



PLANNING AND ECONOMIC AFFAIRS (BPE) DEPARTMENT

**No. 50-BPE-1-97-Plg., Thiruvananthapuram,
Dated, 25th March 1997.**

CIRCULAR

- Sub.- Creation/Upgradation of posts and appointments in State Public Sector Undertakings – Prior Government approval – Regarding.
- Ref:-
1. Government Circular No. 14896/BPE-2/91/Plg., dated, 28th February 1991.
 2. Government Circular No. 11119/BPE-2/96/Plg., dated, 18th January 1996.

In the Circular 1st cited above the procedure for direct recruitment in Public Sector Undertakings against posts which are outside the purview of Kerala Public Service Commission has been prescribed. As per the Circular 2nd cited, it has been directed that in cases where prior approval of Government is required as per the provisions of Articles of Association/Byelaws, the panel of candidates should be forwarded to Government and the practice of appointing an individual first and then seeking the concurrence of Government should not be resorted to under any circumstances.

But it has come to the notice of Government that there have been instances where appointments to such posts are made by the company without obtaining prior Government approval and seek ratification after a long period. It has also come to the notice of Government that there have been instances where creation/upgradation of posts in Public Sector Undertakings are made without Government sanction. Since economy orders prohibited creation of new posts in Public Sector Undertakings for their existing operations, post creation can be sanctioned by Government only in relaxation of economy orders.

Chief Executives of all Public Sector Undertakings are cautioned against such irregular actions and they are directed to abide by Government guidelines and by the provisions of the Articles of Association of the respective companies with regard to creation/upgradation of posts and appointments against them. Any lapse in this regard will be viewed seriously.

JOHN MATHAI,
Principal Secretary.