

Subject: Clarification regarding Job hopping

The para 9 of Chapter 2 of Compendium of guidelines regarding Board level appointments in Central Public Sector Enterprises dated 23.02.2017 under the head “Consideration of a candidate already working in a CPSE – Job hopping” are as follows:

- i. The concept of job hopping is valid only when a candidate has taken a position at the Board level.
- ii. When a candidate moves from Company A to Company B on a Board level position, he is expected to work for minimum two years in order that restriction of job hopping does not apply to him
- iii. If he has put in less than 2 years, the rule of job hopping will apply to him for a position in other companies.
- iv. If a position falls vacant in the same company at a higher level, the restriction of job hopping will not apply to a Director as ‘vertical hopping’ is permitted in the same Company. For example, if an incumbent has moved from company A to company B he will be eligible for applying for CMD’s position in company B and not in company A even if he holds lien in company A.
- v. Job hopping restriction will apply to an incumbent for lateral movement within the company as well as in any other company.

2. Further the first paragraph of sub-para (ii) of para 8 of Compendium of guidelines regarding Board level appointments in Central Public Sector Enterprises dated 23.02.2017 under the head

“Internal candidate” provides definition of Internal candidate as follows:

Internal candidate is one who is an employee of the same CPSE or its subsidiary and has put in a minimum of two years of continuous service in it immediately preceding the date of vacancy, and who does not hold a lien in any other PSE/Government. An employee who holds a lien on a post in a CPSE can also be considered as an internal candidate of the enterprise provided he/she has put in a minimum of two years of continuous service that enterprise, on the date of acquiring lien and the period for which he/she is away from the enterprise is not more than 5 years.

3. In view of the above, it is hereby clarified that the holding company and all its subsidiaries will be treated as the “**same company**” for the purposes of sub-para (iv) of para 9 of Chapter 2 of Compendium of guidelines regarding Board level appointments in Central Public Sector Enterprises dated 23.02.2017 under the head “Consideration of a candidate already working in a CPSE – Job hopping” which provides that:

“ If a position falls vacant in the **same company** at a higher level, the restriction of job hopping will not apply to a Director as ‘vertical hopping’ is permitted in the **same Company.**”

4. The following movements may be permissible, if it is at higher scale.

- a. From Director (Subsidiary) to CMD of the same subsidiary.
- b. From Director (Subsidiary) to CMD of another subsidiary.
- c. From Director (Subsidiary) to Director of holding company.

- d. From CMD (Subsidiary) to Director of the holding company
- e. From CMD (Subsidiary) to CMD of holding company
- f. From Director (Holding Company) to CMD of the holding company.
- g. From Director (Holding Company) to CMD of the subsidiary company

5. The following will not be permitted if they are in same pay scale:-

- a. From one position of Director, to another position of Director, in holding company or, subsidiary.
- b. From one position of Director to another position of Director in another subsidiary.
- c. From one position of CMD in one subsidiary to CMD in another subsidiary.

However, if a candidate applies from a subsidiary to a holding company, he would be eligible to do so, even in the same pay scale.