



HMT LIMITED

CONDUCT, DISCIPLINE AND APPEAL (CD&A) RULES

The Conduct, Discipline and Appeal (CDA) Rules of the Company issued vide Office Order No. 21/88 dated 27.06.1988 (including modifications issued from time to time), revised and updated in line with DPE's Consolidated Model Conduct, Discipline and Appeal (CD&A) Rules for CPSEs issued in 2017, is as follows:

Rule 1. Short title and commencement

- i) These rules are called "CONDUCT, DISCIPLINE AND APPEAL (CDA) RULES, HMT LIMITED or "CD&A RULES, HMT LIMITED" in short.
- ii) They shall come into force on **1st April, 2020**.

Rule 2. Application

These rules shall apply to all employees including those under Fixed Term Employment but excludes:

- i) Those in casual employment or paid from contingencies;
- ii) Those governed by the standing orders under the Industrial Employment (Standing Orders) Act, 1946 and Industrial Dispute Act, 1947 as amended from time to time.

Rule 3. Definitions

In these rules, unless the context otherwise requires;

- a. '**Company**' means HMT Limited, its Registered Office/Corporate Head Office, Production Units (Factory/Factories), Marketing Divisions, other Administrative Offices, Branches, Sales and Service Centers and Showrooms of the Company, wherever situated in India as well as abroad.
- b. '**Board**' means the Board of Directors of the Company and includes, in relation to the exercise of powers, any committee of the Board/ management or any officer of the Company to whom the Board delegates any of its powers.
- c. '**Chairman and Managing Director**' means the Chairman and Managing Director of the Company.
- d. '**Managing Director**' means the Managing Director of the Company.
- e. '**Functional Director**' means a person employed in the Company and who is appointed as whole-time Director by the President.

f. '**Business Group Chief**' means a person employed in the Company who is in-charge of a Business Group/area specified in the order.

g. '**Departmental Head**' means Officers of the rank of Deputy General Manager/ Chief Engineer (PS VII) and above or Officers below the rank of Deputy General Manager/ Chief Engineer specifically named by the Chairman & Managing Director/ Functional Directors in the Corporate Head Office and by Functional Directors / Business Group Chiefs in the Production Units, Regional Offices or other Offices/Establishments.

h. '**Employee**' means a person in the employment of the Company including those on deputation to Company and those on Fixed Term Employment other than casual, work-charged or contingent staff or workman.

i. '**Workman**' means a person as defined in the Industrial Disputes Act 1947 and to whom the provision of these rules shall not apply.

j. '**Government**' means the Government of India.

k. '**Competent Authority**' means the Chairman & Managing Director in the case of all Officers in the grade of Deputy General Manager (PS VII) and above; Functional Director / Business Group Chief in the case of all Officers in the grade of Assistant General Manager (PS VI) and also of all Officers upto (PS VI) working under him; Unit Chief in the case of all Officers in the grade upto and inclusive of Manager (PS V) working under them.

l. '**Disciplinary Authority**' means the authority specified in the **Enclosure-I (Appendix - I)**, empowered by the Board of Directors to impose any of the penalties specified in Rule 23.

m. '**Appellate Authority**' means the authority specified in the **Enclosure-I (Appendix - I)**, empowered by the Board of Directors to consider appeals and vested with the power to confirm, set aside, reduce or enhance the punishment appealed against for disciplinary matters; for other purposes, such as grievances/appeals (other than disciplinary matters).

n. '**Reviewing Authority**' means an authority above the Disciplinary Authority but below the Appellate Authority who may be called upon to review the decision of the Disciplinary Authority.

o. '**Family**' in relation to an employee includes:-

i. The wife or husband as the case may be of the employee, whether residing with the employee or not but does not include a wife or husband as the case may be, separated from the employee by a decree or order of a Competent Court.

ii. Sons or daughters or stepsons or stepdaughters of the employee and wholly dependent on the employee, but does not include a child or stepchild who is no longer in any way

dependent on the employee or of whose custody the employee has been deprived of by or under any law.

iii. Any other person related, whether by blood or marriage to the employee or to such employee's wife or husband and wholly dependent on such employee.

p. '**Premises**' means building at Registered Corporate Head Office, Buildings in production Units, Administration Buildings, Ancillary Offices and Buildings, other Administrative Offices, Branches, Sales and Service Centers, Showrooms of the Company, wherever situated in India/Abroad as well as vacant spaces located within the respective Factory/Factories and shall include the Estate and vehicles of the Company or the buses hired for commutation of the employees.

q. '**President**' means the President of India.

r. '**Public servant**' shall mean and include a person as defined in Section 2(1) (o) read with Section 14 (f) of the Lokpal and Lokayukta Act, 2013 as amended from time to time.

s. '**Unit Chief**' means the General Manager/ Joint General Manager / Officer of the Company, specifically placed in charge of a Unit/Division.

t. **Terms: 'He/She, His/Her, Singular/Plural'** The term 'He' includes 'She'; 'His' includes 'Hers' and 'Singular' includes 'Plural', wherever applicable.

u. '**Inquiry Authority/ Committee**' means an Employee or Committee of Employees duly constituted under these rules by the disciplinary authority to enquire into allegations of misconduct leveled against one or more than one charge sheeted employee. The word Enquiry" is used in place of the word "Inquiry" at some places in this document and both shall mean the same.

Rule 4. General

4.1. Every employee of the Company shall at all times

- (i) Maintain absolute integrity;
- (ii) Maintain devotion to duty;
- (iii) Do nothing which is unbecoming of a public servant;
- (iv) Comply with and obey all lawful orders which may be issued to him/her from time to time in the course of his/her official duties by the Company or by any person or persons to whom he may be subordinate to, in the service of the Company.
- (v) Commit oneself to and uphold the supremacy of the Constitution and democratic values;

- (vi) Defend and uphold the sovereignty and integrity of India, the security of the State, public order, decency and morality;
- (vii) Maintain high ethical standards and honesty;
- (viii) Maintain political neutrality;
- (ix) Promote the principles of merit, fairness and impartiality in the discharge of duties;
- (x) Maintain accountability and transparency;
- (xi) Maintain responsiveness to the public, particularly to the weaker section;
- (xii) Maintain courtesy and good behavior with the public;
- (xiii) Take decisions solely in public interest and use or cause to use public resources efficiently, effectively and economically;
- (xiv) Declare any private interests relating to the Employee's public duties and take steps to resolve any conflicts in a way that protects the public interest;
- (xv) Not place oneself under any financial or other obligations to any individual or organization which may influence the employee in the performance of one's official duties;
- (xvi) Not misuse one's position as public servant and not take decisions in order to derive financial or material benefits for oneself, one's family or one's friends;
- (xvii) Make choices, take decisions and make recommendations on merit alone;
- (xviii) Act with fairness and impartiality and not discriminate against anyone, particularly the poor and the under-privileged sections of society;
- (xix) Refrain from doing anything which is or may be contrary to any law, rules, regulations and established practices;
- (xx) Maintain discipline in the discharge of one's duties and be liable to implement the lawful orders duly communicated to the employee;
- (xxi) maintain confidentiality in the performance of one's official duties as required by any laws for the time being in force, particularly with regard to information, disclosure of which may prejudicially affect the sovereignty and integrity of India, the security of the State, strategic, scientific or economic interests of the State, friendly relation with foreign countries or lead to incitement of an offence or illegal or unlawful gain to any person;
- (xxii) Perform and discharge one's duties with the highest degree of professionalism and dedication to the best of his/her abilities.

4.2. (i) Every employee of the Company holding a supervisory / managerial post shall take all possible steps to ensure the integrity and devotion to duty of all employees for the time being under his/her control and authority.

(ii) No Employee of Company shall, in the performance of his/her official duties, or in the exercise of powers conferred on the employee, act otherwise than in his/her best judgment except when employee is acting under the direction of his/her official superior;

(iii) The direction of the official superior shall ordinarily be in writing. Oral direction to subordinates shall be avoided, as far as possible. Where the issue of oral direction becomes unavoidable, the official superior shall confirm it in writing immediately thereafter;

(iv) An employee who has received oral direction from his/her official superior shall seek confirmation of the same in writing as early as possible, whereupon it shall be the duty of the official superior to confirm the direction in writing.

Explanation I.- An employee who habitually fails to perform the task assigned to him within the time set for the purpose and with the quality of performance expected of the employee shall be deemed to be lacking in devotion to duty within the meaning the clause (ii) of sub-rule (1).

Explanation II.- Nothing in clause (ii) of sub-rule (2) shall be construed as empowering an Employee to evade his/her responsibilities by seeking instructions from, or approval of, a superior officer or authority when such instructions are not necessary under the scheme of distribution of powers and responsibilities.

4.2 A. Promptness and Courtesy

No Employee shall,

- (a) In the performance of his/her official duties, act in a discourteous manner;
- (b) In his/her official dealings with the public or otherwise adopt dilatory tactics or willfully cause delays in disposal of the work assigned to him/her.

4.2 B. Observance of Government's policies

Every Employee shall, at all times-

- (a) Act in accordance with the Government's policies regarding age of marriage, preservation of environment, protection of wildlife and cultural heritage;
- (b) Observe the Government's policies regarding prevention of crime against women.

4.2 C. Restrictions on other employment and benefits:

No employee shall directly or indirectly engage in any other occupation, employment profession, calling etc., whether for remuneration or not, (outside the policy laid-down by

the Management from time to time) except with the permission of the Competent Authority.

PROVIDED that an employee may, without such sanction undertake honorary work of social or charitable nature or occasional work of literary, artistic or scientific/professional character, subject to the condition that his official duties do not thereby suffer.

An employee accepting any fee or any pecuniary advantage for any work done by him for any public body or for any private person must declare them to the Competent Authority. No such pecuniary advantage or fee shall be accepted by any employee, for such work is semi-permanent nature and the total benefit exceeds Rs.3600/- in a year.

No employee shall contest elections to Parliament, State Legislature, City Corporation, Municipality, Zilla Parishads, Panchayats.

No Functional Director of the Company including the Chief Executive, who has retired from the service of the Company, after such retirement, shall accept any appointment or post, whether advisory or administrative, in any firm or Company, whether Indian or Foreign, with which the Company has or had business relations, within two years from the date of his retirement without prior approval of the Government.

4.2 D. Vindication of official acts:

No employee shall, except with the previous sanction of Chairman & Managing Director, Functional Directors in the Corporate Head Office/Business Group Chiefs/General Managers/Unit Chiefs, have recourse to any Court or to the Press for vindication of any official act which has been the subject of adverse criticism or an attack of defamatory character.

PROVIDED that nothing in this rule shall be deemed to preclude an employee from vindicating his private character or any act done by him in his private / personal capacity.

4.2 E. Joining of certain Associations by Employees:

No employee shall join or continue to be a member of an association, the objects or activities of which, are prejudicial to the interests of the Company or of the sovereignty and integrity of India or Public Order.

4.2 F. Invention and Patents:

No employee shall without the previous consent in writing of the Chairman and Managing Director apply for a patent or exclusive privilege in respect of any invention made by him concerning the Company's business during his service in the Company or by utilizing the time or facilities of the Company. Further, an employee after leaving the service of the Company shall not apply for a patent or exclusive privilege in respect of products similar to

that of the Company for a period of 3 years from the date of his ceasing to be in the service of the Company.

4.2 G. Retirement:

i. On attaining the age of superannuation:

The age of superannuation shall be 60 years and an employee shall retire from service on the last day of the month in which he attained the age of superannuation.

ii. On Medical Grounds:

Any employee may, at the discretion of the Competent Authority, be examined by the Company's Medical Officer/Medical Board, at any time during the course of his employment with the Company and/or by any other qualified Medical Practitioner approved by the Company, to find the employee's fitness or otherwise for continuance of his employment in the Company. If the employee is found unfit for continued employment by the Competent Authority, he shall be retired on Medical Grounds.

iii. Through Premature Retirement Scheme for Executives:

An executive who has attained the age of 50 years and is considered to be medically unfit, inefficient or of doubtful integrity, may be prematurely retired by the competent authority.

