

**NATIONAL SEEDS CORPORATION LIMITED
(A GOVERNMENT OF INDIA UNDERTAKING)**

**BEEJ BHAWAN, PUSA COMPLEX,
NEW DELHI-110012**

**EMPLOYEE'S CONDUCT, DISCIPLINE AND
APPEALS RULES**

PART-I - GENERAL

1. Short Title and Commencement :

- a. These Rules may be called the National Seeds Corporation Limited Employee's (Conduct, Discipline & Appeal) Rules.
- b. These Rules shall replace the existing Conduct Regulation and Discipline & Appeal Regulations and shall come into force from the date to be notified by the Management.

2. Application :

These Conduct Rules shall apply to all employees except:-

- (i) Those in casual employment, daily rated or paid from contingencies;
- (ii) Those governed by the Certified Standing Orders framed or to be framed in future for any category of Corporation employees under the Industrial Employment (Standing Orders) Act, 1946.
- (iii) Those in respect of whom the Board may have issued or may issue separate order/Rules regarding conduct, discipline and appeal;
- (iv) Those in respect of whom the Board has by general or special order directed that these Rules shall not apply.

3. Definitions :

In these Rules, unless the context otherwise requires:-

- a. "**Appointing Authority**" in relation to an employee means authority empowered by the Board/CMD to make appointment to the grade in which the employee is for the time being included, or the post which the employee for the time being holds.
- b. "**Appellate Authority**" means the authority specified, as such, in the Schedule (Appendix 'A') appended to these Rules.
- c. "**Board**" means the Board of Directors of the National Seeds Corporation Limited and includes in relation to exercise of powers any officer to whom the Board delegates any of its powers. This also includes any Committees of the Board/ Management or any Officer of the Corporation to whom the Board delegates any of its powers.

- d. “**Corporation**” means National Seeds Corporation Limited.
- e. “**Competent Authority**” means the Authority empowered by the Board, by any general or special rule or order, to discharge the functions or use the powers specified in that Rule or Order.
- f. “**Disciplinary Authority**” means the authority specified as such in the Schedule (Appendix ‘A’) appended to these Rules and competent to impose any of the penalties specified in these Rules.
- g. “**Employees**’ means” all persons in the whole time employment of the Corporation, other than those, who are casual, work-charged, daily rated and contingent staff but include those whose services are temporarily placed at the disposal of the Central or State Government, PSU or a local or other authority and those who are on deputation to the Corporation. Nothing in these Regulations shall operate to deprive a person on deputation with the Corporation of any right or privilege to which he is entitled under any of the laws/rules by which he is governed in his parent organization.
- h. “**Government**” means the Government of India.
- i. “**Management**” means Chairman & Managing Director, Functional Director or any other person delegated with the powers to act on his behalf and / or to whom any of his powers is delegated.
- j. “**Members of the Family**” in relation to an employee include:-
- 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 mean those wholly dependent on the employee concerned, 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 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 mentioned in Section 21 of the Indian Penal Code as amended from time to time.
- l. ‘**Reviewing Authority**’ means the authority specified as such in the Schedule (Appendix ‘A’) appended to these Rules.
- m. ‘**Sexual harassment**’ includes such unwelcome sexually determined behavior (whether directly or by implication) as:-

- a. Physical contact and advances.
 - b. A demand or Sexual favours.
 - c. Sexually coloured remarks.
 - d. Showing any pornography material.
 - e. Any other unwelcome physical, verbal or non-verbal conduct of a 'Sexual Nature'.
- n. **'Unauthorized Absence'**: means absence by an employee from his/her duty or place of work without authority either without sanction of any leave or after expiry of sanctioned leave, if any.

PART-II - CONDUCT

4. Scope of an employee's service :

Unless in any case it is otherwise distinctly provided, the whole time of an employee shall be at the disposal of the Corporation and he shall serve the Corporation in its business in such capacity and at such places as he may, from time to time, be directed.

5. Liability to abide by the Rules:

- i. Every employee of the company shall at all times:
 - a) Maintain absolute integrity;
 - b) Maintain devotion to duty;
 - c) Shall conform to and abide by these and other Rules of the Corporation and shall observe, comply with and obey all lawful orders and directions which may, from time to time, be given to him in the course of his official duties by any person or persons under whose jurisdiction, superintendence or control he may, for the time being, be placed;
 - d). Do nothing which is unbecoming of public servant.
- ii. Every employee of the Corporation holding a supervisory post shall take all possible steps to ensure the integrity and devotion to duty of all employees for the time being working under his control and authority.
- iii. Every employee shall at all times conduct himself soberly and temperately while in the official premises and show proper respect and civility to all concerned and shall use his utmost endeavour to promote the interests of the Corporation and to maintain and promote the good reputation thereof.
- iv. 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 and shall, where he is acting under such direction, obtain the direction in writing, wherever practicable, and where it is not practicable to obtain the direction in writing, he shall obtain written confirmation of the direction as soon thereafter as possible.

Explanation: Nothing in rule 5 (iv) shall be construed as empowering an Officer to evade his responsibilities by seeking instruction from or, approval of a superior officer or authority, when such instructions are not necessary under the scheme of distribution of power and responsibility.

6. CODE OF ETHICS AND BUSINESS CONDUCT :

6.1. Preliminary :

- 6.1.1. This Code shall be called the Code of Ethics and Business Conduct for NSC Employees.
- 6.1.2. It shall be applicable to all employee of NSC.
- 6.1.3. This Code supplements the various laws and regulations applicable to the NSC, as also their internal policies, guidelines and the CDA (Conduct, Discipline and

Appeal) rules, compliance with which is mandatory and violations punishable as prescribed.

6.2. **Ethical Conduct - General Expectations:**

6.2.1. This Code is a set of guidelines for ethical, corporate and individual behavior in conduct of business and discharge of duties.

6.2.2. The underlying values, principles and norms for such ethical conduct include, among others, honesty, integrity, professionalism, fairness, accountability, credibility, diligence, respect for others, a sense of responsibility to the job, loyalty to the company, primacy of company's interests over personal interest, respect for the law, staying above the temptation to utilize official position or knowledge for personal gain, and a strong personal sense of right and wrong.

6.3. **Obligation of Corporation Employees:**

- a) To assist the Company to achieve its objectives, as spelt out in the corporate objectives of the Corporation.
- b) To uphold the Rule of Law and respect for human rights solely in the public interest, while making recommendations or exercising administrative authority. Every employee of the Corporation shall maintain the highest standards of probity and integrity.
- c) In relation to the general public, the employees of the Corporation will conduct themselves in such a manner that the public feels that the decisions taken on the recommendations made by them are objective and transparent, and are not calculated to promote improper gains for the political party in power or for themselves or for any third party. This would be particularly significant so far as the customers of the public service are concerned.
- d) Employees shall not seek to frustrate or undermine the policies, decisions and actions taken in the public interest by the Management by declining or abstaining from action, which flows from the management decision. Where following the instructions of the superior authority would appear to conflict with the exercise of impartial professional judgment or affect the efficient working of the enterprise, he/she shall set out points of disagreement clearly in writing to the superior authority or seek explicit written instructions.
- e) Where an employee has reasonable grounds to believe that he or she is being required by the superior authority to act in a manner, which is illegal or against the prescribed rules and regulations, or if any infringement comes to his or her notice, he or she shall decline to implement the instructions and would also have a right to bring the facts to the notice of the Chairman-cum-Managing Director of the Corporation or the Board as the case may be.

6.4. **Workplace responsibility:**

6.4.1. In addition to adhering to the basic values and principles underlying ethical behavior, employees should also strive to abide by the principles of respect for all persons including those junior/subordinate to them or who are less advantaged; respect for individual dignity and rights; non-discrimination on the grounds of race, ethnicity, caste, material status or gender; and maintaining a work environment free of sexual harassment or exploitation.

- 6.4.2. It is incumbent upon all employees of NSC to treat all those who deal with him with courtesy, and respond to their queries or legitimate requests positively and on a timely basis.
- 6.4.3. Any misuse of one's position as an employee of the Corporation to seek or accept any gratification for doing what is a part of the employee's duty is clearly illegal and unethical, and must be punished by the company appropriately. The same must also apply to any employee offering any gratification to anyone, or bringing extraneous pressure, for seeking any undue favour.
- 6.4.4. It is the responsibility of every employee to bring to the notice of appropriate authorities any violation of rules, regulations or codes of conduct, which they should do in a manner as may be prescribed by the company. However, it is also important that this facility is not misused to wrongfully harm someone, and such misuse must also be punished by the company appropriately.
- 6.4.5. Every employee should ensure at all time the integrity of the data/information furnished by him/her to the company or to the auditors/regulators/authorities.

6.5. **Familiarization with relevant Laws, Regulations, Policies, Rules etc. and Regulatory compliance :**

- 6.5.1. It is expected that all employee would study and familiarize themselves with laws, regulations and guidelines/standards issued by regulators that are relevant to their work, and ensure that they are complied with where they have responsibility for doing so on behalf of the company or/and in their personal capacity.
- 6.5.2. They should also be familiar with the policies; rules etc. of the company, and follow them as a matter of course.
- 6.5.3. They should discharge their duties in this regard in a truthful, accurate, diligent and timely manner.
- 6.5.4. It shall be the duty of every employee of the Corporation to continuously upgrade his/her skills and knowledge, strive for creativity and innovation and nurture the values of team working and harmony. He/she shall promote and exhibit public and private conduct in keeping with the appropriate behaviour and standards of excellence and integrity. He/she shall support the juniors in the latter's efforts to resist wrong or illegal directives and in abiding by the Code of Ethics. At the same time, he shall reward good work and punish any dereliction of duty and obligations based on objective and transparent criteria.

