



MSTC LIMITED
225- C A J C Bose Road
Kolkata -700020

Ref. No. P&T/01/001/16/ 481

Dated 04.10.2019

परिपत्र/ CIRCULAR

विषय: सीडीए नियम की समीक्षा/ SUB: REVISION OF CDA RULES

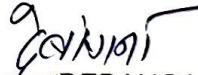
13 अगस्त 2019 को आयोजित 293 वीं बैठक में निदेशक मंडल ने कंपनी के आचरण अनुशासन और अपील नियमों, 1980 में कुछ संशोधनों को मंजूरी दी है। कंपनी के आचरण, अनुशासन और अपील नियमों में संशोधन किया गया है, जिसमें सभी की जानकारी के लिए संलग्न है। The Board in its 293rd Meeting held on 13th August 2019 has approved certain amendments in the Conduct Discipline and Appeal Rules, 1980 of the Company. The Conduct, Discipline and Appeal Rules of the Company as amended is enclosed herewith for information of all.

समिति के सदस्य, जैसा कि अनुबंध- A में अनुसूची में उल्लिखित, निम्नानुसार होंगे/ The members of the Committee as given in the Schedule at Annexure- A, shall be as under :

Sl. No.	Name of the Directors	Committee Members
1.	Shri R. S. Yeli	Independent Director
2.	Smt. Aparna Chaturvedi	Independent Director
3.	Smt. Bhanu Kumar	Director (Commercial)

आचरण, अनुशासन और अपील नियम, 1980 में किए गए संशोधन तत्काल प्रभाव से लागू होंगे। The amendments made in the Conduct, Discipline and Appeal Rules, 1980 shall be applicable with immediate effect.

यह सभी संबंधितों की जानकारी के लिए है। This is for information of all concerned.


(देबांगना गुप्ता/DEBANGANA GUPTA)
प्रबंधक (एचआर)/MANAGER(HR)

संलग्न: जैसा कि ऊपर कहा गया है/Encl: As stated above

वितरण/ Distribution :

1. सभी कर्मचारी/All employees
2. परिपत्र फाइल/Circular File
3. नोटिस बोर्ड/Notice Board

CONDUCT, DISCIPLINE AND APPEAL RULES 1980



(RULES AMENDED UPTO 13.08.2019)

CONTENTS

1	Short Title And Commencement	5
2	Application	5
3	Definition	5
4	General	7
5	Misconduct	10
6	Employment Of Near Relatives Of The Employees Of The Company In Private Undertakings Enjoying Patronage Of The Company	11
6A	Involvement Of Employee In Recruitment Of Relative	12
6B	Acceptance Of Employment By Functional Directors	12
7A	Taking Part In Politics And Elections	13
	(b)Taking Part In Demonstration	13
8	Connection With Press Or Radio Whether Advisory Or Administrative In Anything Or Company	13
9	Criticism Of Government And The Company	14
10	Evidence Before Committee Or Any Other Authority	14
11	Unauthorized Communication Of Information	15
12	Gifts	15
12A	Giving Or Taking Dowry	16
13	Private Trade Or Employment	16
14	Investment, Lending And Borrowing	17
15	.Insolvency And Habitual Indebtedness	18
16	Movable, Immovable And Valuable Property	18
17	Canvassing Of Non-Official Or Other Influence	20

18	Bigamous Marriages	20
19	Consumption Of Intoxicating Drinks And Drugs	20
19A	Prohibition Of Sexual Harassment Of Working Women	21
20	Suspension	21
21	Subsistence Allowance	23
22	Treatment Of The Period Of Suspension	24
23	Penalties	24
24	Disciplinary Authority	27
25	Procedure For Imposing Major Penalties	27
26	Action On The Inquiry Report	33
27	Procedure For Imposing Minor Penalties	34
27A	Special Procedure For Inquiring Into Complaints Of Sexual Harassment Of Women	35
28	Communication Or Orders	35
29	Common Proceeding:	36
30	Special Procedure In Certain Cases	36
30A	Continuation Of Disciplinary Proceedings After Retirement	36
31	Employees On Deputation From The Central Government Or The State Government Or The State Government Or Subsidiaries Etc	37
32	Provision Regarding Employees Lent To Government, Subsidiary Or Other Public Undertaking Etc	38
33	Appeals	39
34	Review	40

35	Service Of Orders, Notices, Etc	40
36	Power To Relax Time-Limit And To Condone Delay	41
37	Savings	41
38	Removal Of Doubts	41
39	Amendments	41
40	<u>Annexure:</u>	
	• SCHEDULE ---Annexure A	36
	• Bond to be executed and delivered by Directors/Managing Directors/Chairman-cum-Managing Directors before taking over the charge	37

MSTC CDA RULES 1980

1 SHORT TITLE AND COMMENCEMENT:

- (i) These rules may be called M.S.T.C Limited Conduct, Discipline and Appeal Rules, 1980(*hereinafter referred to as the Rules*).
- (ii) They shall come into force w.e.f. 22.12.1980

2. APPLICATION:

These Rules shall apply to all employees.

3. DEFINITION:

In these Rules, unless the context otherwise requires: -

(a) “Employee” means: -

- (i) a person in the employment of the Company including employees whose services are temporarily placed at the disposal of Government or a Subsidiary or any Public Undertaking but does not include casual employee, work-charged or contingent staff or workman as defined in the Industrial Employment (Standing Orders). Act. 1964; and
- (ii) Persons on deputation to the Company from Government or the Holding Company or a Subsidiary or any other public Undertaking;

(b) “Company” means the M.S.T.C Limited.

(c) “Board” means the Board of Directors for the time being of MSTC and includes, in relations 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;

(d) “Chairman” means the Chairman for the time being of the Board of Directors;

(e) “Disciplinary Authority” means the authority specified in the Schedule appended to these Rules and competent to impose specified penalties enumerated in Rule 23;

(f) “Competent Authority” means the authority empowered by the Board of Directors by any general or special rule or order to discharge the function or use the powers specified in the rule or order.