The competent authority to decide such cases will be the MD/ Subsidiary Chief in the Subsidiaries and Functional Director/Executive Director in respect of Holding Company for executives' upto and including PS VI. For executives in the grade of PS VII and above, the competent authority will be C&MD.

The criteria for judging the medical unfitness, inefficiency or doubtful integrity or executives proposed to be prematurely retired, is as follows:-

Medical Unfitness:

- (a) If an employee has been continuously on leave on medical grounds for a period of 12 weeks (including Sundays and holidays) or he has been on leave for reasons of sickness for a total period of 120 days (including Sundays and holidays) or more during a continuous period of six months or if a person though attending duties but is found to be mentally deranged, his departmental head may refer him to a Medical Board for a thorough medical check-up and report on :-
- (i) The disease he is suffering from;
 - (ii) Whether it is curable or incurable;
 - (iii) Whether the disease is infectious / contagious;
 - (iv) In case of curable disease whether the person is likely to be fit to resume his normal duties within a period of 12 months.

- (b) If the person is not fit to resume his duties within a period of 12 months and in cases of employees suffering from incurable and infectious / contagious disease or suffering from lunacy or mental derangement and whose services cannot be utilized by the company or whose attendance is likely to pose health hazard to others as may be certified by the Medical Board, pre-mature retirement will be considered and decided by the Competent Authority.
- (c) This premature retirement on medical grounds is independent of and without prejudice to the right of the company under the contract of employment to dispense with the services of an employee on three months' notice inter-alia on grounds of medical unfitness in case of an employee who might not have even attained the age of 50 years as is being presently done.

Inefficiency:

Inefficiency would be evaluated on the basis of the Appraisal Reports. If in the opinion of the competent authority, for reasons to be recorded in writing, an executive's performance is considered to be poor on the basis of his securing low ratings of below 60% for the year, he may be counseled to improve performance and where possible given job rotation. If the performance of the executive does not improve at the end of six months thereafter, the competent authority may take a final view and decide whether the executive should be compulsorily retired. Further, in case an executive secures below 60% ratings for two consecutive years, the competent Authority may decide about prematurely retiring him on the basis of these appraisal ratings.

Doubtful Integrity:

An employee who gets adverse comments on his integrity in his performance ratings consecutively for three years would be recommended for premature retirement.

Appraisal Reports of those executives who have been graded below 60% or whose integrity has been considered doubtful, will be put up together every year to the Chief Executive of the Plant/Unit concerned, if such reports have not otherwise been put up to him as reviewing officer or as higher authority.

The format of the Order to be issued to the Executive who is to be prematurely retired from the service of the Company is annexed as **Enclosure-II (Appendix - V)**

Employee Entitlement under the Premature Retirement Scheme:

An employee who is prematurely retired will be entitled to the following benefits:

- (a) Pay for the notice period of one month / three months as may be applicable to him under his terms and conditions of service, plus leave salary for un-availed earned leave. The quantum of leave salary will not exceed the maximum limit to which earned leave can be accumulated under the Leave Rules applicable to the employee.

- (b) Full Provident Fund contribution of the employer with accretions thereto in the account of the employee subject to the provision of the Provident Fund Rules applicable to him.
- (c) Gratuity for each completed year of service or part thereof as admissible under the Gratuity Rules.
- (d) Transfer benefits for self and family for proceeding to home-town or to the place where he intends to settle in India as admissible under the TA rules.

iv. As per Govt. guidelines for Strengthening of Administration:

As per DPE guidelines, in order to strengthen the administration, a review of the performance of the employee who is attaining the age of 50 years is to be done in line with FR 56(j) guidelines of the Government. Based on the review, the competent authority has the powers to prematurely retire an employee, if it is necessary to do so in organizational interest.

The procedure to be followed is indicated in the **Enclosure - III** (Appendix - VI).

4.2 H. VOLUNTARY ABANDONMENT OF SERVICE:

If an employee absents without leave for more than 7 days or remains absent for more than 7 days beyond the period of leave granted, he shall be deemed as having voluntarily left and abandoned the Company's service from the date of commencement of such unauthorized absence.

4.2 I. Determination of Employee's age:

In determining the age of the employee, his SSLC / 10th Standard / SSC certificate only will be admitted as proof of age. Where the employee is less than SSLC or where the SSLC certificate cannot be produced due to justified reasons supported by necessary proof thereof, decision of the Company's Chief Medical Officer/ Medical Board will be final. Once the date of birth is determined at the time of entry into the service, the same will not be altered for any reason whatsoever and shall be final and binding for all purposes during the employee's service in the Company and also for the purpose of retirement, notwithstanding any subsequent request for alteration or direction, declaration, undertaking whatsoever, to the contrary.

4.3. Prohibition of sexual harassment of women

1. No employee shall indulge in any act of sexual harassment of any woman at any workplace.
2. Every employee who is in-charge of a workplace shall take appropriate steps to prevent sexual harassment to any woman at the workplace.

Explanation. - (I) For the purpose of this rule,—

A. "Sexual harassment" includes any one or more of the following acts or behavior (whether directly or by implication) namely: -

- (i) Physical contact and advances; or
- (ii) A demand or request for sexual favours; or
- (iii) Making sexually coloured remarks; or
- (iv) Showing pornography; or
- (v) Any other unwelcome physical, verbal, non-verbal conduct of a sexual nature.

B. The following circumstances, among other circumstances, if it occurs or is present, in relation to or connected with any act or behavior of sexual harassment may amount to sexual harassment : -

- (i) Implied or explicit promise of preferential treatment in employment; or
- (ii) Implied or explicit threat of detrimental treatment in employment; or
- (iii) Implied or explicit threat about her present or future employment status; or
- (iv) Interference with her work or creating an intimidating or offensive or hostile work environment for her; or
- (v) Humiliating treatment likely to affect her health or safety.

C. "Workplace" includes,-

- (i) any department, organization, undertaking, establishment, enterprise, institution, office, branch or unit which is established, owned, controlled or wholly or substantially financed by funds provided directly or indirectly by the Company;
- (ii) Hospitals or nursing homes;
- (iii) any sports institute, stadium, sports complex or competition or games venue, whether residential or not used for training, sports or other activities relating thereto;
- (iv) Any place visited by the employee arising out of or during the course of employment including transportation provided by the employer for undertaking such journey;
- (v) A dwelling place or a house related to or connected in course of official dealings.

Rule 5. DISCIPLINE AND APPEAL REGULATIONS AND DISCIPLINARY ACTION PROCEDURE:

5.1 Misconduct

Without Prejudice to the generality of the term "misconduct", the following acts of omission and commission shall be treated as misconduct:-

5.1.1 Breach of any law or of the Conduct Rules and any other Rules or orders/instructions issued by the Company from time to time.

5.1.2 Theft, fraud or dishonesty in connection with the business or property of the Company or of property of another person within the premises of the Company.

5.1.3 Taking or giving bribes or offering or asking for bribes or any illegal gratification whatsoever or indulging in corrupt practices.

Obtaining donations/ advertisement / sponsorship etc. for the associations/NGOs formed by the employee or their spouse / employee's family members etc. from the contractors, vendors, customers or other persons having commercial relationship / official dealings will also be treated as "misconduct".

5.1.4 Possession of pecuniary resources or property disproportionate to the known source of income, by the employee or on his/her behalf by another person, which the employee cannot satisfactorily account for.

5.1.5 Unauthorized custody and/or use of the Company's equipment, tools, quarters, machines, offices, godowns, transports, land or any other property of the Company including unauthorized communication of official documents or information relating to the Company's business, violation of terms and conditions of allotment of Company's quarters, misuse of any amenity / facility & advance provided by the Company and non-compliance of terms & conditions governing such amenities / facilities & advance.

5.1.6 Furnishing, at the time of employment or during the course of employment, wrong or incomplete information or suppressing any information relevant to employment, like age, qualification, previous service or experience, conviction in a Court of Law, dismissal, removal or compulsory retirement by a previous employer, etc., or any other matter germane to the employment at the time of employment or during the course of employment.

5.1.7 Acting in a manner prejudicial to the interests of the Corporation/ Company.

5.1.8 Willful insubordination or disobedience (whether or not in combination with others) of any lawful and reasonable order of his superior, coercing other employees or interference with the work of other employees in the Company's premises, de-motivating / demoralizing employees while working or for any trivial mistakes, habitual indiscipline, commission of any act subversive of discipline or of good behavior, non-performance / under performance of duties, willful negligence in discharge of his/her duties.

5.1.9 Absence without leave or over-staying the sanctioned leaves for more than four consecutive days without sufficient grounds or proper or satisfactory explanation, failure to inform the company regarding the changes, if any, in his address when proceeding on leave or during leave.

- 5.1.10 Falsification of Company's records, impersonation or forgery.
- 5.1.11 Habitually late or irregular attendance.
- 5.1.12 Neglect of work or negligence in the performance of duty including malingering or slowing down of work.
- 5.1.13 Refusal to accept and acknowledge charge sheets, orders or any other communication addressed to an employee.
- 5.1.14 Damage, whether willful or due to irresponsible action or due to negligence or carelessness, to work in process or to any property of the company or any instigation or abetment thereof
- 5.1.15 Interference or tampering with any safety devices installed in or about the premises of the Company.
- 5.1.16 Drunkenness or riotous or disorderly or indecent behavior in the premises of Company or outside such premises where such behavior is related to or connected with the employment
- 5.1.17 Gambling within the premises.
- 5.1.18 Publicly smoking or consumption of alcohol during working hours, consumption/ under influence of alcohol while coming to duty, offering of prohibited substances / tobacco / drugs or narcotics / Alcohol to any employee or person during working hours.
- 5.1.19 Collection, without the permission of the competent authority, of any money within the premises of the Company except as sanctioned by any law of the land for the time being in force or rules of the Company.
- 5.1.20 Sleeping while on duty.
- 5.1.21 Making representations to persons or bodies outside the Company whether official or otherwise on matters connected with the affairs of the Company or personal grievances against the Management.
- 5.1.22 Making representations or sending grievance petitions to the members of the Board of Directors or the Senior Management except through proper channels. (This does not prevent submission of appeals to the prescribed Appellate Authorities under these rules).
- 5.1.23 Organizing, holding, attending or taking part in any meeting within the Company's premises without written prior permission of the management, raising slogans or other agitation methods within the premises of the Company.
- 5.1.24 Distribution or exhibition of any newspaper clipping/bulletins, handbills, pamphlets, protest-badges etc., within the Company's premises.

5.1.25 Conviction by a Court of Law for any criminal offences involving moral turpitude or conviction by a Court of Law or for a serious criminal offence, arrest by the police officer for criminal offence, FIR filed against the employee for criminal offence.

5.1.26 Absence from the appointed place of work without information to the section/ department head, leaving the work place without sufficient cause or without intimating the superior, loitering or idling or wasting time during working hours, leaving the Company premises during office hours without authorized / permitted leave or without permission from Competent Authority.

5.1.27 Obtaining or attempting to obtain leave or absence by false pretence or feigning sickness or malingering.

5.1.28 Purchasing properties, machinery, stores, etc. from or selling properties, machinery, stores etc., to the Company, without express permission in writing from the competent authority.

5.1.29 Give or take or abet the giving or taking of dowry or demand directly or indirectly from the parents or guardian of a bride or bridegroom as the case may be, any dowry under Dowry Prohibition Act, 1961 (28 of 1961), as per explanation given in **Enclosure - IV (Appendix-IV)**.

5.1.30 Applying for appointment, scholarships, fellowships, travelships or for any training to Government or any Public Sector/Private Sector Undertakings without the permission of the Management.

5.1.31 Spreading or encouraging casteism, regionalism, communalism or gender discrimination and working or associating in such associations or groups directly or indirectly, abusing or insulting or threatening one for being of a particular caste, community or gender during individually or with the group of people within the company.

5.1.32 Participation and/or inciting others to participate in strikes, gheraos, go-slow and similar other agitation activities or abetting, inciting or acting in furtherance thereof.

