

CONDUCT, DISCIPLINE AND APPEAL RULES :

1. Short Title and Commencement :

- i) These rules shall be called the North-Eastern Handicrafts and Handlooms Development Corporation Ltd. Conduct, Discipline and Appeal Rules, 1981.
- ii) They shall come into force with effect from 14th May, 1981.

2. Application :

These rules shall apply to all employee except:

- i) Those in casual/part time employment or paid from Contingencies.
- ii) Workmen as defined in the Industrial Employment (Standing orders) Act, 1946.
- iii) Those governed by the Shops and Establishment Acts and Rules of the concerned State Governments.

3. Definitions :

In these rules, unless the context otherwise requires:

a) Employee means :

A person in the employment of the Corporation including a trainee, and a person on deputation/foreign service, but excludes the casual, work charged or contingent staff or workman as defined in the Industrial Employment(Standing Order) Act,1946.

Explanation: Nothing in these shall rules/operate to deprive a deputationist of any right or privilege to which he is entitled under any of the laws/rules for the time being in force.

b) Corporation means :

The North Eastern Handicrafts and Handlooms Development Corporation Ltd. and includes all establishment under its control.

c) Board means :

The Board of Directors of the Corporation and includes in relation to the exercise of powers any Committee of the Board/Management or any Officer of the Corporation to whom the Board delegates any of its powers.

d) Chairman/Managing Director/General Manager Means :

The Chairman/ Managing Director/General Manager of the Corporation.

e) Disciplinary Authority means : (*)

The authority specified by the Board from time to time and competent under the rules to impose any of the penalties specified in Rule 26.

f) Competent Authority means :

The Board and includes any specified authority empowered by the Board of Directors by any general or special resolution or order to discharge the functions or use the powers specified in the resolution or order.

g) Government means :

The Government of India.

h) Appellate Authority means : (*)

The authority specified as such which may be notified by the Board from time to time.

i) Reviewing Authority means : (*)

The Authority specified as such which may be notified from time to time by the Board.

j) 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) Children, step children and legally adopted children wholly dependent on the employee, but does not include a child or a step child who is no longer in any way dependent on the employee or of whose custody the employee has been deprived by or under any law ;

iii) Any other person related whether by blood or marriage to the employee or to such employee's wife or husband and wholly dependent on such employee and residing with him.

k) Public Servant: Shall mean and includes a person as mentioned in Section 21 of Indian Penal Code as amended from time to time.

4. General :

1. Every employee of the Corporation shall at all time.

i) Maintain absolute integrity ;

ii) Maintain devotion to duty ; and

iii) Do nothing which is unbecoming of an employee of the Corporation and conduct himself at all times in a manner which will enhance the reputation of the Corporation.

2. 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 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 or previous service or any other matter germane to the employment at the time of employment or during the course of employment.
- 5) Acting in a manner prejudicial to the interests of the Corporation.
- 6) Willful insubordination or disobedience, whether or not in combination with others, of any lawful and reasonable order of his superiors.
- 7) Absence without authorized 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 or willful absence from duty.
- 9) Neglect of work or negligence's in the performance of duty including malingering or slowing down of work.
- 10) Willful damage to any property of the Corporation.
- 11) Interference or tampering with any safety devices installed in or about the premises of the Corporation.
- 12) Drunkenness or riotous or disorderly or indecent behavior, or any act subversive of disciplines, in the premises of the Corporation or outside

such premises where such behaviors is related to or connected with the employment.