6.6. **Protecting Assets of the company :**

- 6.6.1. It is the responsibility of all employees to ensure that all the assets of the company, tangible (such as machinery, equipment, systems, facilities, computers, vehicles, materials etc) as also intangible (such as information and communications systems and technology, proprietary information, relationships, brand equity and intellectual property etc.), must be used in the interest of the company, for the conduct of business and the purpose for which they have been provided, and to prevent any misuse or misappropriation for personal or unauthorized use.
- 6.6.2. Every employee in the Corporation shall avoid wastage and extravagance and ensure effective and efficient use of the Corporation's money within his control and while recommending, approving or implementing any proposals/projects involving Corporation's money.

6.7. **Conflict of Interest :**

- 6.7.1. Every employee must act in the best interest of the company, and ensure that any business or personal association which he/she may have does not involve a

conflict of interest with the operations of the company and his/her role therein.

- 6.7.2 A conflict interest, actual or potential, may arise where, directly or indirectly, an employee.
- (i) Is unable to exercise an independent and unbiased judgment of the best interests of the company, or is impaired in any manner to act in its best interests, in view of his/her personal interest, or that of close relatives/associates, being involved or could be perceived to be involved;
 - (ii) Knowingly engages in a business relationship or activity with anyone who is a party to a transaction with the company.
 - (iii) Is in a position to derive an improper benefit, personally or to any or his/her relatives/associates, by making or influencing decisions relating to any transaction;
- 6.7.3. In situations where some historic conflict of interest exists, or where an inadvertent conflict or potential conflict comes to the notice of the employee, it must be reported immediately to the superiors.
- 6.7.4. In situations of doubt about the likelihood of a conflict/potential conflict of interest, the employee must disclose the matter to the superiors and seek clearance/directions.

6.8. Confidentiality of Company Related Information :

- 6.8.1. Subject to the Code of Corporate Disclosure Practices or any other relevant policy/instructions on disclosures to outside parties that may be prescribed in the company, information regarding the company's business should be treated as confidential and should not be shared with anyone within and outside the company, formally or informally, unless authorized to do so, and only to those authorized to receive it, with suitable safeguards as feasible, to prevent misuse of the information.
- 6.8.2. Information and data relating to, but not limited to, areas like financial performance and results, asset revaluations, investment plans/decisions, business strategies, marketing plans, sales or contracts, customer lists and details, proprietary, pricing or costing data etc. should be treated as confidential and not disclosed without proper authorization, while the employee is in service and even subsequently.
- 6.8.3. In situations where the performance of a specific job inherently requires sharing of information, including that of otherwise confidential nature (for example with auditors, board committees, regulators etc.), or where certain information needs to be provided under the law, regulations or in the course of any official enquiry/query, or in similar situations, appropriate authorization should be obtained.
- 6.8.4. Even in situations where some information relating to the company's business may be in public domain, its disclosure or elaboration should be done only by specifically authorized persons and within the bounds of the company's policies and guidelines.
- 6.8.5. The confidentiality of information pertaining to other entities with which the company has business dealings should also be equally respected and protected.

6.9. Prohibition of use of Company Related Information for personal gain

- 6.9.1. No employee or his immediate family/close associates should derive, or assist anyone else to derive, any benefit from access to information about the company, or those with whom it does business, that is not in public domain, and therefore constitutes unpublished and price sensitive insider information not available to the

Investing public.

6.9.2 No employee should use or share such information for making or giving advice on making investment decisions about the securities of the company or of such entities with which it does business.

6.9.3. The existing laws and regulations on prevention of insider trading should be followed scrupulously by all employees of the company.

6.10. Use of position in company for personal purposes :

6.10.1. The employee should not use his official position in the company to obtain any support for activities in which he/she may be involved in a personal capacity, including those of a non-commercial nature, e.g. cultural, literary, charity etc., from anyone with whom the company has business dealings; or should he/she use the official position, time or resources to pursue such activities, even if these may be desirable activities per se.

6.10.2. The employee should not seek or accept, directly or indirectly, any gift, donation or comparable benefits from anyone having business dealings with the company, except as prescribed under the policy or rules of the company.

6.11. Concurrent Directorship or Employment :

6.11.1. No employee should accept any directorship or any employment, assignment or position of responsibility, including consultancy or freelance work, irrespective of whether it is with or without remuneration, in any other company or organization without specific approval.

6.12. Social and Environmental Responsibility :

6.12.1. The NSC employees need to be specially committed to issues that go beyond the financial performance of a company, such as those relating to corporate citizenship, health, safety, education, social justice, gender, climate change, and environmental sustainability, to name some. Their operations and business conduct should, to the extent feasible, benefit the localities and communities in which they operate and must not be detrimental to them or to the local environment.

6.12.2. The employees are responsible not just for carrying out the policies of the company in this context as a part of their duties, but should also integrate these concerns in their working, and contribute pro-actively in ensuring that the company operates as a good and responsible corporate citizen. Where a company operates in different geographies, the company and also its employees should respect the culture, customs and traditions of each country and region.

7 Accountability and responsiveness to the public :

(a) Every employee in the Corporation shall practice accountability to the people in terms of quality of service, timeliness, courtesy, people orientation and readiness to encourage participation of, and form partnership with citizen groups, for responsive management.

(b) Every employee of the Corporation shall accept the obligation to recognize and enforce customer's right for speedy redressal of grievances and commit himself to provide services of declared quality and standard to customers.

(c) Every employee in the Corporation shall respect the right of public to information on all activities and transactions of the organization except where they are debarred in the public interest from releasing information by provisions of law or by valid instructions.

8. 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 Corporation or of property of another person within the premises of the Corporation.
2. Taking or giving bribes or any illegal gratification, or demanding or offering bribes or any illegal gratification in any manner.
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 can not satisfactorily account for.
4. Furnishing false information regarding name, age, father's name, qualifications, ability, experience or previous service or any other matter germane to the employment at the time of employment or during the course of employment.
5. Acting in a manner prejudicial to the interest of the Corporation.
6. Willful insubordination or disobedience, whether or not in combination with others, of any lawful and reasonable order of his superior.
7. Unauthorized absence without proper sanctioned leave or overstaying the sanctioned leave for more than four consecutive days without sufficient grounds or proper or satisfactory explanation.
8. Habitual late or irregular attendance.
9. Neglect of work or negligence in the performance of duty including malingering or slowing down of work.
10. Causing damage to work in progress or to any property of the Corporation either willfully or through negligence.
11. Non-observance of safety precautions or Rules, or interfering or tampering with any safety devices installed in or about the premises of the Corporation.
12. Drunkenness or riotous or disorderly or indecent behaviour in the premises of the Corporation or outside such premises where such behaviour is related to or connected with the employment.
13. Gambling within the premises of the Corporation.
14. Smoking within the non-smoking zones of premises of the establishment or using naked lights where it is prohibited.
15. Collection without permission of the Competent Authority of any money within the premises of the Corporation except as sanctioned by any law of the land for the time being in force or Rules of the Corporation.
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 Corporation without express permission in writing from the Competent Authority.
20. Commission of any acts subversive of discipline or of good behaviour.
21. Abetment of or attempt at abetment of any act which amounts to misconduct.

22. Engaging in any private trade or business.
23. Disclosing to any unauthorized persons any information in regard to the working or process of the Corporation, which comes into the possession of the employee during the course of his work.
24. Canvassing in support of any business or Insurance Agency, Commission Agency etc. owned or managed by him or his/her spouse or any other member of his family.
25. Spreading rumours or giving false information which tends to bring into disrepute the Corporation or its employees or spreading panic among them.
26. Leveling malicious or false allegations against the Corporation and/or any of its employees.
27. Occupying or taking possession in an unauthorized manner or refusal to vacate or deliver possession of Corporation's quarters or any of its premises, owned or hired when required to do so by Corporation.
28. Refusal to accept a charge sheet or order or any other communication from the Management and any of its senior officers.
29. Striking work alone or in combination with other employee or inciting them to strike work in contravention of the provisions of any law or Rules having the force of law.
30. Violation of Human Rights.
31. Violation of Code of Ethics and Business Conduct.
32. Past Misconducts - Action can be taken against an employee in respect of misconduct committed by him in his previous or earlier employment if such misconduct was of such a nature as has a rational nexus with his present employment and renders him unfit or unsuitable for continuing in service of the Corporation.

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

9. **Demonstrations & Strikes** :

No employee shall :-

- (1) Engage himself or participate in any demonstration which is prejudicial to the interest and the sovereignty and integrity of India, the security of the State, the interests of the Corporation, friendly relations with foreign Countries, public order, decency or morality or which involves contempt of court, defamation, incitement to an offence, or
- (2) Resort to or in any way abet in any form of illegal strike in connection with any matter pertaining to his service or the service of any other employee or employees of the Corporation, except in accordance with any law in force.

10. **Joining of Associations** :

No employee shall join or continue to be a member of an Association, the object or activities of which are prejudicial to the interests and sovereignty and integrity of India or to the interests of the Corporation or to public order or morality.

11. **Subscriptions:**

No employee shall, except with the previous sanction of the Competent Authority, ask for or accept contributions to, or otherwise associate himself with the raising of any funds or any collections in cash or in kind in pursuance of any object whatsoever. Subscriptions on account of membership of a Registered Trade Union or Registered Officers' Associations shall be outside the purview of this rule.

