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GOVERNMENT OF INDIA
MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS
DEPARTMENT OF PERSONNEL AND TRAINING
NEW DELHI

No.27(42)EO/98(ACC)

DATED:11.12.1998

OFFICE MEMORANDUM

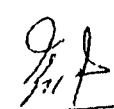
Subject:- Transfer of Functional Directors among the subsidiaries of Central Public Sector Enterprises - reference to ACC regarding.

Under the Govt. of India (Transaction of Business) Rules, 1961 as amended vide confidential O.M.No.74/1/6/89-Cab. dt. 14.3.90, "No reference to the Appointments Committee of the Cabinet shall be required for internal transfer of functional Directors from one post to another within a State owned public corporation, company or enterprise which has signed Memorandum of Understanding with the Government".

2. Vide this Department's O.M.No.27(15)EO/93(ACC) dated 7.12.93, it was clarified that the transfer of functional Directors in MOU signing PSEs would be permissible without reference to the ACC only within the enterprise in which the appointment was made initially with the approval of the ACC and that Transfer of functional Directors from the holding company to a subsidiary company or vice-versa or among subsidiaries should not be effected without the specific approval of the ACC. A copy of the said O.M. dated 7.12.93 is enclosed for ready reference.

3. While considering a proposal recently, the ACC took a serious view on the action of the Ministry concerned in which the Ministry, with the approval of Minister-in-charge, transferred the functional Directors from one subsidiary to another subsidiary of a public sector enterprise under its administrative charge, without seeking the prior approval of ACC. The Ministry should have appropriately, obtained the prior approval of the ACC before transferring the functional Directors among the subsidiaries of PSEs. The ACC has directed that all the Ministries/Departments should be cautioned against making such transfers without the prior approval of the ACC.

4. All the Ministries/Departments are requested to take note of the aforesaid direction of the ACC for unflinching compliance.


(K. RAJENDRAN NAIR)
SECRETARY (ACC)

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