

**NATIONAL HANDICAPPED FINANCE AND DEVELOPMENT CORPORATION**  
**(Department of Disability Affairs, Ministry of Social Justice & Empowerment, GOI)**  
**Regd. Office : Red Cross Bhawan, Sector-12, Faridabad – 121 007**

**CONDUCT, DISCIPLINE AND APPEAL RULES 2000**

**1. SHORT TITLE AND COMMENCEMENT :**

- a) These rules may be called National Handicapped Finance and Development Corporation, Conduct, Discipline and Appeal Rules 2000.
- b) These rules come into force with immediate effect.

**2. APPLICATION :**

These rules shall apply to all employees except :

- a) Those in casual employment or paid from contingencies;
- b) Those governed by the Standing Orders framed under the Industrial employment (Standing Orders) Act 1946 as amended from time to time.

**3. DEFINITIONS**

In these Rules, unless the context otherwise requires :

- a) “Appointing Authority” means an officer empowered by competent authority to make appointments to posts in the Corporation.
- b) “Appellate Authority” means the authority specified in the Schedule to these rules.
- c) “Board” means the Board of Directors of the National Handicapped Finance and Development Corporation constituted by the President of India in term of the Articles of Association of the Corporation.
- d) “Corporation” means the National Handicapped Finance and Development Corporation, including its Zonal, Regional Offices and Establishments.
- e) “Chairman & Managing Director” means the Chairman and Managing Director appointed by the President of India in terms of the Articles of Association of the Corporation.
- f) “Competent Authority” means the Corporation or Board or Chairman and Managing Director or any other officer authorised by the Chairman and Managing Director to exercise powers under this rule.

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- g) "Disciplinary Authority" means the authority specified in the schedule to these rules, competent to impose any of the penalties specified in Rule 26.
- h) "Employee" means any person in the whole time employment of the Corporation including those employees on contract basis, but excluding persons employed on daily wages, casual labour and apprentices/trainees.
- i) "Family" in relation to an employee includes -
  - i) The wife or husband, as the case may be, of the employee, whether residing with him or not but does not include a wife or husband, as the case may be, separated from the employee by a decree or order of a competent Court;
  - ii) Sons or daughters or step sons or step daughters of the employee & wholly dependent on him, but does not include a child or step child who is no longer in anyway dependent on the employee or of whose custody the employee has been deprived by or under any law;
  - iii) Any other person related, whether by blood or marriage to employee or to such employee's wife or husband and wholly dependent on such employee.
- j) "Government" means the Government of India.
- k) "Head of Department/Zonal Office/Regional Office" means the officer who has been designated as such by the competent authority.
- l) "Public Servant" shall mean and include a person as mentioned in Section 21 of IPC as amended from time to time.
- m) "Reviewing Authority" means the authority specified in the schedule to these rules.

#### 4. GENERAL

- a) Every Employee of the Corporation shall at all times.
  - i) Maintain absolute integrity;
  - ii) Maintain devotion to duty; and
  - iii) Do nothing which is unbecoming of a public servant.
- b) Every employee of the Corporation holding a supervisory post shall take all possible steps to ensure the integrity and devotion to all employees for the time being under his control and authority.

#### 5. MISCONDUCT

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

- 1) Theft, fraud or dishonesty in connection with the business or property of the Corporation or of property of another person within the premises of the Corporation;
- 2) Taking or giving bribes or any illegal gratification;

- 3) Possession of pecuniary resources or property disproportionate to the known sources of income by the employee or on his behalf by another person which the employee cannot satisfactorily account for ;
- 4) Furnishing false information regarding name, age, father's name, qualifications, ability or previous service or any other matter concerning to the employment at the time of employment or during the course of the employment;
- 5) Acting in a manner prejudicial to the interest of the Corporation;
- 6) Wilful insubordination or disobedience (whether or not in combination with others) of any lawful and reasonable order of his superior;
- 7) Absence without leave or over-staying the sanctioned leave for more than four consecutive days without sufficient grounds or proper or satisfactory explanation ;
- 8) Habitual late or irregular attendance and habitual absence from seat with the view to avoid work;
- 9) Neglect of work or negligence in the performance of duty including managing or slowing down of work ;
- 10) Damage to any property of the Corporation ;
- 11) Interference or tampering with any safety devices installed in or around the premises of the Corporation;
- 12) Drunkenness or riotous or disorderly or indecent behavior in the premises of the Corporation or outside such premises where such behavior is related to or connected with the employment or at public places;
- 13) Gambling within the premises of the corporation;
- 14) Smoking within the prohibited premises of the corporation ;
- 15) Collection without the 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. or selling properties, machinery, stores etc. to the Corporation without express permission in writing from the competent authority;
- 20) Commission of any act subversive of discipline or of good behavior;
- 21) Holding meetings, demonstrations, slogans shouting etc., within the premises of the Corporation without permission of the competent authority ;
- 22) Un-authorized use or sub-letting of the Corporation's quarters;
- 23) Acceptance of gifts from subordinate employees;
- 24) Gheraos or picketing within the office premises ;
- 25) Sympathetic strike ;
- 26) Avoiding or refusing to receive official communication ;
- 27) Carrying lethal weapons inside office premises except under any law ;
- 28) Abetment of or attempt at abetment of any act which amounts to misconduct:
- 29) Practice of untouchability by the employees of the Corporation in any form ;
- 30) Any act or conduct prejudicial or likely to be prejudicial to the interest of the Corporation ;
- 31) Using abusive language or disturbing the peace at the place of employment; and
- 32) Conviction by criminal court .