- 13) Gambling within the premises of the Corporation or on the place of employment.
- 14) Smoking within the premises of the Corporation 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 rule of the Corporation.
- 16) Sleeping while on duty.
- 17) Commission of any act which amounts to criminal offence involving moral temtitude.
- 18) Absence from the employees 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 act subversive of discipline or of good behaviors.
- 21) Abetment of or attempt at abetment of any act which amounts to misconduct.
- 22) Unauthorized use or occupation of the Corporation quarters, land or other property.
- 23) Assaulting or intimidating any employee of the Corporation.
- 24) Striking work or inciting others to strike work in contravention of the provision of any law or rule having the force of law.
- 25) Breach of any law applicable to the works or of the conduct rules and any other rules or orders issued by the Corporation from time to time.
- 26) Writing of anonymous letters etc. addressing appeals or representations to an authority other than the appellate or the appropriate authority and forwarding advance copies of appeals or representation to any authority.
- 27) Distribution or exhibition in the Corporation's premises handbills, pamphlets, posters or causing to be displayed by means of signs or writing or other visible representations, any matter without previous sanction of the authority.

- 28) Refusal to work on holiday or on Sundays or extra hours when notified to do so in the exigencies of Corporation's work.
- 29) Surrounding or forcibly detaining any of the Corporation employees.
- 30) Taking any active part in a meeting or demonstration organized by a political party.
- 31) Forwarding of application for outside employment, award of fellowships, etc. without prior approval of the competent authority.
- 32) Engaging in any other employment or in business or trade while in the service of the Corporation without any previous permission of the competent authority.
- 33) Habitual or gross negligence.
- 34) Holding or attending meetings inside the premises of the Corporation or at the place of employment without the previous permission of the competent authority or except in accordance with the provisions of any law for the time being in force.
- 35) Interference with any safety device installed in the place of work.
- 36) Willful damage of work in progress.

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

6. **Employment of near relatives of the Employees of the Corporation in private undertaking enjoying patronage of the Corporation .**

- 1) No employee shall use his position or influence directly to secure employment for any person related, whether by blood or marriage to the employee or to the employees wife or husband, whether such a person is dependent on the employee or not.
- 2) No employee shall, except with the prior sanction of the Competent Authority, permit any member of his family to accept employment with any company or firm with which he or she has official dealing 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) No employee shall in the discharge of his official duties deal with any matter or give or sanction any contract to any company or firm or any other person if any of his relatives is employed in that company or firm or under that person or if he or any of his relatives is interested in such matter and the employee shall refer every such matter or contract to his official superior and the matter or the contract shall thereafter be disposed off according to the instructions of the Authority to whom the reference is made.

7. **Taking Part in politics and Elections :**

- a) The Display by an employee on his person, vehicle or residence of any election symbol shall amount to using his influence in connection with an election.
- b) Except in so far as may otherwise to be specifically authorized by any law, no employee shall be a member of or be otherwise associated with any political party or any organization which takes part in politics or assist any political movement or activity or stand for election without the permission of the Corporation as a member of local authority or a legislative body. Any employee shall not be deemed to have contravened the provisions of this 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.

8. **Taking part in Demonstrations :**

- i) No employee of the Corporation shall engage himself or participate in any demonstration/rally which involves incitement to an offence.
- ii) **Joining of Association by employees :**
No employee shall join or continue to be a member of associations the objects or activities of which are prejudicial to the interest of sovereignty, integrity of India, public order or morality.

9. **Connection with Press Radio or TV :**

- i) No employee of the Corporation shall, except with the prior 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.

- ii) No employee of the Corporation shall, except with the prior sanction of the competent authority, or in the bonafide discharge of his duties, participate in Radio/TV broadcast or write or publish a book or contribute an article or write a letter either in his own name or anonymously, pseudonymously, or in the name of any other person to a Newspaper or Periodical, provided that no such sanction shall be required if such broadcast or such contribution is of a purely literary, artistic or scientific character.

10. **Criticism of Government and the Corporation :**

No employee shall, in any Radio, TV broadcast or in any document published under his name or under any pen-name or pseudonym or in any communication to the press or in public utterances, make any statement :-

- a) Which has the effect of adverse criticism of any policy or action of the Central/State Government or of the Corporation ; or
- b) Which is capable of embarrassing the relations between the Corporation and the public or between the Corporation and the Government ;

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

Provided further that nothing contained in this rule shall apply to bonafide expressions of views by him as an office bearer of a recognized Trade Union for the purpose of safeguarding the conditions of service of such employee, or for securing an improvement thereof.

