

CHAPTER II
PERSONNEL POLICIES

(d) Immediate Absorption/Deputation

1. DPE/Guidelines/II(d)/1
Deputation of Government Officers to Central Public Enterprises—Review of policy.

1. No. 2(90)/68-BPE(GM) The undersigned is directed to refer
dated 8.11.68 marginally noted Office Memorandum
2. No. 2(57)/68-BPE(GM) of this Ministry and to say that the Govt.
dated 26.2.69 have reviewed the policy regarding
3. No. 2(57)/68-BPE(GM) deputation of Govt. officers to Central
dated 13.5.69 Public Enterprises in the context of
4. No.2(57)/68-BPE(GM) the need for toning up the performance
dated 18.8.71 of Public Enterprises.

2. In supersession of all extant orders on the subject, it has been decided that deputation of all Government officers, including those belonging to Defence Services, to all posts (whether Board-level or below Board-level) in Central Public Enterprises should, except in the cases mentioned in the following paragraph, not be permitted from the date of issue of this O.M. Hereafter, such officers could join posts in the Central Public Enterprises only on immediate absorption basis.

3. (i) However, deputation may be permitted for a maximum period of three years in the case of Chief Executives and regional / zonal chiefs of Central Public Enterprises who require continuous liaison and coordination with State Governments and where expertise acquired in the State Government is needed for organizational efficiency. Following are the examples of enterprises coming under this category:

- a. Central Cottage Industries Corporation
- b. Central Inland Water Transport Corporation
- c. Central Warehousing Corporation
- d. Cotton Corporation of India
- e. Food Corporation of India
- f. Handicrafts & Handlooms Export Corporation Ltd.

- g. National Handloom Development Corporation
- h. National Seeds Corporation
- i. Rehabilitation Industries Corporation
- j. Rural Electrification Corporation
- k. State Farms Corporation
- l. Trade Fair Authority of India.

(ii) Deputation may also be permitted in the case of Chief Vigilance Officers in all Central Public Enterprises ; the tenure of officers of Organized Services appointed to posts of Chief Vigilance Officers in Public Sector Undertakings should be the same as the tenure that would be permissible in their cases on their deputation to the Centre.

5. In respect of officers who are already on deputation to Central Public Enterprises, the existing terms and conditions of their deputation will operate. However, no extension of deputation beyond the periods specified in their deputation orders should be allowed.

6. The Administrative Ministries and the various cadre authorities are requested to take necessary steps to implement these decisions.

(No. 5(25)/83-BPE (PESB) dated 6th March, 1985)

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**2. DPE/Guidelines/II(d)/2
Appointment of Central Government servants in the Central public enterprises on immediate absorption basis-terms and conditions of.**

The undersigned is directed to say that instructions were issued vide the Ministry of Finance (Bureau of Public Enterprises) O.M. No. 5(25)/83-B.P.E. (PSEB), dated 6.3.1985 to the effect that save in the exceptions cases mentioned therein, deputation of Central Government servants to the Central public enterprises would not be allowed and the officers could join the enterprises only on immediate absorption basis. The modalities of appointment of Government servants in the enterprises after the issue of these instructions, as also the question of granting terminal benefits to the Government servants going over to the enterprises on immediate absorption basis has been under consideration of the Central Government and it has been decided that the appointment of the Government servants in the Central public enterprises will be on the following terms and conditions:-

1. **Release of the Government servants for appointment in the enterprises:** A Government servant who has been selected for a post in a Central public enterprise may be released only after obtaining and accepting his resignation from the Government service.
2. **Retention of lien quasi-permanent status:** No lien/quasi permanent status of the Government servant concerned will retain in his parent cadre. All his connections with the Government will be severed on his release for appointment in an enterprise and he will not be allowed to revert to his parent cadre.
3. **Pay fixation:** A government servant selected for a post in a Central public enterprise will be free to negotiate his emoluments with the enterprise on appointment to a post in a public sector enterprise on immediate absorption basis, a Government servant will be at par with other employees of the enterprise and will be governed by the rules of the enterprise in all respects.