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

**\*5 A :** **Prohibition of Sexual Harassment of Working Women**

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

Explanation - For the purpose of this rule, "sexual harassment" includes such unwelcome sexually determined behaviour, whether directly or otherwise, as:

- a) physical contact and advances;
  - b) demand or request for sexual favours;
  - c) sexually coloured remarks;
  - d) showing any pornography; or verbal or non-verbal conduct of a sexual nature.
- Clause 5 (A) New Rule inserted as approved in BOD meeting 49<sup>th</sup> held on 18-9-2007

3. Every employee of the Corporation shall at all times do nothing which is unbecoming of a public servant. Any act of sexual harassment of women employees is unbecoming of a public servant and amounts to a misconduct. Appropriate disciplinary action shall be initiated in such cases against the delinquent employee in accordance with Rules. Where such conduct amounts to a specific offence under the Indian Penal Code or under any other law, the concerned authorities shall initiate appropriate action in accordance with law by making a complaint with the appropriate authority.

**6. EMPLOYMENT OF NEAR RELATIVE OF THE EMPLOYEES OF THE CORPORATION IN ANY COMPANY OR FIRM ENJOYING PATRONAGE OF THE CORPORATION**

- a) No employee shall use his official position or influence directly or indirectly to secure employment for any person related, whether by blood or marriage to the employee's wife or husband whether such a person is dependent on the employee or not.
- b) No employee shall except with the previous sanction of the competent authority, permit his son, daughter or any member of the family to accept employment with any company or firm with which he has official dealings, or with any other company or firm, having official dealings with the Corporation.

Provided that where the acceptance of the employment can not 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.

- c) No employee shall in the discharge of his official duties deal with in any manner or give or sanction any contract to any company or firm or any other person if any member of his family is employed in that company or firm or under that person 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.

**7. TAKING PART IN DEMONSTRATION :**

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

**8. CONNECTION WITH PRESS OR RADIO :**

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

- b) No employee of the Corporation shall, except with the previous sanction of the competent authority, or in the bonafide discharge of his duties, participate in a radio broadcast or contribute any article or write any letter either in his own name or anonymously, pseudonymously, or in the name of any newspaper or periodical.

Provided that no such sanction shall be necessary in the case of articles written for any magazine, house orgn. etc., sponsored and published by or on behalf of the Corporation.

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

## 9. CRITICISM OF GOVERNMENT AND THE CORPORATION

No employee shall, in any radio broadcast 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 or any policy or action of central or state Government, or of the Corporation ; or
- b) Which is capable of embarrassing the relations between the Corporation and the public.

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

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

## 10. EVIDENCE BEFORE COMMITTEE OR ANY OTHER AUTHORITY

- a) Save as provided in sub-rule (c), no employee of the Corporation shall, except with the previous sanction of the competent authority, give evidence in connection with any enquiry conducted by any person, committee or authority.
- b) Where any sanction has been accorded under sub rule (a), no employee giving such evidence shall criticise the policy or any action of the central Govt. or of a State Govt. or of the Corporation.
- c) Nothing in this rule shall apply to -
- i) Evidence given at any enquiry before an authority appointed by the Government, Parliament, or a State Legislature or any Public Corporation.
- ii) Evidence given in any judicial enquiry ; or
- iii) Evidence given at any department enquiry ordered by authorities subordinate to the Government/Corporation.

**11. UN-AUTHORISED COMMUNICATION OF INFORMATION**

- a) No employee of the Corporation shall, except in accordance with any general or special order of the Corporation or the performance in good faith of the duties assigned to him communicate, directly or indirectly, any official documents or any part thereof or information to any officer or any other person to whom he is not authorised to communicate such document or information.
- b) No employee shall, except in the ordinary course of his duties, give or cause to be given to any person any advice on matters relating to the activities of the Corporation or its subsidiaries.

