

CHAPTER II **PERSONNEL POLICIES**

(b) Composition of Board of Directors

3. DPE/Guidelines/II(b)/3

Policy regarding transfers in Top Posts in the Public Sector Enterprises.

Certain questions relating to the transfer of Directors from one Public Sector Enterprise to another have been under consideration. Such transfers can be from a holding company to a subsidiary company and vice versa and from one subsidiary company to another subsidiary company. Transfers could also be made by an Administrative Ministry from one Corporation to another under its control. Two issues have been raised in connection with such appointments. These are:

(i) whether the transfer of the incumbent of a Top post to another Top Post within the same complex of holding-subsidiary companies or between the companies under the control of the same Administrative Ministry, requires the approval of the Appointments Committee of the Cabinet; and

(ii) whether such a transfer would amount to a fresh appointment with a fresh tenure of five years from the date of appointment to the new post.

2. These issues have been examined by the Public Enterprises Selection Board in consultation with the Department of Personnel and Administrative Reforms. Selection to Top Posts are made strictly with reference to the job requirements and the qualifications and experience needed can differ materially from post to post. It follows that each appointment to a Top Post by transfer, be it within a holding company or from one Corporation to another under the control of one administrative Ministry, is to be made with specific reference to the requirements of that post. Each such appointment will, therefore, be considered as a fresh appointment requiring the approval of the Public Enterprises Selection Board or the appropriate selection Committee constituted in accordance with the procedure laid down by the Public Enterprises Selection Board as well as the concurrence of the Appointments Committee of the Cabinet. The tenure of appointment in these posts will also count afresh from the date of appointment to the new post.

3. Ministry of Industry and Civil Supplies, etc., are requested to note this for future guidance.

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