5.1.33 Commission of any acts subversive of discipline or which amount to a criminal offence.

5.1.34 Taking any active part in a meeting or demonstration organised by a political party or its allied organizations, contesting in the local body elections or Legislation or Parliamentary, being the employee of the company, no employee shall be a member of, or be otherwise associated with, any political party or an organization, which takes part in politics, nor shall he take part in, subscribe in aid of, or assist in any other manner, any political movement or activity.

5.1.35 Spreading false rumors or giving information which may bring disrepute to the Company or its employees or spreading panic among the employees.

5.1.36 Carry on money lending or any private business or engage himself in any other employment whether stipendiary or honorary, part-time or otherwise, without the written permission of the Management and entering into speculation.

5.1.37 Using official E-Mail, Internet or other Electronic Equipment or facilities provided by the Company in violation of the guidelines of the Company.

5.1.38 Any other act or omission which the company considers as misconduct or which prima-facie is detrimental to the interests of the Company.

***Note:** The above instances of misconduct are illustrative in nature, and not exhaustive.

Rule 6. Employment of near relatives of the employees in any company or firm enjoying patronage of the Company.

6.1 No employee shall use his/her position or influence directly or indirectly to secure employment for any person related, whether by blood or marriage to the employee or to the employee's wife or husband, whether such a person is dependent on the employee or not.

6.2 No employee shall, except with the previous sanction of the competent authority, permit his/her son, daughter or any member of the family to accept employment with any company or firm / entity with which the employee has official dealings, or with any company or firm / entity, having official dealings with the Company.

Provided that where the acceptance of the employment cannot await the prior permission of the competent authority the employment may be accepted provisionally subject to the permission of the competent authority, to whom the matter shall be reported forthwith.

6.3 No employee shall in the discharge of his/her official duties deal with any matter or give or sanction any contract to any company or firm / entity or any other person if any member of his/her family is employed in that company or firm or under that person or if employee or any member of his/her family is interested in such matter or contract in any other matter and the employee shall refer every such matter or contract to his/her official superior and the matter or the contract shall thereafter be disposed of according to the instructions of the authority to whom the reference is made.

Rule 7. Taking part in demonstrations & Strike

No Employee shall:

7.1 Engage himself or participate in any demonstration which is prejudicial to the interests of the sovereignty and integrity of India, the security of the States, friendly relations with foreign states, public order, decency or morality, or which involves contempt of court, defamation or incitement to an offence; or

7.2 Resort to or in any way abet any form of strike in connection with any matter pertaining to his service or the service of any other employee of the Company.

Rule 7-A. Restriction on political activities of employees of the Company.

The following kinds of activities of the employees are prohibited, as the case may be:

- (i) To be an office-bearer of a political party or an organization which takes part in politics;
- (ii) To take part in or assist in any manner in any movement/agitation or demonstration of a political nature;
- (iii) To take part in an election to any legislature or local authority;
- (iv) To canvass in any election to any legislature or local authority.

Rule 8. Connection with electronic and print Media

8.1 No employee of the Company shall, except with the previous sanction of the competent authority, own wholly or in part, conduct or participate in the editing or management of, any newspaper or other periodical publication.

8.2 No employee of the Company shall, except with the previous sanction of the Competent authority or the prescribed authority, or in the bona fide discharge of his/her duties, participate in a broadcast or contribute any article or write any letter either in his/her own name or anonymously, pseudonymously, or in the name of any other person to any publication. Provided that no such sanction shall be required if such publication, broadcast or such contribution of is a purely literary, artistic or of scientific character.

Rule 9. Criticism of Government and the Company

No employee shall in any electronic and print media or in any document published under his/her name or in the name of any other person or in any communication to the press, or in any public utterances, make any statement:

A. which has the effect of adverse criticism of any policy or action of the Central or State Governments, or of the Company or

B. which is capable of embarrassing the relations between the Company and the public.

Provided that nothing in these rules shall apply to any statement made or views expressed by an employee, of purely factual nature which are not considered to be of a confidential nature, in his/her official capacity or in due performance of the duties assigned to the employee.

Provided further that nothing contained in this clause shall apply to bona fide expression of views by the employee as an office-bearer of a recognized trade union for the purpose of safeguarding the conditions of service of such employees or for securing an improvement thereof.

Rule 10. Evidence before Committee or any other Authority

10.1. Save as provided in under sub-rule (3), no employee of the Company shall, except with the previous sanction of the competent authority, give evidence in connection with any enquiry conducted by any person, committee or authority.

10.2. Where any sanction has been accorded above sub-rule (1), no employee giving such evidence shall criticize the policy or any action of the Central Government or of State Governments, or of the Company.

10.3. Nothing in this rule shall apply to

a. evidence given at any enquiry before an authority appointed by the Government, Parliament or a State Legislator or the Company.

b. evidence given in any judicial enquiry; or

c. evidence given at any departmental enquiry ordered, by authorities subordinate to the Government or the Company.

Rule 11. Unauthorized communication of information

No employee shall, except in accordance with any general or special order of the Company or in the performance in good faith of the duties assigned to the employee, communicate, directly or indirectly, any official document or any part thereof to any officer or other employee, or any other person to whom employee is not authorized to communicate such document or information.

Quotation by an Officer, in his representation to the Head of the Department or to the Chairman & Managing Director or to the Board of Directors of the Company or to any authority of the Company/Government, from any letter, circular or Office Memorandum or from the Notes on any file to which he is not authorized to have access to or which he is not authorized to keep in his personal custody for personal purposes, shall also amount to unauthorized communication of information within the meaning of this rule.

Rule 12. Gifts

12.1 Save as otherwise provided for in these rules; no employee of the Company shall accept or permit any member of his/her family or any other person acting on his/her behalf, to accept any gift from any person other than a near relative or a personal friend having no official dealings with the employee.

Explanation - The expression "gift", shall include free transport, board, lodging or other service or any other pecuniary advantage.

Note - An employee of the Company shall avoid acceptance of lavish or frequent hospitality from any individual or firm having official dealings with the employee.

12.2 On occasions such as weddings, anniversaries, funerals or religious functions, when the making is in conformity with the prevailing religious or social practices, an employee of the Company may accept gifts, from his/her near relatives but employee shall make a report to the competent authority if the value of the gift exceeds

(i) **Rupees twenty five thousand** in the case of Executives;

(ii) **Rupees fifteen thousand** in the case of a Non-Executives;

12.3 On such occasions as are specified in sub-rule (2), an employee of the Company may accept gifts from his/her personal friends having no official dealings with the employee, but employee shall make a report to the competent authority if the value of any such gift exceeds rupees one thousand five hundred in the case of Executives and Non-Executives;

12.4 In any other case, an employee of the Company shall not accept or permit any other member of his/her family or any other person acting on his/her behalf to accept any gifts without the sanction of the competent authority if the value thereof exceeds rupees **Five Thousand** in the case of Executives and & rupees **Two Thousand** in case of Non-Executives;

Provided that when more than one gift has been received from the same person/firm within a period of 12 months, the matter shall be reported to the Competent Authority if the aggregate value of the gifts exceeds Rs.25,000/- and Rs.15000/-in case of Executives and Non-Executives respectively.

Rule 12-A. No employee of the Company shall

(i) Give or take or abet the giving or taking of dowry; or

(ii) Demand, directly or indirectly, from the parents or guardian of a bride or bridegroom, as the case maybe, any dowry **under Dowry Prohibition Act, 1961 (28 of 1961), as per explanation given in Enclosure - IV (Appendix-IV).**

Explanation: For the purposes of this rule dowry has the same meaning as in Dowry Prohibition Act, 1961(28 of 1961) or any amendment, if any.

Rule 13. Private Trade or employment

13.1 No employee of the Company shall except with the previous sanction of the competent authority, engage directly or indirectly in any trade or business or undertake any other employment; Provided that an employee may, without such sanction, undertake honorary work of a social or charitable nature or occasional work of literary, artistic or scientific character, subject to the condition that his/her official duties do not thereby suffer.

13.1A. No employee shall, except with the previous sanction of the Competent Authority, take part in registration, promotion or management of any bank, firm, cooperative society, chit fund or any Company registered under the Companies Act, 1956 / any other law for the time being in force.

13.2 Every employee of the Company shall report to the competent authority; any member of his/her family is engaged in a trade or business or owns or manages an insurance agency or Commission agency.

13.3 No employee of the Company shall, without the previous sanction of the competent authority except in the discharge of his/her official duties, take part in the registration, promotion or management of any bank or other company which is required to be registered under the Companies Act, 2013 or other law for the time being in force or any cooperative society for commercial purposes;

Provided that an employee of the Company may take part in the registration, promotion or management of a consumer/House Building Co-operative society substantially formed for the benefit of employees of the Company, registered under the Cooperative Societies Act, 1912 (2 of 1912) or any other law / amendment for the time being in force, or of a literary, scientific or charitable society registered under the Societies Registration Act, 1860 (21 of 1860), or any corresponding law / amendment in force.

13.4 No employee of the Company shall accept any fee or any pecuniary advantage for any work done by him/her for any public body or any private person without the sanction of the competent authority.

Rule 13-A. With regard to dealing in the shares of the Company

(i) A full-time Director or any employee involved in the decision making process of fixation of price of an IPO/FPO of shares of the Company shall not apply either oneself/herself or through any member of his/her family or through any other person acting on his/her behalf for allotment of shares (which includes all types of equity related instruments) in an IPO/FPO of such Company, even out of the category of preferential quota reserved for employees/Directors of the Company.

(ii) Employees including full time Directors who are in possession of unpublished price sensitive information would be prohibited from dealing/transacting either in their own name or through any member of their family in the shares of their own Company.

(iii) Full-time Director or employee or any member of his/her family or any person acting on his/her behalf shall not apply for shares out of any preferential quota reserved for employees/Directors of other companies.

(iv) Employees would be required to disclose to the Company all transactions of purchase/sale in shares worth two months Basic pay or more in value or existing holding/interest in the shares worth Rs. two months Basic pay or more in his/her own Company either in his/her own name or in the name of any family member of employee to report to the Company indicating quantity, Price, date of transaction and nature of interest within 4 working days.

Rule 14. Investment, lending and borrowing

No employee shall, save in the ordinary course of business with a bank, financial institution or a firm of standing, borrow money from or lend money to or otherwise place oneself under pecuniary obligation to any person with whom employee has or is likely to have official dealings or permit any such borrowing, lending or pecuniary obligation in his/her name or for his/her benefit or for the benefit of any member of his/her family.

Rule 14-A. Speculation of stock / shares of companies

Employee shall not speculate in any stock, share or other investment. It may also be explained that frequent purchase or sale or both, of shares, securities or other investments shall be deemed to be speculation within the meaning of this sub-rule.

With a view to enable the administrative authorities to keep a watch over such transactions, an intimation may be sent in the Proforma annexed as **Enclosure - V (Annexure -VII)** (on the lines of proforma of DoPT OM dated 07.02.2019) to the Competent Authority if the total transactions in shares, securities, debentures or mutual funds scheme etc., exceed six months' basic pay of the employee during the calendar year (to be submitted by 31st January of the subsequent calendar year).

Rule 15. Insolvency and habitual indebtedness

15.1 An employee of the Company shall avoid habitual indebtedness unless employee proves that such indebtedness or insolvency is the result of circumstances beyond his/her control and does not proceed from extravagance or dissipation.

15.2 An employee of the Company who applies to be, or is adjudged or declared insolvent shall forthwith report the fact to his/her competent authority.

Rule 16. Movable, Immovable and valuable property

16.1 Every employee shall, on first appointment in the Company, submit a return of assets and liabilities in the prescribed form giving the particulars regarding:-

- a. the immovable property inherited by the employee, or owned or acquired by the employee, held by the employee on lease or mortgage, either in his/her own name or in the name of any member of his/her family or in the name of any other person;
- b. shares, debentures, and cash including bank deposits inherited by the employee (or similarly) owned, acquired, or held by the employee;
- c. other movable property inherited by the employee or similarly owned, acquired or held by the employee if the value of such property exceeds Rs. 10,000/-.
- d. debts and other liabilities incurred by employee directly or indirectly;

16.2 No employee shall, except with the previous knowledge of the competent authority, acquire or dispose of any immovable property by lease, mortgage, purchase, sale, gift or otherwise, either in his/her own name or in the name of any member of his/her family.