**12. SUBSCRIPTION**

No employee of the Corporation shall, except with the previous sanction of the competent authority or of prescribed authority asked for or accept contribution to, or otherwise associate himself with the raising of, any fund or other collections in cash or in kind in pursuance of any object whatsoever.

**\*13 GIFTS**

- a) Save as otherwise provided in this rules, no employee of the Corporation 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 dealing with the employee of the Corporation.

**Note:** A casual meal, lift or other social hospitality shall not be deemed to be a gift.

- b) On occasion such as wedding, anniversaries, funerals or religious functions. When the making of gifts is in conformity with the prevailing religious or social practices, an employee of the Corporation may accept this from his near relatives but he shall make report to the competent authority if the value of the gift exceeds Rs.5000/- (Rupees Five Thousand only).
- c) On such occasions as are specified in sub-rule (b), an employee of the Corporation may accept gifts from his personal friends having no official dealings, with him but he shall make a report to the competent authority if the value of any such gift exceeds Rs.2500/- (Rupees Two Thousand and Five Hundred only).
- d) In any other case, an employee of the Corporation shall not accept or permit any other member his family or any other person acting on his behalf to accept any gifts without the sanction of the competent authority if the value thereof exceeds Rs.2500/- (Rupees Two Thousand and Five Hundred only).

Provided that when more than one gift has been received from the same person/firm within a period of 12 months, the member shall be reported to the competent authority if the aggregate value of the gifts exceeds Rs.2500/- (Rupees Two Thousand and Five Hundred only).

\* Clause 13 amended as approved in BOD 56<sup>th</sup> meeting held on 15-5-2009

**14. DOWRY**

No employee of the Corporation shall -

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

**Explanation :** For the purpose of this rule, dowry has the same meaning as defined in the Dowry Prohibition Act, 1961 (No. 28 of 1961) which reads as follows :

**Definition of "Dowry"**

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

- a) by one party to a marriage to the other party to the marriage ; or
- b) by the parent of either party to a marriage or any other person, to either party to the marriage or to any other person ; at or before or after the marriage as consideration for the marriage of the said parties, but does not include dower or mahr in the case of persons to whom the Muslim Personal Law (Shariat) applies.

**Explanation - I**

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

**Explanation - II**

The expression "valuable security" has the same meaning as in Section 30 of the Indian Penal Code.

**15. PRIVATE TRADE OR EMPLOYMENT:**

- a) No employee of the Corporation shall except with the previous sanction of the competent authority, engage directly or indirectly in any trade or business or undertake any other employment.

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

- b) No employee of the Corporation would canvass in support of any business of insurance agency, commission agency etc, owned or managed by any member of his family.

- c) No employee of the Corporation shall, without the previous sanction of the competent authority except in the discharge of his official duties, take part in the registration, promotion or management of any bank or other company which is required to be registered under the Companies Act 1956 (I of 1956) or other law for the time being in force or any cooperative society for commercial purpose.

Provided that an employee of the Corporation may take part in the registration, promotion or management of consumer/House Building Co-operative Society substantially for the benefit of employees of the Corporation, registered under the Cooperative 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.

- d) No employee of the Corporation may accept any fee or any pecuniary advantage for any work done by him for any public body or any private person without the sanction of the competent authority.

## 16. INVESTMENT, LENDING AND BORROWING:

- a) No employee of the Corporation shall speculate in any stock, share or other investment. Frequent purchase or sale or both of shares, securities and other investments shall be deemed to be speculation within the meaning in this sub-rule.
- b) No employee of the Corporation shall make or permit any member of his family or any other person acting on his behalf to make any investment which is likely to embarrass or influence him in the discharge of his official duties.
- c) No employee of the Corporation shall, save in the ordinary course of business with a bank, life Insurance Corporation or a firm of standing, borrow money from or lend money to or otherwise place himself under any pecuniary obligation to any person with whom he has or is likely to have official dealings or permit any such borrowing, lending or pecuniary obligation in his name or for his benefit or for the benefit of any member of his family.
- d) No employee of the Corporation shall lend money to any person on interest or in a manner whereby return in money or in kind is charged or paid.

Provided that employee of the Corporation 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 credit account with a bonafide tradesman or make an advance of pay to his private employee.

**Explanation :** Day-to-day savings bank transaction , either with the bank or with a post-office would not, however, come within the purview of this rule. Further, fixed deposits with banks are also exempted from the operation of this rule. Then employee shall, however, make a report to the Corporation if the amount of fixed deposit made in a bank or post office exceeds Rs 10000/- in a single transaction,

**17. INSOLVENCY AND HABITUAL INDEBTEDNESS :**

- a) An employee of the Corporation shall avoid habitual indebtedness unless he proves that such indebtedness or insolvency is result of circumstances beyond his control & does not proceed from extravagance or dissipation.
- b) An employee of the Corporation who applies to be, or it is adjudged or declared insolvent shall forthwith report the fact to his competent authority.

