

**MMTC LIMITED**  
**MMTC LTD. EMPLOYEES' CONDUCT, DISCIPLINE & APPEAL RULES, 1975**

1. **SHORT TITLE AND COMMENCEMENT**

- (I) These rules may be called "MMTC Ltd. Employees' Conduct, Discipline & Appeal Rules, 1975".
- (II) They shall come into force w.e.f. 8.7.1975

2. **APPLICATION**

These rules shall apply to all employees except those in casual employment or paid from contingencies.

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 but includes a person on deputation to the Company.
- (b) "Company" means MMTC Ltd.
- (c) "Board" means the Board of Directors of the Company and includes, in relation to the exercise of powers, any committee of the Board/Management.
- (d) "Chairman-and-Managing Director" means the Chairman-and-Managing Director of the Company.
- (e) "Disciplinary Authority" means the authority specified in the schedule appended to these rules and competent to impose any of the penalties specified in Rule 23.
- (f) "Competent Authority" means the authority specified in the schedule appended to these rules or the authority empowered by Board of Directors by any general or special order to discharge the functions or use the powers specified in the rules or order issued by the Company.
- (g) "Government" means the Government of India.
- (h) "Dy. General Manager" means the Dy. General Manager of a Division/Regional Office.
- (i) "Enquiry Officer" means an officer or a Committee of enquiring officers appointed to enquire into the charges framed against an employee of the Company.
- (j) "Service" means service in connection with the affairs of the Company.

- (k) "Appointing Authority" in relation to an employee means:
- (i) the authority empowered to make appointments to category of post of which the employee is for the time being a member or to the grade in which the employee is for the time being included, or
  - (ii) the authority empowered to make appointments to the grade or post which the employee for the time being holds, or
  - (iii) the authority which appointed the employee to such grade or post as the case may be, whichever authority is the highest authority.
- (l) "Appellate Authority" means the authority specified in the schedule appended to these rules.
- (m) "Reviewing authority" means the authority specified in the schedule attached to these rules.
- (n) "Family" in relation to an employee includes:
- (i) the wife or husband as the case may be of the employee, whether residing with him/her 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 step-child who is no longer in any way dependent on the employee or of whose custody the employee has been deprived by or under any law.
  - (iii) Any other person related, whether by blood or marriage to the employee or to such employee's wife or husband and wholly dependent on such employee.
- (o) "Public Servant" – shall mean and include a person as mentioned in Section 21 of Indian Penal Code as amended from time to time.

#### **RULE 4      GENERAL**

- (1) Every employee of the Company shall at all times maintain absolute integrity and devotion to duty.
- (2) Every employee of the Company holding a supervisory post shall take all possible steps to ensure the integrity and devotion to duty of all employees for the time being under his control and authority
- (3) Every employee shall comply with and obey lawful orders, and directions which may from time to time be issued to him in the course of his additional duties by any person or persons to whom he may be subordinate in the service of the Company.

- (i) No employee shall in the performance of his official duties or in the exercise of powers conferred on him, act otherwise than in his best judgment except when he is acting under the direction of his official superior.
  - (ii) The direction of the official superior shall ordinarily be in writing. Oral directions 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.
  - (iii) An employee who has received oral direction from his 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.
- (4) Every employee shall serve the Company honestly and faithfully and shall endeavour his utmost to promote the interest of the Company. He shall show courtesy and attention in all the transactions.
  - (5) Every employee of the Company shall at all times not do anything, which is unbecoming of a public servant.

#### **RULE 5      MISCONDUCT**

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

- (1) Theft fraud or dishonesty in connection with the business or property of 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 sources of income by the employee or on his behalf by another person which the employee cannot satisfactorily account for.
- (4) Furnishing false information regarding name, age, father's name, qualifications, ability or previous service or any other matter germane to the employment at the time of the employment or during the course of employment.
- (5) Acting in a manner prejudicial to the interests of the Company.
- (6) Willful in-subordination 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 and or habitual absence from his seat with the view to avoid work.

- (9) Neglect of work or negligence in the performance of duty including malingering or slowing down of work.
- (10) Damage to any property of the Company.
- (11) Interference or tampering with any safety devices installed in or about the premises of the Company.
- (12) Drunkenness or riotous or disorderly or indecent behavior in the premises of the Company or outside such premises where such behavior is related to or connected with the employment.
- (13) Gambling within the premises of the establishment.
- (14) Smoking within the premises of the establishment where it is prohibited.
- (15) Collection without the permission of the Competent Authority of any money within the premises of the Company except as sanctioned by any law of the land for the time being in force or rules of the Company.
- (16) Sleeping while on duty.
- (17) Commission of any act which amounts to a criminal offence involving moral turpitude.
- (18) Absence from the employee's appointed place of work without permission or sufficient cause.
- (19) Purchasing properties, machinery, stores etc from or selling properties, machinery, stores etc. to the Company without express permission in writing from the Competent Authority.
- (20) Commission of any act subversive of discipline or of good behavior.
- (21) Abetment of or attempt at abetment of any act which amounts to misconduct.
- (22) Holding meetings, demonstrations, slogan shouting etc. within the premises of the Company without permission of the Competent Authority.
- (23) Slowing down of work after reporting for duty.
- (24) Unauthorized use or sub-letting of the Company's quarters.
- (25) Acceptance of gifts from subordinate employees
- (26) Gherao
- (27) Picketing within the office premises.
- (28) Sympathetic strike
- (29) Avoiding or refusing to receive official communication

- (30) Carrying lethal weapons inside office premises except under any law.
- (31) Sexual harassment of women at the work place.