16.3 No employee of the Company shall, except with the previous sanction of the competent authority, enter into any transaction concerning any immovable or movable property with a person or a firm having official dealings with the employee or his/her subordinate.

16.4 Every employee of the Company shall report to the competent authority every transaction concerning movable property owned or held by the employee in his/her own name or the name of a member of his/her family, if the value of such property exceeds Rs. two months Basic pay (unless otherwise specified by the Company).

16.5 The competent authority may, at any time, by general or special order require an employee to submit, within a period specified in the order a full and complete statement of such movable or immovable property held or acquired by the employee or on his/her behalf or by any member of his/her family as may be specified in the order. Such statement shall, if so required by the competent authority, include details of the means by which, or the source from which such property was acquired.

Explanation I - For the purposes of this rule - the expression "movable property" includes

- (a) Jewellery, insurance policies - the annual premium of which exceeds 'two months' basic pay of the employee, shares, securities and debentures;
- (b) All loans, whether secured or not, advanced or taken by the employee;
- (c) Motor cars, motor cycles, horses or any other means of conveyance; and
- (d) Refrigerators, radios radiograms and television sets.

Explanation II.- For the purpose of this rule 'lease' means, except where it is obtained from, or granted to, a person having official dealings with the employee, a lease of immovable property from year to year or for any term exceeding one year or reserving an yearly rent.

16.5A Every employee should on first appointment in the Company's Service and thereafter on the 31st of March, submit declaration of Assets and Liabilities in the prescribed Formats as at **Enclosure - VI (Appendix-II and III)**, before 31st July each year as detailed below:

- Declaration of Return of Assets and Liabilities as in **Appendix-II**.
- Details of employee, his/her spouse and dependent children in Form-I of **Appendix-III**.
- Statement of Movable Property in Form-II of **Appendix-III**.
- Statement of Immovable Property in Form-III of **Appendix-III**.
- Statement of Debts and other Liabilities in Form-IV of **Appendix-III**.

Rule 17. Canvassing or other influence

No employee shall bring or attempt to bring any outside influence to bear upon any superior authority to further his/her interests in respect of matters pertaining to his/her service in the Company.

Rule 18. Bigamous marriages

1. No employee shall enter into, or contract, a marriage with a person having a spouse living; and

2. No employee, having a spouse living, shall enter into, or contract, a marriage with any person;

Provided that the Board may permit an employee to enter into, or contract, any such marriage as is referred to in clause (1) or clause (2) if it is satisfied that

a. such marriage is permissible under the personal law applicable to such employee and the other party to the marriage; and

b. There are other grounds for so doing.

3. An employee who has married or marries a person other than that of Indian nationality, shall forthwith intimate the fact to his/her employer.

4. An employee who is not married at the time of joining the service of the Company shall intimate to the Competent Authority the details of his spouse, such as name, age, parents name and address, date of marriage, nationality etc., soon after the marriage.

Rule 19. Consumption of intoxicating drinks and drugs

Employee shall -

(a) Strictly abide by any law relating to intoxicating drinks or drugs in force in any area in which employee may happen to be for the time being;

(b) Not be under influence of any intoxicating drink or drug during the course of his/her duty and shall also take due care that the performance of his/her duties at any time is not affected in any way by the influence of such drink or drug; refrain from consuming any intoxicating drink or drug in a public place;

(c) Not appear in a public place in a state of intoxication;

(d) Not use any intoxicating drink or drug to excess.

Explanation: For the purposes of this rule, 'public place' means any place or premises (including a conveyance) to which the public have, or are permitted to have, access, whether on payment or otherwise.

Rule 19-A. Prohibition regarding employment of children below 14 years of age.

The Company shall not employ to work any child below the age of 14 years.

Rule 20. Suspension & Deemed Suspension

20.1 Suspension

The appointing authority or any authority to which it is subordinate or the disciplinary authority or any authority empowered in that behalf by the management by general or special order may place an employee under suspension:

a. Where disciplinary proceeding against the employee is contemplated or is pending; or

b. Where case against the employee in respect of any criminal offence is under investigation or trial; or

c. Where, in the opinion of the authority aforesaid, he/she has engaged oneself in activities prejudicial to the interest of the security of the State;

d. Where the continuance in office of the Officer will prejudice investigation, trial or any inquiry (e.g., apprehended tampering with witnesses or documents); or

e. Where the continuance in office is likely to seriously subvert discipline in the office/department in which he is working; or

f. Pending investigation enquiry or trial if employee is under arrest or on bail for any criminal offence mentioned in Rule 5, sub-clause 5.1, Sl no 25 above till the disposal of the case.

g. where the continuance in office of the employee will be against the wider public interest [other than those covered by (d) and (e)].

h. where allegations have been made against the employee and preliminary inquiry has revealed that a prima facie case is made out which would justify his prosecution or is being proceeded against in departmental proceedings, and where the proceedings are likely to end in his conviction and/ or dismissal, removal or compulsory retirement from service.

20.2 Deemed Suspension

20.2.1 An employee who is detained in police / judicial custody, whether on a criminal charge or otherwise for a period exceeding 48 hours shall be deemed to have been suspended with effect from the date of detention, by an order of the appointing authority, and shall remain under suspension until further orders. The employee shall be deemed to have been placed under suspension by an order of the authority competent to suspend –

- a) With effect from the date of his detention, if he is detained in custody whether on criminal charge or otherwise for a period exceeding forty eight hours;
- b) With effect from the date of his conviction if in the event of conviction for an offence, he is sentenced to a term of imprisonment exceeding forty eight hours and is not forthwith dismissed or removed or compulsorily retired consequent on such conviction.

An order of deemed suspension may be issued in case of an employee having been detained on criminal charges.

- c) Where a penalty of dismissal, removal or compulsory retirement from service imposed upon a employee under suspension is set aside in appeal or on review and the case is remitted for further inquiry or action or with any other directions, the order of his suspension shall be deemed to have continued in force on and from the date of the original order of dismissal, removal or compulsory retirement and shall remain in force until further orders.
- d) Provided that no such further inquiry shall be ordered unless it is intended to meet a situation where the court has passed an order purely on technical ground without going into the merit of the case.

20.2.2 It shall be the duty of the employee who has been arrested for any reason to intimate promptly, the fact of his arrest and the circumstances connected therewith, to his official superior even though he might have been released on bail subsequently. Failure on the part of the employee to so inform his official superior will be regarded as suppression of material information and will render him liable to disciplinary action on this ground alone, apart from the action that may be called for on the outcome of the Police Case against him.

20.2.3 Where a penalty of dismissal or removal from service imposed upon an employee under suspension is set aside on appeal or on review under these rules and the case is remitted for further inquiry or action or with any other directions, the order of his/her suspension shall be deemed to have continued in force on and from the date of the original order of dismissal or removal and shall remain in force until further orders.

20.2.4. Where a penalty of dismissal or removal from service imposed upon an employee is set aside or declared or rendered void in consequence of or by a decision of a court of law and the disciplinary authority, on consideration of the circumstances of the case, decides to hold a further inquiry against the employee on the allegations on which the penalty of dismissal or removal was originally imposed, the employee shall be deemed to have been placed under suspension by the appointing authority from the date of the original order of dismissal or removal and shall continue to remain under suspension until further orders.

20.2.5 An order of suspension made or deemed to have been made under this Rule may at any time be revoked by the authority, which made or is deemed to have made the order or by any authority to which that authority is subordinate.

In cases in which the proceedings result in an order of dismissal, removal, or of compulsory retirement, the order of suspension will cease to exist automatically from the date from which the order of dismissal, removal or compulsory retirement takes effect.

20.2.6 During the period of suspension the employee shall not enter the work-place/ office premises except with the written permission of the Suspending Authority or any other Authority competent to give such permission, nor shall he leave station without the written permission of the Competent Authority. No leave shall be granted during the period of suspension.

20.2.7 No order of suspension should be made with retrospective effect except in the case of deemed suspension

20.2.8 Resignation during suspension: If an Officer under-suspension submits his resignation, the Competent Authority should examine with reference to the merits of the disciplinary case pending against him whether it would be in the interest of Company discipline to accept the resignation. Normally an officer is placed under suspension only in cases of grave delinquency and it would not be correct to accept resignation of an officer under suspension.

However, the acceptance of resignation may be considered if one or more of the following conditions prevails:

- i) The alleged offence does not involved moral turpitude; or
- ii) The evidence against the accused officer is not strong enough to justify the assumption that if the departmental proceedings were continued, the officer would be removed or dismissed from service; or

- iii) The departmental proceedings are likely to be so protracted that it would be cheaper to the exchequer to accept resignation.

Concurrence of the Vigilance Dept. should also be obtained if the Vigilance Dept. had advised initiation of departmental action against Officer concerned or such action has been initiated on the advice of the Vigilance Dept.

Rule 21. Subsistence Allowance

21.1 An employee under suspension shall be entitled to draw subsistence allowance equal to 50 percent, of his/her basic pay, provided the disciplinary authority is satisfied that the employee is not engaged in any other employment or business, or profession or vocation. In addition, the employee shall be entitled to Dearness Allowance admissible on such subsistence allowance and any other compensatory allowance of which employee was in receipt on the date of suspension provided the suspending authority is satisfied that the employee continues to meet the expenditure for which the allowance was granted.

21.2 Where the period of suspension exceeds six months, the authority which made or is deemed to have made the order of suspension shall be competent to vary the amount of subsistence allowance for any period subsequent to the period of the first six months as follows:-

i. The amount of subsistence allowance may be increased to 75 percent of basic pay and allowances thereon if, in the opinion of the said authority, the period of suspension has been prolonged for reasons to be recorded in writing not directly attributable to the employee under suspension;

ii. The amount of subsistence allowance may be reduced to 25 percent of basic pay and allowances thereon if in the opinion of the said authority; the period of suspension has been prolonged due to the reasons to be recorded in writing directly attributable to the employee under suspension.

21.3 If an employee is arrested by the Police on a criminal charge and bail is not granted, no subsistence is payable. On grant of bail, if the competent authority decides to continue the suspension, the employee shall be entitled to subsistence allowance from, the date employee is granted bail.

21.4 Where an employee under suspension dies before the disciplinary or court proceedings instituted against him are concluded, the period between the date of suspension and the date of death shall be treated as duty for all purposes and his family shall be paid the full pay and allowance for that period to which he would have been entitled had he not been suspended, subject to adjustment in respect of subsistence allowance already paid.

21.5 The subsistence allowance shall be paid only when the employee furnishes a certificate / undertaking that he is not engaged in any other employment, business or profession or vocation and the competent authority is satisfied with the certificate and counter signs it.

Rule 22. Treatment of the period of suspension

22.1 When the employee under suspension is reinstated, the competent authority may grant to the employee the following pay and allowances for the period of suspension:

- a. If the employee is exonerated and not awarded any of the penalties mentioned in Rule 23, the full pay and allowances which employee would have been entitled to if employee had not been suspended, less the subsistence allowance already paid to the employee; and
- b. If otherwise, such proportion of pay and allowances as the competent authority may prescribe.

22.2 In a case falling under sub-clause (a) the period of absence from duty will be treated as a period spent on duty. In case failing under sub-clause (b) it will not be treated as a period spent on duty unless the competent authority so directs.

22.3 Provisional pension if the Government servant retires while under suspension:

If the Government servant was under suspension on the date of retirement, the provisional pension equal to the maximum pension which would have been admissible to him on the basis of qualifying service upto the date immediately preceding the date on which he was placed under suspension should be authorized.

No gratuity should, however, be paid until the conclusion of the departmental or judicial proceedings and issue of final orders thereon, except in those cases where departmental proceedings have been instituted for imposing minor penalties.

Rule 23. Penalties

The following penalties may be imposed, on an employee, as hereinafter provided, for misconduct committed by the employee or for any other good and sufficient reasons.

