

THE ENGINEERS INDIA LIMITED (CONDUCT) RULES, 1971
&
DISCIPLINE, APPEAL AND CERTAIN OTHER CONDITIONS OF SERVICE RULES
(LEVELS 10,12 & ABOVE/CORRESPONDING FIELD CATEGORIES)
JULY 2005



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RULES
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Categories)

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1.0 SHORT TITLE, COMMENCEMENT & APPLICATION

- 1.1 These Rules may be called the Engineers India Limited (Conduct) Rules, 1971.
- 1.2 They shall come into force with effect from January 1, 1971.
- 1.3 Save as otherwise provided in these rules, these rules shall apply to every person appointed to a post in connection with the affairs of the Company.

Provided that nothing in these rules shall apply to any employee who is a Central/State Government servant or any employee of a quasi-Government or autonomous body, employed in the Company on deputation/foreign service, who shall continue to be governed by the Conduct Rules applicable to him in his parent office.

Provided further that an employee whose services are placed by the Company at the disposal of the Central Government, a State Government, a public/private sector organisation or a local authority, shall, for the purposes of these Rules, be deemed to be serving under the Company notwithstanding that his salary is drawn from a source other than the funds of the Company.

2.0 DEFINITIONS AND CLASSIFICATION OF POSTS

2.1 Definitions: In these rules, unless the context otherwise requires:

- (a) **"Company"** means Engineers India Limited;
- (b) **"Employee"** means any person appointed by the Company to any post in connection with the affairs of the Company and shall include, in relation to sub-rule 15.5, a person, who ceases to be in the service of the Company on attaining the age of superannuation/retirement and who has not completed a period of two years from the date of his superannuation/retirement.
- (c) **"Members of family"** in relation to an employee includes -
- (i) the wife or husband, as the case may be, of the employee, whether residing with the employee 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;

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- (ii) son or daughter or step-son or step-daughter of the employee and wholly dependent on him but does not include a child or step-child who is no longer in any way dependent on the employee or of whose custody the employee has been deprived by or under any law;
 - (iii) any other person related, whether by blood or marriage, to the employee or to the employee's wife or husband, and wholly dependent on the employee.
- (d) **"Prescribed Authority"** means -
- (i) The Government of India in the case of the Chairman and Managing Director;
 - (ii) the Chairman and Managing Director, in the case of employees holding Class I posts; and
 - (iii) the Chief Personnel & Administrative Officer or any other officer as may be prescribed by the Chairman & Managing Director, from time to time, in the case of other employees.

2.2 **Classification of posts**

2.2.1 For the purpose of these rules, the posts under the Company shall be classified as under:

- | | |
|--|-----------|
| (a) Employees holding posts equal to Level 12 /
Corresponding Field Category and above | Class I |
| (b) Employees holding posts equal to Level 7, 8, 9 & 10/
Corresponding Field Categories | Class II |
| (c) Employees holding posts equal to Level 3 to 6/
Corresponding Field Categories | Class III |
| (d) Employees holding posts at Levels 1 & 2/
Corresponding Field Categories | Class IV |

3.0 **GENERAL**

3.1 Every employee shall at all times -

- (i) maintain absolute integrity;
- (ii) maintain devotion to duty; and
- (iii) do nothing which is unbecoming of an employee.

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- 3.2 (i) Every employee 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.
- (ii) No employee shall, in the performance of his official duties or in the exercise of powers conferred on him, act otherwise than in his best judgment except when he is acting under the direction of his official superior. He shall, where he is acting under such direction, obtain the direction in writing, wherever practicable, and where it is not practicable to obtain the direction in writing, he shall obtain written confirmation of the direction as soon thereafter as possible.

Explanation:

Nothing in clause (ii) of sub-rule 3.2 shall be construed as empowering an employee to evade his responsibilities by seeking instructions from, or approval of, a superior officer of authority when such instructions are not necessary under the scheme of distribution of powers and responsibilities.

4.0 EMPLOYMENT OF NEAR RELATIVES OF EMPLOYEES IN PRIVATE UNDERTAKINGS ENJOYING COMPANY'S PATRONAGE

- 4.1 No employee shall use his position of influence directly or indirectly to ensure employment for any member of his family in any private undertaking having relations with the Company.
- 4.2 (i) No employee shall, except with the previous sanction of the Company, permit his son, daughter or other dependent to accept employment in any private undertaking with which he has official dealings or any other undertaking having official dealing with the Company;

Provided that where the acceptance of the employment cannot await prior permission of the Company or is otherwise considered urgent, the matter shall be reported to the Company; and the employment may be accepted provisionally subject to the permission of the Company.

NOTE: Whenever a proposal arises for the award of a contract of exercise of patronage in favour of any firm in which a son, daughter or dependent of an officer is employed, this fact should be declared by the officer concerned and he should thereafter desist from dealing with the case himself. In such circumstances, a recommendation should be made that the case should be decided by another officer of equivalent or superior standing.

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- (ii) An employee shall, as soon as he becomes aware of the acceptance by a member of his family of an employment in any private undertaking, intimate such acceptance to the prescribed authority and shall also intimate whether he has or has had any official dealings with that undertaking;

Provided that no such intimation shall be necessary in the case of an employee holding a class I post if he has already obtained the sanction of, or sent a report to, the Company under clause(i)

- 4.3 No employee shall, in the discharge of his official duties, deal with any matter or give or sanction any contract to any undertaking or any other person if any member of his family is employed in that undertaking or under that person or if he or any member of his family is interested in such matter or contract in any other manner and the employee shall refer every such matter or contract to his official superior and the matter or contract shall thereafter be disposed of according to the instructions of the authority to whom the reference is made.

5.0 TAKING PART IN POLITICS AND ELECTIONS

- 5.1 It shall be the duty of every employee 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 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 Company.
- 5.2 If any question arises whether any movement or activity falls within the scope of sub-rule 5.1, the decision of the Company thereon shall be final.
- 5.3 No employee shall canvass or otherwise interfere with, or use his influence in connection with or take part in, an election to any legislature or local authority :

Provided that -

- (i) an employee 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 proposes to vote or has voted;
- (ii) an employee 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.

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5.4 No employee -

- (a) shall be an office-bearer of any political party, or any organisation which takes part in politics.
- (b) shall take part in, subscribe in aid of, or assist in any other manner, any movement, agitation, demonstration or activity of a political nature.

Explanations:

- (1) The display by an employee on his person, vehicle or residence, of any electoral symbol shall amount to using his influence in connection with an election within the meaning of this sub-rule.
- (2) The proposing/seconding of the nomination of a candidate at an election or acting as a polling agent by an employee shall constitute a breach of this sub-rule.

NOTE: Section 134-A of the Representation of the People Act,1951, is reproduced below:

"134-A. Penalty for Government servants for acting as election agent, polling agent or counting agent.

If any person in the service of the Government acts as an election agent or a polling agent or a counting agent of a candidate at an election, he shall be punishable with imprisonment for a term which may extend to three months, or with fine, or with both."

6.0 JOINING OF ASSOCIATIONS BY EMPLOYEES

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

7.0 DEMONSTRATION AND STRIKES

7.1 No employee shall -

- (i) engage himself or participate in any demonstration which is prejudicial to the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality, or

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which involves contempt of court, defamation or incitement to an offence or which will affect the standing or reputation of the Company; or

- (ii) resort to or in any way abet any form of strike or coercion or physical duress in connection with any matter pertaining to his service or the service of any other employee.

Explanation:

'Strike' means refusal to work or stoppage or slowing down of work by a group of employees acting in combination and includes but is not limited to -

- (a) mass abstention from work without permission (which is wrongly described as "mass casual leave");
- (b) refusal to work overtime where such overtime work is necessary in the public interest;
- (c) resort to practices or conduct which is likely to result in, or results in, the cessation or substantial retardation of work. Such practices would include what are called 'go-slow', 'sit-down', 'pen-down', 'stay-in', 'token', 'sympathetic' or any other similar strike; absence from work for participation in a 'bandh' or any similar movements.

8.0 CONNECTION WITH PRESS OR RADIO

8.1 No employee shall, except with the previous sanction of the Company, own wholly or in part, or conduct or participate in the editing or management of, any newspaper or other periodical publication.