4. **Pensionary benefits:**

(i) Resignation from Government service, with a view to secure employment in a central public enterprise with proper permission will not entail forfeiture of the service for the purpose of retirement/terminal benefits. In such cases, the Government servant concerned shall be deemed to have retired from service from the date of such resignation and shall be eligible to receive all

retirement/terminal benefits as admissible under the relevant rules applicable to him in his parent organization.

(ii) The officer eligible for pension should exercise an option within 6 months of the date of his resignation for either of the following two alternatives:—

- a. Pro-rata monthly pension and death-cum-retirement gratuity as admissible under the relevant rules.
- b. Pro-rata gratuity and a lumpsum amount in lieu of pension worked out with reference to the commutation tables applicable on the date of resignation.

Note: Where no option is exercised within the prescribed time limit, the officer will be governed by alternative (a) above. Option once exercised shall be treated as final.

(iii) Any further liberalization of pension rules decided upon by Government after the date of resignation of a Central Government servant to join the public enterprise will not be extended to him.

(iv) A Government servant who opts for pro-rata monthly pension on his resignation from Government service will not be entitled to relief on pension during his service in the public enterprise.

(5) **Leave:** A Government servant taking up an appointment in a Central public enterprise will be entitled to encashment of earned leave to his credit at the time of acceptance of his resignation from Government service, subject to a limit of 180 days. Half pay leave will stand forfeited.

(6) **Family Pension:** If there is no family pension scheme in a public enterprise, or if the officer does not become eligible to join family pension scheme in the enterprise, the family pension as admissible under the Central Government will be allowed to him.

2. For the purpose of these instructions immediate absorption means acceptance of resignation of an officer from Government service to enable him to take up an appointment in a Central public enterprise for which he had applied with proper permission.

3. Since the terminal benefits mentioned above are admissible only to those officers who leave Government service to secure employment in the enterprise, with proper permission, a case of grant of these benefits may be processed only after ascertaining from the enterprise concerned that the officer has actually joined them.

4. The stipulation of immediate absorption will apply to all appointments of Central Government servants in the Central public enterprises, irrespective of the level of appointment, the mode of

recruitment, and whether an appointment is in public interest or otherwise, but subject to the exceptions made in the O.M. dated 6.3.1985 referred to above.

5. For the purpose of these orders, a Central public enterprise is an undertaking wholly or substantially owned by the Government of India, and which is accepted as such by the Bureau of Public enterprises.

6. The terminal benefits etc. enumerated in para 1 above will be admissible to all Central Government servants, who secure appointments in Central Public enterprise with proper permission. A Government servant selected for appointment in an enterprise on the basis of an application submitted by him before joining the Government service will be deemed to have applied with proper permission for the purpose of these orders.

7. All existing instructions on the subject will stand amended/ superseded to the extent indicated in the preceding paragraphs. Formal amendments in the statutory rules, where considered necessary, will be carried out in due course.

8. All cases of grant of pensionary benefits etc. to Government servants, who are appointed in the central public sector enterprise on immediate absorption basis, shall be decided by the administrative Ministries/ Cadre Controlling Authorities/Authorities competent to accept resignation of a Government servant in accordance with provisions of this O.M. All other cases not covered under the provisions of this OM or which require relaxation of any provision should continue to be referred to the Bureau of Public Enterprises with necessary service particulars. Cases of doubtful nature also should continue to be referred to the Bureau of Public Enterprises.

9. The Ministry of Home Affairs, etc. may please bring these orders to the notice of all concerned including the public enterprises under their administrative control.

10. So far as the officers serving in the Indian Audit and Accounts Department are concerned, these orders are being issued after consulting the Comptroller & Auditor General of India.

11. These orders take effect from 6.3. 1985.

12. This issues with the concurrence of the Ministry of Finance (Department of Expenditure) and the Department of Public Enterprises.

(DOPT O.M. No. 28016/5/85-Estt. (C) dated 31st January, 1986)

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3. DPE/Guidelines/II(d)/3
Policy for retention of lien on appointments below the board level in the case of individuals selected and appointed to board level positions in the public sector.

The undersigned is directed to say that the question of retention of lien on posts below the board level in the case of individuals selected and appointed to board level positions in the public sector was considered by the Government in the background that there is no uniform policy among the PSEs in this regard. At present, the individual enterprises decide such cases in accordance with their own rules and/or specific requirements. As a result while some PSEs permit retention of lien for periods even beyond 7 years, other PSEs do not permit lien at all.

