

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:174
ANSWERED ON:22.11.2012
POST RETIREMENT EMPLOYMENT
Kumar Shri P.

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government had asked all Public Sector Undertakings (PSUs) chiefs to sign bonds/undertakings to comply with Government rules on post retirement employment;
- (b) if so, the details thereof;
- (c) whether the Government is aware that many retired officials of PSUs joining private companies immediately after their retirement are not complying the aforesaid rules; and
- (d) if so, the details thereof and steps taken by the Government in this regard?

Answer

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a) and (b): The Department of Public Enterprises (DPE) had issued instructions on 15th May, 2008 requesting all Central Public Sector Enterprises (CPSEs) to secure a bond from the concerned person at the time of his/her employment/retirement /resignation as Director in CPSEs for an appropriate sum of money payable by him/her as damages for any violation of the restrictions regarding post retirement employment. DPE has further issued instructions on 8th August, 2012 prescribing the model bond to be executed by full-time functional Directors/Managing Directors (MDs)/ Chairman-cum-Managing Directors

(CMDs) of all CPSEs. The prescribed model bond, inter-alia, provides for payment of an amount equivalent to the basic pay drawn during the last six months of tenure or Rupees Ten lakh, whichever is more, in case any full-time functional Director /MD/CMD of CPSEs fails to abide by the laid down restrictions regarding post retirement employment.

(c) and (d) ; The proposals for granting permission to top level executives of CPSEs to accept post retirement employment are considered and decided by the concerned administrative Ministry/Department. The Government has already issued instructions providing for securing bond and financial penalty payable, in case any full-time functional Director/MD/CMD of CPSEs fails to abide by the laid down restrictions regarding post retirement employment.