**\*18 MOVABLE, IMMOVABLE AND VALUABLE PROPERTY**

- a) No employee of the Corporation shall except with the previous knowledge of the competent authority acquire or dispose of any immovable property by lease, mortgage, purchase, sale, gift or otherwise either in his own name or in the name of any member of this family.
- b) No employee of the Corporation shall except with the previous sanction of the competent authority, enter in to any transaction concerning any immovable or movable property with a person or a firm having official dealings with the employee or his subordinate.
- c) Every employee of the Corporation shall report to the competent authority every transaction concerning movable property owned or held by him in his own name or in the name of a member of his family, if the value of such property exceeds:
  - i) Rs.20000/- in case of board level, below board level executives (Group-A) and non-unionised supervisory staff (Group-B).
  - ii) Rs.15000/- in case of Group- C and D.
- d) Every employee shall, on first appointment in the Corporation submit a return of assets and liabilities in the prescribed form giving the particulars regarding:
  - i) The immovable property inherited by him, or own or acquired by him, held by him on lease or mortgage either in his own name or name or in the name of any member of his family or in name of any other person;
  - ii) Shares, debentures and cash including bank deposits inherited by him or similarly owned, acquired or held by him;

\* Clause 18 amended as approved in BOD 56<sup>th</sup> meeting held on 15-5-2009

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- iii) Other movable property inherited by him or similarly owned acquired or held by him if the value of such property exceeds
  - a) Rs.20000/- in case of board level, below board level executives (Group-A) and non-unionised supervisory staff (Group-B).
  - b) Rs.15000/- in case of Group- C and D.
- iv) Debts and other liabilities incurred by him directly or indirectly;
- v) Every employee shall beginning 1<sup>st</sup> Jan submit a return of immovable property inherited/owned/acquired once in every 2 years.
- e) The competent authority may, at any time, by general or special order require an employee to submit, within a period specified in the order a full and complete statement of such movable or immovable property held or acquired by him or on his behalf or by any member of his family as may be specified in the order. Such statement shall, if so required by the competent authority, include details of the means by which, or the source from which such property was acquired.

**Explanation:** 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 of the Corporation himself/herself in his or her own name and in his or her own right, would not attract the provision of this rule.

#### 19. CONVAISSING OF NON-OFFICIAL OR OTHER INFLUENCE

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

#### 20. BIGAMOUS MARRIAGES

- i) No employee shall enter into, or contract, a marriage with a person having a spouse living ;
- ii) No employee having a spouse living, shall enter into, or contract, a marriage with any person.  
Provided that the board may permit an employee to enter into, or contract, any such marriage as is referred to in clause (i) or clause (ii) if it is satisfied that -
  - a) such marriage is permissible under the personal law applicable to such employee & the other party to the marriage and ;

\* Clause 18 amended as approved in BOD 56<sup>th</sup> meeting held on 15-5-2009

i) there are grounds for so doing.

i) An employee of the Corporation who has married or marries a person other than of Indian Nationality shall forthwith intimate the fact to competent authority.

**i) CONSUMPTION OF INTOXICATING DRINKS AND DRUGS**

An employee of the Corporation shall :

i) 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 ;

i) not be under the influence of any intoxicating drinks 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;

i) refrain from consuming any intoxicating drinks or drugs in a public place;

i) not appear in a public place in a state of intoxication;

i) not use any intoxicating drinks or drugs to excess.

**i) TAKING PART IN POLITICS & ELECTIONS**

i) No employee of the Corporation shall be a member of, or be otherwise associated with any political party or any organisation which takes part in politics nor shall he take part in, subscribe in aid of, or assist in any other manner, any political movement or activity.

i) It shall be the duty of every employee of the Corporation to endeavor to prevent any member of his family from taking part in, subscribing in aid of, or assisting in any other manner any movement or activity which is, or tends directly or indirectly to be, subversive of the Government as by law established and where an employee of the Corporation 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 such movement or activity, he shall make a report to that effect to the Corporation.

i) No member of the Corporation 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 :-

i) An employee of the Corporation qualified to vote at such election may exercise his right to vote but where he does so, he shall give no indication of the manner in which he propose to vote or has voted;

- ii) An employee of the Corporation shall not be deemed to have contravened the provisions of this sub-rule by reason only that he assists in the conduct of an election in the due performance of a duty imposed on him by or under any law for the time being in force.

Note :

- i) The display by an employee of the Corporation 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.
- ii) An employee of the Corporation proposing/seconding the nomination of a candidate at an election or acting as polling agent, is not permissible.

