

No. 7/30/62-Ests(A)
Government of India
Ministry of Home Affairs

CONDUCT NO. 2

New Delhi-11, the

14th June, 1965
24th Jyaistha, 1887

OFFICE MEMORANDUM

Subject:- Framing of Conduct Rules for the employees
in public sector undertakings.

The undersigned is directed to invite attention to this Ministry's O.M. No. 25/55/53-Ests(A), dated the 14th March, 1956 (copy enclosed) in which it was suggested that in the corporate undertakings entirely financed by the Central Government, i.e. where the whole capital is invested by the State, the activities of the employees should be restricted in the same manner as for those working directly under Government and, in such cases, action should be taken to extend the provisions of the Central Civil Services (Conduct) Rules to the employees either by a self-contained set of rules under the specific statutory authority for framing such rules, or as terms of the contract. In regard to employees of corporate undertakings controlled or partly financed by the Central Government, it was suggested that the provisions of the Central Civil Services (Conduct) Rules should wherever possible be supplied with such modifications as may be necessary.

2. As the Ministry of Industry and Supply etc. are aware, the C.C.S. (Conduct) Rules which have been recently revised - vide this Ministry's Notification No. 25/4/63-Ests(A), dated 30th November, 1964 - contain certain important provisions such as those relating to integrity, which have been made/ or modified on the recommendations of the Committee on Prevention of Corruption (Santhanam Committee). It is requested that statutory and other corporate public sector undertakings under the control of the Ministry of Industry and Supply etc. may be advised to bring their conduct Rules on the lines of the revised C.C.S. (conduct) Rules, 1964, and to incorporate particularly, the important provisions of the C.C.S. (Conduct) Rules relating to integrity.

AUTHORISED FOR ISSUE


(H.S. DHILLON)
SECTION OFFICER

Sd/-Harish Chandra,
Under Secretary to the Government of India.

All the Ministries/Departments of the
Government of India.

No. 7/30/62-Ests(A), dated the 14th June, 1965.

Copy forwarded to all State Governments.

Sd/-Harish Chandra,
Under Secretary to the Government of India.

Copy of Office Memorandum No. 25/55/53-Ests(A), dated the 14th March, 1956, from the Ministry of Home Affairs, Government of India, New Delhi to all the Ministries etc, etc.

OFFICE MEMORANDUM

A question has been raised whether employees of corporate bodies controlled or financed by the Central Government should be subject to all or any of the conditions imposed in the case of Central Government servant by the Central Civil Services (Conduct) Rules. The extent to which such conditions can be applied to employees of a statutory corporation would naturally depend on the provisions of the statute setting up the corporation. That statute may provide for suitable rules being made by the corporation itself or by Government. Where there is no such statutory provision or the body is non-statutory, the conditions of services of employee would be determined by the terms, expressed or implied, of the contract of service. It will then be open to the employer, subject to the relevant labour laws where they apply, to lay down conditions of service which would operate as terms of a contract.

2. It has been decided that in corporate undertakings entirely financed by the Central Government, i.e. where the whole capital is invested by the State, the activities of the employees should be restricted in the same manner as for those working directly under Government. In such cases action should be taken to extend the provisions of the Central Civil Services (Conduct) Rules to the employees either by a self-contained set of rules under the specific statutory authority for framing such rules, or as terms of the contract.

3. In regard to employees of corporate undertakings controlled by partly financed by the Central Government also the provisions of the Central Civil Services (Conduct) Rules/modifications as may be necessary.

4. It is requested that statutory and other corporate bodies under the control of the various Ministries may be advised to take action accordingly.

↳ should, wherever possible, be applied with such