

MIDHANI CONDUCT, DISCIPLINE AND APPEAL (CDA) RULES FOR EMPLOYEES

Rule 1 Short title and commencement

- (i) These Rules may be called MIDHANI CONDUCT, DISCIPLINE AND APPEAL RULES FOR EMPLOYEES.
- (ii) They shall come into force on 01-09-1977.

Rule 2 Application *

These Rules shall apply to all employees except,

- (i) Those in casual/contract employment or paid from contingencies.
- (ii) Those governed by the standing orders under the Industrial Dispute Act, 1947.

(*amended - Board approval dated 17.12.2020)

Rule 3 Definitions

In these Rules, unless the context otherwise requires -

(a)	Employee	means a person in the employment of the Company other than the casual, work charged or contingent staff or workman as defined in the Industrial Disputes Act, 1947 but includes a person on deputation to the Company.
(b)	Workman	means a person as defined in the Industrial Disputes Act, 1947 and to whom the provision of these Rules shall not apply.
(C)	Company	means the MISHRA DHATU NIGAM LIMITED.
(d)	Chairman /Managing Director	means the Chairman/Managing Director of the Company
(e)	Disciplinary Authority	means the authority specified in the schedules appended to these Rules and competent to impose any of the penalties specified in Rule 27.
(f)	Competent Authority	means the authority empowered by 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.
(g)		Government means the Government of India
(h)	Appellate Authority	means the authority specified in the schedule attached to these Rules
(i)	Reviewing Authority	means the authority specified in the schedule attached to these Rules
(j)	Family	In relation to any employee includes - <ol style="list-style-type: none">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. sons or daughters or step-sons or step- daughters of the employee and wholly dependent on him 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.

(k)	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.
(l)	Inquiring 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 charges sheeted employee.
(m)	Board	means the Board of Directors of the Company and includes in relation to exercise of powers, any committee of the Board/ Management or any officer of the Company to whom the Board delegated any of its powers.

(Rule 3 (d), (i) & (k) amended and Rule 3 (l) & (m) new clause - Board approval dated 17.12.2020).

Rule 4 General

- (1) Every employee of the Company shall at all times -
- (i) maintain absolute integrity;
 - (ii) maintain devotion to duty; and
 - (iii) conducts himself in a manner conducive to the best interests of the Company and shall not do any act, which is prejudicial to the interest of the Company or which would be 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 behaviour 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;
 - (xvi) make choices, take decisions and make recommendations on merit alone;
 - (xvii) act with fairness and impartiality and not discriminate against anyone, particularly the poor and the under-privileged sections of society;
 - (xviii) refrain from doing anything which is or may be contrary to any law, rules, regulations and established practices;
 - (xix) maintain discipline in the discharge of one's duties and be liable to implement the lawful orders duly communicated to the Employee;
 - (xx) 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;

- (xxi) Perform and discharge one's duties with the highest degree of professionalism and dedication to the best of his/her abilities.

(Rule 4.1 (iv) to (xxi) new clause - Board approval dated 17.12.2020).

(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 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.

2 (A). Promptness and Courtesy

No Employee shall

- (i) in the performance of his/her official duties, act in a discourteous manner;
- (ii) 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.

2 (B). 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.

(Rule 4.2 (i) amended and Rule 4.2 (ii)-(iv), 4.2 (A) & (B) new clause - Board approval dated 17.12.2020).

(3) * Prohibition of sexual harassment of working women

- (i) No employee shall indulge in any act of sexual harassment of any woman at any work place.
- (ii) 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,

- 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 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, organisation, 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.

(Rule 4.3 except 4.3.(ii) amended - Board Approval dated 17.12.2020).

Rule 5 Dealing with Foreigners, Foreign Missions etc:

(1) Contact with Nationals of Foreign Countries:

Employees are forbidden from disclosing any matters of security and are required to practice restraint in their contracts with Foreign Nationals. They should also avoid over-patronization and indiscriminate and frequent acceptance of hospitality, particularly of an informal nature from Foreign Nationals or Indian Nationals employed by Foreign Missions.

(2) Official and Social Contacts

Employees shall particularly ensure that the official and social contacts with representatives of other countries are limited to their appropriate official levels.

(3) Return of hospitality accepted from Foreign Missions

Diplomats are specially paid to enable them to entertain local officials; however, the employee may return the hospitality only officially with necessary sanction of the competent authority. The employees shall refrain from entertaining diplomats in their private capacity.

*** Board Approval dt. 01.07.98**

(4) Putting up or staying with Foreign Nationals as Guests

- (i) Employees shall not stay as guests of Foreign Nationals in India. They can, however, stay with Foreign Nationals abroad with the prior permission of the competent authority.
- (ii) Employees shall not normally invite Foreigners to stay with them as their guests in India. Residential accommodation shall not be wholly or partly let out or shared with Foreign Nationals/ Members of Diplomatic Missions and their employees without prior permission of the Competent Authority.