11. **Evidence before Committee or any other authority :**

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

- 2) Where any sanction has been accorded under sub-rule (1). No employee giving such evidence shall criticize the policy or any action of the Government or of the Corporation.
- 3) Nothing in this rule shall apply to :-
 - a) Evidence given at any enquiry before an authority appointed by the Government, Parliament or a state Legislature or the Corporation.
 - b) Evidence given in any judicial enquiry, or
 - c) Evidence given at any departmental enquiry ordered by authorities subordinate to the Government/Corporation.
 - d) Evidence given at any departmental enquiry ordered by any public sector undertaking.

12. **Unauthorized communication of information** :

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

13. **Gifts** :

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

Explanation: - The expression 'Gift' shall include free transport, 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.

Note:-

- i) A Casual meal, lift or other social hospitality shall not be deemed to be a gift.
 - ii) An employee shall avoid acceptance of lavish or frequent hospitality from any individual or firm having official dealings with him.
- 2) On occasions such as weddings, anniversaries, funerals or religious functions, when the making of a gift is in conformity with the prevailing religious or social practice, an employee of the Corporation

- may accept gift from his near relatives but he shall make a report to the competent authority, if the value of the gift exceeds Rs. 500/-
- 3) On such occasions as are specified in sub-rule (2), 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.250/-
 - 4) In any other case, an employee of the Corporation shall not accept any gift without the sanction of the Competent authority if the value there of exceeds Rs.250/-; provided that when more than one gift has been received from the same person firm within a period of 12 months, the matter shall be reported to the Competent authority if the aggregate value of the gifts exceed Rs.250/-

14. **Giving or Taking dowry :**

No employees of the Corporation shall:-

- i) Give or take, abet giving or taking of dowry ; or
- ii) Demand, directly or indirectly from the parents or guardians of bride or bride groom, as the case may be, any dowry.

Note: - For the purpose of this rule, 'DOWRY' has the same meaning as in Dowry Prohibition Act, 1961 (28 of 1961), which reads as follows:-

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

- a) By one party to marriage to the other party to the marriage ; or
- b) By the parents of either party to a marriage or by 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 or the said parties, but does not include dower or mahr in the case of persons to whom the Muslim personal law(Shari at) applies.
- c) No employee shall, except with the previous sanction of the Competent Authority receive any complimentary or valedictory address or accept any testimonial or attend any meeting or entertainment held in his honors or in honors of any Corporation employee, provided that nothing in this rule shall apply to a farewell, entertainment of a substantially private or informal character in

honors of the employee or any other employee on the occasion of his retirement or transfer or any person who has recently quite service of the Corporation or the acceptance of the simple and inexpensive entertainment arranged by public bodies or institutions.

Explanation: - i) For the removal of doubts, it is hereby declared that any presents made at the time of a 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 of the marriage of he said parties.

Explanation: - ii) The expression 'Valuable Security has the same meaning as in Section 30 of the Indian Penal Code.

15. **Return of Corporation's Property :**

- i) Every employee shall before leaving the service, return shall before leaving the service, return any of property or equipment or tools belonging to the Corporation issued or lent to him in connection with his employment in the Corporation (11) the cost of such property, equipment or tools not so returned, shall be deducted from his pay or the amount if any, due to him.

16. **Private Trade Employment :**

- 1) No employee of the Corporation shall, except with the prior sanction of the competent authority, engage directly or indirectly in any trade or business or undertake any other employment or negotiate for taking an employment, provided that an employee may, without such sanction, undertake honorary work of a social or Charitable nature or occasional work of a literary, artistic or scientific character and accept payment of honorarium within prescribed limits subject to the condition that his official duties do not thereby suffer but he shall discontinue such work if so directed by the competent authority.
- 2) Every employee of the Corporation shall report to the competent authority, if any member of his family is engaged in any trade or business or owns or manages an insurance agency or Commission agency.