Minor Penalties

- A) Warning;
- B) Censure;
- C) Withholding of increment(s) of pay with or without cumulative effect;

D) Withholding of promotion with the Disciplinary Authority giving directions on the period for which the promotion is withheld. The order will debar an Officer from being considered for promotion during that period, whatever be his seniority, merit or ability

Explanation: Non-promotion of an Executive, whether in a substantive or officiating capacity, after consideration of his case for promotion to a grade or post which he is eligible will not amount to a penalty

E) Recovery from pay of the whole or part of any pecuniary loss caused to the Corporation/Company by negligence or breach of order;

Explanation: While normally there will be no need to impose two Statutory penalties at a time, the penalty of recovery from pay of the whole or part of any pecuniary loss caused by an officer to Corporation/Company by negligence or by breach of order could be imposed along with any other penalty.

F) Reduction to a lower stage in the time-scale of pay by one stage for a period of not exceeding 3 years, without cumulative effect and not adversely affecting his terminal benefits.

Major Penalties

G) Reduction to a lower stage in the time-scale of pay for a specified period save as provided above in clause (f), reduction to a lower stage in the time scale of pay for a specified period, with further directions as to whether or not the employee will earn increments of pay during the period of such reduction and whether on expiry of such period, the reduction will or will not have the effect of postponing the future increment of pay;

H) Reduction to a lower time-scale of pay grade, post or service for a specified period, which shall be a bar to the promotion of the employee during such specified period to the time-scale of pay, grade, post or Service from which he was reduced, with directions; as to whether or not, on promotion on the expiry of the said specified period-

- a) the period of reduction to time-scale of pay, grade, post or service shall operate to postpone future increments of his pay and if so, to what extent; and
- b) The employee shall regain his original seniority in the higher time-scale of pay, grade, post or service.

I) Compulsory retirement

Explanation: Compulsory retirement of a Government servant in accordance with the provisions relating to his Superannuation and Retirement on Medical Grounds does not amount to penalty

J) Removal from service which shall not be a disqualification for future employment under the Govt. or the Company owned or controlled by the Govt.;

K) Dismissal from service which shall ordinarily be a disqualification for future employment under the Govt. or the Company owned or controlled by the Govt.;

Provided that, in every case in which the charge of possession of assets disproportionate to known sources of income or the charge of acceptance from any person of any gratification, other than legal remuneration, as a motive or reward for doing or forbearing to do any official act, is established, the penalty mentioned in clause (j) or (k) above shall be imposed:

Provided further that in any exceptional case and for special reasons recorded in writing, any other penalty may be imposed.

Rule 24. Disciplinary Authority to impose penalties

The Disciplinary Authority, as specified in **Enclosure - I (Appendix-I)**, or any authority higher than it may impose any of the penalties specified in Rule 23 on any employee.

Rule 25. Procedure for imposing major penalties

25.1 No order imposing any of the major penalties specified in Clauses (g) to (k) of Rule 23, shall be made except after an inquiry is held in accordance with these rules, or the article of the charge(s) have been admitted by the charge-sheeted employee.

25.2 Whenever the disciplinary authority is of the opinion that there are grounds for inquiring into the truth of any imputation of misconduct or misbehavior against an employee, it may itself enquire into, or appoint any inquiring authority to inquire into the truth thereof. Provided that where there is a complaint of sexual harassment within the meaning of Rule 4(3) above, the complaints Committee for inquiring into such complaints, shall be deemed to be the inquiring authority appointed by the disciplinary authority for the purpose of these rules and the Complaints Committee shall hold, if separate procedure has not been prescribed for the complaints committee for holding the inquiry into the complaints of sexual harassments, the inquiry as far as practicable in accordance with the procedure laid down in these rules.

Explanation : Where the disciplinary authority itself holds the inquiry, the inquiring authority shall be construed as a reference to the disciplinary authority.

25.3 Where it is proposed to hold an inquiry, the disciplinary authority shall deliver or cause to be delivered to the employee a copy of the articles of charge, the statement of the imputations of misconduct or misbehavior and a list of documents and witnesses by which each article or charges is proposed to be sustained. On receipt of the articles of

charge, the employee shall be required to submit his/her written statement of defense, if employee so desires, and also state whether employee desires to be heard in person, within a period of fifteen days, which may be further extended for a period not exceeding fifteen days at a time for reasons to be recorded in writing by the Disciplinary Authority or any other Authority authorized by the Disciplinary Authority on his/her behalf:

Provided that under no circumstances, the extension of time for filing written statement of defense shall exceed forty-five days from the date of receipt of articles of charge.

Explanation—It will not be necessary to show the documents listed with the charge-sheet or any other document to the employee at this stage.

25.4 If the reply to the charge-sheet received is not considered satisfactory or if no such reply is received within the specified time, an enquiry may be held by an Enquiry Officer appointed under these rules.

25.5 On receipt of the written statement of defense, the disciplinary authority may itself inquire into such of the articles of charge as are not admitted, or, if it considers it necessary so to do, appoint, above sub-rule (25.2), an inquiring authority for the purpose, and where all the articles of charge have been admitted by the charged sheeted Employee in his/her written statement of defense, the disciplinary authority shall record its findings on each charge after taking such evidence as it may think fit and shall act in the manner laid down in rule 26. If no written statement of defense is submitted by the charged sheeted employee, the disciplinary authority may itself inquire into the articles of charge, or may, if it considers it necessary to do so, appoint, above sub-rule (2), an inquiring authority for the purpose.

25.6 Where the disciplinary authority itself inquires or appoints an inquiring authority for holding an inquiry, it may, by an order appoint an employee to be known as the "Presenting Officer" to present on its behalf the case in support of the articles of charge.

25.7 The employee may take the assistance of another employee but may not engage a legal Practitioner for the purpose ***unless the Presenting Officer appointed by the disciplinary authority is a legal practitioner, or the disciplinary authority, having regard to the circumstances of the case, so permits.***

25.8 The Disciplinary Authority or the Enquiry Officer / Inquiring Authority may permit the charge-sheeted employee to take the assistance of another employee of the same Unit or other Unit/Office located in the same place, in the enquiry, provided that such employee is not under suspension and is not a representative in more than two cases. Also, an Officer against whom disciplinary proceedings are pending under these Rules shall not be entitled to assist another employee in disciplinary proceedings under these rules till the completion of such proceedings.

25.9 On the date fixed by the inquiring authority, the employee shall appear before the Inquiring Authority at the time, place and date specified in the notice. The inquiring authority shall ask the employee whether employee pleads guilty or has any defense to make and if employee pleads guilty to any of the articles of charge, the inquiring authority shall record the plea, sign the record and obtain the signature of the employee concerned thereon. The Inquiring Authority shall return a finding of guilt in respect of those articles of charge to which the charged sheeted employee concerned pleads guilty.

25.10 If the employee does not plead guilty, the inquiring authority shall adjourn the case to a later date not exceeding thirty days after recording an order that the charged sheeted employee may, for the purpose of preparing his/her defense:

- i. Inspect the documents listed with charge-sheet.
- ii. Submit a list of additional documents and witnesses that employee wants to examine; and
- iii. Be supplied with the copies of the statements of witnesses, if any, listed in the charge-sheet.

Note : Relevancy of the additional document and the witnesses referred to in sub-clause 25.10 (ii) above will have to be given by the employee concerned and the documents and the witnesses shall be summoned if the inquiring authority is satisfied about their relevance to the charges under inquiry.

25.11 The inquiring authority shall ask the authority in whose custody or possession the documents are kept, for the production of the documents or issue a non-availability certificate before the Inquiring Authority within one month of the receipt of such requisition: Provided that if the authority having the custody or possession of the requisitioned documents is satisfied for reasons to be recorded by it in writing that the production of all or any of such documents would be against the public interest or security of the State, it shall inform the Inquiring Authority accordingly and the Inquiring Authority shall, on being so informed, communicate the information to the charged sheeted employee and withdraw the requisition made by it for the production or discovery of such documents.

25.12 The authority in whose custody or possession the requisitioned documents are, shall arrange to produce the same before the inquiring authority on the date, place and time specified in the requisition notice.

Provided that the authority having the custody or possession of the requisitioned documents may claim privilege if the production of such documents will be against the public interest or the interest of the Company. In the event, it shall inform the inquiring authority accordingly.

25.13 On the date fixed for the inquiry the oral and documentary evidence by which the articles of charge are proposed to be proved shall be produced by or on behalf of the disciplinary authority. The witnesses shall be examined by or on behalf of the Presenting Officer and may be cross-examined by or on behalf of the charged sheeted employee. The Presenting Officer shall be entitled to re-examine the witness on any points on which they have been cross-examined, but not on a new matter, without the leave of the Inquiring Authority. The Inquiring Authority may also put such questions to the witnesses as it thinks fit.

25.14 Before the close of the prosecution case, the inquiring authority may, in its discretion allow the Presenting Officer to produce evidence not included in the charge sheet or may itself call for new evidence or recall or re-examine any witness.

In such case the charged sheeted employee shall be given opportunity to inspect the documentary evidence before it is taken on record; or to cross-examine a witness, who has been so summoned.

25.15 When the case for the disciplinary authority is closed, the charged sheeted employee may be required to state his/her defense, orally or in writing as employee may prefer. If the defense is made orally, it shall be recorded and the charged sheeted employee shall be required to sign the record. In either case a copy of the statement of defense shall be given to the Presenting Officer, if any appointed.

25.16 The evidence on behalf of the charged sheeted employee shall then be produced. The charged sheeted employee may examine himself/herself in his/her own behalf if employee so prefers. The witnesses produced by the charged sheeted employee shall then be examined and shall be liable to cross-examination, re-examination and examination by the inquiring authority according to the provision applicable to the witnesses for the disciplinary authority.

25.17 The Inquiring Authority may, after the charged sheeted employee closes his/her case, and shall, if the employee has not examined himself/herself, generally question the charged sheeted employee on the circumstances appearing against the charged sheeted employee in the evidence for the purpose of enabling the charged sheeted employee to explain any circumstances appearing in the evidence against him/her.

25.18 After the completion of the production of the evidence, the charged sheeted employee and the Presenting Officer may file written briefs of their respective cases within 15 days of the date of completion of the production of evidence.

25.19 If charged sheeted employee does not submit the written statement of defense referred to in sub-rule 25.3 above on or before the date specified for the purpose or does not appear in person, or through the assisting officer or otherwise fails or refuses to comply with any of the provisions of these rules, the inquiring authority may hold the enquiry ex parte.

25.20 Whenever any inquiring authority, after having heard and recorded the whole or any part of the evidence in an inquiry ceases to exercise jurisdiction therein, and is succeeded by another inquiring authority which has, and which exercises, such jurisdiction, the inquiring authority so succeeding may act on the evidence so recorded by its predecessor, or partly recorded by its predecessor and partly recorded by itself.

Provided that if the succeeding inquiring authority is of the opinion that further examination of any of the witnesses whose evidence has already been recorded is necessary in the interest of justice, it may recall examine, cross-examine and reexamine any such witnesses as herein before provided.

25.21. (i) After the conclusion of the inquiry report shall be prepared and it shall contain.

- a) gist of the articles of charge and the statement of the imputations of misconduct or misbehavior;
- b) a gist of the defense of the charged sheeted employee in respect of each article of charge;
- c) and assessment of the evidence in respect of each article of charge;
- d) the findings on each article of charge and the reasons therefor.

Explanation—If in the opinion of the inquiring authority the proceedings of the inquiry establish any article of charge different from the original articles of the charge, it may record its findings on such article of charge.

Provided that the findings on such article of charge shall not be recorded unless the charged sheeted employee has either admitted the facts on which such article of charge is based or has had a reasonable opportunity of defending oneself against such article of charge.

(ii) The inquiring authority, where it is not itself the disciplinary authority, shall forward to the disciplinary authority the records of inquiry which shall include

- a) The report of the inquiry prepared by it under sub-clause (i) above;
- b) The written statement of defense if any submitted by the employee referred to in sub-rule 25.13 above.
- c) The oral and documentary evidence produced in the course of the inquiry;
- d) Written briefs referred to in sub-rule 25.16 above if any; and
- e) The orders if any made by the disciplinary authority and the inquiring authority in regard to the inquiry.

25.22 (a) The Inquiring Authority should conclude the inquiry and submit his/her report within a period of six months from the date of receipt of order of his/her appointment as Inquiring Authority.