(5) Acceptance of gifts in aircraft belonging to Foreign Embassies in India or Foreign Government abroad

No employee shall accept or permit his wife or dependent to accept passage money or free air transport from a Foreign Mission / Government Organization. Exceptional cases where humanitarian or compassionate grounds are involved should be referred to the Competent Authority for grant of permission.

There would, however, be no objection to the acceptance of the cost of passage when invited by the Foreign Governments and organizations to participate in conferences, seminars, etc., if the invitation is extended to a particular employee by name with a view to benefiting from the expertise of the employee invited. Cases of such an invitation shall be referred to the Managing Director for his approval. In other cases, in which participation in conferences, etc., is considered desirable in the interests of the employee concerned or the Company, the cost of passage will be met by the Company. Within a foreign country, an employee can accept a free air transport in connection with his official duties only. When employees and their families are in a foreign country as State Guests, it would be permissible for them to accept free air transport from Foreign Governments.

(6) Disposal of immovable / movable property by lease from Foreign Nationals and to Foreign Nationals

Employees are forbidden to dispose of or acquire any immovable / movable property by lease or otherwise, except with the prior intimation in writing to the Competent Authority. When such transaction is conducted otherwise than through a regular or a reputed dealer, prior permission of the Competent Authority will be necessary. Thus, in either case, i.e., whether the transaction is by direct negotiations or through a regular dealer, the Competent Authority must be made known of the terms and conditions of the proposed transaction and also the part from/to whom the property is to be leased or acquired. In dealing with all cases relating to disposal/acquisition by MIDHANI employees of immovable/ movable property, whether by lease or otherwise, the Competent Authority concerned shall exercise great care where Foreign Missions or their employees are concerned; such authority shall keep in mind the security angle and also ensure that the employee does not derive any undue advantage from the transaction and thus place himself under an obligation, direct or indirect on the Foreign Mission or its employees. While employees can give reasonable publicity to the effect that their houses are available for hiring, it shall be undignified and undesirable for them to solicit offers from Diplomatic Missions or members of such missions.

(7) Private Correspondence

Private correspondence with Foreign Embassies/Missions/High Commissions shall be avoided. Similarly, no private or personal correspondence on matter of an official nature shall be entered into directly with members of Foreign Missions in India.

(8) Supply of information to members of Missions and Nationals of other Countries

The supply of or imparting of information to other members of Missions or to nationals of other countries shall not be done directly or by implication by any employee as it is the responsibility of the Government of India. It is also imperative that no information of a secretor confidential nature relating to MIDHANI service matters or pertaining to Defence matters shall be disclosed to a Foreign National directly or indirectly or through any other channel. If employees are approached for any information by service Advisers/ Attaches/Advisers of a foreign country, they should be advised to contact the MIDHANI Head Office or the General Manager. If other members of a Foreign Mission or if Nationals of a Foreign Country approach for information, they should be advised to contact the MIDHANI Head Office or the General Manager as the circumstances demand.

(i) Joining of foreign language classes:

Employees or their wives who desire to join a school or language classes conducted by an organization controlled or subsidized by foreign Government/Missions and Indo- Foreign cultural organizations, may join such classes, with prior permission of the Competent Authority.

(9) Association of employees with Indo-Foreign Cultural Organizations

Employees shall not actively participate or become members in the activities of Indo-Foreign Cultural Organizations such as the Indo-German Association, the Indo-Soviet Cultural Society, etc.

(10) Supply and procurement of films/literature from Foreign Missions for display among employees

On no account whatsoever shall employees approach foreign missions or the Information Services of foreign commercial concerns or foreign non-Government Organizations directly for the supply of any film or literature. Where Foreign Embassies etc., send any film/literature to Units on their own initiative, the Units shall return the films/literature to the Embassy, etc. concerned tactfully.

Rule 6 Inventions and Patents

No employee shall, without the previous consent in writing of the Competent Authority, apply for a patent or exclusive privilege in respect of any invention under any enactment, if such invention is made by him when in the service of the Company and he shall in the event of a patent or exclusive privilege under any such enactment to make, sell and use such invention or allow others to do so, being granted to him, to the company the unqualified right to adopt and use the said invention without its being obliged to pay any royalty or other consideration therefore. He shall not assign, charge or transfer in any manner whatsoever his original or any extended patent or exclusive privilege in respect of the said invention, without the previous consent in writing of the Competent Authority and without providing for the unqualified use, free of charge by the Company, of the said invention and further he shall, on demand, execute in favour of the Company such letter or license, or other deed or document for the purpose as it may advise; provided always that the Company at any time within six months of the receipt of any intimation from the employee that he has acquired such patent or exclusive privilege in India or abroad shall have the right to require the employee to transfer and assign such patent or exclusive privilege to the Company for such consideration as the Managing Director shall at his discretion fix and if such right be exercised the employee shall execute all such deeds of assignment grants and assurances and do all such acts, deeds and things for vesting in the Company and/or its nominees the ownership of the patent or exclusive privilege and the full benefit thereof as the Company shall require.

Rule 7 Antecedents

- (1) No person who has been dismissed from the services of the Company or Government (Central or State) or any other Government Company, or who has been convicted by any

criminal court for an offence involving moral turpitude, is eligible for appointment in the Company.