⁺Substituted vide decision taken in 293rd Board meeting held on 13.8.2019

(g) “Government” means the Government of India or the Government of a State, as the case may be;

(h) “Appellate Authority” means the authority specified in the Schedule appended to these Rules;

- (i) **“Review Authority”** means the authority specified in the Schedule appended to these Rules;
- (j) **¹“Appointing Authority”**, in relation to an Employee, means:-
 - (i) the Authority empowered to make appointments to the service of which the Employee is for the time being a member or to the grade of the service in which the Employee is for the time being included; or
 - (ii) the Authority empowered to make appointments to the post which the Employee for the time being holds; or
 - (iii) the Authority which appointed the Employee to such service, grade or post as the case may be; or
 - (iv) the Employee having been a member of any other service or having held any other post has been in continuous employment of the Company, the Authority which appointed him to that service, or to any grade in the service or to that post
- (k) **²“Public servant”** shall means and includes 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.(l) **³Inquiry Authority** means an Employee or Committee of Employees duly constituted under these rules by disciplinary authority to enquire into allegations of misconduct leveled against one or more than one charge sheeted employee.
- (m) **“Family”** in the relation to an employee includes: -
 - (i) the wife or husband, as the case may be of the employee, whether residing with him 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) Son or daughter or step-son step-daughter of the employee and wholly dependent on him, but does not include a child or step-child who is no longer in any way dependent on the employee has been deprived 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;
- (n) **“Schedule”** means the Schedule appended to these Rules and includes any amendment made by Chairman from time to time;
- (o) **“Subsidiary Company”** means a subsidiary of MSTC.

¹ Added vide decision taken in 293RD Board meeting held on 13.8.2019

² & ³ Substituted vide decision taken in 293RD Board meeting held on 13.8.2019

4. GENERAL

4.1 Every employee of the Company shall at all times-

- (i) Maintain absolute integrity;
- (ii) Maintain devotion to duty;

- (iii) Conduct himself at all times in a manner, which will enhance the reputation of the Company ¹and do nothing which is unbecoming of a public servant.
- (iv) commit oneself to and uphold the supremacy of the Constitution and democratic values;
- (v) defend and uphold the sovereignty and integrity of India, the security of the State, public order, decency and morality;
- (vi) maintain high ethical standards and honesty;
- (vii) maintain political neutrality;
- (viii) promote the principles of merit, fairness and impartiality in the discharge of duties;
- (ix) maintain accountability and transparency;
- (x) maintain responsiveness to the public, particularly to the weaker section;
- (xi) maintain courtesy and good behavior with the public;
- (xii) take decisions solely in public interest and use or cause to use public resources efficiently, effectively and economically;
- (xiii) 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;
- (xiv) 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;
- (xv) 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;

¹ Added vide decision taken 293RD Board meeting held on 13.8.2019

make choices, take decisions and make recommendations on merit alone;

- (xvi) act with fairness and impartiality and not discriminate against anyone, particularly the poor and the under-privileged sections of society;
- (xvii) refrain from doing anything which is or may be contrary to any law, rules, regulations and established practices;

- (xviii) maintain discipline in the discharge of one's duties and be liable to implement the lawful orders duly communicated to the employee;
- (xix) 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; and
- (xx) 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 possible steps to ensure the integrity and devotion to duty of all employees for the time being under control and authority.

(ii) No Employee of the Company shall, in the performance of his/her official duties, or in the exercise of powers conferred on the employee, acts 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.

4.1(iv) to (xxi) } Inserted in reference to DPE letter no.15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017

4.2(ii) } and added vide decision taken in 293RD Board meeting held on 13.8.2019

Explanation I.- An employee who habitually fails to perform the task assigned to the employee 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.

*** 4.3 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.

*** 4.4 Observance of Government's policies**

Every Employee shall, at all times:-

- (i) act in accordance with the Government's policies regarding age of marriage, preservation of environment, protection of wildlife and cultural heritage;
- (ii) observe the Government's policies regarding prevention of crime against women.

***4.5 Prohibition of sexual harassment of women**

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

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

- (a) **"sexual harassment"** includes any one or more of the following acts or behaviour (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 behaviour 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

*4.3 to 4.5 Inserted in reference to DPE letter no.15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and added vide decision taken in 293RD meeting held on 13.8.2019

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 Central Government; (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.

5. MISCONDUCT:

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

- (1) Theft, fraud or dishonesty in connection with the business or property of the Company or of a subsidiary or of property of another person within of the Company.
- (2) Taking or giving bribes or any illegal gratification.
- (3) Possession of pecuniary resources or property disproportionate to the known sources of income by the employee or on his behalf by another person, which the employee cannot satisfactorily account for.
- (4) Furnishing false information regarding name, age, father's name qualifications, ability or previous service or any other matter germane to the employment at the time of employment or during the course of employment.
- (5) Acting in a manner prejudicial to the interests of Company.
- (6) Willful insubordination or disobedience whether or not in combination with others, of any lawful and reasonable order of this superior.
- (7) Absence without leave or over-staying the sanctioned leave for more than four consecutive days without sufficient grounds or proper or satisfactory explanation.
- (8) Habitual late or irregular attendance or willful absence from duty.
- (9) Neglect of work or negligence in the performance of duty including malingering or slowing down of work.
- (10) Damage to any property of the Company.
- (11) Interference or tampering with any safety devices installed in or about the premises of the Company.
- (12) Drunkenness or riotous or disorderly or indecent behavior in the premises of the Company or outside such premises where such behavior is related to or connected with the employment.
- (13) Gambling within the premises of the establishment.
- (14) Smoking within the premises of the establishment where it is prohibited.
- (15) 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.
- (16) Sleeping while on duty.
- (17) Commission of any act which amounts to a criminal offence involving moral turpitude.
- (18) Absence from the employee's appointed place of work without permission or sufficient cause.

- (19) Purchasing properties, machinery, stores etc. from or selling properties, machinery, stores, etc. to the Company without express permission in writing from the Competent Authority.
- (20) Commission of any act subversive of discipline or of good behavior.
- (21) Abetment of or attempt at abetment of any which amounts to misconduct.
- (22) Misuse of any advance or non-compliance with the provisions of the rules for grant of any advance.
- [#](23) Indulging on any act of sexual harassment to women at her work place.

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

[#] Added vide decision taken 293RD Board meeting held on 13.8.2019

6. EMPLOYMENT OF NEAR RELATIVES OF THE EMPLOYEES OF THE COMPANY IN PRIVATE UNDERTAKINGS ENJOYING PATRONAGE OF THE COMPANY.

- (1) No employee shall use his 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.
- (2) No employee shall, except with the previous sanction of the competent authority, permit any member of his family to accept employment with any private firm with which he or she has official dealings, or with any other firm having official dealings with the Company or a subsidiary 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 forth-with.

- (3) No employee shall in the discharge of his official duties deal with any matter or give or sanction any contact to any firm or any other person if any of his relatives is employed in that firm or under that person or if he or any of his relatives is interested in such matter or contract in other and the employee shall refer every such matter or contract to his 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.

(N.B.: For purpose of this clause, relative will be as defined in Indian Companies Act.)