12. **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 interest in respect of matters pertaining to his service under the Corporation.

13. **Criticism of Govt. and or the Corporation :**

No employee shall, in any radio broadcast/TV telecast 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 Govt. or State Governments, or of the Corporation; or
- (b) Which is capable of embarrassing the relations between the Corporation and the public or between Central Government and the Government of any Foreign State.

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 the due performance of the duties assigned to him;

Provided further that nothing contained in this rule shall apply to bonafide expression of views by him 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.

14 (a) **Connection with Media, Radio or Television Channels :**

No employee shall, except with the previous sanction of the Competent Authority or in the bonafide discharge of his duties,

- (1) Participate in a radio broadcast/TV telecast, Video Conferencing, social networking website or contribute any article or write/e-mail any communication/material either in his own name or anonymously, pseudonymously, or in the name of any other person to any newspaper or periodical, website etc. on the subject, which may have a bearing on the affairs of the Corporation. Provided that no such sanction shall be required if such broadcast/TV telecast or such contribution is of a purely literary, artistic or scientific character.
- (2) No employee, while in service or after his retirement, retrenchment or resignation or discharge, shall make public or publish any documents, papers or information which might have come into his possession in his official capacity, without the prior sanction of the Corporation.

Provided that no sanction under this Rule is required in the case of articles, letters, etc. written for the house journals and other publications of the Corporation in which case the Editorial Board or other authority is vested with the powers for selecting and editing them for publication.

14 (b): **Vindication of Acts and Character of Employees:**

- (1) No employee shall, except with the previous sanction of the competent authority have recourse to any court or to the press for the vindication of any official act which has been the subject matter of adverse criticism or an attack of a defamatory character.
- (2) Nothing in this regulation shall be deemed to prohibit an employee from vindicating his private character or any act done by him in his private capacity and where any action for vindicating his private character or any act done by him in private capacity is taken, the employee shall submit report to the competent authority regarding action.

15. **Consumption of intoxicating drinks and drugs :**

An employee of the Corporation 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 drugs 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 drinks or drugs;
- c. Refrain from consuming any intoxicating drink or drug in a public place at any time.
- d. Not appear in a public place in a state of intoxication;
- e. Not use any intoxicating drink or drug to excess.

***Explanation:** 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-members as guests, bars and restaurants, conveyance) to which the public have or are permitted to have access, whether on payments or otherwise.*

16. **Prohibition of accepting or giving Dowry :**

- (i) No employee of the Corporation shall give or take or abet the giving or taking of dowry.
- (ii) Demand directly or indirectly from the parents, brothers, or guardian of a bride or bridegroom, as the case may be, dowry.

Explanation: for the purpose of this rule, 'dowry' has the same meaning as in the Dowry Prohibition Act, 1961 (Act 28 of 1961).

17. **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 Appointing Authority i.e. CMD /Functional Director/GM (HR), as the case may be, may permit an employee to enter into or contract, any such marriage as is referred to in clause (1) or clause (2), if he 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 doing so,

(3)The employee of NSC, who has married or marries a person other than that of forthwith intimate the fact to the Chairman-cum-Managing Director through the Head of the Office in which he is serving, and in the case of Corporate Office employees the fact shall be intimated to Chairman-cum-Managing Director through Head of the HR Department.

18. **Sexual Harassment of Women :**

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

19. **Employment of near relatives of the employees of the NSC in any Private Company or firm enjoying patronage of the Corporation :**

- (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 other 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 Corporation. **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) An employee other than a Category 'A' employee, shall, as soon as he becomes aware of the acceptance by an member of his family of an employment of the nature referred to in the sub-rule (2), intimate the fact of such acceptance to the General Manager (HR) and shall also intimate whether the employee has or had any official dealings with the concerned undertaking.
- (4) 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 manner and the employee shall refer every such matter or contract to his official superior and the matter or the contract shall thereafter be disposed of according to the instructions of the authority to whom the reference is made.

20. **Forwarding of Applications :**

No employee shall forward his application for employment to any Government

(Central/State) or semi-Government Department, Autonomous body, or Public ad) except in accordance with the Rules framed by the Corporation in this behalf. No employee shall forward an application for an Award or a Fellowship, Scholarship etc., direct to any authority unless the application is sponsored by the Corporation and he is permitted to take up such a Fellowship or Scholarship.

21. **Restriction on top level Executives of Public Enterprises joining Private Commercial Undertakings after retirement:**

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

22. (A) **Absence from duty without permission, absence from station or late attendance :**

- (1) An employee shall not absent himself from his duties without having obtained prior permission/leave of the competent authority.
- (2) No employee shall leave the station, where he is posted, without obtaining previous permission of the competent authority unless otherwise so authorized by such authority.
- (3) An employee who is habitually late in attendance shall in addition to such other penalty as the competent authority may deem fit to impose, have one day of casual leave forfeited for every three days he is late in a month. Where such an employee has no casual leave due to him the period of leave to be so forfeited may be treated as earned or extraordinary leave as the competent authority may determine.

(B) **Action to be taken for unauthorized absence :**

- (1) If an employee abruptly absents from duty/place of work without sanction of any leave or remains absent after the expiry of sanctioned leave, if any, for a period exceeding 4 days, he will be marked absent in the attendance register for the days of absence and it will render him liable to disciplinary action for 'misconduct', unless he explains his absence in a manner satisfactory to the Sanctioning Authority.
- (2) During the period of unauthorized absence without sanctioned leave or overstay of leave, or absence due to strike / agitation, the concerned employee will not be entitled to any wages or any other allowances/benefits whatsoever and the period of such unauthorized absence will constitute an interruption of service not to be counted for increment or accrual of leave unless it is regularized by Competent Authority keeping in view the circumstances of the concerned employee.

Note : The employees who remains absent unauthorisedly without proper permission should be proceeded against immediately and the action should not be put off till the absence exceeds the limit prescribed in the leave rules. However, the disciplinary authority should consider the grounds adduced by the employee for his unauthorized absence before initiating disciplinary proceedings. If the disciplinary authority is satisfied that the grounds adduced for authorized absence are justified the leave of the kind applied for and due and admissible may be granted to him.

(C) Termination on account of unauthorized absence :

In case an employee remains unauthorisedly absent from duty or place of work either without sanction of any leave, or after expiry of leave or in spite of leave being refused, and does not report for duty for any reason whatsoever within ninety (90) consecutive days from the date of his/her unauthorized absence, he shall automatically lose lien on his/her post and shall be deemed to have voluntarily abandoned/deserted and left the service of the Corporation without notice, and he/she shall be liable to be discharged from service and his/her name shall be struck off from the rolls of the Corporation. Such termination on account of voluntary abandonment/unauthorized absence will not be deemed to be a penalty under Rule 35 of these Rules.

Provided, however, if the employee subsequently substantiates and accounts for his/her unauthorized absence from duty within thirty (30) consecutive days from the date of his termination order to the entire satisfaction of the Management, the Management may regularize his/her unauthorized absence on such terms and conditions as it may deem fit and proper.

23. Gifts :

- (1) Save as otherwise provided in these Regulations, no employee 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, boarding 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. However a casual meal, memento or other social hospitality shall not be deemed to be a gift for the purpose of this Rule.

Note:

- (i) *An employee shall avoid acceptance of lavish or frequent hospitality from any individual or firm having official dealings with him or from Industrial or Commercial firms, Organizations and the likes.*
- (ii) *On occasions, such as, weddings, anniversaries, funerals and religious functions, when the making of gifts is in conformity with the prevailing religious and social practices, an employee may accept gifts from his near relatives and personal friends having no official dealings with him but he shall make a report to the competent authority if the value of the gift exceeds.*
- a) *Rs.5000/- in the case of an employee holding any Group 'A' & 'B' posts.*
- b) *Rs.2000/- in the case of an employee holding any Group 'C' & 'D' posts.*

(iii) In any case other than those referred to in sub-rule 1 (ii) an employee shall not accept any gift without the sanction of the Competent Authority if the value thereof exceeds -

- a) Rs.1000/- in the case of employee holding any Group 'A' & 'B' post; and Rs.500/- in the case of employee holding any Group 'C' & 'D' posts.
- (2) An employee shall not accept any gifts from any foreign firm which is one with which the employee had, has or is likely to have official dealings. Acceptance of gifts by an employee from any other firm shall be subject to the provisions of sub-rule (iii) above.
- (3) **Acceptance of Rewards:** Except in the following cases, an employee of the Corporation shall not without the prior approval of the competent authority, accept a reward from any source:
- (i) The premium awarded for any essay or plan in public competition.
 - (ii) Any reward offered for the arrest of a criminal or for information or special service in connection with the administration of justice.
 - (iii) Any reward payable in accordance with the provisions of any act or any regulations or rules framed there under.
 - (iv) Any reward sanctioned for services in connection with the administration of the Custom and Excise Laws, and
 - (v) Any fee payable to any employee for duties which is required to perform in his official capacity under any special or local law by order of the Government.

24. Investment, lending and borrowing :

- (1) No employee shall, save in the ordinary course of business with a bank or LIC or a firm of standing, borrow money from or lend money to, or otherwise place himself under pecuniary obligations to any such person with whom he has, or is likely to have official dealings or to any subordinate employee, or permit any such borrowing, lending or pecuniary obligations either in his name or for his benefit or for the benefit of any member of his family.

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 the bonafide tradesman or make an advance of pay to his private employee.