**Prohibition of sexual harassment of working women**

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

**EXPLANATION :**

For the purpose of this rule and Rules 5(31) 'Sexual harassment' includes such unwelcome sexually determined behaviour, whether directly or otherwise as –

- a) physical contact and advances
- b) demand or request for sexual favours
- c) showing any pornography
- d) sexually coloured remarks, or
- e) any other unwelcome physical, verbal or non-verbal conduct of a sexual nature.
- (32) Cases involving any lapses such as gross or willful negligence, recklessness, exercise of discretion without or in excess of powers / jurisdiction, causing undue loss to the organization or a concomitant gain to an individual and flagrant violation of systems and procedures.
- (33) \* No employee of the Company shall employ to work as servant or workers any child below the age of 14 years.

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

**RULE 6. 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.

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\* O.O.No. IRP/53/2006 dt. 12th October, 2006

- 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 other 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 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 every such matter or contract to his official superior and the matter or the contract shall thereafter be disposed of according to the instruction of the authority to whom the reference is made.

#### **RULE 7 TAKING PART IN DEMONSTRATIONS**

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

#### **RULE 8 CONNECTION WITH PRESS OR RADIO**

- 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 news paper 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 bona-fide discharge of his duties, participate in a radio broadcast or give a statement to the press or contribute any article or write any letter either in his own name or anonymously, pseudonymously or in the name of any other person to any newspaper or periodical :

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

- 3) No employee of the Company shall participate in or associate himself in any manner in the making of
- a) sponsored media (radio or television) programme or
  - b) a media programme commissioned by Government media but produced by a private agency or
  - c) a privately produced media programme including video magazine.

Provided that no previous permission shall be necessary in case where the employee participates in the programme produced or commissioned by Govt. media in his official capacity.

**RULE 9 CRITICISM OF GOVERNMENT AND THE COMPANY**

No employee shall, in any radio broadcast or in any document published under his name or anonymously or pseudonymously in the name of any other person or in any communication to the press, or in any public utterances, make any statement of fact of opinion: :

- a) which has the effect of adverse criticism of any policy or action of the Central or State Government or of the Company; or
- b) which is capable of embarrassing the relations between the Central Govt. and the Govt. of any State or between the Central Govt. or any State Government and the Company.

**RULE 10 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 permission of the Competent Authority, give evidence in connection with any enquiry conducted by any person, committee or authority.
- 2) Where any permission 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 a 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 Government Undertakings/Public Corporations.
  - b) evidence given in any judicial enquiry: or
  - c) evidence given at any departmental enquiry ordered by authorities subordinate to the Government or the Company.

**RULE 11 UNAUTHORISED 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.

**Explanation** - Quotation by an employee (in his representation to the superior authority) of or from any letter, circular, memorandum or from the notes on any file, to which he is not authorized to have an access or to which he is not authorized to

keep in his personal custody or for personal purposes, shall amount to unauthorized communication of information within the meaning of this Rule.

## **RULE 12 GIFTS**

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

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

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

- (2) On occasions such as weddings, anniversaries, funerals or religious functions, when making of gifts is in conformity with the prevailing religious and social practice, an employee of the Company may accept gifts from his near relatives and personal friends having no official dealings with him but shall make a report to the Competent Authority if the value of the gift exceeds :

- i. Rs.5000/- in the case of an employee holding any Group ‘A’ post
- ii. Rs.3000/- in the case of an employee holding any Group ‘B’ post
- iii. Rs.1000/- in the case of an employee holding any Group ‘C’ post
- iv. Rs.500/- in the case of an employee holding any Group ‘D’ post.

- (3) In any other case an employee of Company shall not accept any gift without the sanction of the competent authority if the value exceeds

- i. Rs.5000/- in the case of an employee holding any Group ‘A’ post
- ii. Rs.3000/- in the case of an employee holding any Group ‘B’ post
- iii. Rs.1000/- in the case of an employee holding any Group ‘C’ post
- iv. Rs.500/- in the case of an employee holding any Group ‘D’ post

- (4) Notwithstanding anything contained in sub-rules 2 & 3, an employee of the Company being a member of the Indian delegation or otherwise, may receive and retain gifts from foreign dignitaries if the market value of the gifts received on one occasion does not exceed rupees one thousand; in all other cases, the acceptance and retention of such gifts shall be regulated by the instructions issued by the Company in this regard from time to time.

- (5) In any other case, an employee of the Company shall not accept any gifts without the sanction of the Competent Authority if the value thereof exceeds



- i. Rs.1000/- in the case of an employee holding any Group A & B posts,
  - ii. Rs.250/- in the case of an employee holding Group C & D posts.
- (6) An employee of the Company shall not accept any gifts from any foreign firm which is either contracting with the Company or is likely to have official dealings. Acceptance of gift by an employee of the Company from any other firm shall be subject to the provisions of sub-rule(3).

12A **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).

**RULE 13 PRIVATE TRADE OR EMPLOYMENT**

- 1) No employee of the Company shall, except with the previous sanction of the Competent Authority, engage directly or indirectly in any trade or business or undertake any other employment;

Provided that an employee may, without such sanction, undertake honorary work of a social or charitable nature or occasional work of a literary, academic, 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.

**Explanation** - Canvassing by an employee in support of the business, insurance, agency, commission agency etc. owned or managed by his wife or any other member of his family shall be deemed to be breach of this rule.

- 3) No employee of the Company shall, without the previous sanction of the Competent Authority, except in the discharge of his official duties, take part in the registration, promotion or management of any bank or other company which is required to be registered under the Companies Act, 1956 (1 of 1956) 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 Company, registered under the Co-Op. Societies Act, 1912 (2 of 1912) or any other law for the time being in force, or of a literary, scientific or charitable society registered under the Societies Registration Act, 1860 (21 of 1860) or any corresponding law in force.

- 4) No employee of the company may accept 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.