6A INVOLMENT OF EMPLOYEE IN RECRUTMENT OF RELATIVE

Whenever a relative of an employee applies for a job in the Company and if the employee concerned comes to know about that, he is to inform the management simply that one of his relatives has applied for a post in the Organization intimating the name of the post applied for. However, he should not indicate the name or any other details in respect of such relative. Under such circumstances, personnel Department will ensure that the employee concerned will not be in any way either directly or indirectly in the recruitment or selection process.

(Added vide decision taken in 187th Board meeting held on 10.7.1998)

6B ACCEPTANCE OF EMPLOYMENT BY FUNCTIONAL DIRECTORS.

No functional Director of the Company including the Chief Executive, who has retired/resigned from the service of the Company, after such retirement/resignation, shall accept any appointment or post, whether advisory or administrative in any firm of Company, whether Indian or foreign, with which the Company has or had business relation within one year from the date of retirement without prior approval of the Government. The term 'retirement' includes resignation, but not the cases of those whose term of appointment was not extended by the Govt. for reasons other than proven misconduct. The terms 'business relations' includes 'official dealings' as well.

In confirmation to the above, the Director/Chief Executive of the Company will be required to execute and deliver a bond as per format prescribed before taking over change.

(Amended vide decision taken in 232nd Board meeting held on 14.01.2009 circulated vide ref no. P&T/01/001/85/969 dated 18.02.2009)

7A TAKING PART IN POLITICS AND ELECTIONS

[#]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.

(B) TAKING PART IN DEMONSTRATION

No employee of the Company shall engage himself or participate in any demonstration, which involves incitement to an offence.

8. CONNECTION WITH PRESS OR RADIO OR PRINT/ ELECTROC MEDIA WHETHER ADVISORY OR ADMINISTRATIVE IN ANYTHING OR COMPANY

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

(2) No employee of the Company shall, except with the previous sanction of the competent, or in the bonafide discharge of his duties, participate in a broadcast or write or publish a book or contribute an article or write a letter either in his own name or anonymously, pseudonymously or in the name of any other person to a newspaper or periodical.

Inserted in reference to DPE letter no.15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and added vide decision taken in 293RD Board meeting held on 13.8.2019

Provided that no such sanction shall be required if such broadcast or publication or such contribution is of a purely literary, artistic or scientific character.

9. CRITICISM OF GOVERNMENT AND THE COMPANY

No employee shall, in any radio broadcast or in any document published under his name or under any pen-name or pseudonym 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 Government or of the Company; or

(b) Which is capable of embarrassing the relation between the Company and the public or between the Company and the Government.

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

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

10. EVIDENCE BEFORE COMMITTEE OR ANY OTHER AUTHORITY

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

(2) Where any sanction has been accorded under sub-rule (1), no employee giving such evidence shall criticize the police or any action of the Government, or of the Company.

(3) Nothing in this rule shall apply to-

(a) evidence given at any inquiry before an authority appointed by the Government, Parliament or a State Legislature or the Company or a Subsidiary Company.

(b) evidence given in any judicial inquiry, or

(c) evidence given at any departmental inquiry ordered by authorities subordinate to the Government ;

(d) evidence given at any departmental inquiry ordered by any Public Sector Undertaking.

11. UNATHORISED COMMUNICATION OF INFORMATION

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

12. GIFTS

(1) Save as otherwise provided in these rules, no employee of the Company shall accept or permit any member of his family or any person acting on his behalf, to accept any gift.

EXPLANATION:

The expression “gift” shall include free transport, board, lodging or other service or any other pecuniary advantage when provided by any person other than a near relative or a personal friend having no official dealings with the employee.

NOTE:

(i) A causal meal, lift or other social hospitality shall not be deemed to be a gift.

(ii) An employee shall avoid acceptance of lavish or frequent hospitality from any individual or firm having official dealings with him.

(2) On occasion such as weddings, anniversaries, funerals, or religious functions, when the making of a gift is in conformity with the prevailing religious or social practice, an employee of the Company may accept gifts from his near relatives but he shall make a report to the competent authority if the value of the gift exceeds-(i) Rs.25000/-¹ in case of Executives and (ii) Rs. 15000/-² in case of Non-Executives.

(3) On such occasions as are specified in sub-rule (2), an employee of the Company may accept gifts from his personal friends having no official dealings with him, but

he shall make a report to the competent authority if the value of any gift exceeds Rs. 2500/-.³

(4) In any other case, an employee of the Company shall not accept any gifts without the sanction of the competent authority if the value thereof exceeds Rs. 3000/-.⁴

Provided that when more than one gift have 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 gift exceeds Rs.25000/- in case of Executives and Rs.15000/- in case of Non-Executives.

^{1,2,4,5&6} Inserted in reference to DPE letter no.15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and revised vide decision taken in 293rd Board meeting held on 13.8.2019 ³ Revised at 270th Board meeting. Ref. Circular dated 19.05.2016

12-A GIVING OR TAKING DOWRY:

No employee of the Company shall-

- (i) give or take or abet giving or taking of dowry ; or
- (ii) demand, directly or indirectly from the parents or guardians of a bride or bridegroom, as the case may be, any dowry.

EXPLANATION:

For the purpose of this rule, 'dowry' has the same meaning as in the Dowry prohibition Act, 1961 (28 of 1961).

12 B. Obtaining donations/advertisement/ sponsorship etc. by the association /NGOs formed by employees or their spouse/family members etc. from the contractors, vendors, customers or other persons having commercial relationship/ official dealings with the COMPANY will be treated as misconduct.¹

13. PRIVATE TRADE OR EMPLOYMENT:

(1) No employee of this 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 or negotiate for taking an employment.

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

(2) Every employee of the Company shall report to the competent authority if any member of his family is engaged in any trade or business or owns or manages as insurance agency or commission agency.

(3) No employee of the Company shall, without the previous sanction of the competent authority, except in the discharge of his 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 co-operative 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 for the benefit of employees of the Company or a Subsidiary Company, registered under the Co-operative Societies Act, 1912 (2 of 1912) or any other law 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 in force.

(4) No employee of the Company may accept fee or any remuneration or any pecuniary advantage for any work done by him for any public body or any private person without the sanction of the competent authority.

#13-A. WITH REGARD TO DEALING IN THE SHARES OF COMPANY:

(1) A full-time Director or any executive/employee involved in the decision making process of fixation of price of an IPO/FPO of shares of a Company shall not apply either himself /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.

(2) All executives/employees including full time Directors of Company's 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.

(3) Full-time Director or executives / employee of a Company 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.

(4) All employees of the Company 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 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 to report to the company indicating quantity, price, date of transaction and nature of interest within 4 working days.

(5) Employee should not do trading in Company's share during closure of trading hours.