- 3) No employee of the Corporation shall, without prior sanction of the competent authority, except in the discharge of his official duties, take part in the registration, promotion or management of any bank or other company which is required to be registered under the companies Act,1956 (1 of 1956) or any other law for the time being in force or any co-operative society for commercial purposes.

Provided that an employee of the Corporation may take part in the registration, promotion or management of a consumer/House Building Co-operative Society, substantially for the benefit of employee 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 of the Corporation may accept any fee or any remuneration or any pecuniary advantage for any work done by him for any public body or any private person without the sanction of the competent authority.

17. **Investing, lending and borrowing :**

No employee shall save in the ordinary course of business with a bank, the life Insurance Corporation or a firm of standing borrows money from or lends money to or otherwise place himself under 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.

18. **Insolvency and habitual indebtedness :**

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

19. **Movable, Immovable and valuable property :**

- 1) No employee of the Corporation shall, except with the previous knowledge of the competent authority, acquire or dispose off any immovable property by lease, mortgage, purchase, sale , gift or otherwise, either in his own name or in the name of any member of his family.
- 2) No employee of the Corporation shall, except with the prior sanction of the competent authority, enter into any transaction concerning any immovable or movable property with a person or a firm having official dealings with the employee of his subordinate.

Explanation:

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

- a) Jewellery, insurance policies, the annual premium of which exceeds Rs.1000/- or one sixth of the total annual emoluments received from the Corporation, whichever is less e.g. shares, securities and debentures.
 - b) Loans advanced by such employees whether secured or not.
 - c) Motor cars, motor-cycles, houses or any other means of conveyance, and
 - d) Refrigerators, radios, radiograms and television sets.
- 3) Every employees of the Corporation shall within one month 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 Rs.2500/-
 - 4) Every employee shall, on first appointment in the Corporation, submit a return of asset and liabilities in the prescribed form (Annexure-I) giving the particulars regarding :-
 - a) The immovable property inherited by him owned or acquired by him or held by him or lease or mortgage either in his own name or in the name of any member of his family or in the name of any other person.
 - b) Shares, debentures and cash including bank deposits inherited by him or similarly owned acquired or held by him.
 - c) Other movable property inherited by him, if similarly owned, acquired or held by him, if the value of such property exceeds Rs.2500/-

- d) Debts and other liabilities incurred by him directly or indirectly.
 - e) Every employee shall, beginning 1st January submit a return of immovable property inherited/owned/acquired once in every two years to the Corporation in the prescribed form (Annexure II).
- 5) The competent authority may, at any time by general or special order require an employee to submit within a period specified in the order, a full and complete statement of such immovable or movable 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.

20. **Canvassing of non-official or other influences :**

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

21. **Bigamous marriages :**

- 1) No employee shall enter into, or contract, 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 Competent authority may permit an employee to enter into or contract any such marriage as is referred to in clause (1) or clause (2), if it is satisfied that :-
 - a) Such marriage is permissible under the personal law applicable to such employee and the other party to the marriage and
 - b) There are other grounds for so doing.
- 3) An employee, who has married or marriage person other than an Indian national, shall forthwith intimate the fact to the Competent authority.

22. **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 drug during the course of his duty and shall also take due care that the performance of his duties at any time is not affected in any way by the influence of such drink or drug ;
- c) Refrain from consuming any intoxicating drink or drug in a public place;
- d) Not appear in a public place in a state of intoxication.
- e) Not use any intoxicating drink or drug to excess.

23. **Suspension** :

- 1) The appointing authority or any authority to which it is subordinate or the disciplinary authority or any other authority empowered in that behalf by the Board or the Managing Director/ General Manager by general or special order may place an employee under suspension :-
 - a) Where a disciplinary proceeding against him is contemplated or is pending ; or
 - b) Where a case against him in respect of any criminal offence is under investigation or trial.
- 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 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 enquiry 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 penalty 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 penalty of dismissal or removal was originally imposed, the employee shall be deemed to have been placed under suspension by the Appointing Authority from the

date of the original order of dismissal or removal and shall continue to remain under suspension until further orders.

