

CHAPTER II **PERSONNEL POLICIES**

(f) Conduct, Discipline & Appeal Rules

17.

DPE/Guidelines/II(f)/17

Restrictions on top level executives of public enterprises joining private commercial undertakings after retirement.

The undersigned is directed to refer to BPE O.M. No. 2(11)/68-BPE(GM) dated 26.4.1969 regarding restrictions on dealings by public enterprises with private firms where former top executives of the concerned enterprises have joined after retirement. (copy enclosed)

2. The Committee on Public Undertakings (1998-99) in its report on "senior level posts in public undertakings – appointment and related matters" has recommended that these instructions need to be reviewed/modified with a view to placing restrictions on the Chief Executives and Directors joining the competitors or private firms immediately after retirement.

3. In the light of this recommendation, it has been decided to incorporate the following proviso in the CDA Rules/Service Rules of the public enterprises and also in the terms and conditions of appointment of full time Directors including Chief Executives

"No functional Director of the company including the Chief Executive, who has retired from the service of the company, after such retirement, shall accept any appointment or post, whether advisory or administrative, in any firm or company, whether Indian or foreign, with which the company has or had business relations, within two years from the date of his retirement without prior approval of the Government".

4. All the administrative Ministries/Departments are requested to bring the above decision to the notice of public sector undertakings under their administrative control for appropriate necessary action.

(DPE O.M. No. 2(22)/99-GM-GL-022 dated 25th January, 2000)