- (2) In the event of the Company coming to know, subsequent to the appointment of an employee, his antecedents, which could have made him ineligible for employment under sub-rule (1) above, his services, shall be liable to be terminated without notice.

Rule 8 Vindication of Official Acts

No employee shall except with the previous sanction of the Competent Authority 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.

Rule 9 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 property of another person within the premises of the Company.
- (2) Taking or giving bribes or any illegal gratification.
- (3) Possession of pecuniary resources or property disproportionate to the known source of income by the employee or on his behalf by another person, which the employee cannot satisfactorily account for.
- (4) Furnishing in the employment application or thereafter wrong or incomplete information or suppression of any information regarding name, father's name, age, qualifications, ability, previous service or experience, conviction to a Court of Law, dismissal, removal or compulsory retirement by previous employer or any other information germane to the employment.
- (5) Acting in a manner prejudicial to the interests of the Company.
- (6) Willful insubordination or disobedience, whether or not in combination with others, of any lawful and reasonable order of his 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 leaving of work before time without permission.
- (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 behaviour in the premises of the Company or outside such premises where such behaviour 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 behaviour.
- (21) Abetment of or attempt at abetment of any act, which amounts to misconduct.
- (22) Making false or baseless allegations against superiors.
- (23) Non-compliance of the provisions of the Foreign Contributions (Regulations) Act, 1975.
- (24) Participating in strikes, gheraos and other agitational activities or abetting, inciting, instigating or acting in furtherance thereof.
- (25) Distributing or exhibiting inside the Company's premises any newsletters, handbills, pamphlets or posters without the previous sanction of the Competent Authority.
- (26) Attending or holding meetings within the Company's premises without the prior permission of the Competent Authority.
- (27) Unauthorized use of any property, machinery, tools, quarters or land belonging to the Company.
- (28) Carrying dangerous weapons or attempting bodily injury or intimidation to any employee or employee of the Company in the Company's premises.
- (29) Habitual breach of any law applicable to the Company.
- (30) Refusal to receive any official communication.
- (31) Disclosing to any unauthorized person any confidential information in regard to the working of or any process used in the Company, which comes into possession during the course of his work.
- (32) Habitual indebtedness and/or insolvency.
- (33) Leaving duty station without previous permission.
- (34) Failure on the part of an employee to intimate the fact of his arrest and the circumstances connected therewith to his superior officer immediately.
- (35) * Sexual harassment of women employees in work places.

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

* Board approval dt 01.07.98

9-2(A)* Obtaining donations/ advertisement / sponsorship etc. for the associations/NGOs formed by Employee or their spouse / Employee's family members etc. from the contractors, vendors, customers or other persons having commercial relationship / official dealings. This will be treated as misconduct.

(*New clause – Board approval dated 17.12.2020)

Rule 10 Employment of near relatives of the employees of the Company in any Company or Firm 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 his son, daughter or any member of the family to accept employment with any Company or firm with which he has official dealings or with any Company or firm 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.
- (3) No employee shall in the discharge of his official duties deal with any matter or give or sanction any contract to any Company or Firm or any other person if any member of his family is employed in that Company or Firm or under that person or if he or any member of his family is interested in such matter or contract in any other matter and the employee shall refer 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.

Rule 11 Taking part in demonstrations and illegal strikes

No employee of the Company shall

- (i) engage himself or participate in any demonstration which involved incitement to an offence or misconduct within the meaning of these Rules; or
- (ii) resort to or in any way abet any form of illegal strike, or coercion or physical duress in connection with any matter pertaining to his service or the service of any other employee; or
- (iii) resort to practice or conduct, which is likely to result in, or results in the cessation or substantial retardation of work in the Company.

Rule 11(A) Taking part in Politics and Elections

- (a) No employee of the Company shall be an office-bearer of a political party or an organization, which takes part in politics;
- (b) No employee of the Company shall take part in or assist in any manner/in any movement/agitation or demonstration of a political nature;
- (c) No employee shall take part in an election to any legislature or local authority; and
- (d) No employee shall canvass in any election to any legislature or local authority.

Rule 12 Connection with Electronic & Print Media*

- (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 Authority or the prescribed authority or in the bonafide 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 scientific character.
- (3) An employee publishing / contributing to any literary / artistic / scientific areas (or) participating in a public media shall at all times make it clear that the views expressed by him / her are his/her own and not that of Company.

(*amended/new clause - Board approval dated 17.12.2020)

Rule 13 Criticism of Government and the Company

No employee shall, in any electronic and print media or in any document published under his

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, more particularly any other firm having dealings with the Company.

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 official capacity or in due performance of the duties assigned to him.

- (c) * 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 13.c new clause – Board approval dated 17.12.2020)

Rule 14 Evidence before Committee or any other Authority

- (1) Save as provided in 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.
- (2) Where any sanction has been accorded under sub-rule (1) no employee giving such evidence shall criticize the policy or any action of the Central Government or of State Government, or of the Company.
- (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 Legislature or any Company.
 - (b) Evidence given in any judicial enquiry; or
 - (c) Evidence given at any departmental enquiry ordered by authorities subordinate to the Government.