**RULE 13 (A)** \*No functional Director of the Company including the Chief Executive, who has retired/ resigned from the service of the Company, after such retirement/ resignation, shall accept any appointment or post, whether advisory or administrative, in any firm or company, whether Indian or Foreign, with which the company has or had business relations, within one year from the date of retirement without prior approval of the Government.

The term retirement includes resignation; but not the cases of those whose term of appointment was not extended by Government for reasons other than proven misconduct. The term 'business relations' includes 'official dealings' as well".

Further in order to secure compliance of the restrictions, a bond may be secured from the concerned CMD/Functional Director at the time of his/her employment retirement/resignation for a sum of Rs.3.5 lakhs as damages for any violation of the restriction.

NOTE : Above guidelines would be applicable to board level executives in following cases also ;

- (i) Who were appointed before 15.5.2008 and had retired/would retire after 15.5.2008, even though their terms of appointment were finalized based on DPE's earlier OM dated 25.1.2000.
- (ii) Appointed and retired before 15.5.2008 and whose cases for post retirement commercial employment have not been decided so far on the basis of DPE's earlier OM dated 25.1.2000.

13-B **SUB LETTING AND VACATION OF COMPANY ACCOMMODATION**

(1) Save otherwise provided in any other law for the time being in force no employee of the Company shall sub-let, lease/allow occupation or otherwise by any other person of company accommodation which has been allotted to him.

(2) An employee of the Company shall, after the cancellation of his allotment of Company accommodation vacate the same within the time limit prescribed by the allotting authority.

**RULE 14. \*\*INVESTMENT, LENDING AND BORROWING**

- i) No employee shall speculate in any stock, share or other investment.

Explanation-Frequent purchase or sale or both of shares, securities or other investment shall be deemed to be speculation within the meaning of this sub-rule.

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\* O.O. No. MMTC/CO/IRP/43/2010 dtd. 06.12.2010

\*\* O.O. No. MMTC/CO/IRP/4/2010 dtd. 28.01.2010

ii) No employee shall make, or permit any member of his family or any person acting on his behalf to make any investment which is likely to embarrass or influence him in the discharge of his official duties.

iii) If any question arises whether any transaction is of the nature referred to in sub-Para(i) or (ii), the decision of the Competent Authority thereon shall be final.

iv) No employee shall save in the ordinary course of business with a bank or a public limited company, either himself or through any member of his family or any other person acting on his behalf.

a) lend or borrow or deposit money as a principal or an agent, to or from or with any person of firm or private limited company within the local limits of his authority or with whom he is likely to have official dealing or otherwise place himself under any pecuniary obligation to such person or firm or private limited company; or

b) Lend money to any person at interest or in a manner whereby return in money or in kind is charged or paid;

provided that an employee may give to or accept from, a relative or a personal friend a purely temporary loan of a small amount free of interest, or operate a credit account with a bona fide tradesman or make an advance of pay to his private employee;

provided further that nothing contained in this sub-rule shall apply in respect of any transaction entered into by an employee with the previous sanction of the Competent Authority.

v) When an employee is appointed or transferred to a post of such nature as would involve him in the breach of any of the provisions of sub-rule(ii) or sub-rule(iv) he shall forthwith report the circumstances to the Competent Authority and shall thereafter act in accordance with such order as may be made by such authority.

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

vii) All executives/employees including full time Directors of the Company 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.

viii) Full time Director or executives/ employee of the Company or any member of his/her family or any person acting on his/her behalf shall not

apply for shares out of any preferential quota reserved for employees/Directors of other companies.

ix) All employees of the Company would be required to disclose to the company all transactions of purchase/sale in shares worth Rs.20,000/- or more in value or existing holding/interest in the shares worth Rs.20,000/- or more in his/her own company either in his/her own name or in the name of any family member to report to the Company indicating quantity price, date of transaction and nature of interest within 4 working days.

**RULE 15. INSOLVENCY AND HABITUAL INDEBTEDNESS**

An employee shall so manage his private affairs as to avoid habitual indebtedness or insolvency. An employee against whom any legal proceeding is instituted for the recovery of any debt due from him or for adjudging him as an insolvent shall forthwith report the full facts of the legal proceedings to the Competent Authority.

**NOTE :** The burden of proving that the insolvency or indebtedness was the result of circumstances which, with the exercise of ordinary diligence, the employee could not have foreseen, or over which he had no control, and had not proceeded from extravagant, or dissipated habits, shall be upon the employee.

**RULE 16. 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 or his subordinate.
- 3) \*Where an employee of the company enters into a transaction in respect of movable property in his/her own name and in the name of a member of his/her family, he shall, within one month from the date of such transaction, report to the Competent Authority, if the value of such property exceeds two months basic pay of the employee.

Provided that the previous sanction of the competent authority shall be obtained by the employee if any such transaction is with a person having official dealing with him.

**Explanation :**

The term "every transaction concerning movable property owned or held by him" include all transactions of sale or purchase.

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\* O.O. No. MMTC/IR/3/2012 dtd. 20.01.2012

For purposes of this sub-rule the definition of movable property would include:-

- a) Jewellery, Insurance policies the annual premia of which exceeds Rs. 2500/- or Rs. 1500/- as the case may be or one-sixth of the total annual emoluments received from the company whichever is less, shares, securities and debentures:
- b) Loans advanced by such employee whether secured or not:
- c) Motor cars, motor cycles, horses or any other means of conveyance: and
- d) Refrigerators, radios (radiograms and television sets)

Transaction entered into by the spouse or any other member of family of an employee of the Company out of his or her own funds (including Stridhan, gifts, inheritance etc.) as distinct from the funds of the employee of the Company himself, in his own name and in his or her own rights, would not attract the provisions of the above sub-rules.