8.2 No employee shall, except with the previous sanction of the prescribed authority or except in the bona fide discharge of his duties participate in a radio broadcast or contribute an article or write a letter to a newspaper or periodical either in own name or anonymously or pseudonymously or in the name of any other person;

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

9.0 CRITICISM OF GOVERNMENT/COMPANY

9.1 No employee shall, in any radio broadcast or in any document published in his own name or anonymously, pseudonymously or in the name of any other person or in

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any communication to the press or in any public utterance, make any statement of fact or opinion -

- (i) which has the effect of an adverse criticism of any current or recent policy or action of the Company or the Central Government or a State Government;
- (ii) which is capable of embarrassing the relations between the Central Government and the Government of any State or between the Company and its client/associate; or
- (iii) which is capable of embarrassing the relations between the Central Government and the Government of any foreign State or between the Company and its foreign collaborator;

Provided that nothing in this rule shall apply to any statements made or views expressed by an employee in his official capacity or in the due performance of the duties assigned to him.

10.0 EVIDENCE BEFORE A COMMITTEE OR ANY OTHER AUTHORITY

10.1 Save as provided in sub-rule 10.3, no employee shall, except with the previous sanction of the Company, give evidence in connection with any inquiry conducted by any person, committee or authority.

10.2 Where any sanction has been accorded under sub-rule 10.1, no employee giving such evidence shall criticise the policy or any action of the Central Government or of a State Government or of the Company.

10.3 Nothing in this rule shall apply to -

- (a) evidence given at an inquiry before an authority appointed by the Government, Parliament, a State Legislature or the Company;
- (b) evidence given in any judicial inquiry; or
- (c) evidence given in any departmental inquiry ordered by authorities subordinate to the Central/State Government or by the Company.

11.0 UNAUTHORISED COMMUNICATION OF INFORMATION

11.1 No employee shall, except in accordance with any general or special order of the Company or in the performance in good faith of the duties assigned to him, communicate, directly or indirectly, any official document or any part thereof or

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information to any employee or any other person to whom he is not authorised to communicate such document or information.

Explanation:

Quotation by an employee (in his representations to the Head of Office/Department or the Chief Executive of the Company or the Board of Directors of the Company or the Administrative Ministry or the President) of or from any letter, circular or office memorandum, or from the notes on any file, to which he is not authorised to have access, or which he is not authorised to keep in his personal custody or for personal purposes, shall amount to unauthorised communication of information within the meaning of this rule.

12.0 SUBSCRIPTIONS

12.1 No employee shall, except with the previous sanction of the Company or of the prescribed authority, ask for or accept contributions to, or otherwise associate himself with the raising of, any funds or other collections in cash or in kind, in pursuance of any object whatsoever.

13.0 GIFTS

13.1 Save as otherwise provided in these rules, no employee 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, board, lodging or other service or any other pecuniary advantage when provided by any person other than a near relative or personal friend having no official dealing with the employee.

NOTES:

- (1) A casual meal, lift or other special hospitality shall not be deemed to be a gift.
- (2) An employee shall avoid accepting lavish hospitality or frequent hospitality from any individual having official dealings with him or from industrial or commercial firms, organisations, etc.
- (3) While employees may accept gifts of trifling value purchased out of contributions from the members of staff, on the occasion of their retirement or transfer, expensive gifts so purchased should not be accepted on the occasion

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of transfer but may be accepted on the occasion of retirement with the prior permission of the Company.

- (4) Employees are forbidden to give or take or abet the giving or taking of dowry which, under the Dowry Prohibition Act, 1961, means, generally speaking, any property or valuable security as agreed to be given, directly or indirectly, by one party to a marriage to the other party to the marriage as consideration for the marriage. The presents made at the time of marriage to either party to the marriage in the form of cash, ornaments, clothes or other articles are not deemed to be dowry unless they are made as consideration for the marriage, and the receipt of such presents by the employees from the relatives, personal friends or others will be regulated by sub-rules 13.2 to 13.4 below.
 - (5) Employees are prohibited from accepting, from any Indian airline or those foreign airlines with which they have official dealings, invitations to themselves and/or the members of their families to participate, free of cost, in their inaugural flights, as such invitations amount to 'gifts', vide Explanation below sub-rule 13.1 above.
 - (6) Employees are advised not to approach their subordinates for standing surety for loans taken from private sources either by them or their relatives or friends.
 - (7) Acceptance of free board/lodging/travel from the Company's client or a prospective client without the knowledge of the prescribed authority and a specific mention to this effect in the employee's expense report shall be amount to violation of this sub-rule.
 - (8) Acceptance of facilities for training abroad offered by foreign firms as part of aid programmes or as part of an agreement or contract entered into by the Government or the Company or its client associate with a foreign organisation shall not amount to a violation of this sub-rule.
- 13.2 On occasions, such as weddings, anniversaries, funeral or religious functions, when the making of a gift is in conformity with the prevailing religious or social practice, an employee may accept gifts from his near relatives but he shall make a report to the Company if the value of any such gift exceeds -
- (i) Rs.500/- in the case of an employee holding any Class I or Class II post;
 - (ii) Rs.250/- in the case of an employee holding any Class III post; and
 - (iii) Rs.100/- in the case of an employee holding any Class IV post.

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13.3 On such occasions as are specified in sub-rule 13.2, an employee may accept gifts from his personal friends having no official dealings with him but he shall make a report to the Company if the value of any such gifts exceeds -

- (i) Rs.200/- in the case of an employee holding any Class I or Class II post;
- (ii) Rs.100/- in the case of an employee holding any Class III post; and
- (iii) Rs.50/- in the case of an employee holding any Class IV post.

13.4 In any other case, an employee shall not accept any gift without the sanction of the Company if the value thereof exceeds -

- (i) Rs.75/- in the case of an employee holding any Class I or Class II post; and
- (ii) Rs.25/- in the case of an employee holding any Class III or Class IV post.

NOTE: The provisions of Sub-rule 13.0 shall also be read in conjunction with the provisions of Circular Nos. 61/76, 64/78 and 799.308 dated 29.11.80 (Annexure-V, VI and VII. respectively -copies enclosed)

14.0 PUBLIC DEMONSTRATION IN HONOUR OF EMPLOYEE

14.1 No employee shall, except with the previous sanction of the Company, receive any complimentary or validictory address or accept any testimonial or attend any meeting or entertainment held in his honour or in the honour of any other employee except the following:

- (i) a farewell entertainment of a substantially private and informal character on behalf of the Company, held in honour of an employee or any other employee on the occasion of his retirement or transfer or any person who has recently quit the service of the Company; or
- (ii) the acceptance of simple and inexpensive entertainment arranged by public bodies or institutions.

NOTE: Exercise of pressure or influence of any sort on any employee to induce him to subscribe towards any farewell entertainment, even if it is of a substantially private or informal character, is forbidden.

15.0 PRIVATE TRADE OR EMPLOYMENT

15.1 No employee shall, except with the previous sanction of the Company, engage directly or indirectly in any trade or business or negotiate for or undertake any other employment:

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Provided that an employee may, without such sanction, undertake honorary work of a social or charitable nature or occasional work of a literary, artistic or scientific character, subject to the condition that his official duties do not thereby suffer; but he shall not undertake or shall discontinue work, if so directed by the Company;

Explanation:

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

15.2 Every employee shall report to the Company if any member of his family is engaged in a trade or business or owns or manages an insurance agency or commission agency.

15.3 No employee shall, without the previous sanction of the Company, 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 may take part in the registration, promotion or management of a cooperative society substantially for the benefit of employees, 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.

15.4 No employee may accept any fee for any work done by him for any public body or any private person without the prior sanction of the prescribed authority.

15.5 Post Retirement Employment:

15.5.1 No employee of the Company at Level 16 & above including appointees at the Board level shall, on retirement, accept any appointment or post, whether advisory or administrative, in any firm or Company, whether Indian or Foreign, with which the Company has or had business relations, within two years from the date of his retirement without prior approval of the competent authority.

NOTE: For the purpose of this sub-rule (15.5), Competent Authority means (a) Govt. of India in the case of Functional Directors including the Chief Executive; (b) Board of Directors of the Company in the case of GMs & EDs; and (c) C&MD in the case of Sr.Manager, AGM and DGM.

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16.0 INVESTMENT, LENDING AND BORROWING

16.1 No employee shall speculate in any stock, share or other investment.

Explanation:

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

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

16.3 If any question arises whether any transaction is of the nature referred to in sub-rule 16.1 or sub-rule 16.2 the decision of the Company thereon shall be final.