- 5) An order of suspension made or deemed to have been made under this rule may at any time be revoked by the authority which made or is deemed to have made the order or by any authority to which that authority is subordinate;
- 6) The suspended employees shall not have the station without the written permission of the Corporation.

Note: - An employee under suspension shall be required to report in the office of the Security Officer (or any other officer as may be specified) on each working day at the given time. In case an employee under suspension does not report in the office as mentioned above, the subsistence allowance for such period is liable to be deducted from the subsistence allowance so payable.

24. **Subsistence Allowance :**

- 1) An employee under suspension shall be entitled to draw subsistence allowance equal to 50% of his basic pay provide the disciplinary authority is satisfied that the employee is not engaged in any other employment or business or profession or vacation. In addition he shall be entitled to dearness allowance admissible on such subsistence allowance and other allowance he was in receipt of on the date of suspension provided the suspending authority is satisfied that the employee continues to meet the expenditure for which the allowances 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 percent of basic pay and allowance there of if, in the opinion of the said

authority, the period of suspension has been prolonged for reasons to be recorded in writing not directly attributable to the employee under suspension.

- ii) The amount of subsistence allowance may be reduced to 25 percent of basic pay and allowance there on if in the opinion of the said authority, the period of suspension has been prolonged due to the reasons to be recorded in writing, directly attributable to the employee under suspension.
- 3) If an employee is arrested by the Police on a criminal charge and bail is not granted, no subsistence allowance is payable. On grant of bail if the competent authority decides to continue the suspension the employee shall be entitled to subsistence allowance from the date he is granted bail.

25. **Treatment of the period of suspension :**

- 1) When the employee under suspension is re-instated, the competent authority may grant to him the following pay and allowances for the period of suspension :-
 - a) If the employee is exonerated and not awarded any of the penalties mentioned in Rule 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 ; and
 - b) If otherwise, such proportion of pay and allowances as the competent authority may prescribed.
- 2) In a case falling under sub-clause (a), the period of absence from duty will be treated as a period spent on duty. In case falling under sub-clause (b) it will not be treated as period spent on duty unless the competent authority so directs.

26. **Penalties :**

The following penalties may, for good and sufficient reason and as herein after provided, be imposed on a employee:-

Minor Penalties:

- a) Censure.
- b) Withholding the increments of pay with or without cumulative effect.

- c) Withholding of promotion.
- d) 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:

- e) Reduction to a lower grade or post or to a lower stage in a time scale;
- f) Removal from service which shall not be a disqualification for future employment.
- g) Dismissal.

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

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

- c) Of an employee appointed under a contract or agreement, in accordance with the terms of such contract or agreement; and
- d) Of any employee on reduction of establishment.

27. **Disciplinary Authority :**

The competent authority will also be called the Disciplinary Authority for purpose of this and it may impose any of the penalties specified in Rule 26 on any employee.

28. **Procedure for imposing Major Penalties:**

- 1) No order imposing any of the Major Penalties specified in clauses (e), (f) and (g) 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 officer of the Corporation (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 imputations of misconduct or misbehavior against the employee, the charges, together with a statement of the imputation of misconduct or misbehavior on which they are based, a list of documents by which and list of witnesses 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 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 charge sheet or any other document to the employee at this stage.

- 4) On receipt of the written statement of the employee, or if no such statement is received within the time specified, an inquiry may be held by the Disciplinary Authority itself or by any other employee appointed as an inquiry Authority under sub-clause (2) after taking

such evidence as it may deem fit; provided that it may not be necessary to hold an inquiry in respect of the charges admitted by the employee in his written statement. The Disciplinary Authority shall, however, record its findings on such charge after taking such evidence as it may think fit.

5) Where the Disciplinary Authority itself inquires or appoints an inquiring Authority for holding an inquiry, it may, by an order appoint an employee to be known as the 'Presenting Officer' to present on its behalf the case in support of the articles of charge.