2. It has now been decided that a uniform policy should be followed by all the PSEs in regard to retention of lien of their employees when selected and appointed to board level posts in the same PSE or in any other Central PSE. Accordingly, the public sector enterprises should permit retention of lien for a period not exceeding three* years to their employees holding posts below board level when they are appointed to posts at the board level within the same PSE or in any other Central PSE. The lien will automatically stand terminated at the conclusion of the three* year period. This decision will have prospective effect only.

3. To ensure that all PSEs follow this policy uniformly, it is necessary that the concerned administrative Ministry/Department issues appropriate directives to PSEs under the relevant clauses of the Articles of Association or the relevant provisions of the Acts creating the statutory Corporation, as the case may be.

4. All the Administrative Ministries/Departments are, therefore, requested to issue Presidential Directives as per draft enclosed (annexure) to all the PSEs under their control to give effect to the above mentioned policy regarding retention of lien. A copy of the directive issued may be sent to DPE.

(DPE OM No.23(9)/93-GM dated 31st January, 1994)

* Amended to five years vide OM No.23/19/98/GL-014/DPE(GM) dated 13.1.1999.

ANNEXURE

Draft Directive to be issued by the administrative Ministries/ Departments to the Central Public Sector Enterprises under their control regarding retention of lien.

At present there is no uniformity among the public sector enterprises in regard to retention of lien of their employees below board level when they are selected and appointed to posts at the board level. The question of retention of lien is presently decided by the respective PSEs in accordance with their own rules and/or requirements. The Government has, therefore, considered the question whether a uniform policy should be followed by all PSEs in the matter of retention of lien on the post below the board level when an employee of the PSE is selected and appointed to a board level post in the same enterprise or in any other Central PSE and, if so, the period for which such lien should be retained.

2. In exercise of the powers conferred by Article of Articles of Association of/Section*of the Act setting up (name of the PSE), the President is pleased to direct that the (Name of PSE) should permit retention of lien for a period not exceeding 3 years to its employees holding posts below the board level when they are appointed to posts at the board level within the same PSE or in any other Central PSE.

** Delete whichever is not applicable.*

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**4. DPE/Guidelines/II(d)/4
Deputation abroad of officials of the Public Sector Undertakings (PSUs)—Instructions
Regarding**

In accordance with the existing instructions, the Central Government officials while on tour abroad are entitled to daily allowance for journeys on duty in various countries as per the rates fixed from time to time by the Ministry of External Affairs. Normally, accommodation for such officials is arranged in approved hotels by the Embassy/High Commission concerned in the country of visit; such facility is not available to officials of PSUs. Actual expenditure on room rent is reimbursed to MEA by the concerned ministry from their approved foreign travel budget in accordance with the normal procedure laid down for the purpose. In respect of daily allowance which covers food etc., no accounts are required to be rendered by the officials.

2. The officials of the public sector undertakings are allowed daily allowance in accordance with the rates and guidelines laid down by the Reserve Bank of India from time to time applicable to all persons except Government servants. This consolidated amount is to cover daily allowance, hotel accommodation and other contingent expenditures. No arrangement for accommodation is being made by the Embassies for PSU employees.

3. The question of bringing about economy in expenditure on foreign travel of the officers of the Public Sector Undertakings has been under consideration of the Government f/r some time past.

4. It has now been decided that the consolidated amount allowed by RBI guidelines, would cover room rent, taxi charges, entertainment (if any), official telephone calls and other contingent expenditure and daily allowance PSU employees should render accounts on return from tour for all items, other than daily allowance which normally covers food etc. as per MEA rates for each country. Any surplus after calculation of the expenditure incurred (after including daily allowance) for the tour as a whole shall be refunded to the PSUs.

5. The Government nominee Directors in the Boards of Public Sector Enterprises shall be governed by the Government rules and procedures in matters relating to foreign tours (as per Department of Expenditure's OM No. 19045/1/E-IV/93 dated 12.2.93) and rendering of expenditure accounts etc.