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

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

or

(b) lend money to any person at interest or in a manner whereby return in money or in kind is charged or paid: Provided that an employee may give to, or accept from, a relative or a personal friend, a purely temporary loan of a small amount free of interest, or operate a credit account with a bonafide tradesman or make an advance of pay to his private employee:

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

(ii) When an employee is appointed or transferred to a post of such nature as would involve him in the breach of any of the provisions of sub-rule 16.2 or sub-rule 16.4, he shall forthwith report the circumstances to the prescribed authority and shall thereafter act in accordance with such order as may be made by such authority.

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17.0 INSOLVENCY AND HABITUAL INDEBTEDNESS

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

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

17.2 Sexual harassment of female employee:

17.2.1 An employee shall :

- (a) strictly refrain from sexual harassment of any female employee;
- (b) endeavour to prevent and deter the commission of acts of sexual harassment in work place.

17.3 An employee shall, as soon as any incidence of sexual harassment comes to his / her knowledge, take all steps necessary and reasonable to assist the affected person in terms of support and preventive action and report the matter to his official superior.

NOTE: Without prejudice to the generality of the terms 'SEXUAL HARASSMENT' the following acts shall be treated as sexual harassment:

1. Physical contact and advances;
2. A demand or request for sexual favours;
3. Showing pornography;
4. Any other unwelcome physical, verbal and non-verbal Conduct of sexual nature.

18.0 MOVEABLE, IMMOVABLE AND VALUABLE PROPERTY

18.1 (a) Every employee, on his first appointment after the date of issue of this sub-rule, or who is in service on the date of issue of this sub-rule, shall submit a return of his assets and liabilities, on the forms prescribed in the schedule (Annexure-I) and enclosed therewith, giving the full particulars regarding:

- (i) the immovable property inherited by him or owned or acquired by him or held by him on lease or mortgage, either in his own name or in the name of any other person.

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- (ii) shares, debentures and cash including bank deposits inherited by him or similarly owned, acquired or held by him;
- (iii) other movable property inherited by him or similarly owned, acquired or held by him; and
- (iv) debts and other liabilities incurred by him directly or indirectly.

NOTES:

- (1) In all returns, the values of items of movable property worth less than Rs.2000/- may be added and shown as lumpsum. The value of articles of daily use, such as clothes, utensils, crockery, books etc., need not be included in such returns.
- (2) Sub-rule (1) shall not ordinarily apply to employees holding Class IV posts but the Company may direct that it shall apply to any such employee or class of such employees.

- (b) (i) The first return in respect of an employee on his first appointment shall be as on the date of such appointment and shall be submitted within three months from that date, and every such return, after the first, shall be submitted as on, and by, the date specified in clause (c) in respect of returns after the first return:
 - (ii) Provided that if the interval between the date of submission of the first return and the date on which a subsequent return is due is less than six months, the later return need not be submitted.
 - (iii) The first return in respect of every employee who is in service on the date of issue of this sub- rule shall be as on December 31, 1972 and shall be submitted on or before March 31, 1973.
- (c) Every employee shall submit such return of immovable property as on 31st day of December, once in every two years, on or before 31st March of the year immediately following the year to which the return relates.

18.2 No employee shall, except with the previous knowledge of the prescribed authority acquire or dispose of any immovable property by lease, mortgage, purchase, sale, gift or otherwise, either in his own name or in the name of any member of his family;

Provided that the previous sanction of the prescribed authority shall be obtained by the employee if any such transaction is -

- (i) with a person having official dealing with the employee;

OR

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(ii) otherwise than through a regular or reputed dealer.

NOTE: Before starting construction of a house or undertaking repairs or minor construction work estimated to cost over Rs.10,000/-, an employee should report to or seek permission/ sanction, as the case may be, from the prescribed authority by submitting an application on form at Annexure-II and after completion of the house/repairs/minor construction, should report to the prescribed authority on the form at Annexure-III. The details in the form at Annexure-II should be furnished whenever it is possible to do so. Where, however, it is not possible to furnish these details, the employee concerned should mention the covered area on which the building is proposed to be erected and the estimated cost of the building, or similar details in respect of the proposed repair/minor construction.

18.3 Where an employee enters into a transaction in respect of movable property either in his own name or in the name of a member of his family, he shall, within one month from the date of such transaction, report the same to the prescribed authority, if the value of such property exceeds Rs.10,000/- in the case of an employee holding any Class I or Class II post or Rs.5,000/- in the case of an employee holding any Class III or Class IV post.

Provided that the previous sanction of the prescribed authority shall be obtained if any such transaction is -

- (i) with a person having official dealings with the employee;
- OR
- (ii) otherwise than through a regular or reputed dealer.

NOTES:

- (1) The provisions in sub-rules 18.2 and 18.3 regarding entering into transactions relating to immovable and movable property with the previous sanction of the prescribed authority should be strictly adhered to.
- (2) Purchases of items of movable property for giving presents at the time of marriage will be regulated by sub-rule 18.3 like any other transactions in movable property.
- (3) For selling a car or other conveyance, purchased with advance from the Company, before repayment of the advance together with the interest, in addition to obtaining the permission of the Company for the sale, previous sanction of the prescribed authority under sub-rule 18.3 should be taken when the sale of the conveyance is made otherwise than through a regular or reputable dealer or agent.

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- 18.4 The Company or the prescribed authority may, at any time, by general or special order, require an employee to furnish, 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 Company or by the prescribed authority, include the details of the means by which or the source from which, such property was acquired.
- 18.5 The Company may exempt any category of employee holding Class II or Class IV posts from any of the provisions of this rule except sub-rule 18.4. No such exemption shall, however, be made without the concurrence of the Board of Directors.

Explanation :

For the purposes of this rule, the expression 'movable property' includes :

- (a) jewellery, insurance policies the annual premia of which exceeds Rs.10,000/- in the case of any employee holding Class I or Class II post or Rs.5,000/- in the case of any employee holding Class III or Class IV post OR one-sixth of the total annual emoluments received from the Company, whichever is less; shares, securities and debentures;
- (b) loans advanced by such employees whether secured or not;
- (c) motor cars, motor cycles, scooters, or any other means of conveyance; and
- (d) refrigerators, televisions, radios and radiograms.

NOTE: The returns prescribed in this rule shall be treated as secret and shall, after such scrutiny as may be considered necessary, be kept in a separate file for every employee in the custody of the authority which maintains the confidential reports of the employees concerned.

19.0 VINDICATION OF ACTS & CHARACTER OF EMPLOYEES

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

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19.2 Nothing in this rule shall be deemed to prohibit an employee from vindicating his private character or any act done by him in his private capacity, and where any action for vindicating his private character or any act done by him in private capacity is taken, the employee shall submit a report to the prescribed authority regarding such action.

20.0 CANVASSING OF NON-OFFICIAL OR OTHER OUTSIDE INFLUENCE

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

21.0 RESTRICTION REGARDING MARRIAGE

21.1 No employee :

- (i) shall enter into, or contract, a marriage with a person having a spouse living; and/or
- (ii) having a spouse living, shall enter into, or contract, a marriage with any person:

Provided that the Company 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 and the other party to the marriage; and
- (b) There are other grounds for so doing.

21.2 An employee who has married or marries a person other than of Indian Nationality shall forthwith intimate the fact to the Company.

NOTE: Persons entering the Company's service after the promulgation of these rules shall be required to give a declaration on the form at Annexure-IV.

22.0 CONSUMPTION OF INTOXICATING DRINKS AND DRUGS

22.1 An employee 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) take due care that the performance of his duties is not affected in any way by the influence of any intoxicating drink or drug:

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- (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; and
- (e) not habitually use any intoxicating drink or drug to excess.

Explanation:

For the purposes of this rule, 'public place' means any place or premises (including a conveyance) to which the public have, or are permitted to have, access, whether on payment or otherwise.

NOTE: According to the Government's programme of Prohibition, drinking in public places should cease and, accordingly, alcoholic beverages should not be served in hotels, restaurants, clubs, etc. and at public receptions. However, considering that liquor may have to be served in parties attended by foreigners, certain relaxations as under have been allowed:

- (a) Liquor may be served in parties hosted in honour of foreigners, provided the number of invitees does not exceed 100 and necessary permits are obtained from the Deputy Commissioner/District Magistrate concerned.
- (b) Serving of drinks to foreigners in bars or special rooms earmarked for the purpose in hotels and restaurants approved by the Ministry of Tourism and Civil Aviation may be permitted. In such approved hotels, there may not also be objection to serving of beer both to foreigners and Indians, but the facility of serving wine in dining rooms should be restricted to foreigners only.
- (c) Clubs may be permitted to serve drinks in their bar rooms only. Beer may, however, be permitted to be served anywhere within the club precincts.
- (d) Alcoholic beverages may be permitted to be served in official parties hosted by the Government agencies in "closed lounges" (i.e., lounges/halls of hotels and clubs exclusively reserved or taken on hire to entertain a select number of invitees) in hotels, clubs, etc., where important foreign visitors are required to be entertained.