(6) Employees willing to trade in shares of the company should take proper clearance from Company Secretary department before acquiring shares of the Company and should strictly adhere to the Code of conduct for Prevention of Insider Trading in the Securities of the Company and Fair Disclosure of unpublished price sensitive information

[Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and inserted vide decision taken in 293RD Board meeting held on 13.08.2019]

14. INVESTMENT, LENDING AND BORROWING:

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

#14-A. SPECULATION OF STOCK / SHARES OF COMPANIES

Employee shall not speculate in any particular stock or share . Intraday trading of shares, stock and financial instruments and frequent completion of transaction i.e. purchase and sale of particular shares or securities, shall be deemed to be speculation within the meaning of this sub-rule.

Frequent transaction means trading twice in a week of same equity shares or securities.

With a view to enable the administrative authorities to keep a watch over such transactions, intimation may be sent in the Proforma to the prescribed authority in the following cases:

Executives:– If the total transactions of speculative nature in shares and securities, exceed Rs. 100000/- during the calendar year.

Non-Executives:– If the total transactions in shares, securities, debentures or mutual funds scheme etc. exceeds Rs. 50000/- during the calendar year.

[Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and inserted vide decision taken in 293RD Board meeting held on 13.08.2019]

15. INSOLVENCY AND HABITUAL INDEBTEDNESS:

(1) An employee of the Company shall avoid habitual indebtedness unless he proves that such indebtedness or insolvency is the result of circumstance beyond his control and does not proceed from extravagance or dissipation.

(2) An employee of the Company who applies to be, or is adjudged or declared insolvent shall forth with report the fact to be competent authority.

16. MOVABLE, IMMOVABLE AND VALUABLE PROPERTY:

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

(2) 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 subordinate.

***EXPLANATION NO. 1:**

- (a) The term every transaction concerning movable property owned or held by him includes all transactions of sale or purchase.
- (b) Transaction entered into by the spouse or any other members of family of an employee of the company out of his or her own funds (including stridhan gifts, inheritance etc.) as distinct from the funds of the employee of the company himself, in his or her own name and in his or her own right, would not attract the provisions of the above sub-rule.

**(Added vide decision taken at the 161st Board meeting held on 21/5/93)*

EXPLANATION NO. 2:

For the purpose of these sub rules re-expression “movable property” includes inter alia the following:-

- (a) jewellery, insurance policies the annual premium of not more than one sixth of the total annual emoluments received from the Company, shares securities and debentures:
 - (b) all loans advanced by such employees whether secured or not.
 - (c) motor cars, motor cycles, horses, or any other means of conveyance: and
 - (d) refrigerators, radio, radiograms and television sets.
- (3) every employee of the Company shall within one month report to the competent authority every transaction by him in his own name of a member of his family, if the value of such property exceeds-

- (i) Rs. 50,000/- in the case of Executives.¹
- (ii) Rs. 35000/- in the case of Non-Executives.¹

¹ Amended vide decision taken in 270th Board meeting held on 29.04.2016 circulated vide ref no. P&T/01/001/16/167 dated 19.05.2016

- (4) Every employee shall, on first appointment in the Corporation/Company, submit a return of assets and liabilities in the prescribed form giving the particulars regarding:-
 - (a) the immovable property inherited by him or owned or acquired by him or held by him on lease or mortgage, either in his own name or in the name of any member of his family or in the name of any other person;
 - (b) shares, debentures, and cash including bank deposits inherited by him or similarly owned, acquired or held by him;
 - (c) other movable property inherited by him if similarly owned, acquired or held by him, if the value of such property exceeds-
 - (i) Rs. 50,000/- in the case of Executives;¹ and
 - (ii) Rs. 35,000/- in the case of Non-Executives¹;

¹ Amended vide decision taken in 270th Board meeting held on 29.04.2016 circulated vide ref no. P&T/01/001/16/167 dated 19.05.2016

- (d) debts and other liabilities incurred by him directly or indirectly;
 - (e) Every employee shall, beginning 1st January submit a return of immovable property inherited/owned/acquired every year.
- (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 him or on his behalf or by any member of his 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.

(Added vide decision taken in 238th Board Meeting held on 1-5-2010)

17. CANVASSING OF NON-OFFICIAL OR OTHER INFLUENCE:

No employee shall bring or attempt to bring any outside influence to further his interests in respect of matters pertaining to his service in the Company.

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 an Indian National, shall forthwith intimate the fact to the Competent Authority.

***19. CONSUMPTION OF INTOXICATING DRINKS AND DRUGS**

An employee of the Company shall-

- (a) strictly abide by any law relating to intoxicating drinks or drugs in force in any area in which he may happen to be for the time being;
- (b) not be under the influence of any intoxicating drink or drug during the course of his duty and shall take due care that the performance of his duties at any time is not affected any way by the influence of such drinks or drug;
- (c) not use any intoxicating drink or drug to excess.
- (d) not appear in public place in a state of intoxication

Explanation: for the purpose 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

*Substituted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and amended vide decision taken in 293rd Board meeting held on 13.8.2019

19A. PROHIBITION OF SEXUAL HARASSMENT OF WORKING WOMEN:

- (1) No employee shall indulge in any act of sexual harassment of any woman at her work place;
- (2) Every employee who is in-charge of a work place shall take appropriate steps to prevent sexual harassment to any woman at such work place;

EXPLANATION: - for the purpose of this rule, "sexual harassment" includes such unwelcome sexually determined behavior, whether directly or otherwise, as –

- a) Physical contact or advances;
- b) Demand or request for sexual favors;

- c) Sexually colored remarks;
- d) Showing any pornography; or
- e) Any other un-welcome physical, verbal or non-verbal conduct of a sexual nature.

(Added vide decision taken in 187th Board Meeting held on 10-7-1998)

20. SUSPENSION

- (1) The appointing authority or any authority to which it is subordinate or the disciplinary authority or any other authority empowered in that behalf by the Board by general or special order may place an employee under suspension-
 - (a) Where a disciplinary proceeding against him is contemplated or is pending; or
 - (b) Where a case against him in respect of any criminal offence is under investigation or trial; or
 - (c) ¹Where in the opinion of the authority aforesaid, he/she has engaged oneself in activities prejudicial to the interest of the security of the State;
- ¹ Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and amended vide decision taken in 293rd Board meeting held on 13.8.2019
- (2) An employee who is detained in 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.
- (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 may be 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 or removal and shall remain in force until further orders.
- (4) Where a penalty of dismissal or removal from service 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 him 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.
- (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 been made order or by any authority to which that authority is subordinate.

***CLARIFICATION**

An employee connected with a 'Dowry Death' case in the following circumstances has to be placed under suspension forthwith by invoking the provisions of 20 (1) and 20 (2) above.

