in the concerned Department.

5. **Appeal in the Establishment Matters**

In the case of class III and class IV employees, appeal should lie with the Chairman if the impugned order has been passed by the Managing Director. In the case of class I and class II employees, such appeal against the order of M.D. should lie to the Board/Board of Directors. The existing provisions in other cases should continue and changes if any, may be made with the approval of the Board/Board of Directors.

6. **Powers relating to Financial and Technical and Administrative Sanctions**

(i) As regards technical sanctions, these should continue as per past practice adopted by the Public Undertakings. Govt. feels that these powers should continue to be with the respective technical authorities as may be decided by the Boards. This will also apply to payments to be made to the contractors for the works done, etc. and acceptance of construction tenders etc.

(ii) Financial sanctions are normally issued under the authority of the Boards. However, some delegations are reported to exist in cases of urgent nature. Delegated authority also seems to exist in individual officers and not in the committees to make purchases in some cases. Government feels that in such cases, there should be a larger involvement of the Chairmen of the Public Undertakings, Subject to variations that may be necessary in individual cases, it is suggested that in such matters powers from Rs. 50,000/- to Rs. 1 lakh may vest in the Managing Director. Beyond this, powers upto Rs. 2 lakhs to Rs. 3 lakhs may vest in the Chairman of such Bodies and above that in the Boards/Boards of Directors. This matter should be considered urgently by the Boards and wherever necessary advice of the Govt. may be obtained through the Secretary to the Government.

(iii) Administrative sanctions for construction works are either obtained under the authority of the Board or such authority is delegated to the individual officer. Where delegation exists, it is suggested that powers to sanction expenditure from Rs. 50,000/- to Rs. 1 lakh may be exercised by the M.Ds, upto Rs. 2 lakhs and Rs. 3 lakhs by the Chairmen and beyond this by a committee of Board/Corporation.

(iv) Delegated authority in some other cases (e.g. purchases, etc.) is also exercised by individual officer. Here also it is suggested that powers from Rs. 50,000/- to Rs. 1 lakh may vest in M.D., upto Rs. 2 lakh to Rs. 3 lakh in the Chairman and beyond that in a committee of the Board/Corporation.

(v) In all cases of exercise of delegated authority by the Chairmen, referred to at (i) to (iv) above, the proposals will be put upto the Chairmen through the M.D.

2. While the arrangements suggested above may serve as general guidelines, they are bound to be individual variations, depending upon the requirements of the particular Board/Corporation. The intention is to involve the Chairmen in a more meaningful way and there is no suggestion that the operations of these organisations may be unduly circumscribed. The Boards/Corporations may, in accordance with their requirement, evolve their own delegation pattern and obtain the advice of the administrative department, wherever called for.

3. In some cases, it may become necessary to modify the existing rules and regulations so as to achieve the intention of the Government as detailed in the above paragraphs. It is requested that action be taken immediately as per law and the orders of the Government obtained, wherever considered necessary. A copy each of such orders may be endorsed to the Chief Secretary as well as Secretary to Government, Haryana, Institutional Finance Department.

4. Government expects that with these clarifications, there will be larger involvement of Chairman so as to achieve the objective of such Public Undertakings in a more meaningful fashion.

Sd/-

Joint Secretary, General Administration,
for Chief Secretary to Government, Haryana.

No. 62/25/GSI-AR

Dated Chandigarh the Sept., 1987

A copy each is forwarded to the Managing Directors/Chairmen of all the Public Undertakings (Corporations/Boards/Companies/Apex Cooperative Institutions), in Haryana for information and necessary action.

Sd/-

Joint Secretary, General Administration,
for Chief Secretary to Government, Haryana.