The above Programme enjoins that there should be an absolute ban on serving of alcoholic beverages to children below the age of 18 years. These provisions may be kept in view in the matter of serving of liquor in parties etc. arranged on behalf of the Company.

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**23.0 PUBLICATION OF BOOKS AND ARTICLES BY
THE COMPANY'S EMPLOYEES**

23.1 No employee shall publish a book or an article (except in the Company' journals) without obtaining prior written permission of the Company.

23.2 An employee desirous of publishing a book etc. will make an application to the Company seeking permission for publication, normally two months in advance of the intended date of publication. The application will be submitted through proper channel and will contain the following particulars:

- (a) Title of the book/article
- (b) Whether the book/article is proposed to be published (i) under the author's own arrangements, or (ii) through a publisher/in a journal.
- (c) If mode of publication is as at (b) (ii),
 - (i) Name of publisher/journal
 - (ii) Terms of publication
- (d) Whether the effort is aided by the knowledge acquired by the employee in the course of his service in the Company.
- (e) Any other relevant information.

The application will be accompanied by :

- (A) a declaration to the effect that no work connected with the proposed publication will be undertaken during working hours and that the undertaking of such work outside working hours will not, directly or indirectly, adversely affect the employee's official work; and
- (B) three copies of the manuscript.

23.3 The employee's request will be examined by an appropriate committee constituted by the Company for the purpose. In examining the request the committee will take into account all relevant aspects, in particular (i) whether the text contains anything prejudicial to the interests of the Company, and (ii) whether, and if so, to what extent, the author has been aided by the knowledge acquired by him in the course of his service in the Company. The Committee will thereafter make recommendations to the management indicating (a) whether the text contains anything prejudicial to the interests of the Company, and if so, what deletions/modifications are called for before publication; (b) whether the effort reveals the author's scholarly study of the subject, and whether, and if so, to what extent, the author has been aided by the

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knowledge acquired by him in the course of his service in the Company; and (c) whether the permission sought can be given, and if so, what conditions, if any, need be stipulated.

23.4 Income (royalty/remuneration) from the publication will be dealt with as under:

(A) Where the Company accepts (i) that the effort reveals the author's scholarly study of the subject, and (ii) that he has not been substantially aided by the knowledge acquired by him in the course of his service in the Company, retention by the employee of the entire income may be permitted.

(B) In other cases the following procedure will be followed :

(a) From the total income in a financial year, the amounts on the following accounts will be deducted:

- (i) Income tax payable on the income.
- (ii) Incidental expenses actually incurred in connection with the publication (under various heads).
- (iii) Encashment value of any leave taken exclusively in connection with the publication work.

(b) If the net amount arrived as at (a) above -

- (i) is Rs.1000/- or less, the entire amount may be retained by the employee.
- (ii) exceeds Rs.1000/- but does not exceed Rs.10,000/-, one-third of the amount in excess of Rs.1000/- will be credited to the Company;
- (iii) exceeds Rs.10,000/-, Rs.3000/- plus the entire amount in excess of Rs.10,000/- will be credited to the Company.

23.5 The employee's request for permission will be considered by the management on the basis of the recommendations made by the committee (vide 23.3 above) and the decision reached will be communicated to the employee. When permission is given, the communication will -

(a) stipulate that the permission is subject to the conditions

- (i) that no work connected with the publication will be undertaken during working hours,
- (ii) that such work may be undertaken outside working hours provided this does not, directly or indirectly, adversely affect the employee's official work and

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- (iii) that if at any time the Company considers that there has been default in observing these requirements, the Company may direct the employee to discontinue the work and the employee shall comply with such direction forthwith;
- (b) indicate what deletion(s)/modification(s), if any, is/are to be made in the text, stipulating that the permission is subject to carrying out of the deletion(s)/modification(s);
- (c) indicate whether the income is to be dealt with as at 23.4(A) or 23.4(B);
- (d) require, when the income is to be dealt with as at 24.4 (B) above, that the employee will render to the Company, within 3 months of the close of every financial year, particulars as per the prescribed form as per Annexure-VIII together with a cheque for the amount, if any, required to be credited to the Company; and
- (e) require that, after the book/article has been published, a copy thereof will be submitted to the Company together with a certificate that the book/article as published strictly conforms to the manuscript submitted to the Company together with the deletion(s)/modification(s) indicated by the Company and that no deviation whatsoever has been made therefrom.

24.0 CONTACTS OF THE COMPANY'S EMPLOYEES WITH FOREIGN NATIONALS/MEMBERS OF FOREIGN MISSIONS/ORGANISATIONS

24.1 Contacts in general:

24.1.1 The Company's employees should exercise the utmost discretion in their contacts with foreign correspondents, members of foreign missions/organisations and other foreign nationals. They should scrupulously avoid any conversation likely to reveal, even inadvertently information on matters of secret nature or relating to the Company's business. They should also avoid over-patronisation and indiscriminate and frequent acceptance of hospitality, particularly of an informal nature, from foreign nationals or Indian national employed by foreign missions.

24.1.2 No employee, who has not been specially authorised in this behalf by the Company should meet representatives of the Press and give information. As a further safeguard, any employee who might have occasion to meet representative of the press should immediately submit a gist of the subject discussed to the Company/Ministry. In the case of foreign press correspondents or journalists, these instructions apply with greater emphasis.

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24.2 Private correspondence:

24.2.1 Private correspondence with foreign missions should be avoided. Similarly, no private/personal correspondence on matters of an official nature should be entered into directly with members of foreign missions.

24.3 Gifts:

24.3.1 In exchange of gifts with foreign nationals/members of foreign missions or acceptance of foreign articles from them, the relevant provisions of the Engineers India Limited (Conduct) Rules, 1971 (vide Rule 13 and 18) should be borne in mind and prior permission taken whenever necessary under the rules. It is to be noted that it would be illegal to bring foreign exchange into this country save as provided for in the Foreign Exchange Regulations.

NOTE: Employees should obtain prior permission of the Company before becoming a member of a book club run by a foreign agency. If membership of the foreign book club entitles the employee to receive books etc. by way of gifts, the question of acceptance of such gifts would be governed by Rule 13.0 of the Engineers India Limited (Conduct) Rules, 1971.

24.4 Attendance at formal receptions:

- (a) National Day Reception
- (b) Army, Air Force Day, etc. Receptions
- (c) Special Receptions by Heads of Missions

No reception of the above nature, particularly when given by the mission of a country with which the diplomatic relations of India are strained or otherwise affected, should be attended without the prior approval of the Company/Ministry.

24.5 Acceptance of Invitations/Hospitality:

24.5.1 Employees are debarred from accepting invitations for formal or informal entertainment offered by foreign missions including foreign technical missions with which the Company may have official dealings, without the prior permission of the Company/Ministry.

24.6 Official and social calls:

24.6.1 Employees should not initiate action for paying official/social calls on members of foreign missions, nor are such calls if made by members of foreign missions required to be returned. It should be particularly ensured that contacts with representatives of

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other countries are limited to the official level appropriate to the status of the employee concerned.

24.7 Report of conversations at social functions:

24.7.1 All employees who accept or are permitted to accept invitations to social functions from foreign missions should report to the Company any conversation on matters of interest to the Company/Government, made on such occasions.

24.8 Return of hospitality accepted from foreign missions:

24.8.1 It is well recognised everywhere that members of foreign missions are specially paid to enable them to entertain local officials and that the local official's capacity to return their hospitality is limited. There need not, therefore, be anything like a QUID PRO QUO basis being maintained in the matter of entertainment between members of foreign missions and local officials.

24.9 Supply of information to members of missions and nations of other countries:

24.9.1 As the supply of information to foreign missions or their members or foreign nationals is the responsibility of the Ministry concerned, this should not be done by any Officer on his own, directly or by implication. The contacts by junior officers with Personal Assistants or secretaries in foreign missions should be avoided. Particularly, no officer below the grade of Manager or equivalent should on any account maintain contacts with junior diplomatic or non-diplomatic personnel in foreign mission without the express approval of the Company.