- (2) 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.
- (3) If any question arises whether any transaction is of the nature referred to in sub-section (1) or (2) above the decision of the CMD or concerned General Manager shall be final.
- (4) When an employee is transferred or appointed to a post of such nature as would involve him in the breach of any of the sub-regulations (1) & (2), 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.

25. Insolvency and habitual indebtedness :

- (1) An employee of the Corporation shall avoid habitual indebtedness unless he proves that such indebtedness is the result of circumstances beyond his control and does not proceed from extravagance or dissipation.
- (2) An employee of the Corporation who applies to be or is adjudged or declared insolvent by any authority shall forthwith report the fact to his competent authority. Any employee, on being adjudicated or declared 'insolvent' by the

Competent Authority shall cease to be in the service of the Corporation with immediate effect.

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.*

26. **Movable, immovable and valuable property :**

- (1) No employee shall, except with the previous **knowledge** of the Management, 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 member of his family.

Provided that the previous sanction of the Competent Authority shall be obtained by the employee if any such transaction -

- (a) with a person having official dealings with the Corporation or the employee; or
(b) Otherwise than through a regular or reputed dealer.

- (2) No employee shall, except with the previous **sanction** of the Management, enter into any transaction concerning any immovable or movable property with a person or a firm having official dealings with the employee or any of his subordinate employee.

- (3) Every employee of the Corporation shall report to the Management on the prescribed proforma about the transactions made by them in shares, securities, debentures or mutual funds etc. in the following cases:

- i) Group-A & Group-B employees - if total transaction in shares, securities, debentures or mutual funds scheme etc. exceeds Rs.50,000/- during the calendar year.
ii) Group-C & Group-D employees - if total transaction in shares, securities, debentures or mutual funds scheme etc. exceeds Rs.25,000/- during the calendar year.

- (4) Every employee of the Corporation shall report to the Competent Authority every transaction within one month of such transaction concerning movable property either in his own name or in the name of a member of his family, if the value of such property exceeds -

- (a) Rs.20,000/- in case of Group 'A' & 'B' officers.
(b) Rs.15,000/- in case of Group 'C' & 'D' employees.

In both the case previous sanction of the Management shall be necessary if such transaction is with a person having official dealings with the concerned employee.

Explanation No.1: The term "every transaction concerning movable property

owned or held” by him includes all transactions of sale or purchase. For the purpose of movable property would include:

- a) Jewellery (Gold, Silver, Diamond) insurance policies, the annual premium of which exceeds Rs.20,000/- in case of employees in Group-A & B and Rs.15,000/- in case of employees in Group C & D or one-sixth of the total annual emoluments received from the Corporation, whichever is less.
- b) Loans advanced by such employees whether secured or not;
- c) Motor cars, motor cycles, or any other means of conveyance; and
- d) Refrigerators, radio, music systems, laptops, computers, ACs, Microwaves, mobile phones and television/LCD sets etc.

Explanation No.2: Transaction entered into by the spouse or any other member of family of an employee of the Corporation out of his or her own funds (including stridhan, gifts, inheritance etc.) as distinct from the funds of the employee himself in his or her own name and in his or her own right, would not attract the provisions of the above sub-rule.

- (5) Every employee shall, on first appointment in the Corporation and thereafter before the 31st January of every year, submit to the Competent Authority, a Return of assets and liabilities in such a form as the Corporation may prescribe in this behalf, 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, bonds and cash including bank/post office/company’s deposits inherited by him or similarly owned, acquired or held by him;
 - c) Other movable property inherited by him or similarly owned, acquired or held by him if the value of each such property exceeds Rs.20,000/- in case of employees in Group A & B and Rs.15,000/- in case of employees in Group C & D.
 - d) Debts and other liabilities incurred by him directly or indirectly.

Note: *In all returns the value of movable property less than Rs.20,000/- in case of Group 'A' & 'B' employees and Rs.15,000/- in case of Group 'C' & 'D' employees may be added and shown as lump-sum. The value of article of daily use such as clothes, utensils, crockery, books etc. need not be indicated in such returns*

- (6) Every employee shall also submit a return as on 1st day of January every year of immovable property inherited / owned/ acquired, after his initial appointment.
- (7) The management may, at any time, by general or special order require an employee to submit, within a period specified in the order a full and complete statement of such movable or immovable property held or acquired by him or on his behalf or by any member of his family as may be specified in the order. Such statement shall, if so required by the Management or by the authority so

empowered, include details of the means by which, or the source from which such Property was acquired.

Note : *The monetary limits prescribed by the Corporation in this Regulation shall stand amended and notified by the Corporation from time to time particularly after every Wage Revision.*

27. **Restriction in relation to acquisition and disposal of Immovable property outside India and transaction with foreigners,**

Notwithstanding anything contained in Clause 26, no employee shall, except with the previous sanction of the prescribed 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 of, by sale, mortgage, gift or otherwise or 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, or 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.”

28. **Private Trade or Employment :**

(1). No employee 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, artistic or scientific character, subject to the conditions that his official duties do not thereby suffer but he shall not undertake or shall discontinue such work if so directed by the competent authority.

(2) Every employee 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 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 Companies Act 1956 (1 of 1956) or other law for the time being in force or any Co- operative Society for Commercial purposes.

Provided that an employee 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 Corporation, registered under the Co-operative Societies Act 1912 (2 of 1912) or any other law for the time being in force or of a literary, scientific or charitable society registered under the Societies Registration Act 1860 (21 of 1860) or any corresponding law in force.

- (4) No employee shall 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.

29. Evidence before Committee or any other Authority:

- (1) Save as provided in sub-rule (3) below, no employee shall, except with the previous sanction of the competent authority, give evidence in connection with any Inquiry conducted by any person, Committee or authority.
- (2) Where any sanction has been accorded under sub-rule (1) no employee giving such evidence shall criticize the policy or any action of the Corporation or the Government of India.
- (3) Nothing in this Rule shall apply to:-
 - (a) Evidence given at any Inquiry before an authority appointed by the Government, by Parliament or by a State Legislature or the SFCI; or
 - (b) Evidence given in any judicial inquiry; or
 - (c) Evidence given at any departmental inquiry ordered by the Corporation or by any authority subordinate to it or by the Government.

30. Restriction on Political Activities :

- (1) No employee shall be a member of, or otherwise be associated with, any political party or any organization which takes part in politics, nor shall he take part to subscribe in aid of, or assist in any other manner, any political movement or activity.
- (2) It shall be the duty of every employee to prevent any dependent member of his family from taking part in, subscribing in aid of, assisting in any other manner, any movement or activity which is, or tends directly or indirectly to be subversive of the Corporation or of the Government as by law established, and where an employee is unable to prevent a member of his family from taking part in or subscribing in aid of or assisting in any other manner any movement or activity, he shall make a report to that effect to the Competent Authority.

- (3) No employee shall canvass or otherwise interfere with, or use his influence in connection with or take part in an election to any legislature or local authority, provided that:
- (a) An employee qualified to vote at such an election may exercise his right to vote, but where he does he shall give no indication of the manner in which he proposes to vote or has voted.
 - (b) An employee shall not be deemed to have contravened the provisions of the regulation by reason only that he assists in the conduct of an election in due performance of a duty imposed on him by or under any law for the time being in force.
Explanation : The display by an employee on his person, vehicle or residence, of any electoral symbol shall amount to using his influence in connection with an election within the meaning of this sub-rule.
- (4) A full time Director or any Executive/Employee involved in the decision making process for fixation of price of an IPO/FPO of shares of NSC 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 instructions) in an IPO/FPO of NSC, even out of the category of preferential quota reserved for Employees/Directors of the Corporation.

31. **Exceptions** :

Rules 19, 24, 26 (1) (3) & (4) and 28 (3) shall not apply to any employee who is in the pay scales below Rs. 7600-19600 (IDA pattern) and holds a group 'D' posts in the Corporation.

PART-III - SUSPENSION

32. Suspension :

(1) The appointing authority or any authority to which it is subordinate or the Disciplinary Authority or any other authority empowered in that behalf by the Management by general or special order may place an employee under suspension;

- a) Where a disciplinary proceedings 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 the continuance in office of the Corporation employee will prejudice investigation, trial or any inquiry e.g., apprehended tampering with witnesses or documents.
- d) Where the continuance in office of the Corporation employee is likely to seriously subvert discipline in the Office in which he is working.
- e) Where the continuance in the Office of the Corporation employee will be against the wider public interest e.g., if there is public scandal and it is considered necessary to demonstrate the policy of the Corporation to deal strictly with Officers involved in such scandals, particularly corruption.
- f) Where a preliminary enquiry into allegations made has revealed a prima-facie case justifying criminal or departmental proceedings which are likely to lead to his conviction and/or dismissal, removal or compulsory retirement from service.
- g) Where he is suspected to have engaged himself in activities prejudicial to the interest of the security of the State or to the security of the Corporation

(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) If in the event of the conviction for an offence, an employee is sentenced to a term of imprisonment exceeding 48 hours.

(4) 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 direction, 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 order.

(5) 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 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.

Provided that no such further inquiry shall be ordered unless it is intended to meet a situation where the Court has passed an order purely on technical grounds without going into the merits of the case.

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

(7) The suspended employee shall be required to record his attendance at the appointed time and place daily once or twice a day, as may be decided / notified by the Disciplinary Authority, and shall not leave the station unless other-wise instructed or specifically permitted.