### **23. SUSPENSION**

- 1) The appointing authority or any authority to which it is subordinate or the disciplinary authority or any authority empowered in that behalf by the management by general or special order may place an employee under suspension.
  - a) Where disciplinary proceeding against him is contemplated or is pending; or
  - b) Where case against him in respect of any criminal offence is under investigation or trial.
- 2) An employee who is retained in custody, whether on criminal charge or otherwise, for period exceeding 48 hours shall be deemed to have been suspended with effect from the date of detention, by an order of the appointing authority, and shall remain under suspension until further orders.
- 3) Where a penalty of dismissal or removal from service imposed upon an employee under suspension is set aside on appeal or on review under these rules and the case is remitted for further inquiry or action or with any other directions, the order of his suspension shall be deemed to have continued in force on and from the date of the original order of dismissal or removal and shall remain in force until further orders.
- 4) Where a penalty of dismissal or removal from service 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.
- 5) An order of suspension made or deemed to have been made under this rule may at any time be revoked by the authority to which that authority is subordinate.

- 6) No employee under suspension except with prior permission of the competent authority, to be granted only in special circumstances, may engage directly or indirectly in any private trade or business or undertake any other employment including part time.

#### **24. SUBSISTANCE 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 admissible on such subsistence allowance and any other compensatory allowance of which he was in receipt on date of suspension provided the suspending authority is satisfied that the employee continues to meet the expenditure for which the allowance was granted.
- 2) Where the period of suspension exceeds six months, the authority which made or is 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 -
  - a) The amount of subsistence allowance may be increased to 75% of basic pay and allowance thereon, if in the opinion of the said authority, the period of suspension has been prolonged for reasons to be recorded in writing not directly attributable to the employee under suspension.
  - b) The amount of subsistence allowance may be reduced to 25 percent of basic pay and allowances thereon if in the opinion of the said authority, the period of suspension has been prolonged due to the reasons to be recorded in writing, directly attributable to the employee under suspension.
- 3) If an employee is arrested by the Police on a criminal charge and bail is not granted, no subsistence is payable. On grant of bail, if the competent authority decides to continue the suspension, the employee shall be entitled to subsistence allowance from the date he is granted bail.

#### **25. CONFIRMATION OF THE PERIOD OF SUSPENSION**

- a) When the employee under suspension is reinstated, the competent authority may grant to him the following pay and allowances for the period of suspension -
  - i) If the employee is exonerated and not awarded any of the penalties mentioned in Rule 26, the full pay and allowance which he would have been entitled to if he had not been suspended, less the subsistence allowance already paid to him/her ; and
  - ii) If otherwise, such proportion of pay and allowances as the competent authority may prescribe.
- b) In a case falling under sub-clause (i) the period of absence from duty will be treated as a period spent on duty. In case falling under sub-clause (ii) it will be not be treated as a period spent on duty unless the competent authority so directs in which case, it may be treated as leave due with pay or leave without pay at the sole discretion of the competent authority.

## 26. PENALTIES

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

### MINOR PENALTIES

- i) Censure
- ii) Withholding of increment (s) of pay with or without cumulative effect
- iii) Withholding of promotion
- iv) Recovery from pay or such other amount as may be due to him of the whole or part of any pecuniary loss caused to the Corporation by negligence or breach of orders.

### MAJOR PENALTIES

- vii) Reduction to a lower grade or post or to a lower stage in a time scale;
- viii) Removal from service which shall not be a disqualification for future employment ;
- ix) Dismissal

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

- a) withholding of increment of an employee on account of his work being found unsatisfactory or not being of the required standard, or for failure to pass a prescribed test or examination ;
- b) stoppage of an employee at the efficiency bar in a time scale, on the ground of his unfitness to cross the bar ;
- c) 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 ;
- d) 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 ;
- e) 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 the probation, in accordance with the terms of his appointment.
- f) Termination of service :-
  - i) of an employee appointed on probation, during or at the end of the period of probation, in accordance with the terms of his appointment.
  - ii) 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 ;

- iii) of an employee appointed under a contract or agreement, in accordance with the terms of such contract or agreement ;
- iv) of an employee on reduction of establishment.

**27. DISCIPLINARY AUTHORITY**

The disciplinary authority, as specified in the schedule to these rules, or any authority higher than it, may impose any of the penalties specified in Rule 26 on any employee.

**28. PROCEDURE FOR IMPOSING MINOR PANALTIES**

(1) Where it is proposed to impose any of the minor penalties specified in Rule 26 (vi), the employee concerned shall be informed in writing of the imputations of misconduct or misbehavior against him and given an opportunity to submit his written statement of defence within a specified period not exceeding 15 days. The defence statement, if any, submitted by the employee shall be taken into consideration by the disciplinary authority before passing orders.