24.10 Putting up or staying with foreign nationals as guests:

24.10.1 The Company's employees should not stay as guests with foreign nationals in India. They could, however, stay with foreign nationals abroad with the permission of the Company. Employees should not invite foreign nationals to stay with them as their guests in India.

24.11 Employment of wives/dependents of the Company's employees:

24.11.1 An employee whose wife or dependent intends to take up employment under a foreign mission in India or with any foreign organisation (including a commercial concern) should obtain the Company's prior permission. Similarly, an employee whose wife or dependent is already so employed shall report the matter to the Company.

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- 24.12 **Acceptance of lifts in aircraft belonging to foreign missions in India or foreign Governments abroad:**
- 24.12.1 No employee should accept, or permit his wife or dependants to accept, passage money or free air transport from a foreign mission/ Government/organisation. In exceptional cases involving humanitarian or compassionate grounds, the matter should be referred to the Company for permission.
- 24.12.2 Relaxation to this rule is permissible only in cases which are covered by specific agreements or memoranda of understanding entered into by the Government/Company with foreign Governments/ organisations and which might still be in force. In regard to invitations to visits abroad, which may be accepted only after consultation with the Ministry of External Affairs, the convention in respect of senior officers is that while local hospitality offered by foreign Governments may be accepted, the cost of travel is not accepted from the hosts. Also, such hospitality is not accepted from non-Government societies, organisations, private parties, etc.
- 24.12.3 There would, however, be no objection to the acceptance of the cost of passage in the case of officers invited by foreign Governments and organisations to participate in conferences, seminars, etc., if the invitation is extended to a particular officer by name with a view to benefiting from the expertise of the officer invited. In other cases in which participation in conferences etc. is considered desirable in the interests of the officer concerned or of the Company, the cost of passage should continue to be borne by the officer himself or the Company.
- 24.12.4 Within the foreign country, an employee of the Company could accept a free flight in connection with his official duties only. When an employee and his family are in a foreign country as State guest, it would be permissible for them to accept free flights from foreign Government.
- 24.12.5 The position with regard to the above restrictions is somewhat different as far as fellowships awarded under the established aid programme are concerned. These fellowships are awarded only after initial screening by the Administrative Ministries concerned at the highest level, and final selections are made by the competent authorities according to the prescribed criteria. As the personnel selected for participation in programmes will be operative personnel and as every care is naturally taken to see that there is no abuse of the facilities offered, the above restrictions would not apply to established Technical Assistance Programmes, and that there is no objection to travel costs as well as hospitality offered by the foreign Government concerned, being accepted in such cases. The restrictions would, however, continue to apply to any participation in the programmes by very senior officers, since they are unlikely

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to be actual operative personnel and the question of training or of acquiring additional experience would not arise in their case.

24.13 Disposal of immovable property by lease to foreign nationals

24.13.1 Rule 18.2 of the Engineers India Limited (Conduct) Rules, 1971 forbids the acquisition/disposal by any employee of any immovable property by lease, mortgage, etc., either in his own name or in the name of any member of his family, without the previous knowledge or previous sanction, as the case may be, of the prescribed authority. The term 'lease' occurring in this rule covers letting out accommodation on rent, either by written or oral agreement, whether for a short period or for a long one. It is clarified that prior permission should be taken or prior intimation given, as the case may be, in regard to all transactions in immovable property, including 'lease' as explained above, with foreign nationals/members of foreign missions/organisations controlled by or associated with foreign missions. Any such transaction already made with foreign national should be reported to the Company.

24.14 Joining of foreign language classes:

24.14.1 Employees desirous of joining foreign language classes conducted by foreign missions in India or organisations controlled by or associated with foreign missions or Indo-foreign cultural organisations should seek prior permission from the Company. Any employee who is already attending such a class should report the matter to the Company.

24.15 Association of Company's employees with Indo-foreign cultural organisations:

24.15.1 Employees should not be members of, or actively participate in the activities of, Indo-foreign cultural organisations without the prior permission of the Company. Any employee who is already a member of such an Association should report the matter to the Company.

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ANNEXURE -II

**FORM OF REPORT/APPLICATION FOR PERMISSION/SANCTION TO THE
PRESCRIBED AUTHORITY FOR BUILDING OF/ADDITION TO A HOUSE OR
REPAIRS OF MINOR CONSTRUCTION**

(See Note below Rule 18.0(2) [Strike out portions not applicable])

The Managing Director,
Engineers India Limited,
New Delhi.

Date_____

Sir,

This is to report to you that I propose to build a house/make an addition to my house/This is to request that permission may be granted to me for the building of a house/undertake repairs/minor construction.

Making an addition to my house/undertake repairs/minor construction.

The estimated cost of the and materials for the construction/addition/repairs/minor construction is given below :-

LAND:

- (1) Location (Survey Numbers, village, district, State)
- (2) Area
- (3) Cost

BUILDING MATERIALS ETC.:

- (1) Bricks (Rate/quantity/cost)
- (2) Cement (Rate/quantity/cost)
- (3) Iron and Steel (Rate/quantity/cost)
- (4) Timber (Rate/quantity/cost)
- (5) Sanitary fittings (cost)
- (6) Electrical fittings (cost)
- (7) Any other special fittings(cost)
- (8) Labour charges
- (9) Other charges, if any.

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TOTAL COST OF LAND AND BUILDING:

The construction will be supervised by myself/ The construction will be done by _____ (Name and place of business of the contractor). I do not have any official dealings with the contractor, nor did I have any official dealings. I have/had official dealings with the contractor and the nature of my dealings with him in the past _____ is/ was as under:

Yours faithfully,

Signature _____

Name(in capitals) _____

Designation _____

Employee Number _____

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ANNEXURE-III

**FORM OF REPORT TO THE PRESCRIBED AUTHORITY AFTER COMPLETION
OF THE BUILDING/EXTENSION OF A HOUSE/REPAIRS/MINOR
CONSTRUCTION.**

(See Note Below 18.0(2) [Strike out portions not applicable])

The Managing Director,
Engineers India Limited,
New Delhi.

Date: _____

Sir,

In my letter dated _____ I had reported that I propose to build _____ . Permission was granted to me under your letter No. _____ dated _____ for building a house/ make an addition to my house/undertake repairs/minor construction of a house/making an addition to my house/carrying out repairs/minor construction. The house/extension of my house/repairs/ minor construction has/have since been completed and I enclose a Valuation Report duly certified by _____ (a firm of Civil Engineers of repute).

Yours faithfully,

Signature _____
Name(in capitals) _____
Designation _____
Employee Number _____

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VALUATION REPORT

I/We hereby certify that I/We have valued house/extension of the house/repairs/minor construction_____ (details of the house/extension of the house/repairs/minor construction) constructed/ carried out by _____ (name etc. of the employee) and I/We give below the value at which we estimate the cost of the house/extension of the house/repairs/minor construction under the following headings.

HEADINGS

COST (Rs.)

1. Bricks
2. Cement
3. Iron & Steel
4. Timber
5. Sanitary fittings
6. Electrical fittings
7. All other special fittings
8. Labour charges
9. All other charges

Total Cost of the building

Signature of the valuation authority

Date_____

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ANNEXURE-IV

DECLARATION

(See Note Below Rule 21.0)
(Delete clauses not applicable)

I, Mr./Mrs./Miss _____ declare as under :

- (i) That I am unmarried/a widower/a widow;
 - (ii) That I am married and have only one spouse living;
 - (iii) That I have entered into or contracted a marriage with a person having a spouse living. Application for grant of exemption is enclosed.
 - (iv) That I have entered into and contracted a marriage with another person during the life time of my spouse. Application for grant of exemption is enclosed.
2. I solemnly affirm that the above declaration is true and that I understand that in the event of the declaration being found to be incorrect after my appointment, I shall be liable to be dismissed from service.

Date _____

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ANNEXURE-V

ENGINEERS INDIA LIMITED
NEW DELHI
CIRCULAR NO.61/76

Sub: Presents received by Government servants from foreign dignitaries and foreign firms - Instructions regarding

Department of Personnel & Administrative Reforms OM No.11013/4/76- Estt. (A) dated 27.8.76 (received under Ministry of Petroleum letter No.I-25011/7/76-Genl. dated 9.9.76) on the above subject is circulated for information and guidance.

Sd/-
(P.K. Rudra)
Planning & Personnel Services Manager

No.799.308 dated September 15,1976

cc: All employees

Copy of OM No.11013/4/76-Estt(A) dated 27th August, 1976 from Department of Personnel and Administrative Reforms, New Delhi to all ministries of the Government of India etc. etc.