33. **Subsistence Allowance :**

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

- (2) Where the period of suspension exceeds six months, the authority which made or is deemed to have made the order of suspension shall be competent to vary the amount of subsistence allowance for any period subsequent to the period of the first six months as follows:-
- i) The amount of subsistence allowance may be increased to 75% of basic pay, if in the opinion of the said authority, the period of suspension has been prolonged unduly 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% of basic pay, if in the opinion of the said authority, the period of suspension has been prolonged due to reasons, to be recorded in writing directly attributable to the employee under suspension.

Note: *In both (i) & (ii) above, the employee under suspension shall be entitled to (a) dearness allowance as admissible on such increased or reduced subsistence allowance, as the case may be; and (b) any other compensatory allowance he was in receipt of on the date of suspension subject to the condition provided under sub-rule (1) above.(Perks, PRP/PLI/Bonus etc. will not be admissible).*

- (3) If an employee is arrested by the police on a criminal charge and bail is not

granted, no subsistence allowance shall be payable. On grant of bail, if the competent authority decides to continue the suspension, the employee shall be entitled to subsistence allowance as provided in sub-rule (1) and (2) above, from the date he is granted bail.

34. **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 these Rules the full pay and allowances to which he would have been entitled to if he had not been dismissed/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 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) Where the disciplinary proceedings against an employee for the imposition of a major penalty finally end with the imposition of a minor penalty, he shall be paid full pay and allowances for the period of suspension by passing a suitable order by the authority who issues the final order in proceedings / appeal / review, as the case may be.
- (4) No order passed under this Regulation shall have the effect of compelling any employee to refund any part of the Subsistence Allowance paid to him.

PART-IV - DISCIPLINE

35. **Penalties :**

The following penalties may, for good and sufficient reasons, and as hereinafter provided, may be imposed on an employee who commits a breach of any of these Rules or the other Rules provided in NSC Staff Regulations or who knowingly does anything detrimental to the interest of the Corporation, or in violation of the general and/or specific instructions or who acts in a manner subversive of discipline, or is guilty of any other act of misconduct or misdemeanor.

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 by his 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) above, reduction to a lower stage in the 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 Government.
- 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 Government.

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 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 the prescribed test or examination;
- ii. 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;
- iii. 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;
- iv. 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 or probation;
- v. 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 agreement; and
 - (d) of any employee on reduction of establishment.
 - (e) of an employee declared on medical ground to be unfit for further service in any capacity by being given three months notice or pay in lieu thereof, in the case of a regular employee and one month's notice or pay in lieu thereof in the case of a temporary employee.
 - (f) Replacement of the services of an employee whose services had been borrowed, at the disposal of his parent office/Govt.`
 - (g) Premature retirement or voluntary retirement under any scheme approved by the Competent Authority.
 - (h) Compulsory retirement of an employee in accordance with the provision relating to superannuation or retirement.
 - (i) Termination of service on account of unauthorized absence /voluntary abandonment.

36. Authority to institute proceedings :

- (1) The Board of Directors or any other authority empowered by it by a general or special order may:
 - (a) Institute disciplinary proceedings against any employee.
 - (b) Order continuation of disciplinary proceedings after the retirement of the employee if the same was initiated before the retirement.
 - (c) May initiate disciplinary proceeding against any employee within a period of two years after the normal retirement, or cessation of service due to other reasons, of such employees.
 - (d) Direct a disciplinary authority to institute disciplinary proceedings against any employee on whom that disciplinary authority is competent to impose under these regulations any of the penalties specified in Regulation 35.

- (2) A Disciplinary Authority competent under these Rules to impose any of the penalties specified in clauses (a) to (e) of Rule 35, may institute disciplinary Proceedings against any employee of the Corporation for the imposition of any of the penalties specified in clauses (f) to (j) of Rule 35 notwithstanding that such Disciplinary Authority is not competent under these Rules to impose any of the latter penalties.

37. Authority competent to impose penalties :

The Disciplinary Authority as specified in the Schedule (Appendix-I) or any authority higher than it, may impose any of the penalties specified in Rule 35 on any employee of the Corporation.

38. Procedure for imposing Minor penalties :

- (1) When it is proposed to impose any of the minor penalties on an employee, he shall be informed in writing of the allegations or charges on account of which it is proposed to impose the penalty on him and asked to submit his explanation within a specified period not exceeding 15 days. The explanation and evidence, if any, furnished by the employee shall be taken into consideration by the Disciplinary Authority before passing orders.

- (2) The record of proceedings in such cases shall include -
 - (a) a copy of the statement of allegations and / or charges communicated to the employee;
 - (b) the explanation and evidence, if any, furnished by the employee; and
 - (c) the findings of, and the order passed by the Disciplinary Authority.

39. Procedure for imposing Major penalties:

- (1) No order imposing any of the major penalties specified in clauses (f) to (j) of Rule 35 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 an Inquiring Authority to inquire into the truth thereof. Any Officer of the Corporation who is sufficiently senior to the charged employee, or any Officer of appropriate status working or retired from the service of a Govt. authority or public sector, autonomous bodies, below the age of 70 years can be appointed as Inquiring Authority.

- (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 allegations, on which they are based, a list of documents by which and a list of witnesses 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 10 days) a written statement whether he admits or denies any or all the articles of Charge.
- (4) On receipt of the written statement of defence from the Charged Employee or if no such statement is received within the time specified, an Inquiry may be held by the Disciplinary Authority itself, or if it considers it necessary to do so, appoint, under sub rule (2) above, an Inquiring Authority for the purpose. The Disciplinary Authority may also, by an order, appoint another officer of the Corporation or a legal practitioner or a retired public servant (retired from the service of Government of India, Autonomous bodies or any Central PSU) to be known as “Presenting Officer” to present on its behalf the case in support of the articles of charge.

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, as it may think fit.

- (5) The Disciplinary Authority shall, where it is not the Inquiring Authority, forward to the Inquiring Authority:
 - (i) A copy of the articles of charge and the statement of the imputations of misconduct or misbehavior.
 - (ii) A copy of the written statement of defence, if any, submitted by the employee of the Corporation.
 - (iii) A copy of the statements of witness, if any referred to in sub-rule (3).
 - (iv) Evidence proving the delivery of document referred to in sub-rule (3) to the charged employee; and
 - (v) A copy of the order appointing the “Presenting Officer”.
- (6) The employee charged shall appear in person before the Inquiring Authority on such day and at such time as the Inquiring Authority may, by notice in writing, specify, in this behalf, or within such further time, not exceeding ten days, as the Inquiring Authority may allow.
- (7) The Charged Employee may, with the approval of Inquiring Authority, take the assistance of any other co-employee posted in any office of the Corporation (who is willing and can be permitted by his Head of Department) to present the case on his behalf, 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. The travelling expenditure on such co-employee shall be borne by NSC at the rates applicable to such co-employee.

Note : *The Charged Employee shall not be allowed to take the assistance of any such person as Defence Assistant, who has already seven pending disciplinary cases in hand in which he has to give assistance to other charged employees.*

- (8) The Charged Employee may also take the assistance of a retired public servant, (i.e. those retired from Government of India, Public Sector or Central Autonomous Bodies) provided that he should not have in any manner been associated with the case at investigation stage or otherwise in his official capacity. The restriction of engaging a legal practitioner, as provided under these rules would also apply. Expenditure on travelling etc of a Defence Assistant other than those who are NSC employees in service, will be borne by the Charged Officer himself.
- (9) On the date fixed by the Inquiring Authority, the charged 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 defence 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.
- (10) The Inquiring Authority shall, if the Charged Employee fails to appear within the specified time or refuses or omits to plead, require the Presenting Officer to produce the evidence by which he proposes to prove the articles of charge, and shall adjourn the case to a later date not exceeding thirty days, after recording an order that the Charged Employee, may, for the purpose of preparing his defence:
- (i) Inspect (in presence of Presenting Officer) within five days of the order or within such further time not exceeding five days as the Inquiring Authority may allow, the documents specified in the list referred to in sub-rule (3) above;
 - (ii) Submit a list of witnesses to be examined on his behalf;
Note : *If the Charged Employee applies orally or in writing for the supply of copies of the statements of witnesses mentioned in the list referred to in sub-rule (3), the Inquiring Authority shall furnish him with such copies as early as possible and in any case not later than three days before the commencement of the examination of the witnesses on behalf of the Disciplinary Authority.*
 - (iii) Give a notice within ten days of the order or within such further time not exceeding ten days as the Inquiring Authority may allow, for the discovery or production of any documents which are in the possession of Management but not mentioned in the list referred to in sub-rule (3). (Note: The charged employee shall indicate the relevance of the documents required by him to be discovered or produced).
- (11) The Inquiring Authority shall, on receipt of the notice for the discovery or production of documents forward the same or a copy thereof to the Authority in whose custody or possession the documents are kept for the production of

the documents on such date as may be specified.

Provided that the Inquiring Authority may, for reasons to be recorded in writing, refuse to requisition such of the documents as are, in its opinion, not relevant to the case.

- (12) The Authority in whose custody or possession the requisitioned documents are, shall arrange to produce the same before the Inquiring Authority on the date, place and time specified in the requisition notice;

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

- (13) On the date fixed for the Regular Inquiry, the oral and documentary evidence by which the articles of charge are proposed to be proved shall be produced by or on behalf of the disciplinary authority. The witnesses shall be examined by or on behalf of the Presenting Officer and may be cross-examined by or on behalf of the charged 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 may think fit.

