

## **CHAPTER II** **PERSONNEL POLICIES**

### **(f) Conduct, Discipline & Appeal Rules**

**19.**

**DPE/Guidelines/II(f)/19**

**Restrictions on top level Executives of Public Enterprises joining private commercial undertakings after retirement.**

The undersigned is directed to refer to this Department's O.M. of even number dated 25.1.2000 on the subject mentioned above. Some administrative Ministries/Departments and Public Sector Enterprises have solicited clarifications as to whether the restrictions imposed in the above referred O.M. would apply to those who resign and whether the term 'business relations' include 'official dealings'. These points have been examined and it has been decided that the following may be added below para.3 of the O.M dated 25.1.2000.:-

Proviso 1. The term "retirement" includes resignation; but not cases of those whose term of appointment was not extended by Government for reasons other than proven misconduct.

Proviso 2. The term 'business relations' include 'official dealings' as well.

2. It has also been enquired whether action can be taken against those who violate the restrictions. In this connection it may be noted that all employees of Public Sector Undertakings are governed by their respective CDA Rules and Service Regulations. Once such a condition is imposed on them and/or in the terms & conditions of appointment, the employee is bound by those conditions and the Government would have the right to monitor future activities of retiring employees. Legal action is possible for violation of any condition imposed on the employee and the usual mode to secure such compliance is to have a bond from the concerned employee at the time of employment/retirement, which may include an appropriate sum of money payable by way of damages.

3. All the administrative Ministries/Departments are requested to bring the foregoing to the notice of the Public Enterprises under their administrative control for information and necessary action.

**(DPE OM No. 2(22)/99-GM-GL-32 dated 10th May, 2001)**