The undersigned is directed to say that in supersession of all the existing instructions on the above mentioned subject, the following instructions will govern the receipt, retention and disposal of gifts received by Government servants from foreign dignitaries and foreign firms.

1. The presents received from foreign dignitaries will fall into two categories. The first category will include presents which are of symbolic nature, like a ceremonial sword, a ceremonial robe etc. Such gifts of symbolic nature may be retained by the recipient.
2. The second category of gifts would be those which are not of symbolic nature. It has been decided that such gifts may be retained by Government servants, if their value does not exceed Rs.1,000/-. The following procedure may be followed in regard to such gifts which are marginal or in cases where the value apparently exceeds Rs.1,000/- or where there is any doubt about their actual value:

The Government servants shall report the receipt of such gifts to the Ministry Department administratively concerned indicating their approximate estimated value.

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The Ministry/Department concerned shall, in cases of doubt or in marginal cases where the estimated value borders on the prescribed limit of Rs.1,000/- or where the estimated value exceeds Rs.1,000/- refer the case to the Toshakhanna for valuation of gifts and also arrange to get such gifts deposited in the Toshakhanna so that it can assess their value. On assessment of the value by the Toshakhanna, if the value of gifts in marginal or doubtful cases is found to be within the prescribed limit of Rs.1,000/- the gifts will be returned to the Ministry/Department for being handed over to the recipient. Gifts whose value is found to exceed the prescribed limit of Rs.1,000/- will be retained in the Toshakhanna and the recipient of the gifts will have the option to purchase them from the Toshakhanna by paying the difference between the value as estimated by the Toshakhanna and Rs.1,000/-.

3. As regards acceptance of gifts by Government servants from foreign firms, no permission is normally granted, save in exceptional circumstances, for acceptance of gifts made by firms, whether foreign or indigenious, with whom the Government servant concerned has had or has or is likely to have official dealings, either directly or indirectly by virtue of his official position. Permission is also not normally granted for acceptance of gifts by Government servants from firms which are contracting firms with the Government of India, even if the contract is entered into by a Ministry or Department other than the one in or under which the Government servant concerned is serving. The question of grant of permission for acceptance of gifts from a foreign firm would, therefore, normally arise only in those cases where the foreign firm concerned is neither a firm contracting with the Government of India nor one with which the Government servant concerned has had, has or is likely to have official dealings and there is no reason to doubt the bona fide of the gifts made by the foreign firm. In such cases, where it is proposed to grant permission for acceptance of the gifts made by a foreign firm, the procedure indicated in the preceding paragraphs regarding retention of the gifts made by foreign dignitaries should be followed.

.....

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ANNEXURE-VI

ENGINEERS INDIA LIMITED
NEW DELHI

CIRCULAR NO.64/78

**Sub: The Foreign Contribution (Regulation) Act, 1976 (49 of 1976)-
Regulations regarding acceptance/retention of gifts.**

The Foreign Contribution (Regulation) Act,1976 has been enacted to regulate the acceptance and utilization of foreign contribution or foreign hospitality by certain persons or associations.(The Act is available as a Government of India priced publication).

1. (a) Some of the provisions of the Act that may concern the employees of the Company are briefly noted below for the information of all concerned:
 - (i) Section 4 prohibits, inter alia, any employee of a Government Company from accepting any foreign contribution, Section 8, however, states that the provisions of Section 4 will not apply inter alia, to the acceptance by a person of foreign contribution (i) by way of salary etc. or (ii) by way of gifts or presentations made to him as a member of any Indian delegation, where such gift etc. is accepted in accordance with regulations made by Central Government with regard to acceptance or retention of such gift etc., or (iii) from his relative (as defined in the Companies Act,1956), when such contribution (from the relative) is received with the permission of the Central Government, or when the value does not exceed Rs.8,000/- per annum and an intimation as required is given to the Central Government, or (iv) by way of remittance received through any official channel.
 - (ii) Section 7 requires that every citizen of India receiving any scholarship, stipend or any payment of a like nature from a foreign source shall give intimation to the Central Government in the prescribed manner.
 - (iii) Section 9 provides that no employee of a Government Company, while visiting a foreign country, shall accept, except with the prior permission of the Central Government, any foreign hospitality, provided that such permission shall not be necessary for an emergent medical aid needed on account of sudden illness contracted during a visit abroad, but where such foreign hospitality (in the form

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of medical aid) is received an intimation in the prescribed manner shall be given to the Central Government.

- (b) The broad meaning of some of the expressions in the Act are as under:
- (i) "Foreign Contribution" means the donation, delivery or transfer made by any foreign source of any article, not being a gift for personal use, whose Indian market value does not exceed Rs.1,000/-; any currency, Indian or foreign; any foreign security.
 - (ii) "Foreign hospitality" means any offer, not being a purely casual one, by a foreign source of providing cost of travel to any foreign country of free board, lodging, transport or medical treatment.
 - (iii) "Foreign source" includes any foreign Government, any international agency, not being UN etc., any foreign company (within the meaning of the Companies Act, 1956)/Company which is a subsidiary of a foreign company/multi-national / foreign corporation / company whose majority shares are held by a foreign Government /citizen, any foreign trust/society/association/trade union/club, a foreign citizen.

2. The Central Government has made regulations with regard to acceptance or retention of foreign contribution by way of a gift or presentation to a person as a member of any Indian delegation (vide para 2(a)(i)(ii) above) and notified them under Notification No.S.O402(E) dated 22.6.78. This Notification is reproduced in the annexure to this circular for the information and guidance of all concerned.

Sd/-
Rajendra Singh
for (J.R.Rijhsinghani)
Corporate Personnel Manager

No.799.308 dated December 5, 1978

cc: All employees.

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ANNEXURE TO CIRCULAR NO.64/78

MINISTRY OF HOME AFFAIRS
NOTIFICATION

NEW DELHI, THE 22ND JUNE 1978

S.O.402 (E). - In pursuance of clause (d) of Section 8 of the Foreign Contribution (Regulation) Act, 1976 (49 of 1976), the Central Government hereby makes the following regulations with regard to the acceptance or retention of foreign contribution by way of a gift or presentation made to any person specified in Section 4 as a member of any Indian delegation, namely:

1. Short title and commencement:

- (i) These regulations may be called the Foreign Contribution (Acceptance or Retention of Gifts or Presentations) Regulations, 1978.
- (ii) They shall come into force on the date of their publication in the official Gazette.

2. Definitions:

In these regulations, unless the context otherwise requires:

- (a) "Act" means the Foreign Contribution (Regulation) Act, 1976 (49 of 1976);
- (b) Words and expressions used in these regulations and not defined but defined in the Act shall have the meaning respectively assigned to them in the Act.

3. Regulation of acceptance or retention of foreign contribution by way of gift or presentation,-

- (i) Any person specified in section 4 of the Act who is a member of any Indian delegation may accept any foreign contribution by way of a gift or presentation made to him as a member of such delegation (hereinafter referred to as such person), subject to the provisions of this regulation.
- (ii) Where such person receives any foreign contribution by way of gift or presentation, he shall, within thirty days of the receipt thereof, intimate to the Secretary to the Government of India in the Ministry of Home Affairs, Ministry of External Affairs and the Ministry or the Department of the

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Government of India sponsoring the delegation of which he is a member, in writing,

- (a) the fact of his having received such gift or presentation,
- (b) the foreign source from which it is received,
- (c) its approximate market value in India,
- (d) the place in which, and the date on which, it is received; and
- (e) such other details relating thereto as he may, in the circumstances, consider appropriate.

Provided that in a case where such person received such gift or presentation while he is visiting any foreign country or territory outside India, such intimation may be made by him within thirty days from the date of his return to India.

- (iii) Every gift or presentation received by such person from any foreign source shall be deposited by him with the Secretary to the Government of India in the Ministry or the Department which had sponsored the delegation of which he was the member, within thirty days from the date of intimation by him of such receipt under sub-regulation (ii).
- (iv) The Secretary to the Government of India, referred to in sub-regulation (iii), shall forward every such gift or presentation deposited with him to the Toshakhanna in the Ministry of External Affairs for assessment of its market value in India.
- (v) Such assessment shall be made within thirty days from the date of receipt of the gift or presentation in the Toshakhanna, in accordance with the rules applicable, for the time being in force, to the valuation of articles in the Toshakhanna, and such person shall be intimated in writing of such assessment forthwith.
- (vi) the assessment so made under sub-regulation (v) shall be final and shall not be called in question by such person.
- (vii) Every such gift or presentation, the market value in India of which, as assessed under sub-regulation (v), does not exceed one thousand rupees, shall be returned to such person for retention by him;

Provided that where more than one such gift or presentation is received by such person while he is in one delegation, such person be entitled to retain only one such gift or presentation.