- 4)
  - i) Every employee shall as on the date of coming into effect of these rules or on first appointment in the Company whichever is later submit a return of assets and liabilities in the prescribed forms giving the particulars regarding :
    - a) The immovable property inherited by him or owned, acquired by him or held by him on lease or mortgage either in his own name or in the name of any member of his family or in the name of any other person.
    - b) Shares, debentures and cash including bank deposits inherited by him or similarly owned, acquired or held by him;
    - c) Other movable property inherited by him or similar owned acquired or held by him if the value of such property exceeds Rs. 1,000/-
    - d) Debts and other liabilities, incurred by him directly or indirectly.
  - ii) Every employee shall beginning 1<sup>st</sup> January., 2005 submit a return of moveable/immovable property and assets and liabilities inherited/owned/acquired, on 1<sup>st</sup> January of each year
- 5) The Competent Authority may, at any time, by general or special order require an employee to submit, within a period specified in the order a full and complete statement of such movable or immovable property held or acquired by him or in his behalf or by any member of his family as may be specified in the order. Such statement shall, if so, required by the Competent Authority, include details of the means by which, or the source from which such property was acquired.

- 6) Notwithstanding anything contained in sub-rule (2) of Rule 16, no employee shall, except with the previous sanction of the Competent Authority:-
- a) Acquire, by purchase, mortgage, lease, gift or otherwise, either in his own name or in the name of any member of his family any immovable property situated outside India,
  - b) Dispose off by sale mortgage, gift or otherwise grant any lease in respect of any immovable property situated outside India which was acquired or is held by him either in his own name or in the name of any member of his family
  - c) Enter into any transaction with any foreigner, foreign Government foreign organization or concern:
    - i) for the acquisition, by purchase, mortgage, lease, gift or otherwise, either in his own name or in the name of any member of his family of any immovable property;
    - ii) for the disposal of by sale, mortgage, gift or otherwise or the grant of any lease in respect of any immovable property which was acquired or is held by him either in his own name or in the name of any member of his family.

**RULE 17 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 interests in respect of matters pertaining to his service in the Company.

**RULE 18. BIGAMOUS MARRIAGES**

- (1) No employee shall enter into, or contract a marriage with a person, having a spouse living, and
- (2) No employee, having a spouse living, shall enter into, or contract, a marriage with any person;

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

- (a) Such marriage is permissible under the personal law applicable to such employee and the other party to the marriage; and
  - (b) There are other grounds for so doing.
- (3) "The employee who has married or marries a person other than that of an Indian nationality shall forthwith intimate the fact to the Competent Authority. This is applicable to the employee who marries a non-Indian national when he or she is not having a living spouse".

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

An employee of the Company shall:

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

**Explanations:**

For the purpose of this rule, 'public place' means any place or premises (including clubs even exclusively meant for members where it is permissible for the members to invite non-member guests, bars and restaurants, conveyance ) to which the public have or are permitted to have access, whether on payment or otherwise.

**RULE 20 SUSPENSION**

- 1) (i) The Appointing authority or any authority to which it is subordinate or the disciplinary authority or any other authority empowered in that behalf, by general or special order may place an employee under suspension: -
  - a) Where a disciplinary proceeding against him is contemplated or is pending; or
  - b) Where a case against him in respect of any criminal offence is under investigation or trial.
  - c) Where in the opinion of the suspending authority he has engaged himself in activities prejudicial to the interest of the state.

(ii) All officers of the rank of Dy. Manager or equivalent in the Corporate Office and other offices of the Company and supervisory officers not below the rank of Manager In charge of field/Sub Regional Offices may also place a subordinate employee under suspension and such officers should report the facts of each case immediately either to GM (P) in case the suspended employee is working in Corporate Office or to the In charge of Zonal Office under which the suspended employee is posted. All such orders of suspension would become abinitio void unless confirmed by the Appointing Authority within a period of one month from the date of orders:.

- 2) An employee who is detained in custody, whether on a criminal charge or otherwise, for a period exceeding 48 hours shall be deemed to have been suspended with effect from the date of detention, by an order of the appointing authority, and shall remain under suspension until further orders.
- 3) Where a penalty of dismissal or removal from the service imposed upon an employee under suspension is set aside in an 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 suspension shall be deemed to have continued in force on and from the date of the original order of dismissal or removal and shall remain in force until further orders.
- 4) Where a penalty of dismissal or removal from the service imposed upon an employee is set aside or declared or rendered void in consequence of or by a decision of court of law and the disciplinary authority, on consideration of the circumstance of the case, decides to hold a further inquiry against him on the allegations on which the penalty of dismissal or removal was originally imposed, the employee shall be deemed to have been placed under suspension by the appointing authority from the date of the original order of dismissal or removal and shall continue to remain under suspension until further orders.
- 5) An order of suspension made or deemed to have been made under this Rule may at any time be revoked by the authority, which made or deemed to have made the order or by any authority to which that authority is subordinate.

**RULE 21. SUBSISTENCE ALLOWANCE**

- 1) An employee under suspension shall be entitled to draw subsistence allowance equal to 50 per cent of his basic pay provided that disciplinary authority is satisfied that the employee is not engaged in any other employment or business or profession or vocation. In addition he 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 3 months, the authority which made or deemed to have made the order of suspension shall be competent to vary the amount of subsistence allowance for any period subsequent to the period of the first three months as follow: -
  - i) The amount of subsistence allowance may be increased to 75 per cent of basic pay and allowances thereon if, in the opinion of the said authority, the period of suspension has been prolonged for reasons to be recorded in writing not directly attributable to the employee under suspension.
  - ii) The amount of subsistence allowance may be reduced to 25 per cent of basic pay and allowances thereon if in the opinion of the said



authority the period of suspension has been prolonged due to the reasons to be recorded in writing, directly attributable to the employee under suspension.