Rule 15 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 him communicate, directly or indirectly, any official document or any part thereof or information to any Officer or other employee, or any other person to whom he is not authorized to communicate such document or information.

Rule 16 Gifts*

- (1) Save as otherwise provided 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.

Explanation: The expression 'GIFT' shall include free transport, boarding, lodging or other services 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: An employee of the Company shall avoid acceptance of lavish or frequent hospitality from any individual or firm having official dealings with the employee.

- (2) On occasions such as weddings, anniversaries, funerals or religious functions, when the making of gifts 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 any such gift exceeds Rs. 25,000/-

- (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 him, but Employee he shall make a report to the competent authority if the value of any such gift exceeds Rs. 1,500/-.
- (4) In any other case, an Employee of the company shall not accept or permit any 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 Rs. 5,000/-

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/-.

(*amended – Board approval dated 17.12.2020)

Rule 16 (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 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) or any amendment, if any.

(*amended - Board approval dated 17.12.2020)

Rule 17 Private trade or employment

- (1) No employee of the Company shall, except with the previous sanction of the Competent Authority engages directly or indirectly in any trade or business or undertakes any other 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 a trade or business or owns or manages an 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/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 for the benefit of employees of the CPSE, 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.

- (4) No employee of the Company may accept any fee 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.
- (5) No Functional Director of the Company including the Chief Employee, 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 one year from the date of his retirement without prior approval of the Government.

- (6)** No Employee holding the position of Additional General Manager (AGM-Grade-VII) and above who have retired/ resigned from the service of the Company, shall accept any appointment or post, after such retirement/resignation, whether Advisory or Administrative, in any firm or Company, whether Indian or Foreign, with which the Company has/had Business Relations, within 1year from the date of his retirement without prior approval of the Competent Authority. The term 'Retirement' includes resignation; the term 'BusinessRelations' includes official dealings as well.

(Rule 17.3&17.5 amended - Board approval dated 17.12.2020)

**** Circular dt 30.11.2012**

17 A) With regard to dealing in the shares of 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 a CSPE 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 17 (A) new clause - Board approval dated 17.12.2020)

Rule 18 Investment, lending and borrowing

- (1) 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.
- (2) No employee of the Company shall stand surety for loans taken by his superior officers or by their relatives or friends, unless prior permission of the Competent Authority has been obtained.

(Rule 18.1 amended - Board approval dated 17.12.2020).

18 (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 (on the lines of proforma annexed to DoPT OM dated 07.02.2019) to the prescribed authority if the total transactions in shares, securities, debentures or mutual funds scheme etc exceed six months' basic pay of Company Employee during the calendar year (to be submitted by 31st January of the subsequent calendar year).

(Rule 18 (A) new clause - Board approval dated 17.12.2020)

Rule 19 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 circumstances beyond his control and does not proceed from extravagance or dissipated habits.
- (2) An employee of the Company who applied to be, or is adjudged or declared insolvent shall forthwith report the fact to his Competent Authority.

Rule 20 Movable, Immovable and Valuable Property

- (1) No employee of the Company 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 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.
- (3) 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 of the employee concerned.
- (4) 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 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 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 him directly or indirectly;
- (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 premia 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.

- (6) Every return submitted under this Rule shall be handled as a secret document and the provisions of Rule 15 shall, as far as possible, apply.

(Rule 20.3, 20.4.c, 20.5 amended - Board approval dated 17.12.2020).

- (7) Every employee shall submit the Annual Returns of Immovable property for the preceding calendar year as on 31st December, by 31st January of the year following the calendar year, in the prescribed format.

(Rule 20.7 new clause - Board approval dated 17.12.2020).

Rule 21 Canvassing of non-official 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 22 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) Any employee of the Company who has married or marries a person other than that of Indiannationality shall forthwith intimate the fact to the Competent Authority in writing.

Rule 23 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.
- (e) 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 23 amended - Board approval dated 17.12.2020).

23(A) Prohibition regarding employment of children below 14 years of age No Company Employees shall employ to work any child below the age of 14 years.

(Rule 23 (A) new clause - Board approval dated 17.12.2020).

Rule 24 Suspension

- (1) 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

specialorder may place an employee under suspension

- (a) Where a disciplinary proceeding against the employee is contemplated or is pending;or
- (b) Where a case against the employee in respect of any criminal offence is under investigation or trial.
- (c) *Where, in the opinion of the authority aforesaid, he/she has engaged oneself inactivities prejudicial to the interest of the security of the state.

(*New clause - Board approval dated 17.12.2020).

- (2) 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.
- (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 shallbe deemed to have continued in force on and from the date of the original order of dismissalor removal and shall remain in force until further orders.
- (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 dismissal or removal and shall continue to remain under suspension until further orders.
- (5) Any 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.
- (6) During the period of suspension, an employee cannot leave the station of his/her last postingwithout the permission of the Competent Authority.

