

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA

UNSTARRED QUESTION NO.11
TO BE ANSWERED ON THE 18TH JULY, 2018

RECRUITMENT PROCEDURE OF PRIVATE COMPANIES

11. SHRI KAMLESH PASWAN:
SHRI P.P. CHAUHAN:
DR. RATNA DE (NAG):

Will the Minister of DEFENCE j{k k ea=h
be pleased to state:

- (a) whether private sector companies operating in Defence sector are employing retired bureaucrats, service personnel, kith and kin of bureaucrats and armed forces to manipulate and ensure that they are looked after and to have an edge over its competitors;
- (b) if so, the details thereof;
- (c) whether there is any ban on such recruitments to avoid situations where officers become vulnerable to outside pressures during processing of cases having huge financial implication on such companies;
- (d) if so, whether any action is being taken on such companies and if so, the details thereof; and
- (e) if not, the reasons therefor?

A N S W E R

MINISTER OF STATE (DR. SUBHASH BHAMRE)
IN THE MINISTRY OF DEFENCE

रक्षा राज्य मंत्री

(डा. सुभाष भामरे)

(a) to (e): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA UNSTARRED QUESTION NO. 11 FOR ANSWER ON 18.07.2018

There is no ban on employment of retired bureaucrats, service personnel, kith and kin of bureaucrats and armed forces in private sector companies operating in Defence sector.

2. As per the existing rules, if a pensioner, who, immediately before his retirement, was member of Central Service Group 'A' wishes to accept any commercial employment before the expiry of one year from the date of retirement shall require to obtain the prior sanction of Government. While granting permission in such cases, the Government take into regard the factors such as No Objection from Cadre Controlling Authority, whether the officer has been privy to sensitive or strategic information in the last three years of his service, conflict of interest between the policies of the office he has held and the interest of the organisation he proposes to join, any other relevant facts.

3. The Defence services officers of the rank of Colonel or equivalent and above, who retire with pension, gratuity or any other benefits in respect of the services rendered by them are also required to obtain prior permission of the Government for accepting any commercial employment within a period of one year from the date of retirement.

4. Before granting permission in such cases, the Government satisfies itself that:

- (i) The duties of the retired officers in the proposed commercial employment will not be such as to bring him into conflict with the Government;
- (ii) There is no basis for suspecting that such employment has been offered to the officer for any favour which he might have shown, while in services, to the prospective employer;
- (iii) That any official information, knowledge or contacts which the officer might gained by virtue of his official position while in service cannot be used to give the prospective employer any kind of unfair advantage.

5. Further, with regard to the safeguards which are considered essential and the need for rationalising the existing provisions, the following criteria is followed while considering requests of Ex-Service officers for post-retirement commercial employment:

- (i) Any officer who has / had dealing with a particular firm and its sister concerns before his retirement shall not be allowed to take up a job with that firm.**
- (ii) Any officer in an appointment dealing with contracts and procurement shall not be allowed to take up a job with a firm and its sister concerns which has subsisting contract(s) with Ministry of Defence.**
- (iii) If the proposed appointment calls for marketing or liaison with Defence Establishments, such appointment shall not be permitted.**
- (iv) Appointments with companies / firms which operates in sensitive areas of Defence procurement or which have subsidiary firms having contracts with Ministry of Defence shall not be permitted.**
- (v) Appointments with foreign Governments or foreign firms shall not be allowed (such restriction shall apply to only foreign companies per se and foreign companies investing in India, but not Indian companies entering into foreign collaboration. Apart from this, only those foreign companies shall be excluded, for purposes of commercial employment, which operate in the Defence sector).**