(b) Where it is not possible to adhere to the time limit specified in clause (a), the Inquiring Authority may record the reasons and seek extension of time from the disciplinary authority in writing, who may allow an additional time not exceeding six months for completion of the Inquiry, at a time.

(c) The extension for a period not exceeding six months at a time may be allowed for any good and sufficient reasons to be recorded in writing by the Disciplinary Authority or any other Authority authorized by the Disciplinary Authority on his/her behalf.

(d) Request of a delinquent official for permission to engage a Legal Practitioner to defend his case before the Inquiry Officer:

A delinquent employee against whom disciplinary proceedings have been instituted as for imposition of a major penalty may not engage a legal practitioner to present the case on his behalf before the Inquiring authority, unless the Presenting Officer appointed by the disciplinary authority is a legal practitioner, or the disciplinary authority, having regard to the circumstances of the case, so permits. It is clarified that, when on behalf of the disciplinary authority, the case is being presented by a Prosecuting Officer of the Central Bureau of Investigation or a Government Law Officer (Such as Legal Adviser, Junior Legal Adviser), there are evidently good and sufficient circumstances for the disciplinary authority to exercise his discretion in favour of the delinquent officer and allow him to be represented by a Legal Practitioner. Any exercise of discretion to the contrary in such cases is likely to be held by the court as arbitrary and prejudicial to the defense of the delinquent Government servant. (As per **CCS (CC&A) Rules 1965-Rule 14(8)(a)**)

Rule 26. Action on the inquiry report

(1) The disciplinary authority, if it is not itself the inquiring authority may, for reason to be recorded by it in writing remit the case to the inquiring authority for fresh or further inquiry and report and the inquiry authority shall thereupon proceed to hold the further inquiry according to the provisions of Rule 25 as far as may be .

(2) The disciplinary authority shall forward or cause to be forwarded a copy of the report of the inquiry, if any, held by the disciplinary authority or where the disciplinary authority is not the inquiring authority, a copy of the report of the inquiring authority, together with its own tentative reasons for disagreement, if any, with the findings of inquiring authority on any article of charge to the employee who shall be required to submit, if employee so desires, his/her written representation or submission to the disciplinary authority within fifteen days, irrespective of whether the report is favourable or not to the employee.

(3) If the disciplinary authority having regard to its findings on all or any of the articles of charge is of the opinion that any of the penalties that any of the penalties specified in

Rule 23 should be imposed on the employee it shall, notwithstanding anything contained in Rule 27 make an order imposing such penalty.

(4) If the disciplinary authority having regard to its findings on all or any of the articles of charge, is of the opinion that no penalty is called for, it may pass an order exonerating the employee concerned.

Rule 26-A. In the matter of promotion of employees against whom disciplinary / court proceedings are pending or whose conduct is under investigation, the procedure may be follow in accordance with the DoPT OM No. 22011/4/91-Estt.(A) dated 14.09.1992 and subsequent instructions of DOPT on sealed cover procedure.

Rule 27. Procedure for imposing minor penalties

(1) Where it is proposed to impose any of the minor penalties specified in clauses (a) to (e) of Rule 23, the employee concerned shall be informed in writing of the imputations of misconduct or misbehavior against the employee and give an opportunity to submit his/her written statement of defense within a specified period not exceeding 15 days. The defense statement, if any, submitted by the employee shall be taken into consideration by the disciplinary authority before passing orders.

(2) The record of the proceedings shall include -

- (i) A copy of the statement of imputations of misconduct or misbehavior delivered to the employee;
- (ii) His/her defense statement, if any; and
- (iii) The orders of the disciplinary authority together with the reason therefor.

(3) For imposing minor penalty, it is not essential to issue a charge sheet or to conduct enquiry. However, if an employee has been issued with a charge sheet, based on the explanation given by the employee and evidence made available, the Disciplinary Authority may impose any of the minor penalties specified in Rule 23 (a) to (f) as deemed fit without conducting further enquiry.

Rule 28. Communication of orders

Orders made by the Disciplinary Authority under Rule 26 or Rule 27 shall be communicated to the employee concerned, who shall also be supplied with a copy of :

(I) its finding on each article of charge, **or** where the disciplinary authority is not the inquiring authority, a statement of the findings of the disciplinary authority together with brief reasons for its disagreement, if any, with the findings of the inquiring authority and

(II) A copy of the advice, if any, given by the Commission, and where the disciplinary authority has not accepted the advice of the Commission, a brief statement of the reasons for such non-acceptance.

Rule 29. Common proceedings

Where two or more employees are concerned in any case, the authority competent to impose a major penalty on all the such employees may make an order directing that disciplinary proceedings against all of them be taken in a common proceeding. If the authorities competent to impose the penalty on such employees are different, an order for common proceedings may be made by the highest of such authorities with the consent of the others. Such an order should specify: -

- a) the authority which may function as the Disciplinary Authority for the purpose of such common proceedings;
- b) the penalties which such Disciplinary Authority will be competent to impose;
- c) whether the proceedings shall be initiated as for a major penalty or for a minor penalty.

Rule 30. Special procedure in certain cases

Notwithstanding anything contained in Rule 25 or 26 or 27, the disciplinary authority may impose any of the penalties specified in Rule 23 in any of the following circumstances:-

- (i) the employee has been convicted (i) on a criminal charge, or on the strength of facts or conclusions arrived at by a judicial trial ; or
- (ii) where the disciplinary authority is satisfied for reasons to be recorded by it in writing that it is not reasonably practicable to hold an enquiry in the manner provided in these Rules; or
- (iii) where the Board is satisfied that in the interest of the security of the Company, it is not expedient to hold any inquiry in the manner provided in these rules.

Rule 30-A. Disciplinary proceedings / Imposition of Penalty on Employees after their Retirement.

- (i) The disciplinary authority may impose penalty on delinquent employees, on conclusion of such departmental proceedings which were initiated during their service time and have continued beyond the date of their superannuation.
- (ii) Disciplinary proceedings, if instituted while the employee was in service, whether before his/her retirement or during his/her re-employment, shall, after the final

retirement of the employee, be deemed to be proceeding and shall be continued and concluded by the authority by which it was commenced in the same manner as if the employee had continued in service.

(iii) During the pendency of the disciplinary proceeding, the disciplinary authority may withhold payment of gratuity, for ordering the recovery from gratuity of the whole or part of any pecuniary loss caused to the Company if the employee is found in a disciplinary proceeding or judicial proceeding to have been guilty of offences/misconduct as mentioned in sub-section (6) of Section 4 of the Payment of Gratuity Act, 1972 (**Enclosure - VII**) or to have caused pecuniary loss to the Company by misconduct or negligence, during his/her service including service rendered on deputation or on re-employment after retirement. However, the provisions of Section 7(3) and 7(3A) of the Payment of Gratuity Act, 1972 should be kept in view in the event of delayed payment, in case the employee is fully exonerated.

30 B Suspension of suspect officials in corruption cases

The disciplinary authority may consider it appropriate to place an employee under suspension where there may be adequate justification for placing the concerned government servant under suspension, on the request received from the CBI or otherwise, at the stage indicated against each type of case:

(i) In a case where a trap has been laid to apprehend a employee while committing an act of corruption (usually receiving illegal gratification) and the employee has been so apprehended; immediately after the employee has been so apprehended.

(ii) In a case where, on conducting a search, it is found that a employee is in possession of assets disproportionate to his know sources of income and it appears, *Prima facie* that a charge under section 5(i) (e) of the Prevention of Corruption Act could be laid against him; immediately after the prima facie conclusion has been reached.

(iii) In a case where a charge sheet accusing a employee of specific acts of corruption of any other offence involving moral turpitude has been filed in a Criminal Court;— immediately after the filing of the charge sheet.

(iv) In a case where, after investigation by the CBI a prima facie case is made out and pursuant thereto Regular Departmental Action for imposition of a major penalty has been instituted against an employee and a charge sheet has been served upon him alleging specific acts of corruption or gross misconduct involving moral turpitude; - immediately after the charge sheet has been served upon the employee.

30 C Acceptance of resignation tendered by officers against whom disciplinary case(s) are pending or contemplated.

To ensure that delinquent officers do not go scot free by merely resigning, the management reserves the right not to accept resignation tendered by such Executives in

terms and conditions of their appointment and the matter may be placed before the Board of Directors of the enterprise for an appropriate decision.

Rule 31. Employees on deputation from the Central Government or the State Government, etc.

(i) Where an order of suspension is made or disciplinary proceeding is taken against an employee, who is on deputation to the Company from the Central or State Government, or another public undertaking, or a local authority, the authority lending his/her services (hereinafter referred to as the "lending authority") shall forthwith be informed of the circumstances leading to the order of his/her suspension, or the commencement of the disciplinary proceeding, as the case may be.

(ii) In the light of the findings in the disciplinary proceeding taken against the employee:-

(a) If the Disciplinary Authority is of the opinion that any of the minor penalties should be imposed on the employee, it may pass such orders on the case as it deems necessary after consultation with the Lending Authority; provided that in the event of a difference of opinion between the Disciplinary and the Lending Authority, the services of the employee shall be placed at the disposal of the Lending Authority.

(b) If the Disciplinary Authority is of the opinion that any of the major penalties should be imposed on the employee, it should replace his/her services at the disposal of the Lending Authority and transmit to it the proceedings of the enquiry for such action as it deems necessary.

(iii) If the employee submits an appeal against an order imposing a minor penalty on the employee under sub-rule (ii) (a), it will be disposed of after consultation with the Lending Authority;

Provided that if there is a difference of opinion between the Appellate Authority and the Lending Authority, the services of the employee shall be placed at the disposal of the Lending Authority, and the proceedings of the case shall be transmitted to that authority for such action as it deems necessary.

Rule 32. Appeals

(i) An employee may appeal against an order imposing upon the employee any of the penalties specified in rule 23 or against the order of suspension referred to in Rule 20.

(ii) An appeal shall be preferred within one month from the date of communication of the order appealed against. The appeal shall be addressed to the Appellate Authority specified in the schedule and submitted to the authority whose order is appealed against. The authority whose order is appealed against shall forward the appeal together with its

comments and the records of the case to the appellate authority within 15 days. The appellate authority shall consider whether the findings are justified or whether the penalty is excessive or inadequate and pass appropriate orders within three months of the date of appeal. The appellate authority may pass order confirming, enhancing, reducing or setting aside the penalty or remitting the case to the authority which imposed the penalty or to any other authority with such direction as it may deem fit in the circumstances of the case.

Provided that if the enhanced penalty which the appellate authority proposes to impose is a major penalty specified in clauses (f) to (j) of Rule 23 above and an inquiry as provided in Rule 25 has not already been held in the case, the appellate authority shall direct that such an enquiry be held in accordance with the provisions of Rule 25 and thereafter consider the record of the inquiry and pass such orders as it may deem proper. If the appellate authority decides to enhance the punishment but an enquiry has already been held as provided in Rule 25, the appellate authority shall give a show cause notice to the employee as to why the enhanced penalty should not be imposed upon the employee. The appellate authority shall pass final order after taking into account the representation, if any, submitted by the employee.

Rule 33. Review

Notwithstanding anything contained in these rules, the reviewing authority as specified in the schedule may call for the record of the case within six months of the date of the final order and after reviewing the case pass such orders thereon as it may deem fit.

Provided that if the enhanced penalty, which the reviewing authority purposes to impose; is a major penalty specified in clauses (f) to (j) of Rule 23 and an enquiry as provided under Rule 25 has not already been held in the case, the reviewing authority shall direct that such an enquiry be held in accordance with the provisions of Rule 25 and thereafter consider the record of the enquiry and pass such order as it may deem proper.

If the appellate authority decides to enhance the punishment but an enquiry has already been held in accordance with the provisions of Rule 25, the reviewing authority shall give show cause notice to the employee as to why the enhanced penalty should not be imposed upon the employee. The reviewing authority shall pass final order after taking into account the representation, if any, submitted by the employee.

Rule 34. Service of orders, notices, etc.