6) The employee may take the assistance of any other employee to present the case on his behalf but may not engage a legal practitioner for the purpose :

Note: - The employee shall not take the assistance of any other employee who has two pending disciplinary cases on hand in which he has to give assistance.

7) On the date fixed by the inquiring Authority, the employee shall appear before the inquiring Authority at the time, date and place specified in the notice. The inquiring Authority shall ask the employee whether he pleads guilty to any of the articles of charge, the inquiring Authority shall record the plea, sign the record and obtain the signature of the employee concerned thereon. The inquiring Authority shall record a finding of guilt in respect of those articles of charges/to which the employee concerned pleads guilty.

8) If the employee does not plead guilty, the inquiring Authority shall adjourn the case to a later date not exceeding 30(thirty) days, after recording an order that the employee may, for the purpose of preparing his defense:-

i) Inspect the documents listed with charge sheet.

ii) Submit a list of additional documents and witnesses that he wants to examine; and

iii) Be supplied with the copies of the statements of witnesses, if any, listed in the charge sheet.

Note:-Relevancy of the additional documents and the witnesses, referred to in sub to clause 8(ii) above will have be given by the employee concerned and the documents and the witnesses may

be surround if the inquiring Authority is satisfied about their relevance to the charges under inquiry.

- 9) Inquiring Authority shall ask the authority in whose custody or possession the documents are kept, for the production of the documents on such dates 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 that event, it shall inform the inquiring Authority accordingly. The inquiring Authority shall, on being informed communicate the information to the employee concerned.
- 11) On the date fixed for the inquiry, the oral and documentary evidence by which the articles of charge are proposed to be proved shall be produced by or on behalf of the Disciplinary Authority. The witnesses shall be examined by or on behalf of the Presenting Officer and may be cross examined by or on behalf of the employee. The Presenting Officer shall be entitled to re-examine the witnesses on any point on which they have been cross examined, but not on a new matter without the permission of the inquiring Authority. The inquiring Authority may also put such question to the witnesses as it thinks fit.
- 12) Before the close of the case 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 evidence or recall or re-examine any witness. In such case, the employee shall be given an opportunity to inspect the documentary evidence before it is taken on record or to cross examine a witness, who has been so summoned.
- 13) When the case for the Disciplinary Authority is closed, the employee may be required to state his defense, orally or in writing, as he may prefer. If the defense 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 defense 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 witness 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 defense referred to in sub-rule (3) on or before the date specified for the purpose or does not appear in person, or through the assisting officer, or otherwise fails or refuses to comply with any of the provisions of these rules, the inquiring Authority may hold the enquiry ex-parte.
- 18) Whenever any inquiring Authority, after having heard and recorded the whole or any part of the evidence in an inquiry ceases to exercise jurisdiction therein, and is succeeded by another inquiring Authority which has and which exercises such jurisdiction, the inquiring Authority so succeeding may act on the evidence so recorded by its predecessor, or partly recorded by its predecessor and partly recorded by itself.

Provided that if the succeeding inquiring Authority is of the opinion that further examination of any of the recorded is necessary in the interest of justice, it may recall, examine, cross examine and re-examine any such witnesses as herein before provided.

- 19) (i) after the conclusion of the inquiry, report shall be prepared and it shall contain :
- a) A gist of the articles of charge and the statement of the imputation of misconduct or misbehavior.
 - b) A gist of the defense of the employee in respect of each article of charge.
 - c) An assessment of the evidence in respect of each article of charge.
 - d) The finding on each article of charge and the reasons there for;
- Explanation: if in the opinion of the inquiring Authority the proceedings of the inquiry establish any article of charge different from the original article of the charge, it may be referred its findings on such article of charge.

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

(ii) The Inquiring Authority, where it is not itself the Disciplinary Authority, shall forward to the Disciplinary Authority the records of inquiry which shall include:-

- a) The report of the inquiry prepared by it under sub-clause (i) above.
- b) The written statement of defense, if any, submitted by the employee referred to in sub-rule (13).
- c) The oral and documentary evidence produced in the course of the Enquiry.
- d) Written briefs referred to in sub-rule (16), if any and
- e) The order, if any, made by the Disciplinary Authority and the Inquiry Authority in regard to the inquiry.