Rule 25 Subsistence Allowance

- (1) An employee under suspension shall be entitled to draw subsistence allowance equal to 50per cent of his/her basic pay provided the Disciplinary Authority is satisfied that the employeemis 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 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 months, the authority which made or is deemedto have made the order of suspension shall be competent to vary the amount of subsistenceallowance 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 allowance thereon if, in the opinion of the said authority, the period of suspension hasbeen 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 per cent of basic pay and allowance 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/she is granted bail.
- (4) *An employee under suspension continues to be governed by the provisions of company CDA rules. He/She cannot, therefore, for supplementing his/her subsistence allowance, engage himself/herself in any employment, business, profession or vocation, without the prior permission of the competent authority. Further, the payment of subsistence allowance is subject to the employee under suspension furnishing a certificate every month to the effect that he/she was not engaged in any other employment, business, profession or vocation. The certificate does not require the counter signature of any authority.

***(New clause - Board approval dated 17.12.2020)**

Rule 26 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 27, the full pay and allowances which he would have been entitled to if he had not been suspended, less the subsistence allowance already paid to the employee;
 - (b) if otherwise, such proportion of pay and allowances as the Competent Authority may prescribe.
 - (c) 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.

Rule 27 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) Censure;
- (b) Withholding of increments of pay without cumulative effect;
- (c) Withholding of promotion;
- (d) * Recovery from pay of the whole or part of any pecuniary loss caused to the Company by negligence or breach of orders;
- (e) Reduction to a lower stage in the time-scale of pay by one stage for a period not exceeding 3 years, without cumulative effect and not adversely affecting his/her terminal benefits

***Circular dated 11.07.2005**

(Rule 27 (b) & (e) amended - Board approval dated 17.12.2020).

****MAJOR PENALTIES**

- (f) Save as provided in clause (e) Reduction to a lower stage in a time scale of pay for a specific 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 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 the grade or post;

(h) Compulsory retirement;

****Circular dated 11.07.2005.**

(i) Removal from service which shall not be a disqualification for future employment under the Government 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 Government 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 for bearing 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 penalty within the meaning of this rule

i) Withholding of increment of an employee on account of his work being found unsatisfactory or not being of the required standard or for failure to pass a prescribed test or examination;

(ii) Stoppage of an employee at the efficiency bar in a 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 grade or 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 the terms of his appointment.

(c) Of an employee appointed under a contract or agreement, in accordance with the terms of such contract or agreement.

(d) Of an employee on reduction of establishment.

(Rule 27 (f) amended - Board approval dated 17.12.2020).

*** Rule 28 Disciplinary Authority**

The Disciplinary Authority, as specified in the schedule or any authority higher than it may impose any of the penalties specified in Rule 27 on any employee to the extent indicated in the Schedule.

***Circular No. MDN/HR/CDA Rules/03 dated 27.9.2003**

28 (A) *Disciplinary Authority appointing Inquiry Officer

Whenever the Disciplinary Authority is of the opinion that there are grounds for inquiring into the truth of any imputation of misconduct or misbehaviour against an Employee, it may itself enquire into, or appoint any officer of the company or outsiders, Company may maintain a panel of retired officers from within or outside the organization with the approval of CVO or any public servant under Public Servants (enquiries) Act 1850 as Inquiry officer (hereinafter called the inquiring authority) to enquire into the truth thereof. The inquiry authority should be holding a position, senior to the charged officer.

(*New clause - Board approval dated 17.12.2020).

Rule 29 Procedure for imposing Major Penalties:

- (1) No order imposing any of the major penalties specified in clauses (f) to (j) of Rule 27 shall be made except after an Inquiry is held in accordance with this rule.
- (2) Whenever the Disciplinary Authority is of the opinion that there are grounds for inquiring into the truth of any imputation of misconduct or misbehaviour 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, any reference in sub-rule (7) to sub-rule (18) to the Inquiring Authority shall be construed as a reference to the Disciplinary Authority.

- (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 misbehaviour 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 defence, 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 defence 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.

- (4) On receipt of the written statement of defence, 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, under sub-rule (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 defence, 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 30.

If no written statement of defence 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, under sub-rule (2), an Inquiring Authority for the purpose.

- (5) 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.
- (6) The Employee may take the assistance of any other public servant 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.
- (7) 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 defence 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 return a finding of guilt 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 charged sheeted employeemay, for the purpose of preparing his/her defence:
 - a) inspect the documents list with the charge sheet;
 - b) submit a list of additional documents and witnesses that he wants to examine; and
 - c) be supplied with the copies of the statements of witness, if any, listed in the charge sheet.

NOTE: Relevancy of the additional documents and the witness referred to in sub-clause 8(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 the 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 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.
- (10) 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 that event, it shall inform the Inquiring Authority accordingly.
- (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 maybe cross-examined by or on behalf of the charged sheeted employee. The Presenting Officershall 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 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 charge sheet or may

itself call for new evidence or recall or reexamine any witnesses. In such case the 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.