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- (viii) Every such gift or presentation, the market value in India of which, as assessed under sub-regulation (v), exceeds one thousand rupee shall be retained in the Toshakhanna;

Provided such person shall have the option, that exercised by him within thirty days from the date of receipt by him in the intimation under sub-regulation (v), to purchase such gift or presentation on payment of the difference between the market value in India of such gift or presentation, as assessed under sub-regulation (v) and one thousand rupees;

Provided further that the option once exercised under this sub-regulation shall be final..

(No. 11/21022/5(6)/77-FCRA.1)
J.C. PANDEY, JT. SECRETARY

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ANNEXURE - VII

**ENGINEERS INDIA LIMITED
NEW DELHI**

**SUB: The foreign contribution (Regulation) Act 1976 - Regulations
regarding acceptance/retention of gifts.**

REF: Circular No.64/78

Reproduced below is copy of letter No.II/21022/14(8)/78-FCRA.1 dated 12.8.80 from Ministry of Home Affairs received under Ministry of Petroleum, Chemicals & Fertilizers (Department of Petroleum) letter No.J-52011/12/80-Gen. dated 3.9.80), for information of all concerned.

Sd/-
(Rajendra Singh)
Manager (Employee Relations)
for Chairman & Managing Director

No.799.308 dated November 29,1980

cc: All employees

Copy of letter No.II/21022/14(8)/78-FCRA.1 dated the 12th August, 1980 received from Ministry of Home Affairs / Grih Mantralaya.

Sub: Foreign Contribution (Regulation) Act, 1976 permission for acceptance of foreign hospitality by Government servants - Instruction regarding

1. Section 9 of the Foreign Contribution (Regulation) Act,1976 stipulates that, among others, Government servants and employees of any corporation including Government Companies as defined in Section 617 of the Companies Act, 1956 shall not, while visiting any country or territory outside India, accept any foreign hospitality except with the prior permission of the Central Government.
2. It has been noticed that sometimes proposals are sent to this Ministry where a particular Government servant has been directly invited by name or designation by a foreign agency/organisation, offering to him/extending hospitality in the form of

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free board, lodging and/or international air fare, etc. In this connection, it may be pointed out that receipt of such invitation by a Government servant by name and acceptance thereof is not

desirable and amounts to infringement of the standing instructions issued by the Department of Personnel & AR vide their letter No.9/26/71-AIS(III) dated 25th July, 1973 and an earlier OM No.25/15/62-Estt.(A) dated 21st April, 1962. Therefore, in order

to ensure that foreign Government organisations/bodies or individuals do not patronize Government officers by means of travel grants or free board, lodging, etc. and, conversely, Government servants do not compromise their position in some way as a result thereof, it is emphasized that no direct offer or invitation to Government servants/employees of corporations by name or designation should be entertained.

3. In the normal course invitation from any foreign source for attending seminars, conferences, meetings etc. and offers of scholarship/fellowship by international organisations to Government servants should be channelised through the administrative Ministry/ Department concerned, so that only deserving candidates are selected on the basis of their merits, qualifications, the need for such training etc.
4. Acceptance of hospitality for lecture tours, study tours and other such visits by Government servants should not generally be encouraged. If the sponsoring Ministry/Department feel that visit of some officer is absolutely necessary or that it would be of national advantage, they may consider bearing the cost of international air fare to and back and the foreign hospitality be confined only to local costs of board and lodging etc.
5. Furthermore, it has been noticed that proposals seeking permission for acceptance of foreign hospitality often come to us very late, giving rise to all round pressure of work besides causing inconvenience to the applicant(s). To facilitate examination of the cases and to avoid last minute rush it is requested that applications of individual Government servants seeking permission for acceptance of foreign hospitality in the FC-2 form, as prescribed in the Foreign Contribution (Regulation) Rules, 1976, together with the comments/recommendations of the Administrative Ministry and other relevant documents like a copy of the invitation etc. may be sent to this Ministry at least FIFTEEN DAYS before the actual date of departure.

Yours faithfully,

Sd/-
(M.P.Rodrigues)
Director

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Engineers India Limited
New Delhi

Circular No. 53/93

Sub: Conduct Rules

Ref. : Circular No. 36/90 dated 7.9.90

1. Orders have been issued from time to time inviting attention of all employees regarding compliance of various provisions under the EIL (Conduct) Rules, 1971 specially pertaining to frequent purchase or sale or both of shares, securities and other investments by the employees or the members of their family. In this connection, mention may be made of Circular Nos.14/86 dated 27.5.86, 16/90 dated 24.4.90 and 23/91 dated 25.3.91.
2. Rule 16.0 of the EIL (Conduct) Rules, 1971 on the subject of investment, lending and borrowing specifically provides that no employee shall speculate in any stock, share or other investment and also that no employee shall make or permit any member of his family or any person acting on his behalf, to make any investment which is likely to embarrass or influence him in the discharge of his official duties. It has been explained in this rule that frequent purchase or sale or both of shares, securities or other investments shall be deemed to be speculation within the meaning of these rules.
3. It has come to the notice of the Company that a number of employees are investing in shares, securities and debentures, etc. frequently. With a view to keep a watch over such transactions, it has been decided that an intimation should be sent in the enclosed proforma to the prescribed authority in the following cases:-
 - (i) Class I and II officers-If the total transactions in shares, securities, debentures or mutual funds scheme, etc. exceeds Rs.50,000/- during the calendar year.
 - (ii) Class III and IV officers - If the total transactions in shares, securities, debentures or mutual funds scheme, etc. exceeds Rs.25,000/- during the calendar year.

Note: The above information should reach the prescribed authority on or before 31st January following the calendar year for which the information relates.
4. It is specifically clarified that since shares, securities, debentures, etc. are treated as movable property for the purpose of Rule 18.0, 18.1, 18.3 and 18.5 etc. of the EIL (Conduct) Rules, 1971 if an individual transaction exceeds the amount prescribed, the intimation to the prescribed authority would still be necessary. The intimation prescribed in Para 3 above will be in addition to this, where cumulative transaction(s)

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i.e. sale, purchase or both in shares, securities, debentures or mutual funds, etc. in a year exceed the limits indicated in Para 3 above.

5. A question has been raised whether employees can purchase shares of companies out of the quotas reserved for the friends and associates of the Directors of the companies. The provision of Rule 16.2 of the EIL (Conduct) Rules, 1971 makes it clear beyond doubt that an employee should be circumspect in the matter of making investments and there is room for the inference that purchase of shares in a company out of the quota reserved for friends and associates, etc. of the Directors is likely to embarrass him in the discharge of his official duties at some time or other. In the circumstances, keeping in view the provisions of Rule 16.2, mentioned above, the Company's employees or the members of their family, etc should not purchase shares out of the quota reserved for friends and associates of the Directors of the Companies.
6. The above orders will come into force with immediate effect.

Sd/-
M.M. Lal
General Manager (Pers)
For Chairman & Managing Director

No. 726.11 dated 31.8.1993

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Engineers India Limited
New Delhi

Form for giving intimation for transaction in shares, securities, debentures and investment in mutual fund schemes under Circular No. 53/93 dated 31.8.93.

1. Name _____
2. Employee No. _____
3. Designation _____
4. Department _____
5. Location _____
6. Level _____
7. Present Pay _____
8. Details of each transaction made in shares, securities, debentures, mutual fund schemes, etc. during the calendar year _____
9. Details of the party/firm with whom transaction is made: _____
 - (a) Is party related to the applicant _____
 - (b) Did the applicant have any dealings with the party in his official capacity at any time or is the applicant likely to have any dealings with him in the near future? _____
10. Source(s) from which financed:-
 - (a) Personal Savings _____
 - (b) Other sources giving details _____
11. Any other relevant fact which applicant may like to mention _____

DECLARATION

I hereby declare that the particulars given above are true.

Place : _____

Date : _____

Signature: _____

Note : The above information should reach the prescribed authority on or before 31st January following the calendar year for which the information relates.

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ANNEXURE - VIII

(See Rule 23.0)

The Chairman & Managing Director,
Engineers India Limited,
New Delhi.

