

No.DOPT-1670563492572
Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Personnel and Training
ESTT.(Estt. C)

North Block, New Delhi
Dated 09 December, 2022

OFFICE MEMORANDUM

Subject:- Instruction on Bond

The instructions issued from time to time by the Government on the subject of Enforcement of Bond in respect of Central Government servants/ employees of public enterprises, who leave service to secure employment elsewhere are consolidated for better understanding and guidance, as under.

2. As per Ministry of Home Affairs O.M. No. 70/10/60-Estt.(A) dated 09.05.60, it was laid down that the terms of the bond (which the Government servants receiving scientific and technical training at Government expense have to execute, undertaking to repay the money in the event of their failure to serve the Government for a specified number of years after completion of their training) should be enforced against those Government servants only, who leave Government service in order to secure private employment. It was further clarified vide the Ministry of Home Affairs O.M. No. F. 5/10/66-Estt(C) dated 15.04.66 that the terms of the bond may not be enforced in the case of Government servants, who leave Government service to secure employment, under a State Government, a public sector undertaking, owned wholly or partly by the Central Government or by a State Government, or a quasi-Government organisation. In such cases, a fresh bond is to be taken from such Government servants to ensure that they serve the new employer for the remaining period of the bond.

[O.M. No. 70/10/60-Estt.\(A\) dated 09.05.60](#) and

[O.M. No. F. 5/10/66-Estt\(C\) dated 15.04.66](#)

3. Attention is also invited in this connection to the Bureau of Public Enterprises' Ministry of Finance' O.M. No. BPE/GL-017/77/MIsN/2(11)/75-BPE(GM-I) dated 13.06.77, in which it has been laid down that the terms of bond executed by an employee of a Public Enterprise, who has received scientific/technical training at the cost of the Enterprise, should not be enforced in case he joins the Central Government, a State Government, a quasi-Government organisation or another Public Enterprises, subject to the condition that a fresh bond is taken to ensure that the employee serves the new employer for the balance of the original bond period.

4. Instances have come to the notice of this Department, that the terms of the bond were enforced in the cases of those employees also, who left service to secure employment other than private employment, and they were asked to refund proportionate service bond money, even though such a refund was not warranted in terms of the existing instructions, and all that was execution of a fresh bond by the individual concerned with the new employer, to the effect, that he would serve them for the balance of the original bond period. It may be clarified that for the purpose of these instructions, any employment other than the employment under the Central Govt., a State Government, a Public Enterprise wholly or partly owned by the Central Government or a State Government, or an autonomous body wholly or substantially owned/financed/controlled by the Central Government or a State Government, will be treated a private employment.

5. While the instructions referred to in Para 2 and 3 above cover the employees of the Central Government and those of Central Public Enterprises, they do not automatically apply to the employees of autonomous bodies, wholly or substantially owned/ financed/ controlled by the Central Government. It has however, come to the notice of this Department, that though such autonomous bodies generally follow the instructions of the Government of India in regard to service conditions of their employees, these employees are sometimes put the undue hardship in the absence of instructions specifically applicable to them, regarding exemption from enforcement of bond as referred to in Para 2 and 3 above. The matter has been examined in this Department, and it has been decided that the facility of exemption from the enforcement of bond, as it is available to the employees of the Central Government and those of Central Public Enterprises, may also be extended to the employees of the autonomous bodies, wholly or substantially owned/ financed/ controlled by the Central Government, in case they leave the service of the autonomous body in order to secure employment other than private employment as defined in Para 4 above.

[O.M. No. BPE/GL-017/77/MIsN/2\(11\)/75-BPE\(GM-I\) dated 13.6.77](#)

6. To sum up, the terms of the bond (which a Central Government servant, an employee of a Central Public Enterprise or an employee of an autonomous body wholly or substantially owned/ financed/ controlled by the Central Government, receiving scientific and technical training at the expense of the Govt./enterprise/autonomous body has to execute, undertaking to repay the money in the event of his failure to serve the Government/enterprise/autonomous body for a stipulated period after completion of his training) should not be enforced against an employee, who leaves service of the Government/enterprise/autonomous body to secure, with proper permission, employment under the Central Government, a public enterprises wholly/ partially owned by the Central Government, or a State Government, or an autonomous body wholly or substantially owned/financed/controlled by the Central Government. In such a case, a fresh bond should be taken from the person concerned to ensure that he serves the new employer for the balance of the original bond period.

7. A doubt has also been raised whether the word 'training' covers apprenticeship and whether exemption from recovery of expenses, as laid down in these instructions, includes payments made to an individual in the shape of training allowance or stipend. It is hereby clarified that these instructions are not restrictive, but cover all aspects of training, including apprenticeship. It is further clarified that exemption from recovery of expenses applies to all types of expenditure-direct or indirect-including payments made as training allowance or stipend.

8. To ensure that the requirement of obtaining a fresh bond from a person, where necessary, is fulfilled, the department/organization etc., with whom the employee has executed the original bond, may, at the time of forwarding of his application (and if it is not possible, before his release) for another post, may write to the department/organization etc., under whom the employee intends to take up another appointment, intimating them about the bond obligation of the individual and clarifying that in the case of his selection for the new post, his release will be subject to the condition that the new department/ organization etc. take from him a fresh bond binding him to serve them for the balance of the original bond period, and in case he fails to serve the new department/organization etc., or leaves it before completion of the original bond period, for a job, where exemption from bond obligation is not available, the proportionate bond money should be realized from the individual and refunded to the first department/organization etc., with whom he originally executed a bond. The Ministry/ Department/ Organisation when the person is newly employed should also duly intimate the original Ministry/Department/Or Organisation, the fact of a fresh bond having been executed with the person concerned.

9. These instructions will also apply to cases where an employee of the Central Government, a Central Public Enterprise/an autonomous body, wholly or substantially owned/financed/controlled by the Central Government has been selected for a post/service (other than private employment), for which he had applied before joining the department/organization etc., with whom he has executed a bond.

10. In case any reference to the relevant OM is required, the same may be accessed by clicking on the hyperlink given below:

S. No.	O.M. No.	Subject
1	O.M. No. 28021/1/84-Estt.(C) dated 14.11.84	Enforcement of bond in respect of Central Government servants/ employees of public enterprises, who leave service to secure employment elsewhere – Question regarding.
2	O.M. No. BPE/GL-017/77/MIsN/2(11)/75-BPE(GM-I) dated 13.6.77	Enforcement of bonds in respect of employees of public Enterprises, who leave the services of one undertaking to join another Undertaking/Government.
3	O.M. No. F. 5/10/66-Estt(C) dated 15.04.66	Applications of Government servants for employment elsewhere – principles to be observed while considering the question of forwarding
4	O.M. No. 70/10/60-Estt.(A) dated 09.05.60	Principles to be observed in considering the question of forwarding application of Central Government Servants for employment elsewhere.

(Sign of Authority)

Satish Kumar

Under Secretary to the Government of India

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