

Assignment of additional charge of the posts of CMD/MD/Functional Directors of subsidiary Companies. (DPE OM No. 18(23)/2005-GM Dated, the 16th April, 2009)



CHAPTER II **PERSONNEL POLICIES**

(b) Composition of Board of Directors

72. DPE/Guidelines/II(b)/45

Assignment of additional charge of the posts of CMD/MD/Functional Directors of subsidiary Companies.

The undersigned is directed to refer to the Department of Personnel & Training (DOPT) O.M. No. 26(3)EO/2004(ACC) dated 17.8.2005 wherein detailed guidelines regarding procedure to be observed for Board level appointments were issued and were reiterated vide this Department's O.M. of even number dated 27th September, 2005.

2. The Appointments Committee of the Cabinet (ACC) has further directed to adhere to the following guidelines in this regard:-

“The power to approve additional charge in the Central Public Sector Undertakings upto a period of three months has been delegated to the Minister-in-charge, and for the next three months, to the MOS (PP) vide this Department's OM No.26(3)EO/2004(ACC) dated 17.8.2005, subject to the condition that the person should be clear from the vigilance angle. The power to approve additional charge beyond six months vests with the ACC.

The ACC has also approved that in the case of subsidiary CPSEs, the additional charge of the post of MD/CMD should be assigned to the senior most Functional Director of that subsidiary company having vigilance clearance. In case no such Functional Director is in position in the subsidiary CPSE, the additional charge of the post of MD/CMD of the subsidiary company could be automatically assigned to the CMD/ Functional Director of the holding company who is the nominee Director of the holding company on the Board of subsidiary company. However, this assignment should not result in contravention of Section 316 of the Companies Act, 1956.”

3. All the administrative Ministries/Departments are requested to take note of the above guidelines for strict compliance. Receipt of this O.M. may please be acknowledged.

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