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**ANDHRA PRADESH PROHIBITION OF ABSORPTION OF  
EMPLOYEES OF STATE GOVERNMENT PUBLIC SECTOR  
UNDERTAKINGS INTO PUBLIC SERVICE ACT, 1997**

**14 of 1997**

**[23rd April, 1997]**

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An Act to prohibit absorption of employees of Public Sector Undertakings into Public Service and for matters connected therewith or incidental thereto. Whereas, certain State Government Public Sector Undertakings have become sick or are likely to become sick and are closed or likely to be closed; And whereas, the employees of such undertakings are demanding the State Government and approaching the Courts for absorption into public service; And whereas, the Andhra Pradesh Public Employment (Organisation of Local Cadres and Regulation of Direct Recruitment) Order, 1975 and the General Rules and Order, 1975 and the General Rules and Special Rules governing various posts in Public Service are difficult to be reconciled with any such absorption of such employees into Public Service as the various State Government Public Sector Undertakings are governed by different terms and conditions of service; And whereas, such absorption of the employees of such Public Sector Undertakings would result in an enormous drain on the State finances seriously affecting the developmental programmes of the State and hence against public

interest; And whereas, the Government have decided to prohibit absorption of any employees of the State Government Public Sector Undertakings into Public Service; Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-eighth Year of the Republic of India, as follows:--

**1. Short title and commencement :-**

(1) This Act may be called the Andhra Pradesh Prohibition of Absorption of Employees of State Government Public Sector Undertakings into Public Service Act, 1997.

(2) It shall be deemed to have come into force with effect from the 26th November, 1996.

**2. Prohibition of absorption into public service :-**

Notwithstanding anything contained in any contract or agreement or any judgment, decree or order of any Court, Tribunal or any other authority or any order or proceedings of the State Government, or any officer of the State Government, no employee of a State Government Public Sector Undertaking shall be or shall ever be deemed to be entitled to absorption into public service from the date of commencement of this Act only on the ground that such undertaking has become sick or is likely to become sick or is closed or is likely to be closed and accordingly,--

(a) all orders issued by the Government or any other authority appointing any such employee to any post in public service on any such ground shall stand cancelled with effect from the 30th November, 1996.

(b) no suit, or other proceeding shall be instituted, maintained or continued in any Court, Tribunal or any other authority against the State Government or any person or other authority whatsoever for such appointment or absorption into public service; and

(c) no Court shall enforce any decree or order directing such appointment or absorption.

Explanation:- For the purposes of this section, the expression 'Public Service' means, services in any office or establishment of, --

(a) the Government;

(b) a local authority;

(c) a Corporation or undertaking wholly owned or controlled by the

State Government;

(d) a body established under any law made by the Legislature of the State whether incorporated or not, including a University; and

(e) any other body established by the State Government or by a society registered under any law relating to the registration of societies for the time being in force and receiving funds from the State Government either fully or partly for its maintenance or any educational institution whether registered or not but receiving aid from the Government.

### **3. Abolition Supernumerary posts :-**

Notwithstanding anything contained in any contract or agreement or any judgment, decree or order of any Court, Tribunal or other authority or any order or proceeding of the State Government or any officer of the State Government, any supernumerary post created for appointment or absorption to any post in public service of any such employee on any such ground specified in Section 2 shall stand abolished with effect from the 30th November, 1996.

### **4. Schemes of rehabilitation :-**

Nothing in this Act shall disentitle any such employee to the benefits of any scheme of rehabilitation under the relevant orders issued by the Government from time to time.

### **5. Repeal of Ordinance 25 of 1996 and Ordinance 4 of 1997 :-**

The Andhra Pradesh Prohibition of Absorption of Employees of State Government Public Sector Undertakings into Public Service Ordinance, 1996 and the Andhra Pradesh Prohibition of Absorption of Employees of State Government Public Sector Undertakings into Public Service Ordinance, 1997 are hereby repealed.