Every order, notice and other communication made or issued under these rules shall be served in person on the employee concerned or communicated to the employee by registered post at his/her last known address. In case the employee is absent from duty

or refuses to accept and acknowledge such communication, the same shall be sent by Registered Post/Under Certificate of Posting and a copy thereof shall be placed on the Notice Board or pasted on his/her house. Upon doing so, such communication shall be deemed to have been served on the employee concerned. It shall be the responsibility of every employee to keep the Competent Authority informed of his address from time to time.

Rule 35. Power to relax time-limit and to condone delay

Save as otherwise expressly provided in these rules, the authority competent under these rules to make any order may, for good and sufficient reasons or if sufficient cause is shown, extend the time specified in these rule for anything required to be done under these rules or condone any delay.

Rule 36 Savings

1. Nothing in these rules shall be constructed as depriving any person to whom these rules apply, of any right of appeal which had accrued to the employee under the rules, which have been superseded by these rules.
2. An appeal pending at the commencement of these rules against an order made before the commencement of these rules shall be considered and orders thereon shall be made, in accordance with these rules.
3. The proceedings pending at the commencement of the rules shall be continued and disposed as far as may be, in accordance with the provisions of these rules, as if such proceedings were proceedings under these rules.
4. Any misconduct, etc., committed prior to the issue of these rules which was a misconduct under the superseded rules shall be deemed to be a misconduct under these rules.
5. The powers vested in any authority under these rules may be exercised by any other authority to which such authority is subordinate, including the Government.

Rule 37. Removal of doubts

Where a doubt arises as to the interpretation of any of these rules, the matter shall be referred to the Board for final decision.

Rule 38. Amendments

The Board may amend, modify or add to these rules, from time to time, and all such amendments, modifications or additions shall take effect from the date stated therein.

List of Enclosures		
Sl. No	Enclosures No	Particulars
1	Enclosure - I	Appendix - I (Disciplinary Authority & Appellate Authority for Disciplinary Matters)
2	Enclosure - II	Appendix - V (Premature Retirement)
3	Enclosure - III	Appendix - VI (Pre Mature Retirement Scheme for Executive)
4	Enclosure - IV	Appendix - IV (The Dowry Prohibition Act, 1961) {No.28 of 1961}
5	Enclosure - V	Annexure - VII (Proforma for intimation under Rule 18(4) for transactions in shares, securities, debentures, investment in mutual fund schemes, etc
6	Enclosure -VI	Returns of Assets and Liabilities
		Appendix - II
		Form No - I
		Form No - II
		Form No - III
		Form No - IV
7	Enclosure - VII	Extract of the Payment of Gratuity Act, 1972 (Sub-Section (6) of Section 4 of the Payment of Gratuity Act, 1972)

ENCLOSURE - I

APPENDIX – I

Refer Rule 3(g)

DISCIPLINARY AUTHORITY & APPELLATE AUTHORITY FOR DISCIPLINARY MATTERS			
Sl. No.	Category of Personnel	Disciplinary Authority	Appellate Authority
1.	PS I /equivalent and below	Manager or equivalent Authority (PS V)	Unit chief / Departmental Head in Business Groups and Corporate Head Office
2.	PS II, PS III and PS IV	Departmental Head as defined in Clause No.3(i) of these rules, but not below the rank of PS VII.	Unit Chief / Business Group Chief, Functional Director in Corporate Head Office.
3.	PS V	Unit Chief (Not below the rank of PS VIII) / General Manager in Business Groups / Corporate Head Office	Business Group Chief/Functional Director in Corporate Head Office
4.	PS VI and PS VII	Business Group Chief / Executive Director / Functional Director in Corporate Head Office	Chairman and Managing Director.
5.	PS VIII	Functional Director	Chairman and Managing Director
6.	PS IX and PS X	Chairman and Managing Director	Board

- NOTE:**
1. In the absence of a Functional Director of a particular discipline, Director, Personnel shall be the concerned Disciplinary / Appellate Authority.
 2. If an Authority higher than the Disciplinary Authority (defined as Appellate Authority above) imposes the punishment, the next higher authority to such Authority shall be the Appellate Authority in respect of such cases, so that the appeal can be considered by the next higher authority to the authority imposing the punishment.

ENCLOSURE - II

APPENDIX- V

[Refer Rule 19B(v)]

To

Shri/Smt.

.....

Dear Sir,

On the basis of the records, the Company has decided to retire you under the Premature Retirement Scheme with immediate effect. You will be entitled to the following benefits:-

- a) Pay for the notice period of months [one month or three months as may be applicable under the terms and conditions of service].
- b) Leave salary for unavailed Earned Leave. The quantum of leave salary will not exceed the maximum limit to which Earned Leave can be accumulated/ encashed under the Leave Rules.
- c) Provident Fund contribution of the Company with accretions thereto in your account in accordance with the provisions of the Provident Fund Rules.
- d) Gratuity for each completed year of service or part thereof as admissible under the Gratuity Rules.
- e) Transfer benefits for yourself and your family for proceeding to your Home-town or to the place where you intend to settle in India as admissible under the TA Rules.

This issues with the approval of the Competent Authority.

Yours faithfully,

ENCLOSURE - III

APPENDIX- VI

{Refer Rule 19B(v)}

PRE MATURE RETIREMENT SCHEME FOR EXECUTIVES
STRENGTHENING OF ADMINISTRATION - Periodical Review

In order to strengthen the administration, a review of the performance of the employee who is attaining the age of 50 years is to be done. Based on the review, the competent authority has the powers to prematurely retire an employee, if it is necessary to do so in organizational interest. The procedure that has to be followed is summarized below:

Category	PS II and Above : Attained 50 years of age
Notice period	3 months or 3 months pay allowances in lieu thereof

2. The performance of the employees should be reviewed six months before he/she attains the age of 50 years. Time Schedule for review is as under:

Sl. No.	Quarter in which review is to be made	Cases of employees who will be attaining the age of 50 years, in the quarter indicated below to be reviewed
1.	January to March	July to September of the same year
2.	April to June	October to December of the same year
3.	July to September	January to March of the next year
4.	October to December	April to June of the next year

A register of employees who are due to attain the age of 50 years is to be maintained. The register should be scrutinized at the beginning of every quarter by the personnel head of the Unit in case of employees upto and including the grade of PS VI and personal chief of the Company (In case of DGM and above) and the review undertaken according to the above schedule.

Based on the schedule indicated above the existing Performance Appraisal form to be sent to the Reporting Officer and Reviewing Officer and based on the appraisal score the same to be referred to the committee. Only those cases where the rating is Fair or Poor may be referred to the committee.

1. It may be noted that Compulsory Retirement as a major punishment is distinct from the above provisions.
2. In order to ensure that the powers vested in the competent authority are exercised fairly and impartially and not arbitrarily, following procedure and guidelines have been prescribed for reviewing the case of employees covered under the above rules:
 - The cases of employees should be reviewed six months before they attain the age of 50 years.
 - Committees shall be constituted in each Company, to which all such cases shall be referred for recommendation as to whether the Officer concerned should be retained in service or retired from service in the public interest.

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5. The criteria to be followed by the Committee in making their recommendations would be as follows:

- (a) Employees who are found to be ineffective will be retired. The basic consideration in identifying such employee should be fitness/competence of the employee to continue in the post which he/she is holding.
- (b) While the entire service record of an employee should be considered at the time of review, no employee should ordinarily be retired on grounds of ineffectiveness if his/her service during the preceding 5 years or where he/she has been promoted to a higher post during that 5 year period, his/her service in the highest post, has been found satisfactory.

Consideration is ordinarily to be confined to the preceding 5 years or to the period in the higher post, in case of promotion within the period of 5 years, only when retirement is sought to be made on grounds of ineffectiveness. There is no such stipulation, however where the employee is to be retired on grounds of doubtful integrity.

- (c) No employee should ordinarily be retire on ground of ineffectiveness, if, in any event, he/she would be retiring on superannuation within a period of one year from the date of consideration of his/her case.

Ordinarily, no employee should be retired on grounds of ineffectiveness if he/she is retiring on superannuation within a period of one year from the date of consideration of the case. It is clarified that in a case where there is a sudden and steep fall in the competence, efficiency or effectiveness of an employee, it would be open to review his/her case for premature retirement.

The above instruction is relevant only when an employee is proposed to be retired on the ground of ineffectiveness, but not on the ground of doubtful integrity. The damage to organisation interest could be marginal if an old employee, in the last year of service, is found ineffective; but the damage may be incalculable if he/she is found corrupt and demands or obtains illegal gratification during the said period for the tasks he/she is duty bound to perform.

6. No show-cause notice need be issued to the employee before a notice of retirement is issued to him/her under the aforesaid provisions. The competent authority should be bona fide to form an opinion based on the recommendation of the Committee that is in the organisation interest to retire the employee in exercise of the powers conferred by the provision and this decision should not be an arbitrary decision or should not be based on collateral grounds. Accordingly, in every case, where it is proposed to retire a employee in exercise of the powers conferred by the said rule, the competent authority should record in the file his/her opinion that it is necessary to retire the employee in pursuance of the aforesaid rule in the organization interest.

...3

Committee for Review

Upto and including PS VI

Unit Chief (not below the rank of JGM)	Chairman
Personnel Chief (not below the rank of DGM)	Member
Finance Chief (not below the rank of DGM)	Member
Department Head (not below the rank of DGM)	Member

*In case the Department Head is below the rank of DGM, Unit chief will also act as Department Head and the committee will be consisting of only three members.

In the absence of executives in the rank of JGM / DGM in the unit, executives can be drawn from the Directorate or other units

Deputy General Manager

Functional Director / Managing Director	Chairman
Unit Chief (not below the rank of JGM)	Member
Personnel Chief (not below the rank of JGM)	Member
Finance Chief (not below the rank of JGM)	Member

Joint General Manager

Chairman	Chairman
Functional Director / Managing Director	Member
Company Personnel Chief (not below the rank of GM)	Member
Company Finance Chief (not below the rank of GM)	Member

General Manager

Chairman	Chairman
Functional Director / Managing Director	Member
Director of the Board	Member
Director of the Board	Member

ENCLOSURE - IV

APPENDIX – IV
{Refer Rule 12A(II)}

THE DOWRY PROHIBITION ACT, 1961 (No.28 of 1961)

DEFINITION OF DOWRY:

In this Act, "Dowry" means any property or valuable security given or agreed to be given either directly or indirectly

- a) by one party to a marriage to the other party to marriage; or
- b) by the parents of either party to a marriage or by any other person, to either Party to the marriage or to any other person

at or before or after the marriage as consideration for the marriage of the said parties, but does not include dower or mahr in the case of persons to whom the Muslim Personal Law (Shariat) applies.

Explanation 1- For the removal of doubts, it is hereby declared that any presents made at the time of a marriage to either party to the marriage in the forms of cash, ornaments, clothes or other articles, shall not be deemed to be dowry within the meaning of this section, unless they are made as consideration for the marriage of the said parties.

Explanation 2- The expression 'Valuable Security' has the same meaning as in Section 30 of the Indian Penal code.

Clarification issued by DPS vide letter No.DPS/5.01 Dated 14.3.1990

3. *A question has come up as to whether the Gold/Silver/Bronze medals or the Cash Awards won by the employees in any competition sponsored by the Company can be retained by the individual employee or are deposited with the company.*
4. *It is hereby clarified that the Medals or the Cash Awards won by the individual employee by self-entry or sponsored-entry by the company can be retained by the individual employee. However, in case such Award is given exclusively for the Company, the same will be retained by the Company. Rolling Shields and Cups/Team Shields and Cups be deposited with the Company and the Unit should keep register of such awards.*
5. *Medals, Cash Awards and activities carried out in pursuit of literary, socio-cultural and artistic ventures do not attract the provisions of the CDA Rules and should rather be encouraged, which may bring the fame to the Organisation besides satisfying the self-actualisation need of the individual employee.*

(Sd/-)
(H.R. Alva)
Director, Personnel

ENCLOSURE - V

Annexure VII

(under Rule 18(4))

Proforma for intimation under Rule 18(4) for transactions in shares, securities, debentures, investment in mutual fund schemes, etc.