- (14) Before the close of the case on behalf of the Disciplinary Authority, 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 evidences or recall and re-examine any witness. In such case the charged employee shall be entitled to have, if he demands it, a copy of the list of further evidence proposed to be produced and an adjournment of the Inquiry for three clear days before the production of such new evidence. The Inquiring Authority shall give the charged employee an opportunity of inspecting such documents before they are taken on the record. The Inquiring Authority may also allow the charged employee to produce new evidence, if it is of the opinion that the production of such evidence is necessary in the interest of justice.

Note: *New evidence shall not be permitted or called for or any witness shall not be recalled to fill up any gap in the evidence. Such evidence may be called for only when there is an inherent lacuna or defect in the evidence which has been produced originally.*

- (15) When the case for the Disciplinary Authority is closed, the charged employee shall 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.

- (16) The evidence on behalf of the charged employee shall then be produced. The charged employee may examine himself in his own behalf if he so

prefers. The witnesses produced by the charged 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.

- (17) The Inquiring Authority **may**, after the charged employee closes his case, and **shall**, if the charged employee has not examined himself, generally question him on the circumstances appearing against him in the evidence for the purpose of enabling the charged employee to explain any circumstances appearing in the evidence against him.
- (18) The Inquiring Authority may, after completion of the production of evidence, hear the Presenting Officer, if any, appointed and, the charged employee, or permit them to file written briefs of their respective cases, if they so desire. The Presenting Officer will first submit the written brief and send a copy thereof to the charged employee who shall thereafter submit his written brief within 10 days of receipt of Presenting Officer's written brief.
- (19) If the charged employee to whom a copy of the articles of the charge has been delivered does not submit the written statement of defence on or before the date specified for the purpose or does not appear in person or through the assisting officer before the Inquiring Authority, or otherwise fails or refuses to comply with any of the provisions of these Rules, the Inquiring Authority may hold the enquiry ex- parte.
- (20) (i) Where a Disciplinary Authority competent to impose any of the penalties specified in clauses (a) to (e) of Rule 35 but not competent to impose any of the penalties specified in clauses (f) to (j) of Rule 35, has itself inquired into or caused to be inquired into the articles of any charge and that authority, having regard to its own findings or having regard to its decision on any of the findings of any Inquiring Authority appointed by it, is of the opinion that the penalties specified in clauses (f) to (j) of Rule 35 should be imposed on the charged employee, that Authority shall forward the records of the Inquiry to such Disciplinary Authority as is competent to impose the last mentioned penalties.
- (ii) The Disciplinary Authority to which the records are so forwarded, may act on the evidence on record or may, if it is of the opinion that further examination of any of the witnesses is necessary in the interests of justice, recall the witnesses and examine, cross examine and re-examine the witnesses and may impose on the charged employee such penalty as it may deem fit in accordance with these regulations.
- (21) Whenever any Inquiring Authority, after having heard and recorded the whole or any part of the evidence in an inquiry ceases to exercise jurisdiction therein, and is succeeded by another Inquiring Authority which has, and which exercises, such jurisdiction, the Inquiring Authority so succeeding, may act on the evidence so recorded by its predecessor, or partly recorded by its predecessor, and partly recorded by itself:

Provided that if the succeeding Inquiring Authority is of the opinion that further

examination of any of the witnesses whose evidence has already been recorded is necessary in the interest of justice, it may recall, examine, cross-examine and re-examine, any such witnesses as herein before provided.

- (22) (i) After the conclusion of the inquiry within the prescribed period, Report shall be prepared and it shall contain;
- (a) Gist of the articles of charges and the statement of the imputations of misconduct or misbehaviour.
 - (b) A gist of the defence of the charged employee in respect of each article of charge.
 - (c) An assessment of the evidence in respect of each article of charges.
 - (d) The findings on each article of charge and the reasons therefor.

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

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

- (ii) The Inquiring Authority where it is not itself the Disciplinary Authority, shall forward to the Disciplinary Authority the records of Inquiry which shall include -
- (a) The report prepared by it under clause (i);
 - (b) The written statement of defence, if any, submitted by the charged employee;
 - (c) The oral and documentary evidence produced in the course of the Inquiry;
 - (d) Written briefs, if any, filed by the Presenting Officer or the charged employee or both during the course of the inquiry; and
 - (e) The orders, if any, made by the Disciplinary Authority and the Inquiring Authority in regard to the Inquiry.

40. **Power to drop charges at the stage of initial written statement of defence :**

- (a) The Disciplinary Authority has the inherent power to review and modify the articles of charge or drop some of the charges or all the charges after the receipt and examination of the written statement of defence submitted by the charged employee.
- (b) The Disciplinary Authority is not bound to appoint an Inquiring Authority for conducting an Inquiry into the charges which are not admitted by the charged official but about which the Disciplinary Authority is satisfied on the basis of the written statement of defence that there is no further cause to proceed with.
- (c) The exercise of power to drop the charges after the consideration of the written statement of defence filed by the charged employee will be subject to the following:

- (i) In the cases arising out of investigations by the CBI, the CBI should be consulted before a decision is taken to drop any of, or all, the charges on the basis of the written statement of defence submitted by the charged employee. The reasons recorded by the Disciplinary Authority for dropping the charges should also be intimated to the CBI.
- (ii) The Central Vigilance Commission should be consulted where the disciplinary proceedings were initiated on the advice of the CVC and the intention is to drop or modify any of or all the charges on the basis of the written statement of defence submitted by the charged employee.

41. **Inquiry Mandatory if charge is not accepted :**

- (i) Proceedings initiated under Rule 35 for Major penalties against an employee cannot be closed by imposing one of the Minor penalties after due consideration of the defence statement submitted by the charged employee. It is obligatory to hold a formal inquiry before coming to a decision about the quantum of penalty.

- (ii) **At least censure to be awarded if official to be penalized :**

Where a disciplinary proceedings has been completed and it is considered that the concerned employee deserves to be penalized, he should be awarded one of the prescribed penalties as given in Rule 35 of these Rules. In such a situation, a recordable warning should not be issued.

- (iii) **Entry of punishments in confidential roles /APARs.:**

If as a result of disciplinary proceedings any of the prescribed punishments (e.g. censure, reduction to a lower post etc.) is imposed on an employee, a record of the same should invariably be kept in his CR/APAR.

42. **Procedure for holding ex-parte Inquiry:**

- (i) Whenever a charged employee continues to remain absent from duty or overstays leaves without permission and his movements are not known, or he fails to reply to official communications, the Disciplinary Authority may initiate action under Rule 39. In all such cases, the Competent Authority should, by a registered AD/Speed Post AD letter addressed to official of his last known address issue a charge sheet and call upon the official to submit a written statement of defence within a reasonable period to be specified by that authority. If the letter is received undelivered or if the letter having been delivered, the official does not submit a written statement of defence on or before the specified date or at a subsequent stage does not appear in person before the Inquiring Authority or otherwise fails or refuses to comply with the provisions of these Rules, the Inquiring Authority may hold an ex-parte inquiry. The notices of all hearings should be served on the charged employee or communicated to him unless the first notice itself says that inquiry will continue on day to day basis. In the ex-parte proceedings, the entire gamut of the inquiry has to be gone through. The notices to witnesses should be sent, the documentary evidence should be produced and marked, the Presenting Officer should examine the prosecution witnesses and the Inquiring Authority may put such questions to the witnesses as it thinks to be fit. The Inquiring Authority

should record the reason why he is proceeding ex-parte and what steps he had taken to ask the charged employee to take part in the Inquiry and avail of all the opportunities available under these rules. In such a case the details of what has transpired in his absence, including depositions should be furnished to the Charged Employee. During the course of inquiry the charged employee is free to put in appearance and participate in the Inquiry. If the charged employee appears in the inquiry when some business has already been transacted, it is not necessary to transact the same business again unless the charged employee is able to give justification to the satisfaction of the Inquiring Authority for not participating in the inquiry earlier. The Inquiring Authority shall record its findings on each charge and send it to the Disciplinary Authority. The Competent Authority may, thereafter, proceed to pass the final orders dismissing or removing the charged employee from service after following the prescribed procedure.

(ii) The procedure outlined above can be observed in the case of a charged employee whether permanent or temporary remaining absent without authority, etc. Such an employee should not be placed under suspension but when an official who is under suspension disappears and cannot be contacted at his last known address, the suspension order should be lifted and the proceedings in the manner stated above initiated for his removal in absentia.

43. Action on the Inquiry Report :

- (1) The Disciplinary Authority, if it is not itself the Inquiring Authority and if it disagrees with the Inquiring Authority on its findings or procedure adopted etc. 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 39 as far as may be.
- (2) The disciplinary authority shall, if it disagrees with the findings of the Inquiring Authority on any article of charges, record its reasons for such disagreement and record its own findings on such charges, if the evidence on record is sufficient for the purpose.
- (3) 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 finding of the Inquiring Authority on any article of charge to the charged employee and also a copy of the advice, if any, given by the CVC, and where the Disciplinary Authority has not accepted the advice of the CVC, a brief statement of the reasons for such non-acceptance. The charged employee shall be required to submit, if he so desires, his written representation or submission to the Disciplinary Authority within a period of 15 days, irrespective of whether the report is favourable or not to the charged employee.
- (4) The Disciplinary Authority shall consider the representation if any, submitted by the charged employee and record its findings before proceeding further in the matter as specified above.
- (5) If the disciplinary authority having regard to its findings on all or any of the articles of charge, and on the basis of the evidence adduced during the Inquiry is

of the opinion that any of the penalties specified in clauses (f) to (j) of Rule 35 should be imposed on the charged employee, it shall, notwithstanding anything contained in Rule 46 make an order imposing such penalty and it shall not be necessary to give the charged employee any opportunity of making representations on the penalties proposed to be imposed. **Provided** that in every case where it is necessary to consult the CVC, the record of the Inquiry shall be forwarded by the Disciplinary Authority to the CVC for its advice and such advice shall be taken into consideration before making an order imposing any such penalty on the Charged Employee.