(2) The record of the proceedings shall include:-

- i) a copy of the statement of imputations of misconduct or misbehavior delivered to the employee;
- ii) his defence statement, if any, and
- iii) the orders of the disciplinary authority together with the reasons thereof.

**29. PROCEDURE FOR IMPOSING MAJOR PENALTIES**

- (1) No order imposing any of the major penalties specified in Clauses (vii), (viii) and (ix) of Rule 26 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 misbehavior against an employee, it may itself enquire into, or appoint any public servant (herein after called the inquiring authority) to inquire into the truth thereof.
- (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 witness by whom, the articles of charges are proposed to be sustained, shall be communicated in writing to the employee, who shall be required to submit within such a time as may be specified by the disciplinary authority (not exceeding 15 days), a written statement whether he admits or denies any of or all the Articles of Charge.

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

- (4) on receipt of the written statement of the employee or if no such statement is received within the time specified, an enquiry may be held by the disciplinary authority itself, or by any other public servant appointed as an inquiring authority under sub-clause (2) provided that it may not be necessary to hold an inquiry in respect of the charges admitted by the employee in his written statement. The disciplinary authority shall, however, record its finding on each charge.
- (5) where the disciplinary authority itself inquires or appoints an inquiring authority for holding an inquiry, it may, by an order appoint a public servant to be known as the "Presenting officer" to present on its behalf the case in support of the articles of charge.
- (6) The employee may take the assistance of any other public servant but may not engage a legal practitioner for the purpose.
- (7) On the date fixed by the inquiring authority, the employee shall appear before the inquiring authority at the time, place and date specified in the notice. The inquiring authority shall ask the employee whether he pleads guilty or has any defence to make and if he pleads guilty to any of articles of charge, the inquiring authority shall record the plea, sign the record and obtain the signature of the employee concerned thereon. The inquiring authority shall return a finding of guilt in respect of those articles of charge to which the employee concerned pleads guilty.
- (8) If the employee does not plead guilty, inquiring authority shall adjourn the case to a later date not exceeding thirty days, recording an order that the employee may, for the purpose of preparing his defence:
  - i) inspect the documents listed with the charge-sheet;
  - ii) submit a list of additional documents and witnesses that he wants to examine; and
  - iii) be supplied with the copies of the statements of witnesses, if any, listed in the charge-sheet.

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

- (9) The inquiring authority shall ask the authority in whose custody or possession the documents are kept, for the production of the documents on such date as may be specified.
- (10) The authority in whose custody or possession the requisitioned documents are, shall arrange to produce the same before the inquiring authority on the date, place and time specified in the requisition notice.

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

- (11) On the date fixed for the inquiry, the oral and documentary evidence by which the article of charge are proposed to be proved shall be produced by or on behalf of the disciplinary authority. The witnesses shall be examined by or on behalf of the presenting officer and may be cross-examined by or on behalf of the employee. The presenting officer shall be entitled to re-examine the witnesses on any points on which they have been cross-examined, but not on a new matter, without the leave of the inquiring authority. The inquiring authority may also put such questions to the witnesses as it thinks fit.
- (12) Before the close of the prosecution case, the inquiring authority may, in its discretion allow the presenting officer to produce evidence not included in the charge-sheet or may itself call for new evidence or recall or re-examine any witness. In such case the employee shall be given opportunity to inspect the documentary evidence before it is taken on record; or to cross-examine witness, who has been so summoned.
- (13) When the case for disciplinary authority is closed, the employee may be required to state his defence, orally or writing, as he may prefer. If the defence is made orally, it shall be recorded and employee shall be required to sign the record. In either case a copy of the statement of the defence shall be given to the presenting officer, if any, appointed.
- (14) The evidence on behalf of the employee shall then be produced. The employee may examine himself in his own behalf if he so prefers. The witnesses produced by the employee shall then be examined and shall be liable to cross-examination, re-examination and examination by the inquiring authority according to the provision applicable to the witnesses for the disciplinary authority.
- (15) The inquiring authority may, after the employee closes his case, and shall, if the employee has not examined himself, generally question him on the circumstances appearing against him in the evidence for the purpose of enabling the employee to explain any circumstances appearing in the evidence against him.
- (16) After the completion of the production of the evidence, the employee and the presenting officer may file written briefs of their respective cases within 15 days of the date of completion of the production of evidence.
- (17) If the employee does not submit the written statement of defence referred to in sub-rule (3) on or before the date specified for the purpose or does not appear in person, or through the assisting officer or otherwise fails or refuses to comply with any of the provisions of these rules, the inquiring authority may hold the inquiry *ex parte*.
- (18) Whenever any inquiring authority, after having heard and recorded the whole or any part of the evidence in 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 here in before provided.