29. **Action on the INQUIRY REPORT :**

1. The Disciplinary Authority, if is not itself the Inquiring Authority may for the reasons to be recorded by it in writing remit the case to the same or another inquiring authority for fresh or further Inquiring and the Inquiring Authority thereupon proceed to hold the further inquiry according to the provisions of Rule 28 as far as may be.

2. The Disciplinary Authority shall, if it disagrees with the findings of the Inquiring Authority on any article of charge, record its reasons for such disagreement and record its own findings on such charge, if the evidence on record is sufficient for the purpose.
3. If the Disciplinary Authority having regard to its findings on all or any of the articles of charge is of the opinion that any of the penalties specified in rule 26 should be imposed on the employee, it shall not withstanding anything contained penalty.
4. If the Disciplinary Authority having regard to its findings on all or any of the articles of charge, is of the opinion that no penalty is called for, it may pass an order exonerating the employee concerned.

30. **Procedure for imposing minor penalties**

1. Where it is proposed to impose any of the minor penalties specified in clauses(a) to (d) of Rule 26, 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 defense within a specified period not exceeding 15 days. The defense statement, if any, submitted by the employee shall be taken into consideration by the Disciplinary Authority before pa-ssing order.
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 defense statement, if any and
 - iii) The orders of Disciplinary Authority together with the reasons there for.

31. **Communication of orders.**

Orders made by the Disciplinary Authority under Rule 28 or 29 shall be communicated to the employee concerned, who shall also be supplied with a copy of the report of inquiry, if any, as also reasons for disagreement, if any, with the Inquiring Authority.

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 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 anything contained in Rule 28,29 or 30 the Disciplinary Authority may impose any of the penalties specified in Rule 26 in any of the following circumstances :-

- i) The employee has been convicted on criminal charge, or on the strength of facts or conclusion arrived at by a judicial trial for
- 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/Chairman/Managing Director/General Manager 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 rules.

34. **Employees on Deputation**

- i) Where an order of suspension is made or disciplinary proceedings are initiated against employee with the prior approval of the Lending Authority, who is on deputation to the Corporation from the Central or State Government or another public Undertaking or a Local authority 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 proceedings, as the case may be.
- ii) In the light of the findings in the disciplinary proceedings taken against the employee :
 - a) If the Disciplinary Authority is of the opinion that any of the minor penalties should be imposed on him, it may 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 service at the disposal of the Lending Authority and transmit to it the proceedings of the enquiry 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 the Appellate Authority and the Lending Authority, the services of the employee shall be placed at the disposal of the lending Authority, and the proceedings of the case shall be transmitted to that authority for such action as it deems necessary.

35. **Provision regarding employees lent to other Organizations.**

- 1) Where the services of an employee are lent to the Government or any authority subordinate thereto or to any other public undertaking etc. (hereinafter referred to as the 'Borrowing Authority), the Borrowing Authority shall have the powers of the Appointing Authority for the purpose of placing such an employee under suspension and of the Disciplinary Authority for the purpose of conducting disciplinary proceedings against him; provided that the Borrowing Authority shall forthwith inform North Eastern Handicrafts and Handlooms Development Corporation Ltd.(hereinafter referred to as the lending Authority) of the circumstances leading to the order of suspension of an employee or the commencement of the disciplinary proceedings, as the case may be.
- 2) In the light of the findings of the Inquiring Authority against the employees :-
 - i) If the Borrowing Authority is of the opinion that any of the penalties specified in clauses (a),(b),(C) or (d) of rule 26 (minor penalties) should be imposed on the employee, it may, after consultation with the Corporation, make such orders in the case, as it deems necessary; provided that in the event of a difference of opinion between the

Borrowing Authority and lending Authority, the services of the employee shall be replaced at the disposal of the Corporation.