- (i) If an employee is connected with the registration of the police case under Section 304B of IPC viz, involvement in case of 'dowry death' he shall be placed under suspension immediately irrespective of the period of detention.
- (ii) If he is not arrested by the police in dowry death, he shall be placed under suspension on submission of a Police Report under Sub-section (2) of Section 173 of the Code Criminal Procedures, 1973, to the Magistrate, if the report prima-facie indicates that the offence has been committed by the employee.

Section 304 B of IPC is reproduced for information.

304 B (I): Where the death of woman is caused by any burns or bodily injury or occurs otherwise than under normal circumstances within seven years of her marriage and it is shown that soon before her death she was subject to cruelty or harassment by her husband.

Or any relative of her husband for, or in connection with, any demand for dowry, such death shall be called 'dowry death' and such husband or relative shall be deemed to have caused her death.

EXPLANATION:

For the purpose of this sub-section 'dowry death' shall have the same meanings as in Section 2 of the Dowry Prohibition Act, 1961.

**(Added Vide decision taken at the 161st Board meeting held on 21/5/93)*

21. SUBSISTENCE ALLOWANCE

- (1) An employee under suspension shall be entitled to draw subsistence allowance equal to 50 percent of his basic pay provided the disciplinary authority is satisfied that the employee is not engaged in any other employment or business or profession or vacation. In addition he shall be entitled to dearness allowance and any other compensatory allowance admissible on such subsistence allowance of which he 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.
- (2) Where the period of suspension exceeds six month, 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 first six months as follows: -

- (i) The amount of subsistence allowance may be increased to 75 percent of basic pay and allowance thereof if, in the opinion of the said authority, the period of suspension has been prolonged for reasons to be recorded in writing not directly attribute 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.
- (3) If an employee is arrested by the police on a criminal charge and bail is not granted, no subsistence allowance 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 he is granted bail.

22. TREATMENT OF THE PERIOD OF SUSPENSION

- (1) When the employee under suspension is reinstated, the competent authority may grant to him 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 allowance which he would have been entitled to if he had not been suspended, less the subsistence allowance already paid to him; and
 - (b) If otherwise, such proportion of pay and allowances as the competent authority may prescribe.
- (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 falling under sub-clause (b) it will not be treated as a period spent on duty unless the competent authority so directs.

23. PENALTIES

Minor Penalties:

- a) censure;
- b) withholding of increments of pay with or without cumulative effect;
- c) withholding of promotion;

- d) recovery from pay of the whole or part of any pecuniary loss caused to the Corporation/Company by negligence or breach of order;
- e) reduction to a lower stage in the time-scale of pay for a period not exceeding 3 years, without cumulative effect and not adversely affecting his terminal benefits.

Major Penalties:

- f) save as provided in clause (e), 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;
- g) reduction to a lower time scale of pay, grade, post or Service which shall ordinarily be a bar to the promotion of the employee to the time scale of pay, grade, post from which he was reduced, with or without further directions regarding conditions of restoration to the grade or post from which the employee was reduced and his seniority and pay on such restoration to that grade or post;
- h) Compulsory retirement;
- i) removal from service which shall not be a disqualification for future employment under the Govt. or the Corporation/Company owned or controlled by the Govt.;
- j) dismissal from service which shall ordinarily be a disqualification for future employment under the Govt. or the Corporation/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 (i) or (j) shall be imposed:

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

EXPLANATION:

The following shall not amount to a penalty within the meaning of this rule:

- (i) withholding of a increment of an employee for his failure to pass a prescribed test or examination;
- (ii) stoppage of an employee at the efficiency bar in the time scale, on the ground of his unfitness to cross the bar;
- (iii) non-promotion, whether in an officiating capacity or otherwise of an employee to a higher post for which he may be eligible for consideration but for which he is found unsuitable after consideration of his case;
- (iv) reversion to a lower grade or post, of an employee officiating in a higher grade or post, on the ground that he is considered, after trial, to be unsuitable for such higher grade or post, or on administrative grounds unconnected with his conduct;
- (v) reversion to his previous grade or post, of an employee appointed on probation to another grade or post, during or at the end of the period of probation, in accordance with the terms of his appointment.
- (vi) Termination of service –
 - a) of an employee appointed on probation, during or at the end of the period of probation, in accordance with the terms of his appointment;
 - b) of an employee appointed in a temporary capacity otherwise than under a contract or agreement, on the expiration of the period for which he was appointed, or earlier in accordance with terms of his appointment;
 - c) of an employee appointed under a contract or agreement, in accordance with the terms of such contract or agreement; and
 - d) of any employee on reduction of establishment.

(Amended vide decision taken in 214th board meeting held on 30.04.2005 circulated vide Ref. No. P&T/01/001/85/109 dated 6.5.2005)

24. DISCIPLINARY AUTHORITY

The board or the disciplinary authority, as specified in the Schedule, may impose any of the penalties specified in Rule 23 on any employee.

25. PROCEDURE FOR IMPOSING MAJOR PENALTIES

- (1) No order imposing any of the major penalties specified in clauses (f), (g), (h), (i) and (j) of Rule-23 shall be made except after an inquiry is held in accordance with this rule.

(Amended vide decision taken in 214th board meeting held on 30.04.2005 circulated vide Ref. No. P&T/01/001/85/109 dated 6.5.2005)

- (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 Complaint 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.

*Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and amended vide decision taken in 293rd Board meeting held on 13.8.2019]

- (3) Where it is proposed to hold an inquiry, the Disciplinary Authority shall frame definite charges on the basis of the imputations of misconduct or misbehavior against the employee. The charges, together with a statement of the imputations of misconduct or misbehavior on which they have based, a list of documents by which and a list of witness by whom, the articles of charge are proposed to be sustained, shall be communicated in writing to the employee.

¹On receipt of the articles of charge, the employee shall be required to submit his written statement of defense, if he so desires, and also state whether he 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 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.

(¹Amended vide 279rd Board meeting held on 06.02.2018)

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.

- (4) On receipt of the written statement of the employee, or if no such statement is received within the time specified, an inquiry may be held by the disciplinary authority itself or by any other public servant appointed as an inquiring authority under sub-clause (2) after taking such evidence as it may deem fit. Provided that it may not be necessary to hold an inquiry in respect of the charges admitted by the employees in his written statement. The disciplinary authority shall, however record its finding on each such 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 is submitted by the charged sheeted employee, the disciplinary authority may itself inquire into the articles of charge, or may, if it considers necessary to do so, appoint, under sub-rule (2), an inquiring authority for the purpose.*

**Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and amended vide decision taken in 293rd Board meeting held on 13.8.2019]*

- (5) Where the disciplinary authority itself inquires or appoints an inquiring authority for holding an inquiry, it may, by an order appoint a public servant to be known as the 'Presenting Officer' to present on its behalf the case in support of the articles of charge.