- iii) If an employee is arrested by the Police on a criminal charge and bail is not granted, no subsistence allowance is payable. On grant of bail, if the Competent Authority decides to continue the suspension, the employee shall be entitled to subsistence allowance from the date he is granted bail.

## **RULE 22 TREATMENT OF THE PERIOD OF SUSPENSION**

- 1) When the employee under suspension is re-instated, the Competent Authority may grant to him the following pay and allowances for the period of suspension:
  - a) if the employee is exonerated and not awarded any of the penalties mentioned in Rule 23, the full pay and allowances which he would have been entitled to if he had not been suspended, less the subsistence allowance already paid to him: and
  - b) If otherwise such proportion of pay and allowances as the Competent Authority may prescribe.
- 2) In a case falling under sub-clause (a) the period of absence from duty will be treated as a period spent on duty. In case falling under sub-clause (b) it will not be treated as a period spent on duty unless the Competent Authority so directs.
- 3) No order passed under this Rule shall have the effect of compelling any employee to refund any part of the Subsistence Allowance paid to him.

## **RULE 23 PENALTIES**

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

### **Minor Penalties**

- a) Censure;
- b) Withholding of increments of pay with or without cumulative effect.
- c) Withholding of Promotion
- d) Recovery from pay of the whole or part of any pecuniary loss caused to the Corporation / Company by negligence or breach of orders.
- e) Reduction to a lower stage in the time-scale of pay for a period not exceeding three years, without cumulative effect and not adversely affecting his terminal benefits.

### Major Penalties:

- f) Save as provided in Clause (e), reduction to a lower stage in the time scale of pay for a specified period, with further directions as to whether or not the employee will earn increments of pay during the period of such reduction and whether on expiry of such period, the reduction will or will not have the effect of postponing the future increment of pay.
- g) Reduction to a lower time scale of pay, grade, post or service which shall ordinarily be a bar to the promotion of the employee to the time scale of pay, grade, post from which he was reduced, with or without further directions regarding conditions of restoration to the grade or post from which the employee was reduced and his seniority and pay on such restoration to that grade or post;
- h) Compulsory retirement.
- i) Removal from service, which shall not be a disqualification for future employment under the Govt. or the Corporation/Company, owned or controlled by the Govt.
- j) Dismissal from service which shall ordinarily be a disqualification for future employment under the Govt. or the Corporation/Company owned or controlled by the Govt.

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

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

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

- i) Withholding of increment of an employee on account of his work being found un-satisfactory or not being of the required standard, or for failure to pass 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 bar;
- iii) Non-promotion, whether in an officiating capacity or otherwise, of an employee, to a higher post for which he may be eligible for consideration but for which he is found unsuitable after consideration of his case;

- iv) Reversion to a lower grade or post, of an employee officiating in a higher grade or post, on the ground that he is considered, after trial, to be unsuitable for such higher grade or post, or on administrative grounds unconnected with his conduct.
- v) Reversion to his previous grade or post, of an employee appointed on probation to another grade or post, during or at the end of the period of probation, in accordance with the term of his appointment.

**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, and
- d) of any employee on reduction of establishment.

**RULE 24 \*DISCIPLINARY AUTHORITY**

1. The Disciplinary Authority, as specified in the schedule, or any authority higher than it may impose any of the penalties specified in rule 23 on any employee.
2. In a case where the prescribed Disciplinary Authority is unable to function as the Disciplinary Authority in respect of any official, on account of his being personally concerned with the charges or being a material witness in support of the charges, the next higher authority in the schedule i.e. the Appellate Authority will appoint an ad hoc Disciplinary Authority. The Appellate Authority and the reviewing Authority as mentioned in the Schedule shall remain unchanged.

**RULE 25 PROCEDURE FOR IMPOSING MAJOR PENALTIES**

- 1) No order imposing any of the major penalties specified in Rule 23 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 inquiry into the truth of any imputation of misconduct or misbehavior against an employee, it may itself enquire into or appoint any public servant (hereinafter called the Inquiring Authority) to inquire into the truth thereof in consultation with CVO.

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\* O.O. No. MMTC/IR/23/2011 dtd. 30.08.2011

\*\* O.O. No. MMTC/IR/17/2011 dtd 05.05.2011

Provided that the disciplinary authority may appoint retired public sector officers retired Government servants / retired Judges of proven integrity as Enquiry Officers in individual cases on a fixed honorarium for expeditious completion of enquiries.

- 3) Where it is proposed to hold an inquiry, the Disciplinary Authority shall frame definite charges on the basis of the allegations against the employee. The charges together with a statement of the allegation, on which they are based, a list of documents by which and a list of witness by whom the articles of charge are proposed to be sustained shall be communicated in writing to the employee, who shall be required to submit within such time as may be specified by the Disciplinary Authority (not exceeding 15 days) a written statement whether he admits or denies any of or all the 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 the employee, or if no such statement is received within the time specified, an enquiry may be held by the Disciplinary Authority itself, or by any other public servant appointed as an Inquiring Authority under sub-clause (2).

Provided that it may not be necessary to hold an inquiry in respect of the charges admitted by the employee in his written statement. The Disciplinary Authority shall, however, record its findings on each such charge.

- 5) \*Where the Disciplinary Authority itself inquires or appoints an Inquiring Authority for holding an inquiry, it may by an order appoint a public servant to be known as the "Presenting Officer" in consultation with CVO to present on its behalf the case in support of the articles of charge.
- 6) \*\*The employee may take assistance of any other MMTC employee but may not engage a legal practitioner for the purpose.