- 1 Name of the Government servant: _____
 - (a) Designation: _____
 - (b) Service to which belongs: _____
 - (c) Employee No./ Code No.: _____

- 2 Scale of Pay and present pay: _____

- 3 Details of each transaction made in shares, securities, debentures, mutual funds scheme, etc. during the calendar year.

- 4 Particulars of the party/firm with whom transaction(s) is made:-
 - (a) Is party related to the applicant? _____

 - (b) Did the applicant have any dealings with the party in his/her official capacity at any time or is the applicant likely to have any dealings with him in the near future. _____

5. Source(s) from which financed:-
 - (a) Personal savings.
 - (b) Other sources giving details

6. Any other relevant fact which applicant may like to mention.

Declaration

I hereby declare that the particulars given above are true.

Place:
Date:

Signature
Designation

ENCLOSURE - VI

APPENDIX – II

(Refer Rule 16)

Return of Assets and Liabilities on First Appointment or as on the 31st March,*

A. (Under Sec 44 of the Lokpal and Lokayuktas Act, 2013)

1	Name of the Employee in full: (In Block letters)	
2 (a)	Present position held :	
	Designation:	
	Name and Address of the Organisation:	
2 (b)	Service to which belongs (if applicable)	
* In case of first appointment please indicate date of appointment.		
Declaration:		
I hereby declare that the Return enclosed namely, Forms I to IV are complete, true and correct to the best of my knowledge and belief, in respect of information due to be furnished by me under the provisions of section 44 of the Lokpal and Lokayuktas Act, 2013.		
Date:		Signature of Employee
<p><u>Note 1:</u> This Return shall contain particulars of all assets and liabilities of the Employee either in his/her own name or in the name of any other person. The Return should include details in respect of assets/liabilities of spouse and dependent children as provided in Section 44 (2) of the Lokpal and Lokayuktas Act, 2013.</p> <p>(Section 44(2): A public servant shall, within a period of thirty days from the date on which he makes and subscribes on oath or affirmation to enter upon his office, furnish to the competent authority the information relating to –</p> <p>(a) the assets of which he, his spouse and his dependent children are, jointly or separately, owners or beneficiaries;</p> <p>(b) his liabilities and that of his spouse and his dependent children.)</p>		
<p><u>Note 2:</u> If an employee is a member of Hindu Undivided Family with co-parcenary rights in the properties of the family either as a 'Karta' or as a member, he should indicate in the Return in Form No. III the value of his share in such property and where it is not possible to indicate the exact value of such share, its approximate value. Suitable explanatory notes may be added wherever necessary.</p>		
<p><u>Note 3:</u> "dependent children" means sons and daughters who have no separate means of earning and are wholly dependent on the Employee for their livelihood. (Explanation below Section 44(3) of Lokpal and Lokayuktas Act, 2013).</p>		

Conduct Discipline And Appeal (CD&A) Rules



APPENDIX - III

FORM - II		
<u>Statement of Movable Property on first appointment or as on 31st March,</u>		
(Use separate sheets for Self, Spouse and each Dependent Children)		
Name of the Employee/Spouse/Dependent Child:		
SN	Description	Remarks, if any
(i)*	Cash in Bank Balance	
(ii)**	Insurance (Premia paid)	
	Fixed/Recurring Deposit(s)	
	Shares/Bonds	
	Mutual Fund(s)	
	Pension Scheme/Provident Fund	
	Other investments, if any	
(iii)	Personal loans/advances given to any person or entity including Firm, Company, Trust etc., and other receivables from debtors and the amount (exceeding two months basic pay or Rupees one lakh as the case may)	
(iv)	Motor Vehicles (Details of Make/Registration Number/Year of Purchase & Amount paid)	
(v)	Jewellery (Give details of approximate weight (plus or minus 10gms in respect of gold and precious stones; plus or minus 100 gms of Silver)	
	Gold	
	Silver	
	Precious Metals	
	Composite Items	
	(indicate approximate value) ***	
(vi)	Any other assets (Give details of movable assets not covered in (i) to (v) above)	
	(a) Furniture	
	(b) Fixtures	
	(c) Antiques	
	(d) Paintings	
	(e) Electronic Equipments	
	(f) Others	
	(Indicate details of asset, only if the total current value of any particular asset in any particular category (i.e., Furniture, Fixtures Electronics Equipments etc.,) exceeding two months' basic pay or Rs.1 lakhs, as the case may be)	
Date: _____		
		(Signature)
* Details of deposits in the Foreign Bank(s) to be given separately		
** Investments above Rs.2 lakhs to be reported individually. Investments below Rs.2 lakh may be reported together		
*** Value indicated in the first return need not be revised in subsequent returns as long as no new composite item had been acquired or no existing items had been disposed of, during the calendar year.		

Conduct Discipline And Appeal (CD&A) Rules



FORM NO.III

Statement of immovable property on first appointment or as on
the 31st March,

(e.g. Lands, House, Shops, Other Buildings, etc)

[Held by Employee, Spouse and Dependent Children]											
SN	Description of property (Land/House/Flat/Shop/Industry etc.)	Precise location (Name of District, Division, Taluk and Village in which the property is situated and also its distinctive No. etc.)	Area of land (in case of land and buildings)	Nature of land (in case of landed property)	Extent of interest	If not in name of Employee, state in whose name held and his/her relationship, if any, to the employee.	Date of Acquisition	How acquired (whether by purchase, mortgage, lease, inheritance, gift or otherwise) and name with details of person(s) from whom acquired (address and connection of the employee, if any with the person(s) concerned). Please see Note-1 below and cost of acquisition.	Present value of the property (If exact value not known, approx value may be indicated)	Total annual income from the property	Remarks
1	2	3	4	5	6	7	8	9	10	11	12
Date: _____ (Signature of Employee)											
<p>Note (1): For purpose of Column 9, the term "lease" would mean a lease of immovable property from year to year or for any term exceeding one year or reserving a yearly rent. Where, however, the lease of immovable property is obtained from a person having official dealings with the Government servant, such a lease should be shown in this Column irrespective of the term of the lease, whether it is short term or long term, and the periodicity of the payment of rent.</p>											

EXTRACT OF

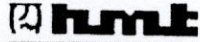
THE PAYMENT OF GRATUITY ACT, 1972

Sub-Section (6) of Section 4 of the Payment of Gratuity Act, 1972.

- (6) Notwithstanding anything contained in sub-section (1),
- (a) the gratuity of an employee, whose services have been terminated for any act, willful omission or negligence causing any damage or loss to, or destruction of, property belonging to the employer shall be forfeited to the extent of the damage or loss so caused;
 - (b) the gratuity payable to an employee may be wholly or partly forfeited :
 - (i) if the services of such employee have been terminated for his riotous or disorderly conduct or any other act of violence on his part, or
 - (ii) if the services of such employee have been terminated for any act which constitutes an offence involving moral turpitude, provided that such offence is committed by him in the course of his employment.

{Refer Rule 30-A(iii)}





एचएमटी लिमिटेड

HMT LIMITED

Regd. Office: HMT Bhavan,
59, Bellary Road, Bengaluru - 560 032.

CHR/CDA/20

15.08.2020

CORRIGENDUM

Sub: HMTL CONDUCT, DISCIPLINE AND APPEAL (CD&A) RULES - 2020.

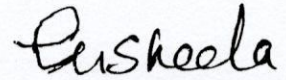
The following Corrigendum is issued to the HMTL Conduct, Discipline and Appeal (CD&A) Rules, 2020. The "Existing" and "To be read as" under different rules is indicated below:

Rule No.	Existing	Rule No.	To be read as
3(g) (page No.02)	'Departmental Head' means Officers of the rank of Deputy General Manager/ Chief Engineer (PS VII) and above or Officers below the rank of Deputy General Manager/ Chief Engineer specifically named by the Chairman & Managing Director/ Functional Directors in the Corporate Head Office and by Functional Directors / Business Group Chiefs in the Production Units, Regional Offices or other Offices/Establishments.	3(g)	'Departmental Head' means Officers of the rank of Deputy General Manager/ Chief Engineer (PS VII) and above or Officers below the rank of Deputy General Manager/ Chief Engineer specifically named by the Chairman & Managing Director/ Functional Directors in the Corporate Head Office and by Functional Directors / Business Group Chiefs/ <u>Unit Chiefs</u> in the Production Units, Regional Offices or other Offices/Establishments.
4.2 G (page No.07)	Retirement: i. On attaining the age of superannuation: The age of superannuation shall be 60 years and an employee shall retire from service on the last day of the month in which he attained the age of superannuation.	4.2 G	Retirement: i. On attaining the age of superannuation: (a) The age of superannuation shall be 60 years and an employee shall retire from service on the last day of the month in which he attained the age of superannuation. (b) An employee may at any time after completing the age of 50 years voluntarily retire by giving one month's notice in writing.

App. -I Sl.No.2 (page No.41)	Disciplinary Authority: Departmental Head as defined in <u>Clause No.3(i)</u> of these rules, but not below the rank of PS VII.	App. -I Sl.No.2	Disciplinary Authority: Departmental Head as defined in <u>Clause No.3(g)</u> of these rules, but not below the rank of PS VII.
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All are requested to note the above.

This is being issued with the approval of the Competent Authority.



(K.A. Susheela)

Asst. General Manager(CHR)

CMD/DFN - for kind information

CVO

JGM (CP&AM)/GTM(ABD)I/c.HR

DGM(A)/CLO/DCVO/AGM(F)/DM(IA)/ACOS/O(A)-I/PS to CMD

COE(CA)/C(CS)

GTM/DM (A)/O(HR) - FPA

GTM/DGM (HR/E&M) - ABD



HMT LIMITED

Regd. Office: HMT Bhavan, # 59, Bellary Road,
BENGALURU - 560 032.

OFFICE ORDER NO. 028/20 DATED 10th SEPTEMBER 2020

Sub: HMT LIMITED - CONDUCT, DISCIPLINE AND APPEAL (CD&A) RULES - 2020.

With immediate effect, the following amendments shall come in force in respect of Disciplinary Authority and Appellate Authority in terms of the CONDUCT, DISCIPLINE AND APPEAL (CD&A) RULES of the Company.

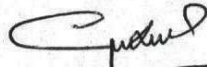
Accordingly, ENCLOSURE - I (APPENDIX- I) of HMT LIMITED - CONDUCT, DISCIPLINE AND APPEAL (CD&A) RULES -2020 stands amended as below:

Sl. No	Category of Personnel	Disciplinary Authority	Appellate Authority
1.	PS I / Equivalent and below	Section Head or Equivalent Authority	Departmental Head
2.	PS II to PS V	Departmental Head (at least one Grade above the employee)	Unit Chief (in Units) & General Manager / Executive Director / Functional Director in Corporate Head Office
3	PS VI	Unit Chief (in Units) & General Manager / Executive Director / Functional Director in Corporate Head Office	Executive Director / Functional Director / Chairman and Managing Director
4.	PS VII to PS VIII	Unit Chief in Units (at least one grade above the employee) & General Manager / Executive Director / Functional Director in Corporate Head Office	Chairman and Managing Director
6.	PS IX and PS X	Chairman and Managing Director	Board

Note: If an Authority higher than the Disciplinary Authority (defined as Appellate Authority above) imposes the punishment, the next higher authority to such Authority shall be the Appellate Authority in respect of such cases, so that the appeal can be considered by the next higher authority to the authority imposing the punishment.

All are requested to note the above.

DFN/MDI/MDM CVO
JGM (CP&AM)/GTM(ABD)I/c.HR
CLO/DCVO/AGM(CHR)I/c.A&PR/AGM(CHR)/AGM(F)
MGR.(C)-DLO/DM(IA)/ACOS/O(A)-I/PS to CMD
COE(CA)/C(CS)
GTM(ABD)I/c.TRP
GTM/DM (A)/O(HR) - FPA
GTM/DGM (HR/E&M)/JO(A) - ABD
GMM/DGM(CP&HR)/AGM(F)/M(CS&L) - MTL
PC(T&O)
JGM(PJ)/GTM(ABD)I/c. HR/AGM(F)/O(HR) - HMT(I)L


(S. Girish Kumar)
Chairman & Managing Director
10/09/2020