- (6) The employee may take the assistance of any public servant, who does not have two disciplinary cases on hand in which he has to give assistance, to present the case on his behalf *but may not engage a legal practitioner for the purpose unless the Presenting Office appointed by the disciplinary authority is a legal practitioner or the disciplinary authority, having regard to the circumstances of the case, so permits.*

Provided that a retired employee of the Company or any of its subsidiary may be permitted to act as Defence Assistant in case retired employee of the Company/Subsidiary has been appointed as Inquiry Officer.

However, he should not have, in any manner, been associated with the case at investigation stage or otherwise in his official capacity.

(Added vide decision taken in 216th board meeting held on 30.09.2005 circulated vide Ref. No. P&T/01/001/85/917 dated 21.12.2005)

**Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and amended vide decision taken in 293rd Board meeting held on 13.8.2019*

- (7) On the date fixed by the inquiring authority, the employee shall appear before the inquiring authority at the time, date and place specified in the notice. The inquiring authority shall ask the employee whether he 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 there on. The inquiring Authority shall return a finding of guilty in respect of those articles of charge to which the employee concerned pleads guilty.

- (8) 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 employee may, for the purpose of preparing his defence :-
- (i) inspect the documents listed with the charge-sheet:
 - (ii) submit a list of additional documents and witness that he wants to examine and
 - (iii) be supplied with the copies of the statement of witness, if any, listed in the charge-sheet.

NOTE : Relevancy of the additional documents and witness referred to in sub-clause 8 (ii) above will have to be given by the employee concerned and the documents and the witness may be summoned if the inquiring authority is satisfied about their relevance to the charges under inquiry.

- (9) 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 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 the 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 charge sheeted employee and withdraw the requisition made by it for the production or discovery of such documents*.

**[Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and amended vide decision taken in 293rd Board meeting held on 13.8.2019]*

- (10) The authority in whose custody or possession the requisitioned documents are, shall arrange to produce the same or issue a non-availability certificate before the inquiring authority within one month of the receipt of such requisition.

Provided that the authority having the custody or possession of requisitioned documents may claim privilege if the production of such documents will be against the public interest or the interest of the Company. In that event, it shall inform the inquiring authority accordingly. The Inquiring Authority shall, on being so informed, communicate the information to the employee concerned and withdraw the requisition made by it for the production or discovery of such documents.

(Amended vide 279rd Board meeting held on 06.02.2018)

- (11) 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 witness shall be examined by or on

behalf of the Presenting Officer and may be cross-examined or on behalf of the 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. Inquiring authority may also put such question to the witness as it thinks fit.

- (12) 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 articles of charge or may itself call for new evidence or recall or re-examine any witness. In such case the employee shall be an opportunity to inspect the documentary evidence before it is taken on record; or to cross-examine a witness, who has been so summoned.
- (13) When the case for the disciplinary authority is closed, the charged sheeted employee may be required to state his defence, orally or in writing, as he may prefer. If the defence is made orally, it shall be recorded and the employee shall be required to sign the record. In either case a copy of the statement of defence shall be given to the Presenting Officer if any, appointed.
- (14) The evidence on behalf of the employee shall then be produced. The employee may examine himself in his own behalf if he 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 witness for the disciplinary authority.

**(Added after the word "Cross-examination" vide decision taken at the 161st Broad meeting held on 21.5.93).*

- (15) The inquiring authority, may after the employee closes his case, and shall, if the employee has not examined himself, generally question him on the circumstances appearing against him in the evidence for the purpose of enabling the employee to explain any circumstances appearing in the evidence against him.
- *(16) The Inquiring Authority, after completion of the production of evidence, hear the Presenting Officer, if any, appointed and the employee, or permit them to file written brief of their respective cases, if they so desire within *15 days from the date of completion of production of evidence*.

** (Old clause no. 25 (16) replaced vide decision taken at the 161st Broad meeting held on 21/5/93)*

**Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and amended vide decision taken in 293rd Board meeting held on 13.8.2019]*

- (17) If charged sheeted employee does not submit the written statement of defence referred to in sub-rule (3) 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 inquiry ex-parte.

- (18) Whenever any inquiring authority, after having heard and recorded the whole or any part of the evidence in any inquiry cases 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 witness whose evidence has already been recorded is necessary in the interest of justice, it may recall, examine, cross-examine and re-examine any such witness as herein before provided.

- (19)(i) After the conclusion of the inquiry, report shall be prepared and it shall contain :-

- (a) A gist of the articles of charge and the statement of the imputations of misconduct or misbehavior;
- (b) a gist of the defence of the employee in respect of each article of charge;
- (c) an assessment of the evidence in respect of each article of charge;
- (d) the findings on each article of charge and the reasons therefore.

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 finding on such article of charge.

Provided that the findings on such article of charge shall not be recorded unless the employee has either admitted the facts on which such article of charge is based or has had a reasonable opportunity of defending himself 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 above:

- (b) the written statement of defence, if any, submitted by the employee referred to in sub-rule (13);
 - (c) the oral and documentary evidence produced in the course of the inquiry;
 - (d) written briefs referred to in sub-rule (16), if any, and
 - (e) the orders, if any, made by the disciplinary authority and an inquiring authority in regard to the inquiry.
- 20(a) The Inquiring Authority should conclude the inquiry and submit his report within a period of six months from the date of receipt of order of his 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 behalf.

(Amended vide 279rd Board meeting held on 06.02.2018)

26. ACTION ON THE INQUIRY REPORT

- (1) The disciplinary authority, if it is not itself the inquiring authority may, for reasons to be recorded by it in writing remit the case to the same or another inquiring authority for fresh or further inquiry and report and the inquiring 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 he so desires, his written representation or submission to the disciplinary authority within fifteen days, irrespective of whether the report is favourable or not to the employee.

- (3)(a) In every case where it is necessary to consult the Commission, the Disciplinary Authority shall forward or cause to be forwarded to the Commission for its advice:
- (i) 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; and
 - (ii) Comments of Disciplinary Authority on the representation of the employee on the Inquiry report and disagreement note, if any and all the case records of the inquiry proceedings.
- (b) The Disciplinary Authority shall forward or cause to be forwarded a copy of the advice of the Commission received under clause(a) to the employee, who shall be required to submit, if he so desires, his written representation or submission to the Disciplinary Authority within fifteen days on the advice of the Commission.
- (4) The Disciplinary Authority shall consider the representation, if any, submitted by the employee and record its findings before proceeding further in the matter as specified in sub-rules (5) and (6).
- (5) 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 specified in clauses (a) to (e) of rule 23 should be imposed on the employee, it shall, notwithstanding anything contained in rule 27, make an order imposing such penalty.
- (6) If the Disciplinary Authority having regard to its findings on all or any of the articles of charge and on the basis of the evidence adduced during the inquiry is of the opinion that any of the penalties specified in clauses (f) to (j) of rule 23 should be imposed on the employee, it shall make an order imposing such penalty and it shall not be necessary to give the employee any opportunity of making representation on the penalty proposed to be imposed.
- (7) 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.