- 19 (i) After the conclusion of the inquiry, a report shall be prepared and it shall contain-
- a) a gist of the articles of charge and the statement of the imputations of misconduct or misbehavior;
  - b) a gist of the defence of the employee in respect of each article of charge;
  - c) and assessment of the evidence in respect of each article of charge
  - d) the findings of 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 charge, it may record its finding on such article of charge.

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

- ii) the inquiring authority, where it is not itself the disciplinary authority, shall forward to the disciplinary authority the records of inquiry which shall include -
- a) the report of the inquiry prepared by it under sub-clause no. (i) above;
  - b) the written statement of defence, if any submitted by the employee referred to in sub rule (13) ;
  - c) the oral and documentary evidence produced in the course of the inquiry ;
  - d) written briefs referred to in sub rule (16) if any ; and
  - e) the orders, if any made by the disciplinary authority and the inquiring authority in regard to the inquiry.

### 30. ACTION ON THE INQUIRY REPORT

- 1) The disciplinary authority, if it is not itself the inquiring authority may, for reason to be recorded by it in writing remit the case to the inquiring authority for fresh or further inquiry and report and the inquiring authority shall thereupon proceed to hold the further inquiry according to the provisions of rule (29) as far as may be.
- 2) The disciplinary authority shall, if it disagrees with the finding of the inquiring authority on any article of charge, record its reasons for such disagreement & record its own findings on such charge, if the evidence on record is sufficient for the purpose.
- 3) If the disciplinary authority having regard to its findings on all or any of the articles of charges is of the opinion that any of the penalties specified in rule (26) should be imposed on the employee, it shall, notwithstanding anything contained in rule (28), make an order imposing such penalty.

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

\* **30-A:** "The officer against whom disciplinary proceedings have been initiated will cease to be in service on the date of superannuation but the disciplinary proceedings will continue as if he was in service until the proceedings are concluded and final order is passed in respect thereof. The concerned officer will not receive any pay and/or allowance after the date of superannuation. He will also not be entitled for the payment of retirement benefits till the proceedings are completed and final order is passed thereon except his own contribution to CPF."

### **31. COMMUNICATION OF ORDER**

Order made by the disciplinary authority under rule (30) shall be communicated to the employee concerned, who shall also be supplied with a copy of the report of inquiry, if any.

### **32. COMMON PROCEEDINGS**

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

### **33. SPECIAL PROCEDURE IN CERTAIN CASES**

Notwithstanding any thing contained in rule (28) or (29) or (30) the disciplinary authority may impose any of the penalties specified in Rule 26 in any of the following circumstances : -

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

### **34. TERMINATION OF SERVICES**

The services of an employee may be terminated by giving such notice or notice pay as may be prescribed in the contract of service in the following manner -

- 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 any employee appointed under a contract or agreement in accordance with the terms of such contract or agreement.

\* New Clause 30 - A inserted as approved in BOD 52<sup>nd</sup> meeting held on 1-5-2008

- c) of any employee on reduction of establishment.
- d) of an employee appointed in a temporary capacity otherwise than under a contract or agreement on expiration of the period for which he was appointed, or earlier in accordance with the terms of his appointment.
- e) of an employee who has completed his probationary period & who has been confirmed or deemed to be confirmed by giving him 90 days notice or pay in lieu thereof.

**35. EMPLOYEES ON DEPUTATION FROM THE CENTRAL GOVERNMENT OR THE STATE GOVERNMENT.**

- i). Where an order of suspension is made or disciplinary proceeding is taken against an employee who is on deputation to the Corporation from the Central or State Government or another public undertaking, or a local authority, the authority lending his services (hereinafter referred to as the "Lending Authority") shall forthwith be informed of the circumstances leading to the order of his suspension, or the commencement of the disciplinary proceeding, as the case may be.
- ii) In the light of findings in the disciplinary proceeding taken against the employee-
  - a) If the disciplinary authority is of the opinion that any of the minor penalties should be imposed on him, it may pass such orders on the case as it deems necessary after consultation with the lending authority;  
  
Provided that in the event of a difference of opinion between the disciplinary and the lending authority, the services of the employee shall be placed at the disposal of the lending authority.
  - b) If the disciplinary authority is of the opinion that any of the major penalties should be imposed on him, it should replace his services at the disposal of the lending authority and transmit to it the proceedings of the inquiry for such action as it deems necessary.
- iii) If the employee submits an appeal against an order imposing a minor penalty on him under sub-rule (ii) (a), it will be disposed off after consultation with the lending authority; Provided that if there is a difference of opinion between appellate authority and lending authority, the services of the employee shall be placed at the disposal of the lending authority, and the proceeding of the case shall be transmitted to that authority for such action as it deems necessary.