NOTE :The word "MMTC employee" in this context would mean a "Co-employee" working in the same division or another division of MMTC located at the same station where the employee seeking assistance is himself / herself working. Provided that it shall not be permissible to take assistance of an employee who has two pending disciplinary cases on hand in which he/she has to give assistance

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\* O.O. No. MMTC/IR/17/2011 dtd 05.05.2011

\*\* O.O. No. IRP/30/2008 dtd 23.06.2008

- 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 he pleads guilty or has any defense to make and if he pleads guilty to any of the articles of charge, the Inquiring Authority shall record the plea, sign the record and obtain the signature of the employee concerned thereon. The Inquiring Authority shall 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 employee may, for the purpose of preparing his defence :
- i. inspect the documents listed with the charge-sheet;
  - ii. submit a list of additional documents and witnesses that he wants to examine; and
  - iii. be supplied with the copies of the statements of witnesses, if any, listed in the charge-sheet.

NOTE Relevancy of the additional documents listed and the witnesses 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 their relevance to the charges under inquiry.

- 9) The Inquiring Authority shall ask the authority in whose custody or possession the documents are kept, for the production of the documents on such date as may be specified.
- 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 witnesses shall be examined by or on behalf of the Presenting Officer and may be cross-examined by or on behalf of the employee. The Presenting Officer shall be entitled to re-examine the witnesses on any points on which they have been cross-examined, but not on a new matter, without the leave of the Inquiring Authority. The Inquiring Authority may also put such questions to the witnesses as it thinks fit.
- 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 re-examine any witness. 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 employee may be required to state his defence, orally or in writing as he may prefer, If the defence is made orally, it shall be recorded and the employee shall be required to sign the record. In either case a copy of the statement of defence shall be given to the Presenting Officer; if any appointed.
- 14) The evidence on behalf of the employee shall then be produced. The employee may examine himself in his own behalf if he so prefers. The witnesses produced by the employee shall then be examined and shall be liable to cross-examination, re-examination and examination by the Inquiry Authority according to the provision applicable to the witnesses for the Disciplinary Authority.
- 15) The Inquiring Authority may after the employee closes his case, and shall if the employee has not examined himself, generally question him on the circumstances appearing against him in the evidence for the purpose of enabling the employee to explain any circumstances appearing in the evidence against him.
- 16) The Inquiring Authority may, after completion of the production of evidence, hear the Presenting Officer, if any appointed, and the employees or permit them to file written briefs of their respective case, if they so desire within 15 days of production of evidence or hearing as the case may be.
- 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 enquiry ex-parte.
- 18) Whenever any Inquiring Authority after having heard and recorded the whole or any part of the evidence in an inquiry ceases to exercise jurisdiction therein, and is succeeded by another Inquiring Authority which has, and which exercises, such jurisdiction, the Inquiring Authority so succeeding may act on the evidence so recorded by its predecessor, or partly recorded by its predecessor and partly recorded by itself:

Provided that if the succeeding Inquiring Authority is of the opinion that further examination of any of the witnesses whose evidence has already been recorded is necessary in the interest of justice, it may recall, examine, any such witness as herein before provided.

- 19) i. After the conclusion of the Inquiry, report shall be prepared and it shall contain
  - a) a gist of the articles of charge and the statement of the imputations of misconduct or misbehavior;
  - b) a gist of the defence of the employee in respect of each article of charge;

- c) an assessment of the evidence in respect of each article of charge
- d) the findings on each article of charge and the reasons therefor;

**Explanation -** If in the opinion of the Inquiring Authority the proceedings of the Inquiry establish any article of charge different from the original articles of the charge, it may record its findings on such article or charge;

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

- ii) The Inquiring Authority, where it is not itself the disciplinary authority shall forward to the disciplinary authority records of inquiry which shall include-
  - a) the report of the inquiry prepared by it under sub clause (i) above.
  - b) the written statement of 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.

#### **RULE 25 (A)**

- i) Any employee against whom any disciplinary proceedings have been initiated and/or intended to be initiated shall not leave the service of the Company till finalization of the disciplinary proceeding except on attaining the age of superannuation.
- ii) Disciplinary proceedings, if instituted while the employee was in service whether before his retirement or during his re-employment, shall, after the final retirement of the employee, be deemed to be proceeding and shall be continued and concluded by the authority by which it was commenced in the same manner as if the employee had continued in service.
- iii) During the pendency of the disciplinary proceedings, the disciplinary authority may withhold payment of gratuity, for ordering the recovery from gratuity of the whole or part of any pecuniary loss caused to the Company if the employee is found in a disciplinary proceeding or judicial proceeding to have been guilty of offences/misconduct as mentioned in sub-section (6) of Section 4 of the Payment of Gratuity Act, 1972 to have caused pecuniary loss to the company by misconduct or negligence, during his 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 shall be kept in view in the event of delayed payment, in case the employee is fully exonerated.

## **RULE 26      ACTION ON THE INQUIRY REPORT**

- 1) The Disciplinary Authority if it is not itself the Inquiring Authority may, for reasons to be recorded by it in writing, remit the case to the Inquiring Authority for fresh or further inquiry and report and the Inquiring Authority shall thereupon proceed to hold the further Inquiry according to the provisions of Rule 25 as far as may be.
- 2) The Disciplinary Authority shall, if it disagrees with the findings of the Inquiring Authority on any articles of charge, record its reasons for such disagreement and record its own findings on such charge, if the evidence on record is sufficient for the purpose.
- 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 Major penalties specified in Rule 23 should be imposed on the employee it shall furnish to the employee a copy of the report of the inquiry held by it and its findings on each article of charge, or where the inquiry has been held by an Inquiring Authority appointed by it, a copy of the report of such authority and a statement of its findings on each article of charge together with brief reasons for disagreement, if any with the findings of the Inquiry Authority.
- 4) If the Disciplinary Authority having regard to its findings, is of the opinion that any of the minor penalties specified in Rule 23 should be imposed it shall pass appropriate orders in the case.
- 5) 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 27      PROCEDURE FOR IMPOSING MINOR PENALTIES**