(Amended vide 279rd Board meeting held on 06.02.2018)

- 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 followed in accordance with the procedure enumerated in Annexure III of Clause 20.0 of the Rules framed under Policy of Promotion for Executives.

[Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and amended vide decision taken in 293rd Board meeting held on 13.8.2019]

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 the misconduct or misbehavior against him and given an opportunity to submit his written statement of defence within a specified period not exceeding 15 days. On receipt of the written statement of defence, if the disciplinary authority is satisfied that the misconduct imputed to the CO has not been established, he may, through a written order, drop the charges. On the other hand, if the disciplinary authority considers the CO guilty of the misconduct in question, he may impose one of the minor penalties. The disciplinary authority, in his discretion, may also decide to conduct an inquiry in the manner laid down in sub-rules (1) to (20) of rule 25, if in his opinion, holding of an inquiry is necessary to come to a definite conclusion about the guilt or innocence of the CO or if the employee requests for the same.

(Amended vide 279rd Board meeting held on 06.02.2018)

- (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 defence statement, if any; and
 - (iii) the orders of the disciplinary authority together with the reasons therefore.

27A. SPECIAL PROCEDURE FOR INQUIRING INTO COMPLAINTS OF SEXUAL HARASSMENT OF WOMEN.

A Complaints Committee will be set up in line with the norms prescribed by Hon'ble Supreme Court in Vishaka and others vs. the State of Rajasthan and others, which will inquire into complaints of sexual harassment made in terms of Rule 19A. The Complaints Committee will be deemed to be the inquiry Authority for this purpose and the report of this Committee shall be deemed to be the Inquiry Report under these rules.

Note:

The Complaints Committee shall hold the inquiry proceedings according to the procedure laid down for imposing major or minor penalties, as the case may be, as far as possible and follow the principle of Natural Justice.

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 of 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, with the findings of the inquiring authority
- ii. a copy of the advice, if any given to the Commission, and
- iii. where the disciplinary authority has not accepted the advice of the Commission, a brief statement of the reasons for such non-acceptance.*

**Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and amended vide decision taken in 293rd Board meeting held on 13.8.2019*

29. COMMON PROCEEDING:

Where two or more employees are concerned in a case, the authority competent to impose a major penalty on all such employees may take an order directing that disciplinary proceedings against all of them may be taken in a common proceedings and the specified authority may function as the disciplinary authority for the purpose of such common proceedings.

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 following circumstances:-

- (i) the employee has been convicted 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 inquiry in the manner provided in these Rules; or
- (iii) where the Board/Chairman 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.

Provided that the employee may be given an opportunity of making representation on the penalty proposed to be imposed before any order is made in a case under clause (i):

Provided further that the Commission shall be consulted, where such consultation is necessary, and the employee has been given an opportunity of representing against

the advice of the Commission within the time limit specified in clause(b) of sub-rule(3) of rule 26, before any orders are made in any case under this rule.

(Amended vide 279rd Board meeting held on 06.02.2018)

30A. CONTINUATION OF DISCIPLINARY PROCEEDINGS AFTER 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 due date of their superannuation.*
- (ii) Disciplinary proceedings, if instituted while the employee was in service whether before his retirement or during his 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 the 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 or to have caused pecuniary loss to the Company by misconduct of negligence, during the service including service rendered on deputation or on re-employment after retirement. However, the provision of Sections 7(3) and 7(3A) of the payment of Gratuity Act, 1972 shall be kept in view in the event of delayed payment, in case the employee is fully exonerated.

(Added vide decision taken in 196th Board Meeting held on 25.9.2000)

** Added vide decision taken in 293rd Board Meeting held on 13.8.2019*

31. EMPLOYEES ON DEPUTATION FROM THE CENTRAL GOVERNMENT OR THE STATE GOVERNMENT OR THE STATE GOVERNMENT OR SUBSIDIARIES ETC.

- (i) When an order of suspension made or disciplinary proceeding is taken against an employee, who is on deputation to the Company from the Central or State Government or a Subsidiary or another public undertaking, or a local authority, the authority lending his services (hereinafter referred to as the “lending authority”), shall forthwith be informed of 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 him, it may pass such orders on the case as it deems necessary after consultation with the lending authority;
- (b) If the disciplinary authority is of the opinion that any of the major penalties should be imposed on him, it should replace his services at the disposal of the lending authority and transmit to it the proceeding of the inquiry for such action as it deems necessary.
- (iii) If the employee submits an appeal against an order imposing a minor penalty on him 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 as it deems necessary.

32. PROVISION REGARDING EMPLOYEES LENT TO GOVERNMENT, SUBSIDIARY OR OTHER PUBLIC UNDERTAKING ETC.

- (1) Where the services of an employee are lent to the Government or any authority subordinate thereto or to a Subsidiary or to any other public undertaking (hereinafter referred to as the “borrowing authority”) the borrowing authority shall have the powers of the appointing authority for the purpose of placing such an employee under suspension and of the disciplinary proceedings against him.

Provided that the borrowing authority shall forthwith inform MSTC (hereinafter referred to as the lending authority) of the circumstances leading to the order of suspension of an employee or the commencement of the disciplinary proceedings as the case may be.

- (2) In the light of the findings of the inquiring authority against the employee: -
 - (i) If the borrowing authority is of the opinion that any of the penalties specified in clauses (a), (b), (c), (d) or (e) of Rule-23 (minor penalties) should be imposed on the employee, it may, after consultation with the lending authority, make such orders in this case, as it deems necessary.
 - (ii) If the borrowing authority is of the opinion that any of the opinion that any of the penalties specified in clauses (f), (g), (h), (i) & (j) of Rule-23 (major penalties) should be imposed on the employee, it shall replace his services

at the disposal of the lending authority and transmit to it the proceedings of the inquiry for such action as deemed necessary.

(Amended vide decision taken in 214th board meeting held on 30.04.2005 circulated vide Ref. No. P&T/01/001/85/109 dated 6.5.2005)

EXPLANATIONS:

The disciplinary authority may make an order under this clause on the record of inquiry transmitted to it by the borrowing authority or by holding such further inquiries, as may deem necessary, as far as may be, in accordance with Rule 25, 26 or 27.