- (13) When the case for the Disciplinary Authority is closed, the charged sheeted employee may be required to state his/her defence, orally or in writing, as employee may prefer. If the defence 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 defence shall be given to the Presenting Officer, if any, appointed.
- (14) 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 he/she so prefers. The witness 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.
- (15) 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 him/her in the evidence for the purpose of enabling the charged sheeted employee to explain any circumstances appearing in the evidence against him/her.
- (16) 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.
- (17) If the 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 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 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 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 misbehaviour.
 - (b) a gist of the defence of the charged sheeted employee in respect of each article of charge.
 - (c) an assessment of the evidence in respect of each article of charge; and
 - (d) the findings of each article of charge and the reasons thereof.

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 record of inquiry which shall include

- (a) the report of the inquiry prepared by it under sub-clause (i) 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 the inquiring authority in regard to the inquiry
- (20) (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.

(Rule 29 (1), (2), (3), (4), (6), (9) amended and Rule 29 (20) new clause - Board approval dated 17.12.2020)

Rule 30 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 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 29 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 specified in Rule 27 should be imposed on the employee it shall, notwithstanding anything contained in Rule 31 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 30 (2) amended - Board approval dated 17.12.2020).

30(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 DoPT OM No. 22011/4/91-Estt.(A) dated 14.09.1992 and subsequent instructions of DOPT on adopting sealed cover procedure.

[Inserted in reference to DPE OM dated 04.09.92 which endorses DoPT OM dated 31.7.91].

(*new clause – Board approval dated 17.12.2020).

Rule 31 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 27 the employee concerned shall be informed in writing of the imputations of misconduct or misbehaviour against the employee and given an opportunity to submit his/her written statement of defence with a specified period not exceeding 15 days. The defence 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 misbehaviour delivered to the employee.
 - ii) his defence statement, if any; and
 - iii) *the orders of the Disciplinary Authority together with the reasons thereof.
(*amended - Board approval dated 17.12.2020).
- (3) There is no provision to permit charged sheeted employee to take copies of documents relied upon by the Disciplinary Authority under Minor Penalty proceedings. However, if a charged sheeted employee makes a request for permitting him/her to inspect the relevant records to enable him/her to submit his/her defence, the Disciplinary Authority may grant the necessary permission.

(Rule 31 (3) new clause - Board approval dated 17.12.2020)

Rule 32 Special Provision

The Appointing Authority or any Authority to which the Appointing Authority is subordinate will have the right to hold or institute independent enquiries in respect of any case and review any order which is made or is applicable under this Rule after calling for the records of the case and pass such other orders as he deems fit, provided that an order imposing or enhancing a penalty shall not be passed unless the employee concerned has been given an opportunity of making any representation which he may wish to make against such penalty.

Rule 33 *Communication of orders

Orders made by the Disciplinary Authority under Rule-30 or Rule 31 shall be communicated to the employee concerned in the form of punishment proceedings.

In case of imposing penalties under caption "Major penalties" under Rule-27, the charged employee shall also be supplied with a copy of:

- (i) Disciplinary Authority findings 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
- (iii) Where the Disciplinary Authority has not accepted the advice of the Commission, a brief statement of the reasons for such non-acceptance.

(*amended - Board approval dated 17.12.2020).

Rule 34 Common proceedings

Where two or more employees are concerned in a case, the authority competent to impose a major penalty on all such employees may make 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.

Rule 35 Special procedure in certain cases

Notwithstanding anything contained in Rule 29 or 30 or 31, the Disciplinary Authority may impose any of the penalties specified in Rule 27 in any of the 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 enquiry in the manner 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 enquiry in the manner provided in these rules.

Rule 35(A) Such of the employees who have been found to have ceased to be useful to the company and hence found to be ineffective (or) whose integrity is doubtful as determined by the committee may be prematurely retired in the interest of the company with all retirement benefits.

For this purpose, instructions issued by the DPE vide F. No. DPE-GM-01/ 0001/2015-GM-FTS- 4857 dated 14.12.2015 amended from time to time to be followed along with relevant DoPT OMs.

An employee may also after attaining the age of 55 years opt to retire voluntarily from the services of the company on giving three months notice. Employee retiring between the age of 55 and 60 years will be eligible for all retirement benefits.

The Appointing Authority has the absolute right to retire an employee from service in public interest as stated above by giving him/her notice of not less than three months in writing or pay and allowances in-lieu thereof, in the following circumstances:

- (a) After attaining the age of 50 years:
 - Applicable for employees of Grade VI & above, who had entered the service before attaining the age of 35 years.
- (b) After attaining the age of 55 years:
 - Employees of Grade VI & above, other than at (a) above.
 - All employees of Grade V & below.
- (c) On completion of 30 years of effective service
 - Applicable for all employees.

(Rule 35(a) amended - Board approval dated 17.12.2020).

SOP for implementation of provisions of FR 56(j), Rule 48(1) of CCS (Pension) Rules 1972 & 35 (a) of CDA Rules

Introduction

As per DPEs OM NO. DPE-GM-01/0001/2015-GM-FTS-4587 dated 14.12.2015 on the subject mentioned directions received through Administrative Ministries / Departments were instructed to incorporate similar provisions as laid down under FR-56(j) in their respective CDA/Service Rules and implement in the spirit of Government Instructions issued vide DoPT OM No. 25013/01/2013-Estt.A-IV dated 11.09.2015.