44. **Communication of orders of the Disciplinary Authority :**

(i) On completion of Inquiry proceedings and before imposing penalty, the charged employee will be supplied a copy of Inquiry report in order to give him reasonable opportunity of making a representation within a period of 15 days from the receipt of the copy of inquiry report. Order by the Competent Disciplinary Authority under Rule 38 or Rule 39 of these Rules with regard to its findings on each charge shall be communicated to the concerned employee after considering the representation (if any) made by the employee.

(ii) It is necessary that orders in such proceedings are issued only by the Competent Authorities who have been specified as Disciplinary/Appellate/Reviewing Authorities under the relevant rules and the orders issued by such authorities under their own signatures, should have attribute of a judicial order conforming to legal requirements and such orders should be self-contained, speaking and reasoned orders. However, where the Board of Directors is the Competent Authority in a particular case/appeal /review, the order of the Board should be authenticated and conveyed by an officer of an appropriate status e.g. General Manager (HR) or Company Secretary or any other officer who may be so authorized by CMD. Recording of reasons in support of a decision by the authorities under these regulations which are quasi-judicial authorities is obligatory as it ensures that the decision is reached according to law and is not a result of caprice, whim or fancy or reached on ground of policy or expediency. The necessity to record reasons is greater if the order is subject to appeal. If it is considered necessary that previous bad record punishment etc. in determining penalty to be imposed, it should have been made a specific charge in the charge sheet itself, otherwise any mention of the past bad record in the order of penalty unwittingly or in a routine manner would vitiate the proceedings.

(iii) Once disciplinary proceedings are initiated against an official the proceedings cannot be closed without sending an intimation to that effect to the charged employee. Disciplinary proceedings against an employee who has been dismissed or removed from service in another disciplinary case will stand suspended. Such proceedings can be revived if and when the official is reinstated in service on appeal etc.

(iv) Once the proceedings initiated under Rule 38 or Rule 39 of these Rules, are dropped the Disciplinary authorities would be debarred from initiating fresh proceedings against the charged employee unless the reasons for cancellation of the original charge sheet or for dropping the proceedings are appropriately mentioned

and it is duly stated in the order that the proceedings were being dropped without prejudice to further action which may be considered in the circumstances of the case. Therefore, the orders cancelling the original one and dropping the proceedings should be carefully worded so as to mention the reasons for such an action and indicating the intention of issuing a subsequent charge sheet.

45. **Common Proceedings :**

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

Note : *If the authorities competent to impose the penalty of dismissal on such employees are different, an order for taking disciplinary action in a common proceedings may be made by the highest of such authorities with the consent of the others.*

46. **Special procedure in certain cases :**

Notwithstanding anything contained in Rules 38 to 40 & 45 the Disciplinary Authority may impose any of the penalties specified in Rule 35 on an employee in any of the

following circumstances:

- (i) Where any penalty is imposed on an employee on the ground of conduct which has led to his conviction on a criminal charge or conclusion arrived at by a judicial trial; or
- (ii) Where the disciplinary authority is satisfied for reasons to be recorded by it in writing that it is not reasonably practicable to hold an enquiry in the manner provided in these Rules; or
- (iii) Where the Board is satisfied that in the interest of the security of the State and or the Corporation, it is not expedient to hold enquiry in the manner provided in these Rules.

Provided that the concerned employee may be given an opportunity of making representation on the penalty proposed to be imposed before any order is made under clause (i) above.

Provided further that the CVC shall be consulted where such consultation is necessary, in terms of CVC guidelines before any orders are made in any case under this rule.

47. **Pay and Allowances of an employee dismissed/removed from service**

- (i) The pay and allowances of an employee who is dismissed or removed from service shall cease from the date of his dismissal or removal from service.
- (ii) During the pendency of disciplinary proceedings, the competent 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 or 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(3-A) of the Payment of Gratuity Act, 1972 should be kept in view in the event of the delayed payment.

48. **Disciplinary Provision for retiring/retired employees :**

- (1) In case an employee is due to retire on superannuation /voluntary Retirement under approved scheme/rule, premature retirement due to medical unfitness or inefficiency etc., or leaves service due to resignation, disciplinary proceedings, if already initiated /pending against him, the same shall continue after his retirement on such superannuation, voluntary/premature retirement and on acceptance of resignation.
- (2) The employee against whom disciplinary proceedings have already been initiated will cease to be in service of the Corporation on the date of superannuation, but the disciplinary proceedings will continue as if he was in service, until the proceedings are concluded and a final order is passed in respect thereof. The concerned employee will not receive any pay and/or allowance after the date of his/her superannuation. He will also not be entitled for the payments of retirement benefits till the proceedings are completed and a final Order is passed thereon, except amount in the CPF account of the employee concerned.

PART V - PROCEDURE FOR DEPUTATIONISTS

49. Proceedings against employees who are on deputation to NSC from the Central Govt./State Govt./Autonomous Bodies/Universities etc.

The competent Disciplinary/Appellate Authority in case of an officer working on deputation in NSC will be the same as applicable to the officers of NSC in the rank/pay scale equal to such deputationists. The following procedure shall be applicable in case it is proposed to initiate disciplinary action against an officer working on deputation in NSC:

- (1) Where an order of suspension is made or disciplinary proceedings is commenced against an employee, who is on deputation to the Corporation from the Central or a State Govt. or another public undertaking, or a local authority, Autonomous Body, University etc., 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 proceeding, as the case may be.
- (2) In the light of the findings in the disciplinary proceeding taken against the employee:
 - a) if the disciplinary authority is of the opinion that any of the minor penalties should be imposed on him it may pass such orders in the case as it deems necessary after consultation with Lending Authority;
Provided that in the event of difference of opinion between the borrowing authority and the lending authority, the services of the employee shall be placed at the disposal of the lending Authority.
 - b) If the Disciplinary Authority (borrowing authority) is of the opinion that any of the major penalties should be imposed on him, it should place his services at the disposal of the Lending Authority, and transmit to it the proceedings of the inquiry for such action as it may deem necessary.
- (3) If the employee submits an appeal against an order imposing 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 (in NSC) and the Lending Authority, the services of the employee shall be placed at the disposal of Lending Authority and the proceedings of the case shall be transmitted to that authority for such action as it may deem necessary.

50. Proceedings against NSC employees who are on deputation to other Organizations:

- (1) Where the services of an employee are lent to another organization (hereinafter referred to as the "borrowing authority") the borrowing authority shall have the power of the appointing authority for the purpose of placing such an employee under suspension and of the Disciplinary Authority for the purpose of conducting

a disciplinary proceedings against him.

Provided that the borrowing authority shall forth with inform the authority which lent the service of the employee (hereinafter in this Rule referred to as the “lending authority) of the circumstances leading to the order of suspension of such employees or the commencement of the disciplinary proceeding, as the case may be.

(2) In the light of the findings in the disciplinary proceeding conducted against the employee -

(i) If the borrowing authority is of the opinion that any of the penalties specified in clauses (a) to (e) of Rule 35 should be imposed on the employee, it may, after consultation with the lending authority, make such order on the case as it deems necessary.

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

(ii) If the borrowing authority is of the opinion that any of the penalties specified in clauses (f) to (j) of Rule 35 should be imposed on the employee, it shall replace his services at the disposal of the lending authority and transmit to it the proceeding of the inquiry and thereupon the lending authority may, if it is the disciplinary authority, pass such orders thereon as it may deem necessary or if it is not disciplinary authority, submit the case to the disciplinary authority which shall pass such orders on the case as it may deem necessary.

Provided that before passing any such order the disciplinary authority shall comply with the provisions of sub-Regulation (3) and (4) of Rule 39.

Explanation: The Disciplinary Authority will make an order under this clause on the record of the inquiry transmitted to it by the borrowing authority, or after holding such further inquiry as it may deem necessary, as far as may be in accordance with Rule 39.

PART-VI - APPEALS & REVIEW

51. Appeals :

- (1) Notwithstanding anything contained in these Rules, no appeal shall lie against:-
 - (i) Any order made by the Board of Directors of the Corporation
 - (ii) Any order of an interlocutory nature or of the nature of a step-in-aid of the final disposal of the disciplinary proceedings other than an order of suspension.
 - (iii) Any order passed by the Inquiring Authority during the course of an Inquiry.
- (2) An employee may appeal against the order of suspension or an order imposing upon him any of the penalties specified in Rule 35. The appeal shall lie to the authorities specified in the annexed schedule.
- (3) In all other matters, an employee may send a representation or a petition to the Directors/General Manager (HR) in case of Corporate Office and the Regional Manager at Regional Office level where the employee is working for appropriate action.
- (4) The expression “**employee**” includes a person who has ceased to be in the employment of the Corporation.
- (5) An appeal against an order in a common proceedings held under these rules shall lie to the authority to which the authority functioning as the Disciplinary Authority for the purpose of that proceeding is immediately subordinate, **provided** that where the person who has made the order appealed against becomes, by virtue of his subsequent appointment or otherwise, the appellate authority in respect of such order, an appeal against such order shall lie to the authority to which such person is immediately subordinate.