- ii) If the Borrowing Authority is of the opinion that any of the penalties specified in clauses (e), (f),(g), of rule 26(Major penalties) should be imposed on the employee it shall replace his service at the disposal of the Corporation and transmit to it the proceedings of the inquiry for such action as deemed necessary.

Explanation: - The Disciplinary Authority may make an order under this clause on the record of inquiry transmitted to it by the Borrowing Authority or by holding such further inquiries as it may deem necessary, as far as may be, in accordance with Rules 28, 29 and 30.

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 of suspension referred to in Rule 23. The appeal shall lie to the authority specified from time to time.
- 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 from time to time and submitted to the Authority whose order is appealed against. The Authority whose order is appealed against shall forward the appeal with the relevant records of the case to the Appellate Authority within 30 days. The Appellate Authority shall consider whether the penalty is excessive or inadequate and pass appropriate orders within three months of the date of appeal.

The Appellate Authority may pass order confirming, enhancing, reducing or setting aside the penalty or remitting the case to the authority which imposed the penalty or to any other authority with such direction as it may deem fit in the circumstances of the case; provided that if the enhanced penalty which the Appellate Authority proposes to impose is a major penalty specified in clauses(e) (f), and (g) of Rule 26 and an inquiry as provided in Rule 28 has not already been held in the case, the Appellate Authority shall direct that such enquiry be held in

accordance with the provisions of Rule 28 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 as provided in Rule 28, 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 the 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 may be notified may either on its own motion or on the application of the employee concerned call for the record of the case within six months of the date of the final orders and after reviewing, the case pass such orders thereon as it may deem fit.

Provided that if the enhanced penalty, which the Reviewing Authority proposes to impose, is a major penalty specified in clauses (e), (f) or (g) of rule 26 and enquiry as provided under rule 28 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 28 and thereafter consider the record of the enquiry and pass such orders as it may deem proper. If the Reviewing Authority decides to enhance the punishment but an enquiry has already been held in accordance with the provisions of Rule 28, 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 Notices, Orders etc:**

1. Any order, notice, communication, letter or other document or process made or issued under these regulation to be served on an employee shall be served on such employee :

- a) By delivering it to that employee; or
- b) If it cannot be so delivered or tendered by affixing a copy on the outer door or some other conspicuous part of the house in which that employee ordinarily resides and the serving officer shall then return the original to the authority from which it was issued with a report endorsed thereon or annexed there to stating that he has affixed the copy and the name and address of the person (if any) in whose presence the copy was so affixed, or
- c) By forwarding it by registered post addressed to the employee at the place where he ordinarily resides.
- d) An endorsement by the serving officer that the employee refused to accept service or an endorsement by a postal employee that the employee refused to take delivery or that he could not be found or that he was absent shall be deemed to be prima-facie proof of such service.

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

40. **Vindication of Acts and Character of Corporation employee :**

No employee shall, except with the previous sanction of the Competent Authority, have recourse to any court or to press for the vindication of any official act which has been the subject matter of adverse criticism or any attack of defamatory character.

41. **Savings :**

- i) Nothing in these rules, shall be constrained 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.
- ii) 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.
- iii) The proceedings pending at the commencement of the rules shall be continued and disposed as far as may be, in accordance with the provision of these rules, as if such proceedings were under these rules.
- iv) Any misconduct etc. committed prior to the issue of these rules which was misconduct under the superseded rules shall be deemed to be misconduct under these rules.

42. **Removal of doubt/interpretation**

Where doubt arises as to the interpretation of any of these rules, the matter shall be referred to the Managing Director/General Manager whose decision shall be final.

43. **Amendments**

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

44. **Residual powers**

Every case which is not covered by these rules or which requires relaxation of all or any of the provisions of these regulations shall be referred to the Board for decision.

45. **Repeal**

Any rules corresponding to these rules in force immediately before the commencement of these rules and applicable to the employees of the Corporation, to whom these rules apply, are hereby repealed;

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

Provided further that such repeal shall not affect the previous operation of the rules so repealed and a contravention of any of the said rules shall be punishable as if it was a contravention of these rules.