33. APPEALS

- (i) An employee may appeal against an order imposing upon him any of the penalties specified in Rules 23 or against the order of suspension referred to in Rule 20. The appeal shall lie to the authority specified in the Schedule.
- (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 findings are justified or whether the penalty is excessive or inadequate and pass appropriate orders within three months from 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.

**Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and amended vide decision taken in 293rd Board meeting held on 13.8.2019*

Provided that the Commission shall be consulted in all cases where such consultation is necessary and the employee has been given an opportunity of representing against the advice of the Commission within the time limit specified in clause (b) of sub-rule(3) of rule 26. If such enhanced penalty which the appellate authority proposes to impose is a major penalty specified in clauses (f), (g), (h), (i) and (j) of Rule-23 and an inquiry as provided in Rule 25 has not already been held in this case, the appellate authority shall direct that such an inquiry 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 inquiry has already been held as provided in Rule 25, appellate authority shall give a show-cause notice upon him. The appellate authority shall pass final order after taking into account the representation, if any, submitted by the employee.

(Amended vide 279th Board meeting held on 06.02.2018)

***EXPLANATION-** Employee for the purpose of this Rule shall include a person who ceased to be in the employment of the Company.

**(Added vide decision of Board Meeting held on 21.10.99)*

34. REVIEW

⁺(i) 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.

(ii) Provided that if the enhanced penalty, which the reviewing authority proposes 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.

+Inserted in reference to DPE letter no. 15(07)/99-DPE-GM-VOL-III-FTS-2344 dated 11.12.2017 and amended vide decision taken in 293rd Board meeting held on 13.8.2019

Provided that no order imposing or enhancing any penalty shall be made by any the reviewing authority unless the employee concerned has been given a reasonable opportunity of making a representation against the penalty proposed and where it is proposed to impose any of the penalties specified in clauses (f),(g),(h),(i) and (j) of rule 23 or to enhance the penalty imposed by the order sought to be revised to any of the penalties specified in those clauses, and if an inquiry under rule 25 has not already been held in the case no such penalty shall be imposed except after an inquiry in the manner laid down in rule 25 subject to the provisions of rule 30, and except after consultation with the Commission where such consultation is necessary and the employee has been given an opportunity of representing against the advice of the Commission within the time limit specified in clause (b) of sub-rule(3) of rule 26.

(Amended vide 279th Board meeting held on 06.02.2018)

35. SERVICE OF ORDERS, NOTICES, ETC.

Every order, notice and other process made or issued under these rules shall be served in person on the employee concerned or communicated to him by registered post at his last known address.

36. 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 rules for anything required to be done under these rules or condone any delay.

37. SAVINGS

- (1) Nothing in these rules shall be construed as depriving any person to whom these rules apply of any right of appeal, which had accrued to him 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 the 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.

38. REMOVAL OF DOUBTS

Where doubts arise as to the interpretation of any of these rules, the matter shall be referred to the Board for final decision.

39. 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.

SCHEDULE**Schedule showing the delegation of powers in Disciplinary matters
(Rule 20,23,24,33 &34)**

<u>Minor Penalty</u>			
Level of employees	Disciplinary Authority	Appellate Authority	Reviewing Authority
Executive whose appointment are made by the President of India	President	—	President
Executive in the grade E-7 and above but below Board Level	CMD	Committee	Board
E-0 to E-6	CMD	COMMITTEE	Board
All Non-executives	HoD of P&A	Director	CMD

<u>Major Penalty</u>			
Level of employees	Disciplinary Authority	Appellate Authority	Reviewing Authority
Executive whose appointment are made by the President of India	President	—	President
Executive in the grade E-7 and above but below Board Level	Board	Board	Board
E-0 to E-6	CMD	COMMITTEE	Board
All Non-executives	Director	CMD	Board

Wherein the Committee will consist of following members:

Sl. No.	Committee Members
1.	Independent Director
2.	Independent Director
3.	Director (Commercial)

The Chairman of the meeting will be decided by the Committee members in their meeting.

HOD of the P&A department will act as convener and assist the committee in discharging its duties.

(Amended vide 293rd Board meeting held on 13.8.2019)

FORMAT
BOND TO BE EXECUTED AND DELIVERED BY
DIRECTORS/MANAGING DIRECTORS/CHAIRMAN-CUM-
MANAGING DIRECTORS
BEFORE TAKING OVER THE CHARGE

THIS BOND is executed and delivered by me atonfollowing the Government of India appointing me Director/Managing Director/Chairman-cum-Managing Director of and in fulfillment of the condition regarding restriction on joining private commercial undertaking after my retirement.

WHEREAS

- a. Upon selection by the Public Enterprise Selection Broad, the Government of India, Ministry of Steel, vide its letter No.....dated, has conveyed the sanction of the President of India appointing me Director/Managing Director/Chairman-cum-Managing Director of.....(hereinafter referred to as the Corporation) with effect from on the terms and conditions set out therein.
- b. One of the conditions is that within one year from the date of my retirement from the service of the Corporation, I shall not accept, without the prior approval of the Government, any appointment or post, whether advisory or administrative, in any from or company, whether Indian or foreign, with which the Corporation has or had business relations; and that in case of my breaching this condition at any time during the said period of one year, I am liable to pay the Government of India/the Corporation a sum of Rs.5,00,000/-(Rupees Five Lakh).
- c. In terms of the said appointment order, I am required to give this Bond while taking over the charge as Director/Managing Director/Chairman-cum-Managing Director of the Corporation.

Contd...

NOW THIS BOND WITNESSETH as under:

1. That I hereby agree with the condition as set out in the said appointment order, inter-alia, that appointment or post, whether advisory or administrative, in any firm or

company, whether Indian or foreign, with which the Corporation has or had business relations;

2. That in the case of my breaching this condition at any time during the said period of one year, I bind myself to pay the Government of India/the Corporation a sum of Rs.5,00,000/-(Rupees Five Lakh).
3. That the said sum becomes payable by me to the Government of India/the Corporation immediately upon the occurrence of the breach;
4. That the Government of India/the Corporation has all the right to proceed against me to recover the sum in the case of my failure to pay it up after its becoming due and that the Government of India/the Corporation may do so even beyond the said period of one year for any breach if committed by me during the bond period;
5. That it is on my own volition I have agreed to the above conditions and commitments;
6. That this Bond will become void and of no effect after the said period of one year.

IN WITNESS WHEREOF I,....., have put my hand on the date aforementioned.

.....
(Signature)

Witness:

1.

2.