52. Procedure for submission of appeals :

- (i) No appeal preferred under this part shall be entertained unless such appeal is preferred within a period of **forty five** days from the date on which a copy of the order appealed against is delivered or dispatched to the Appellant by Registered Post. **Provided** that the Appellate Authority may entertain the appeal after the expiry of the said period, if it is satisfied that the Appellant had sufficient cause for not preferring the appeal in time.
- (ii) Submission of an appeal to an authority other than the authority to which the appeal lies, or forwarding of advance copies to any authority (except to the authority which made the orders appealed against), shall be deemed to be a misconduct.
Provided that where an appellant does not get any reply interim or final within 30 days of the submission of the appeal, he may send a copy of the appeal direct to the next higher authority explaining the circumstances necessitating his so doing and sending a copy thereof to the authority to whom his appeal was originally submitted.
- (iii) No appeal or representation in respect of matters other than those specified in Rule 51 (2) & (5) above, shall be entertained.
- (iv) The appeal shall contain all material statements and arguments on which the

Appellant relies and shall not contain any disrespectful or improper language and
Shall be complete in itself.

53. Transmission of Appeals :

- (1) The appeal shall be addressed to the Appellate Authority specified in the annexed schedule and submitted to the authority whose order is appealed against.
- (2) The authority whose order is appealed against, shall, on receipt of a copy of the appeal, forward the same with its comments thereon together with the relevant documents to the Appellate Authority without any avoidable delay, (in any case within a period of 15 days of receipt of appeal) and without waiting for any direction from the Appellate Authority simultaneously informing the appellant that his appeal has been forwarded to the Appellate Authority.
- (3) The authority who passed the order, which is appealed against, may withhold the appeal if it is a repetition of an appeal already decided by the Appellate Authority and no new facts and/or circumstances/considerations have been adduced.

54. Consideration of Appeal :

- (1) In the case of an appeal against an order of suspension, the Appellate Authority shall consider whether in the light of the provisions of Rule 32 and having regard to the circumstances of the case, the order of suspension is justified or not and confirm or revoke the Order accordingly.
- (2) In the case of an appeal of an order imposing any of the penalties specified in Rule 35 or enhancing any penalty imposed under the said rules, the Appellate Authority shall consider -
 - (a) Whether the procedure laid down in these rules has been complied with and if not, whether such non compliance has resulted in the violation of any principles of the natural justice or in the failure of justice;
 - (b) Whether the findings of the Disciplinary Authority are warranted by the evidence on the record; and
 - (c) Whether the penalty or enhanced penalty imposed is adequate, inadequate or severe;

And pass orders -

- (i) Confirming, enhancing, reducing or setting aside the penalty; or
- (ii) Remitting the case to the Authority which imposed or enhanced the penalty or to any other Authority with such direction as it may deem fit in the circumstances of these cases.

Provided that -

- (i) The CVC shall be consulted in all cases where such consultation is Necessary,
- (ii) If such enhanced penalty which the Appellate Authority proposes to Impose is one of the penalties specified in clauses (f) to (j) of Rule 35 and an Inquiry has not already been held in the case, the Appellate Authority shall, subject to the provisions of the Rule 46, itself hold

Such Inquiry or direct that such Inquiry be held in accordance with the provisions of these rules and thereafter, on a consideration of the proceedings of such Inquiry make such orders as it may deem fit.

- (iii) If the enhanced penalty which the Appellate Authority proposes to impose is one of the penalties specified in clauses (f) to (j) of Rule 35 and an Inquiry has been held in the case, the Appellate Authority shall make such orders as it may deem fit after the Appellant has been given a reasonable opportunity of making a representation against the proposed penalty; and
 - (iv) No order imposing an enhanced penalty shall be made in any case unless the Appellant has been given a reasonable opportunity, as far as may be in accordance with the provisions of Rule 38, of making such a representation against such enhanced penalty.
 - (v) Subject to the provisions of Rule 57, decision of Appellate Authority shall be final.
- (3) In an appeal against any other order specified in Rule 51 (2) & (5) above. Where the appeal is against an order imposing a major penalty and the Appellant makes a specific request for a personal hearing, the Appellate Authority may, after considering all relevant circumstances of the case, allow the Appellant at its discretion, the personal hearing. In all such cases where personal hearing is allowed, the concerned employee may be allowed to take the assistance of a Defence Assistant also, if a request is made to that effect.
- (4) When, on appeal, the Appellate Authority sets aside the punishment Orders and remits the case for de-novo trial the original proceedings containing the charge sheet are to be deemed as quashed, unless the stage from which the retrial should be conducted is specified in the Order. It would be open to the Disciplinary Authority to frame any other charge in addition to or in substitution of the original charge sheet subject to the condition that it is based on facts of the case as initially disclosed for taking departmental action against the concerned employee.

55. Implementation of Orders in Appeal :

The authority which made orders appealed against shall give effect to the order passed by the Appellate Authority.

56. Review :

Notwithstanding anything contained in these Rules, the Board of directors may call for the record of any 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 no order imposing or enhancing any penalty shall be made by the Board unless the concerned employee has been given a reasonable opportunity of making a representation against the penalty proposed or where it is proposed to impose any of the major penalties or to enhance the minor penalty imposed by the order sought to be reviewed to any of the major penalties and if any Inquiry as specified under these rules, has not already been held in the case, no such penalty shall be imposed except after inquiring in the manner laid down in Rule 39, subject to the provisions of Rule 46 and except after consultation with the CVC where such consultation is necessary.

PART VII - MISCELLANEOUS

57. 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/Speed Post AD at his last known address or at the present/permanent addresses of the concerned employee, which was entered in the official record and as modified from time to time. If such document is not accepted by the addressee or is returned by the postal department to the sender with remarks like “addressee left”, “refused” “not traceable” etc., further action may be taken as if the document has been served upon him and due notice has been given to the employee concerned. It shall be the sole responsibility of the employee to update his address for communication in the record of the Corporation from time to time.

58. 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 or anything required to be done under these Rules or condone any delay.

59. Supply of copy of CVC’s Advice :

Whenever the CVC is consulted a copy of the advice of the Commission and where such advice has not been accepted, also a brief statement of the reasons for such non-acceptance, shall be furnished to the concerned employee along with a copy of the Order passed in the case by the authority making the order.

60. Savings :

While these Rules supersede the existing Conduct, Discipline and Appeal Rules, it is hereby provided that:

- (1) Any misconduct, etc. committed prior to the issue of these Rules, which was a misconduct under the superseded Rules shall be deemed to be a misconduct under these Rules;
- (2) Any 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;
- (3) Any 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, as if such orders were made and the appeals were preferred under these rules.
- (4) As from the commencement of these rules, any appeal or application for review against any orders made before such commencement, shall be preferred or made under these rules, as if such orders were made under these rules: **Provided** that nothing in these rules shall be construed as reducing any period of

limitation for any appeal or review provided by any rule in force before the commencement of these rules.

61. **Removal of doubts:**

Where a doubt arises as to the interpretation of any of these Rules, the matter shall be referred to the Chairman cum Managing Director for final decision likewise, any instructions in the nature of clarifications to these Rules shall issue with the approval of Chairman-cum-Managing Director.

In these Rules the masculine pronoun “He” wherever occurring shall be deemed to include feminine pronoun “She” also.

62. **Amendments:**

The Board of Directors 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.

63. Wherever NSC Employees (CDA) Rules are silent, the provisions of CCS (CCA) Rules of Government of India shall be adopted and followed with the prior approval of CMD.

Annexure-1

**SCHEDULE OF POWERS OF
DISCIPLINARY/APPELLATE/REVIEWING AUTHORITIES
UNDER NSC CONDUCT, DISCIPLINE & APPEAL RULES**

Sl. No.	Description of the post	Nature of Penalty	Authority competent to impose penalties in Col. 3	Appellate Authority	Reviewing Authority
1.	Category 'A' posts carrying pay scale of Rs.16400-40500 and equivalent	Minor & Major Penalties	Concerned Functional Director	Chairman-cum-Managing Director	Board of Directors
2.	Category 'A' posts carrying pay scale of Rs.20600-46500 to Rs.29100-54100 and equivalent	Minor & Major Penalties	Chairman-cum-Managing Director	Board of Directors	Board of Directors
3.	Category 'A' posts carrying pay scale of Rs.32900-58000 and above & equivalent	Minor Penalties	Chairman –cum- Managing Director	Board of Directors	Board of Directors
		Major Penalties	Board of Directors	Board of Directors	Board of Directors
4.	Category 'B' posts carrying pay scale of Rs.10900-31500 to Rs.12600-32500 and equivalent	Minor and Major Penalties	Concerned Functional Director	Chairman-cum-Managing Director	Board of Directors
5.	Category 'C' posts carrying pay scale Rs.8200-22200 to Rs.9600-27000 and equivalent	Minor and Major Penalties	Concerned General Managers at Corporate Office level employee and Regional Managers at Regional Offices level employees.	Concerned Functional Director	Chairman-cum-Managing Director
6.	Category 'D' posts carrying pay scale Rs.7600-19600 to Rs.8000-21100 and equivalent	Minor and Major Penalties	General Manager (HR) at Corporate office level employee and Regional Managers at Regional Office level employees.	Concerned Functional Director.	Chairman-cum-Managing Director

- Note:
1. The above schedule may be read along with the delegation of powers applicable to the concerned Officers.
 2. The Disciplinary/Appellate Authorities shall exercise these powers only for the employees working under their administrative/functional control.