(C O P Y)

Most Immediate

No.28016/5/85-Estt.(C)
Government of India/Bharat Sarker
Ministry of Personnel, Public Grievances and Pensions
(Department of Personnel & Training)

New Delhi, the 31 January, 1986

OFFICE MEMORANDUM

Subject:- 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-BPE(PESB), dated 6.3.1985 to the effect that save in the exceptional 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 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 be retained 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.

...vice with a ...ment in a Central public ... with proper permission will not entail forefeiture/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 the retirement/terminal benefits as admissible under the relevant rules applicable to him in his parent organisation.

... the purpose ... retirement/

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 liberalisation 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 commute ... ment 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/as admissible under the Central Government will be allowed to him.

Contd/-

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

/of the service for the purpose of retirement/

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 liberalisation 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 commutation 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/as admissible under the Central Government will be allowed to him.

/scheme in the enterprise, the family pension

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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 enterprises with proper permission. A Government 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 enterprises 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 O.M. 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.

p.t.o.

/servant selected for appointment

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.

13. Hindi version will follow.

Sd/-
(A. Jayaraman)
Director

To

All Ministries/Departments/Offices of the Government of India, as per the standard list.

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