**36. APPEALS**

- i) An employee may appeal against an order imposing upon him any of the penalties specified in rule 26 or against the order or suspension referred to in rule 23. The appeal shall lie to the authority specified in the schedule.
- ii) An appeal shall be preferred within one month from the date of communication of the order appealed against. The appeal shall be addressed to the appellate authority specified in the schedule to these rules and submitted to the authority whose order is appealed against the authority shall forward the appeal together with its comments and the records of the case to the appellate authority within 15 days. The appellate authority shall consider whether the findings, are justified or whether the penalty is excessive or inadequate and pass appropriate

orders within three months of the date of appeal. The appellate authority may pass order confirming, enhancing, reducing or setting aside the penalty or remitting the case to the authority which imposed the penalty or to any other authority with such direction as it may deem fit in the circumstances as it may deem fit in the circumstances of the case.

- iii) Provided that if the enhanced penalty which the appellate authority proposes to impose is a major penalty specified in clauses (vii), (viii) and (ix) of Rule 26 and an enquiry as provided in Rule 29 has not already been held in the case, the appellate authority shall direct that such an enquiry be held in accordance with the provisions of Rule 29 and thereafter consider the record of the enquiry and pass such orders as it may deem proper. If the appellate authority decides to enhance the punishment but an enquiry has already been held as provided in Rule 29, the appellate authority shall give a show cause notice to the employee as to why the enhanced penalty should not be imposed upon him. The appellate authority shall pass final order after taking into account the representation, if any submitted by the employee.

**37. REVIEW**

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

Provided that if the enhanced penalty, which the reviewing authority proposes to impose, is a major penalty specified in clause (vii), (viii) and (ix) of Rule 26 and an enquiry as provided under Rule 29 has not already been held in the case, the reviewing authority shall direct that such an enquiry be held in accordance with the provisions of Rule 29 and thereafter consider the record of the enquiry and pass such order as it may deem proper. If the appellate authority decides to enhance the punishment but an enquiry has already been held in accordance with the provisions of Rule 29, the reviewing authority shall give show cause notice to the employee as to why the enhanced penalty should not be imposed upon him. The reviewing authority shall pass final order after taking into account the representation, if any, submitted by the employee.

**38. SERVICE OF ORDERS NOTICES, ETC.**

Every order, notice and other process made or issued under these rules shall be served in person on the employee concerned or communicated to him by registered post at his last known address or displayed on the notice board. Service of orders/ notices and other process may also be made at the residence of the employee by pasting or otherwise if the first two methods stated above fail.

It will be the sole responsibility of the concerned employee to intimate in writing to the Disciplinary Authority in case there is any change in his residential address.

**39. POWER TO RELAX TIME LIMIT AND TO CONDONE DELAY**

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

**40. SAVINGS**

- 1) The "NHFDC (CD & A) Rules 2000" will supersede all previous rules on the subject insofar as they are inconsistent with these rules.
- 2) Nothing in these rules shall be constructed as depriving any person to whom these rules apply, of any right of appeal, which had accrued to him under the rules, which have been superseded by these rules.
- 3) An appeal pending at the commencement of these rules against an order made before the commencement of these rules shall be considered and orders thereon shall be made, in accordance with these rules.
- 4) The proceedings pending at the commencement of the rules shall be continued and disposal as far as may be, in accordance with the provisions of these rules, as if such proceedings were proceedings under these rules.
- 5) Any misconduct, etc. committed prior to the issue of these rules which was a misconduct under the superseded rules shall be deemed to be a misconduct under these rules.

**41. 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/Managing Director for final decision.

**42. AMENDMENTS**

The Chairman-cum-Managing Director/Managing Director may amend, modify or add these rules, from time to time, and all such amendments, modifications or additions shall take effect from the date stated therein.

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**SCHEDULE****Appellate Authority, Disciplinary Authority and Reviewing Authority for different categories of employees in NHFDC**

		<b>Appointing Authority</b>	<b>Disciplinary Authority</b>	<b>Appellate Authority</b>	<b>Reviewing Authority</b>
1.	Presidential Appointment	President of India	President of India	President of India	President of India
2.	Employees in the Pay Scale of Rs.36600-62000 and above, other than Presidential Appointments	Board of Directors	Board of Directors	Board of Directors	Board of Directors
3.	Employees in the Pay Scale of Rs.9200 - 18350 upto Rs.32900-58000 other than Presidential Appointments	Chairman cum Managing Director	Chairman cum Managing Director	Board of Directors	Board of Directors