6. The above guidelines may kindly be brought to the notice of all PSUs under the administrative control of your Ministry/Department for adoption by the Board of Directors of every PSU.

(OM No. 2(41)/93-DPE (WC) dated 20th September, 1995)
(Guidelines issued on the same subject matter is reproduced below)
(OM No.2(41)/93-DPE(WC) dated 18th January 1996)

Deputation abroad of officials of the Public Sector Undertakings (PSUs)—Instructions Regarding

Reference is invited to the Office Memorandum of even number dated 20th September, 1995 on the above mentioned subject vide which the decision of the Government in respect of the procedures to be followed in the matter of deputation of Public Sector executives abroad, was communicated. In addition to the procedures and the requirements as communicated in the earlier office memorandum, the Government has also decided that the foreign visits of the officers of the Public Sector Enterprises may be monitored by the Board of Management of the respective enterprises. For monitoring such visits of public sector executives, it would thus be necessary that an effective monitoring mechanism be devised by the respective Boards for the foreign visits of the officials of PSUs. Such mechanisms may be as per the respective requirements of the enterprises. Foreign visits reports of executives may also form a regular agenda for information at the Board meetings of the PSUs.

2. The above instruction may kindly be brought to the notice of all the public enterprises under the administrative control of the different Ministries/ Departments for adoption by the Board of Directors of the PSUs. The Ministries may advise the PSUs to frame the monitoring mechanism as per the specific requirements of the enterprises concerned.

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5.

DPE/Guidelines/II(d)/5

Deputation of Government Officers to Central Public Enterprises—Review of Policy.

The undersigned is directed to refer to the BPE OM No.5(25)/83-BPE(PESB) dated the 6th March, 1985 on the subject mentioned above and to say that in partial modification of the decisions contained therein, the following decisions have been taken:

(i) In respect of sick and potentially sick Public Sector Undertakings, the Administrative Secretary of the Ministry/ Department concerned in consultation with the Chairman Public Enterprises Selection Board (PESB) and with the approval of the Cabinet Secretary, could take a decision at any stage in the process of recruitment to the post of CMD of the PSU, to take a person on deputation from any of the All India/Group 'A' Central Services without insisting on the rule of permanent absorption; and

(ii) In cases where deputation of AIS/Group 'A' Central Service Officers on a whole time basis is not considered necessary in view of the extremely poor financial state of affairs of the PSU, an appropriate additional charge arrangement could also be recommended/decided upon.

2. The above decisions are brought to be notice of all the administrative Ministries/Departments for information and appropriate action.

(DPE OM No. 18(4)/98-GM-GL-006 dated 19th June, 1998)

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**6. DPE/Guidelines/II(d)/6
Policy for retention of lien on appointments below the board level in the case of individuals selected and appointed to board level positions in the Public Sector.**

The undersigned is directed to refer to this Department's OM No. 23(9)/93-GM dated 31.1.1994 on the subject.

2. In modification of the above, the Government has decided that the maximum period for which retention of lien to be permitted in the case of below board level employees of Public Sector Enterprises on their selection and appointment to board level posts in the same or any other Central Public Enterprises will be 5 years.

3. All the Administrative Ministries/Departments are, therefore, requested to advise the PSEs under their administrative control to comply with the above decision of the Government.

(DPE OM No. 23/19/98/GL-014/DPE (GM) dated 13th January, 1999)

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**7. DPE/Guidelines/II(d)/7
Deputation of Government officers to Central Public Enterprises—Review of Policy.**

The undersigned is directed to refer to this Department's O.M. of even number dated the 19th June, 1998 on the subject mentioned above and to say that the sub-para (i) thereof has since been modified vide DOPT Amendment No. F.27(18) EO/99/ACC dated 19.4.2000 published in the Gazette of India.

Sub-para (i) thereof stands modified as under:-

"In respect of sick and potentially sick Public Sector Undertakings, the Administrative Secretary of the Ministry/Department concerned, in consultation with the Public Enterprises Selection Board and with the approval of the Cabinet Secretary, could take a decision at any stage in the process of recruitment to the post of Chairman, Managing Director or Chairman-cum-Managing Director of the Public Sector Enterprises, to take a person on deputation from any of the All India or Group "A" Central Services without insisting on the rule of immediate absorption."