❖ **Aims and Objectives**

Such of the executives who have found to have ceased to be useful to the Company or whose Integrity is questionable as determined by the Committees / Competent Authority and who have attained 50 years of age and completing 30 years of service or 55 years of age as the case may be, prematurely retired in the interest of the Company with all retirement benefits.

Every Executive shall be required to retire from service on attaining the age of 60 years. The Management may however on review retire any Executive, after he attains the age of 50 and completing 30 years of service or 55 years of age as the case may be on three months' notice or payment of 3 months of pay and allowances in lieu thereof. An Executive may also after attaining the age of 55 years opt to retire voluntarily from the service of the Company on giving three months notice. Executives retiring between the age of 55 Years and 60 Years will be eligible for all retirement benefits.

❖ **Scope and Coverage**

All regular employees of MIDHANI who are governed by the service rules under CDA i.e. (Executives & NUS).

❖ **Periodicity**

Sl No.	Quarter in which review is to be made	a) After attaining the age of 50 Years: - Applicable for employees of Grade VI & above, who had entered the service before attaining the age of 35 years b) After attaining the age of 55 Years: - Employees of Grade VI & above, other than at (a) above - All employees of Grade V & below c) On completion of 30 years of effective service as the case may be, in the quarter
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

❖ **Review Committee*:**

1. Shri. Supartha Sen, GM (Coord & Corporate Planning)
2. Shri. D. Datta, GM (PMO)
3. Smt. K. Madhubala, AGM (I/c F&A)

**This committee shall comprise of 3 or more officers from Senior Management Cadre.*

❖ **Review Parameters:**

Sl. No.	Criteria	Parameters
(a)	Age & Service	<p>a) After attaining the age of 50 Years:</p> <ul style="list-style-type: none"> - Applicable for employees of Grade VI & above, who had entered the service before attaining the age of 35 years. <p>b) After attaining the age of 55 Years:</p> <ul style="list-style-type: none"> - Employees of Grade VI & above, other than at (a) above. - All employees of Grade V & below. <ul style="list-style-type: none"> ➤ On completion of 30 years of effective service ➤ As the case may be, in the quarter.
(b)	Performance	<p>The broad criteria to be followed by the Review Committee while making the recommendations are.</p> <p>(i) Employee whose integrity is doubtful shall be retired.</p> <p>(ii) Employee found to be ineffective shall also be retired. The basic consideration in identifying such Employee should be their fitness/competence to continue in the post held.</p> <p>(iii) No employee should ordinarily be retired on ground of ineffectiveness, if, in any event, he would be retiring on superannuation within a period of one year from the date of consideration of his case. However, 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 such a case also for premature retirement. The said instruction of not retiring the employee within one year on the ground of ineffectiveness except in case of sudden and steep fall in his performance is relevant only when he is proposed to be retired on the ground of ineffectiveness, but not on the ground of doubtful integrity.</p> <p>(iv) No employee should ordinarily be retired on ground of ineffectiveness, if, his service during the preceding 5 years or where he has been promoted to a higher post during that 5 year period, his service in the highest post, has been found satisfactory. This will not be applicable where the employee is to be retired on grounds of doubtful integrity. In case of those employees who have been promoted during the last 5 years, the previous entries in the ACRs may be taken into account if he was promoted on the basis of seniority cum fitness, and not on the basis of merit.</p> <p>(v) The entire service record of the employee should be considered at the time of review including service record and not just APAR. Even un-communicated remarks in the ACRs/APARs may be taken into consideration.</p> <ul style="list-style-type: none"> ➤ For the sake of convenience, rating below “C” may be treated as fall in efficiency or effectiveness of an employee. Nonetheless, if the review committee may feel to consider any other parameter, as deemed fit, may also be considered.

(c)	Medical reasons	The employees who cease to be useful due to medical reasons will be reviewed under the following grounds. <ul style="list-style-type: none"> ➤ Long term absenteeism due to prolonged ill health. ➤ Unfit to take designated / job assignments
-----	-----------------	--

Sl. No.	Criteria	Parameters
(d)	Integrity	Employees against whom any of the following is proven <ul style="list-style-type: none"> ➤ Charge Sheet ➤ CBI Case ➤ Vigilance Case

❖ **Effective From**

The above review for the employees shall be effective from 01.01.2021 in the second week of the month Friday which falls due and the timing from 14:00 Hrs to 17:00 Hrs. The employee who attains the age of 50 years and completing 30 years of service or 55 years of age as the case may be as per the above criteria shall be called before the Committee for review.

❖ **Action and Recommendation of the Committee**

The recommendations of Review Committee will be put up for consideration and approval of Appropriate / Appointing Authority in those cases, where it has been recommended to retire the Government servant prematurely.