- 1) Where it is proposed to impose any of the minor penalties specified in Rule 23, the employee concerned shall be informed in writing of the imputations of misconduct or misbehavior against him and given an opportunity to submit his written statement for defence within 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 the imputations of misconduct or misbehavior delivered to the employee.
  - ii) His defence statement, if any : and



iii) The orders of the Disciplinary Authority together with the reasons therefore

3) The Disciplinary Authority, in his discretion, may also decide to conduct an inquiry following the same procedure as stipulated for the imposition of a major penalty, if in his opinion, holding of an inquiry is necessary to come to a definite conclusion about the guilt or innocence of the CO or if the employee requests for the same.

## **RULE 28      COMMUNICATION OF ORDERS**

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

### **RULE 28 A              TIME FRAME FOR DISPOSAL OF DISCIPLINARY CASES**

<b>SL. No</b>	<b>State of Investigation of Inquiry</b>	<b>Time Limit</b>
1	Issue of Charge Sheet, if required	Two months from the date of receipt of investigation report.
2	Time for submission of defence statement	15 (Fifteen) days
3.	Consideration of defence statement	15 (Fifteen) days
4.	Issue of final orders in minor penalty cases	Two months from the receipt of defence statement
5.	Appointment of IO/PO in major penalty cases	Immediately after receipt and consideration of defence statement
6.	Conducting departmental inquiry and submission of report	Six months from the date of appointment of IO/PO as per the following model time limit for departmental inquiry
(a)	Fixing date of preliminary hearing and inspection of listed documents, submission of list of Defence documents/witnesses and nomination of a Defence Assistant (DA) ( if not already nominated)	Within four weeks
(b i)	Inspection of relied upon documents/submission of list of DWs/Defence documents/examination of relevancy of DDs/DWs, procuring the additional documents and submission of certificates confirming inspection of additional documents by CO/DA. Issue of	

	summons to the witnesses fixing the date for Regular Hearing and arrangement for	
(b ii)	Participation of witnesses in the Regular hearing. Regular hearing on day-to-day basis.	3 months
c)	Submission of Written Briefs by PO to CO/IO	15 days
(d)	Submission of Written Briefs by CO to IO	15 days
(e)	Submission of Inquiry Report from the date of receipt of Written Briefs by PO/CO	30 days
7	Sending a copy of the IO's report to the CO for his representation	i) Within 15 day of receipt of IO's report if any of the articles of charge has been held as proved.  ii) 15 days if all charges held as not proved. Reasons for disagreement with IO's findings to be communicated.
8.	Consideration of CO's representation and forwarding IO's report to the CVO (Applicable for cases where there is a malafide/corruption/vigilance angle)	One month from the date of receipt of representation.
9.	Issuance of orders on the Inquiry Report	One month from the date of CVO's advice.

## **RULE 29 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 30 SPECIAL PROCEDURE IN CERTAIN CASES**

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

- i) The employee has been convicted on a criminal charge, or on the strength of facts or conclusion arrived by a judicial trial; or
- ii) Where the Board is satisfied for reasons to be recorded by it in writing that it is not reasonably practicable to hold an enquiry in the manner provided in these Rules; or

- iii) Where the Board is satisfied that in the interest of the security of the State, it is not expedient to hold any inquiry in the manner provide in these rules.

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

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

- ii) 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 him, it may transmit the records of proceedings with its recommendations to the Lending Authority for appropriate action

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 services at the disposal of the Lending Authority and transmit to it the proceedings of the inquiry for such action as it deems necessary.

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

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

**RULE 32 EMPLOYEES LENT TO CENTRAL GOVT. OR TO STATE GOVT. ETC**

- 1) Where the services of an employee are lent to the Central or a State Government or an authority subordinate thereto or to a local or other authority or a Government owned organization, Company or Corporation (hereinafter in this rule referred to as "the borrowing authority") the borrowing authority shall have the powers of the appointing authority for the purpose of placing him under suspension and the Disciplinary Authority for the purpose of taking Disciplinary Proceeding against him provided that the borrowing authority shall forthwith inform the Company which lent his services of the circumstances leading to the order of his suspension or the commencement of the disciplinary proceeding as the case may be.

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

i) If the borrowing authority is of the opinion that any of the minor penalties specified in Rule 23 should be imposed on him, it may, transmit the records of proceeding with its recommendations to the Company for appropriate action.

Provided that in the event of a difference of opinion between the borrowing authority and the Company the services of the employee shall be replaced at the disposal of the Company.

ii. If the borrowing authority is of the opinion that any of the major penalties specified in Rule 23 should be imposed on him it shall replace his services at the disposal of the Company and transmit it to the proceedings of the enquiry and thereupon the Disciplinary Authority in the Company may pass such orders thereon as it deems necessary.

Provided that in passing any such order the Disciplinary Authority shall comply with the provisions of sub-rule 3 & 4 of Rule 26.

**Explanation** - The Disciplinary Authority may make an order under this clause on the record of the enquiry transmitted by the borrowing authority or after holding such further enquiry as it may deem necessary.

### **RULE 33     APPEAL**

1. An employee may appeal against an order imposing upon him any of the penalties specified in Rule 23 or against the order of suspension referred to in Rule 20. The appeal shall lie to the authority specified in the schedule.