2. All the administrative Ministries/Departments are requested to take note of the above modification for information and guidance.

(DPE OM No. 18(4)/98-GM-GL-26 dated 26th June, 2000)

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8.

DPE/Guidelines/II(d)/8

Deputation of Government Officers to posts in public sector undertakings – Review of Policy.

The undersigned is directed to refer to this Department's O.M. No. 5(25)/83-BPE(PESB) dated 6.3.1985 and O.M. No. 18(4)/98-GM-GL-26 dated 26.6.2000 on the subject mentioned above. As per policy laid down therein, deputation of Government officers including those belonging to Defence Services to posts (whether Board-level or below Board-level) in Central Public Sector Enterprises (CPSEs) is not permitted. Government officers could join posts in CPSEs only on immediate absorption basis. This policy also applies to employees of one CPSE joining other CPSEs regardless of the level of the post involved. These OMs had also provided for relaxation of the policy in respect of certain categories of posts in CPSEs.

2. The Government have since reviewed the policy and decided that the existing ban on deputation to posts in CPSEs should continue.

3. However, deputation may be permitted in the following cases:-

(i) Posts of Chief Executives and Regional/Zonal Chiefs of CPSEs who require continuous liaison and co-ordination with the State Governments and where the expertise acquired in the State Government is needed for organizational efficiency. The list of CPSEs in which the posts of Chief Executives and Regional/Zonal Chiefs could be exempted, should remain restricted and should not normally be enlarged. Such list shall be drawn up by Department of Public Enterprises (DPE) with the approval of ACC separately.

(ii) Posts of Chief Vigilance Officers in CPSEs.

(iii) Posts of Chief Security Officers and others in Security set up of CPSEs, subject to the following conditions:-

(a) Security personnel, other than Chief Security Officer, will not be taken on deputation where the Central Industrial Security Force (CISF) is deployed.

(b) Where CISF is not deployed to provide security services, the Directorate General, Resettlement (DGR) should be approached for meeting security requirements, as provided in DPE O.M. No.6/22/93/GL-15/DPE(SC/ST) dated 1.2.1999, as amended from time to time.

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(c) Where CISF is not deployed and protection from specialized forces other than DGR sponsored security agencies is required, personnel of the rank of Inspector and below from Central Police Organizations like CRPF and CISF, Railway's Protection Forces like RPF/RPSF and State Police and State Armed Police may be taken on deputation for providing Security to vital installations like refineries, pipelines, power plants, metro rails etc.

(d) Security personnel taken on deputation from specialized forces will not be deployed in the corporate/administrative offices or the residential areas of CPSEs.

4. The criteria for exemption of any particular category of posts from the "Rule of immediate absorption" should be non-availability of suitable persons for particular posts. All attempts should be made to fill up the post on a regular basis. The option for filling up of a post on deputation should be used as an exception when all other avenues have been exhausted.

5. The number of posts to be exempted will be decided in each PSE on a case-to-case basis with the concurrence of DPE. DPE, while agreeing to exemption, would keep the criteria in para 4 above in mind.

6. Exemptions of posts in CPSEs, which are not covered under the categories mentioned in para 3 above, from the rule of immediate absorption have to be obtained from the Department of Public Enterprises, on a case to case basis, by the administrative Ministry/Department concerned, as provided in Ministry of Personnel, Public Grievances & Pensions (Department of Pension & Pensioners' Welfare) O.M. No.4/10/2005-P&PW(D) dated 25.4.2005.

7. The period of deputation shall not exceed 5 years in the case of Board level posts and 3 years in the case of below Board level posts. However, the tenure of officers of organized services appointed to posts in Public Sector Enterprises should be the same as the tenure that would be permissible in their cases on their deputation to the Centre.

8. The above decisions would apply to all CPSEs including those under the Ministry of Railways.

9. For below Board level posts, DPE, with the approval of ACC, may evolve suitable guidelines for sectors/technical departments looking to their specific requirements.

10. All administrative Ministries/Departments are requested to take note of the above decisions and also to bring the same to the notice of the CPSEs under their administrative control for strict compliance by all concerned.

(No. 18(6)/2001-GM-GL-77 dated the 28th December, 2005)