❖ **Representation against Premature Retirement:**

On receipt of the order of premature retirement, the concerned employee may represent his case, within three weeks from the date of service of such notice / order and the matter may be placed before Representation Committee along with fresh input, if any. The examination of the representation should be completed by the HR Dept Head / HR within two weeks from the date of receipt of representation. The Representation Committee considering the representation shall make its recommendations within two weeks from the date of receipt of the reference from the Dept Head / HR and the Appropriate / Appointing Authority should pass its orders within two weeks from the date of receipt of the recommendations of Representation Committee.

In so far as the provisions which are not covered in this OM, the provisions in the earlier OMs shall continue to be applicable.

❖ **Appropriate Authority to approve the recommendations of the review**

Committee: Chairman & Managing Director

❖ **Representation Committee:**

Committee of Functional Directors and CMD

Aggrieved by the order of the review committee, the employee can make a representation to the representative Committee, within 3 weeks of receipt of order, which will look it to issues and recommend further action.

❖ **Appropriate Authority to approve the recommendations of the representation committee:**

Board of Directors

❖ **Internal Committee:**

HR Head and HR Executive dealing with the subject.

Rule 35 (b) 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 reemployment, 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 CPSE 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 CPSE 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.

(Rule 35 (b) new clause - Board approval dated 17.12.2020)

Rule 36 Employees on deputation from the Central Government or the State Government etc.

- (1) 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.
- (2) In the light of the findings in the disciplinary proceedings 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 him, 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.
- (3) If the employee submits an appeal against an order imposing a minor penalty on him under sub-rule (2) (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 37 Appeals

- (1) An employee may appeal against an order imposing upon the employee any of the penalties specified in Rule 27 or against the order of suspension referred to in Rule 24. The appeal shall lie to the Authority specified in the schedule. The appeal against the order of suspension shall lie to the Authority to which the Authority passing the order of suspension is immediately subordinate.
- (2) 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-27 and an inquiry as provided in Rule-29 has not already been held in the case, the Appellate Authority shall subject to the provisions of Rule-35 itself hold such inquiry or direct that such enquiry be held in accordance with the provisions of Rule-29 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 of any of the penalties (f) to (j) of Rule-27, but an inquiry has already been held as provided in Rule-27, 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. No order imposing an enhanced penalty shall be made in any other case unless the Appellant has been given a reasonable opportunity, as far as may be in accordance with the provisions of Rule-31, of making a representation against such enhanced penalty. For this purpose, a show-cause notice specifying the proposed enhanced penalty be issued. The Appellate Authority shall pass final order after taking into account the representation, if any, submitted by the employee.

(Rule 37.2 amended - Board approval dated 17.12.2020).

Rule 38 Review

*Notwithstanding anything contained in these Rules, the Reviewing Authority or any Authority to which the Reviewing Authority is subordinate, 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 proposes to impose, is a major penalty specified in Clauses (f) to (j) of Rule 27 and an enquiry as provided under Rule 29 has not already been held in the case, the Reviewing Authority shall direct such an inquiry be held in accordance with the provisions of Rule 29 and thereafter consider the record of the enquiry 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 in accordance with the provisions of Rule 29, the Reviewing Authority shall give Show Cause Notice to the employee as to why the enhanced penalty should not be imposed upon him. The Reviewing Authority shall pass final order after taking into account the representation, if any, submitted by the

employee.

* **Circular dt 11.07.2005.**

Rule 39 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. If the whereabouts of the employee are not known or if he avoids or refuses service, a copy of the notice or order or other process may be pasted on the Notice Board of his Department or Section and such posting shall constitute adequate service of such notice or process or order.

Rule 40 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.

Rule 41 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 the employee under the rules, which has 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 these 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 misconduct under the superseded rules shall be deemed to be misconduct under these rules.

Rule 42

The Managing Director is authorized to notify as to who will be the Competent Authority under the various rules and such notification will be put up to the Board for information at the Meeting next following.

Rule 43 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 44 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

*A: For all minor and major punishments except removal/dismissal:

Level of officers	Appointing Authority	Disciplinary Authority	Appellate Authority	Reviewing Authority
Grade I to IV	C&MD	Departmental Heads not below Gr-VII	Divisional Heads not below Gr-VIII	Functional Director
Grade V & VI	C&MD	Divisional Head not below Gr-VIII	Functional Director	C&MD
Grade VII #	C&MD	Functional Director	C & MD	Board of Directors
Grade-VIII & above **	Board of Directors	Functional Director	C & MD	Board of Directors

*B: For major punishments of removal and dismissal:

Level of officers	Appointing Authority	Disciplinary Authority	Appellate Authority	Reviewing Authority
Grade I to VII#	C&MD	C & MD	Board of Directors	Board of Directors
Grade VIII & above**	Board of Directors	Board of Directors	Board of Directors	Board of Directors

NOTE: In case there is no officer in the Grade as shown in the above schedule the nexthigher grade officer shall exercise the power.

Adopting the Standard Operating Procedure (SoP) for conducting Departmental Inquiry.
Circular No. MDN/HR/CDA Rules/03 dated 27.09.2003.

** amended - Board approval dated 17.12.2020.

amended as per Board approval dated 14.11.2022.