2. An appeal shall be preferred within 60 days 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 proposed to impose is a major penalty specified in Rule 23, an inquiry as provided in Rule 25 has not already been held in the case, the Appellate Authority shall direct that such an inquiry be held in accordance with the provisions of Rule 25 and thereafter consider the record of the Inquiry and pass such orders it may deem proper. If the Appellate Authority decides to enhance the punishment but an enquiry has already been held as provided in Rule 25, the Appellate Authority shall give a show cause notice to the employee as to why the enhanced penalty should not be imposed upon him. The

Appellate Authority shall pass final order after taking into account the representation, if any, submitted by the employee.

**RULE 34**      **REVIEW**

1) Notwithstanding anything contained in these Rules the Reviewing Authority as specified in the schedule, may within six months of the date of the final order, either on its own motion or otherwise, call for the records of any inquiry and review any order made under these rules, and

- a) confirm, modify or set aside the order; or
- b) confirm, reduce, enhance or set aside the penalty imposed by the order, or impose any penalty where, no penalty has been imposed; or
- c) remit the case to the authority which made the order or to any other authority directing such authority to make such further inquiry as it may consider proper in the circumstances of the case; or
- d) pass such other orders as it may deem fit;

provided that no order imposing or enhancing any penalty shall be made by the Reviewing Authority unless the employee concerned has been given a reasonable opportunity of making representation against the penalty proposed and where it is proposed to impose any of the penalties specified in clause (f) to (j) of Rule 23 or to enhance the penalty imposed by the order sought to be reviewed to any of the penalties specified in those clauses; no such penalty shall be imposed except after an inquiry in the manner laid down in Rule 25 and after giving a reasonable opportunity to the employee concerned of showing cause against the penalty proposed on the evidence adduced during the inquiry.

2) No proceeding for review shall be commenced until after:

- i) the expiry of the period of limitation for an appeal, or
- ii) the disposal of the appeal, where any such appeal has been preferred.

3) 3) An application for review shall be dealt with in the same manner as if it were an appeal under these rules.

**RULE 35**      **MISCELLANEOUS**

Notwithstanding anything contained in these rules, the Central Vigilance Commission shall exercise jurisdiction over the employees of the Company and the Vigilance and anti corruption rules/instructions/orders and the clarifications on any corresponding rules, issued by the Central Vigilance Commission and the Government from time to time shall be applicable to the employees of the Company.

Note : The Central Vigilance Commission means the Commission set up by the Government vide Ministry of Home Affairs Resolution No. 24/7/64-AVD dated 11.2.1964.

**RULE 36 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.

**RULE 37 POWERS TO RELAX TIME LIMIT AND TO CONDONE DELAYS**

Save as otherwise expressly provided in these rules, the authority competent under these rules to make any order may, for good 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 38. REPEAL & SAVINGS**

- 1) All rules corresponding to these rules and in force immediately before the commencement of these rules are hereby repealed

Provided that any order made or action taken under the rules so repealed shall be deemed to have been made or taken under the corresponding provisions of these rules.

- 2) Nothing in these rules shall be construed as depriving any person to whom these rules apply, of any right of appeal, which had accrued to him under the rules, which have been superseded by these rules.
- 3) 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.
- 4) The proceedings pending at the commencement of the rules shall be continued and disposed as far as may be, in accordance with the provisions of these rules, as if such proceedings were proceedings under these rules.
- 5) Any misconduct etc. committed prior to the issue of these rules which was a misconduct under the superseded rules and is not a misconduct under these rules, shall be deemed to be misconduct under these rules.

**RULE 39 REMOVAL OF DOUBTS**

Where a doubt arises as to the interpretation of any of these rules, the matter shall be referred to the Chairman-and-Managing Director for final decision.

**RULE 40 AMENDMENTS**

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

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**SCHEDULE\***

SL. No.	Name of Posts	Appointing Authority	Disciplinary Authority/Competent Authority to discharge functions under these rules and to impose penalties mentioned in Rule 23		Appellate Authority	Review. Authority	Remarks
			Authority	Penalty			
1.	For the posts upto the level of Executive Director and equivalent	CMD	CMD	Major/Minor	COD on personnel policies	Board	
2	For the posts upto the level of CGM/GM/AGM and equivalent	CMD	CMD  Director (In charge of Personnel)	Major/Minor  Minor	COD on personnel policies  CMD	Board  Board	
3	For the posts upto the level of DGM/Chief Manager/ and equivalent	Director (in-charge of Personnel)	Director (In-charge of Personnel)	Major/Minor	CMD.	Board	
4	For the posts upto the level of Senior. Manager and equivalent	Director (In-charge of Personnel)	Director (In-charge of Personnel)  CGM (P)	Major/Minor  Minor	CMD  Dir(Incharge of Personnel)	Board  CMD	

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SL. No.	Name of Posts	Appointing Authority	Disciplinary Authority/Competent Authority to discharge functions under these rules and to impose penalties mentioned in Rule 23	Penalty	Appellate Authority	Review Authority	Remarks
			Authority	Penalty			
5.	For the posts upto the level of Managers and equivalent	CGM (P)/GM (P) at CO	CGM (P)/ GM (P)	Major/Minor	Director (Incharge of Personnel)	CMD	
6	For the posts upto the level of Sr. OM/OM and equivalent	CGM (P)/ GM(P) at CO	CGM (P)/ GM (P)  Incharge of RO/SROs of DGM and above rank	Major/Minor  Minor	Director (Incharge of Personnel)  Director (Incharge of Personnel)	CMD  CMD	
7.	For the posts upto the level of Jr. Office Managers and equivalent	CGM (P)/GM (P) DGM and above - Incharge of ROs/SROs	CGM (P)/GM (P)/GM/DGM of ROs/SROs  (DGM and above rank) Incharge of Regional Offices	Major/Minor	Director (Incharge of Personnel)	CMD	

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