SUB: PUBLICATION OF BOOKS ETC.

Dear Sir,

With reference to Rule 23.0 of the Engineers India Limited (Conduct) Rules 1971, as amended from time to time, I furnish the following particulars pertaining to the financial year_____:

1. Title of book/article published
2. Reference to Company's letter conveying permission for publication
3. Income received
4. Income tax payable on the income received
5. Incidental expenses actually incurred under various heads
6. Number of days of leave taken exclusively in connection with the publication work, and the encashment value thereof.

I enclose a cheque for Rs._____ being the amount to be credited to the Company in terms of clause 23.4 (B) of the aforesaid Rule.

Very truly yours,

Signature_____

Station_____

Name_____

Date_____

Employee_____

Designation_____

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DISCIPLINE, APPEAL AND CERTAIN OTHER
CONDITIONS OF SERVICE RULES
(Levels 10, 12 & above/Corresponding Field Categories)

1.0 SCOPE OF APPLICATION

- 1.1 These rules shall be known as 'Discipline, Appeal and Certain other Conditions of Service Rules for Officers'. These rules shall apply to those employees belonging to Levels 10, 12 and above/corresponding Field Categories in respect of whom the Board of Directors of the Company or an authority subordinate to it is the appointing authority, subject to Notes 1 and 2 below, and will come into force with immediate effect. Except where modified by the provisions of the aforesaid Rules the terms and conditions of service applicable to employees shall remain in force as hitherto.

NOTES:

- (1) In respect of employess (1) who have joined or join hereafter the Company's service (a) on deputation, or, (b) on being selected on the basis of their application for appointment to the Company, their lien on their posts in the parent organisations having been allowed to be retained, or, (2) who have proceeded or proceed hereafter to another organisation (a) on deputation, or, (b) on being selected on the basis of their application for appointment to that organisation, their lien on their posts in the Company having been allowed to be retained, provision regarding the applicability of these rules will be made in their terms of appointment. Where the terms provide that these rules will apply to the employee on deputation etc., the procedure as may be prescribed in this regard will be kept in view in dealing with the disciplinary cases of such employees.
- (2) In the case of person(s) taken on assignment from other organisations on inter-organisational payment basis and working under the supervision of the Company's personnel, the question of applicability of these rules to such person(s) will be determined before taking them on such assignment.

In the case of employees sent on assignment to another organisation on inter-organisational payment basis and working under the supervision of the personnel of the other organisation, the question of applicability of these rules to such employees will be determined before sending them on such assignment.

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2.0 DEFINITIONS

2.1 In these rules, unless there is anything repugnant to the subject or context -

- (a) **'Company'** means Engineers India Limited;
- (b) **'Board'** means the Board of Directors of the Company and includes any committee constituted by the Board or any officer/officers of the Company to which/whom the Board has delegated powers for the purpose of these rules;
- (c) **'Chairman and Managing Director'** means Chairman & Managing Director/Managing Director of the Company;
- (d) **'Notice'** means a notice in writing required to be given or posted on the notice board of the office concerned for the purpose of these rules;
- (e) **'Notice Board'** means the Notice Board maintained in a conspicuous place at or near the main entrance of the office concerned/establishment;
- (f) **'Disciplinary Authority'** means an authority prescribed in Schedule 'A' of Discipline, Appeal and Certain Other Conditions of Service Rules for Officers (Level 10, 12 & above/Corresponding Field Categories) or any authority higher than it and competent to impose any of the penalties specified in the rule or order. Schedule 'A' enclosed herein will become part of these rules.
- (g) **'Appellate Authority'** means an authority prescribed in Schedule 'A' of Discipline, Appeal and Certain Other Conditions of Service Rules for Officers (Level 10, 12 & above/Corresponding Field Categories).
- (h) **'Members of Family'** in relation to an employee includes -
 - (i) the wife or husband, as the case may be, of the employee, whether residing with the employee 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) son or daughter or step son or step daughter of the employee and wholly dependent on him, but does not include a child or step-child who is no longer in any way dependent on the employee or of whose custody the employee has been deprived by or under any law;
 - (iii) any other person related, whether by blood or marriage, to the employee or employee's wife or husband, and wholly dependent on the employee;

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(i) **'Salary'** means -

- (i) pay in a time scale of pay, and special pay/personal pay, if any; or
- (ii) fixed pay; or
- (iii) consolidated remuneration described as consolidated or fixed salary or otherwise; or
- (iv) stipend, as the case may be, and includes such allowance(s) as is/are admissible to the employee concerned in accordance with Company's rules for the time being in force, subject to the terms of appointment.

3.0 SHIFT WORKING

3.1 More than one shift may be worked in a department or departments or any section of a department of the Company, and where more than one shift is worked, the employees will be liable to be transferred from one shift to another. Shift working in a department will be introduced as under law, provided that in departments/sections/functions where shifts have been/are being worked, the same may be regulated by the Company as per exigencies of work from time to time as hitherto.

4.0 CONDITIONS OF, PROCEDURE IN APPLYING FOR, AND THE AUTHORITY WHICH MAY GRANT LEAVE AND HOLIDAYS

4.1 Subject to the terms of appointment, employees will be eligible for leave in accordance with the Company's Leave Rules as amended from time to time.

4.2 An employee who desires to obtain leave of absence shall apply on the prescribed form to the authority competent to sanction leave and must not avail of the leave before it is sanctioned, provided, however, that in extraordinary cases where for reasons beyond his control, it is not possible to obtain prior sanction, he must send intimation in this behalf to the aforesaid authority within three days. The application shall be submitted normally seven days in advance of the proposed date of commencement of leave, unless in any case the said authority, for reasons considered sufficient by it, is prepared to accept the application at shorter notice. The said authority shall issue orders on the application within a week of its submission or two days prior to the commencement of the leave applied for, whichever is earlier, provided that if the leave applied for is to commence on the date of the application or within three days thereof, the order shall be given on the same day. If the leave is refused or postponed, the fact of such refusal or postponement and the reasons therefore shall be recorded in writing on the leave application.

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- (1) The orders on the application for leave will be noted on the leave application itself and it will be the duty of the employee, before proceeding on leave, to have an order in writing to that effect or have the order made in writing on the leave application in his presence. The fact of refusal of leave will be endorsed on the leave application and will be sufficient notice to the employee of the fact of such refusal.
 - (2) The authority competent to sanction leave will be competent to sanction restricted holiday also. The procedure will be the same as for grant of leave.
- 4.3 If an employee after proceeding on leave desires an extension thereof, he shall apply to the authority competent to sanction leave and must not avail of the extension of leave before it is sanctioned, provided, however, that in extraordinary cases where for reasons beyond his control, it is not possible to obtain prior sanction, he must send intimation in this behalf to the aforesaid authority within three days. The competent authority shall send or cause to be sent a reply either granting or refusing extension of leave to the employee if his address is available and if such reply is likely to reach him before the expiry of the leave originally granted to him. It will be the duty of the employee to have extension of leave in writing from the proper authority. In the absence of the same he shall be deemed to be on unauthorized absence.
- 4.4 If an employee remains absent beyond the period of leave originally granted or subsequently extended, he shall lose his lien on his appointment unless he (a) returns within 21 days of the expiry of the leave, and (b) explains, to the satisfaction of the Company, his inability to return before the expiry of his leave. Consequently, when an employee loses his lien on his appointment, his name will be struck off the rolls of the Company.
- 4.5 If an employee remains absent beyond 21 days continuously/without prior permission or intimation, he shall be deemed to have voluntarily abandoned the Company's service and the Company will notify him accordingly at his last known address.
- 5.0 **ENTRANCE TO ESTABLISHMENT AND LIABILITY TO SEARCH**
- 5.1 All employees shall enter and leave the office premises only by the entrance specified for the purpose.
- 5.2 On entering or leaving the office premises, all employees will be liable for search by the employees in Administration including security staff at the discretion of the Company; provided that the female employees shall be searched by a female

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employee or such other female persons as may be nominated in this behalf by the Company.

6.0 TEMPORARY STOPPAGE OF WORK IN EXIGENCIES BEYOND THE COMPANY'S CONTROL

6.1 The Company may, at any time, in the event of fire stoppage of power-supply, contraction of Company's business or any other cause beyond its control, stop/close any section or sections of the establishment, wholly or partially, for any period. Where possible, however, employees will be given reasonable notice of such stoppage/closure.

6.2 In case where employees are laid off for short periods on account of any of the causes mentioned in Rule 6.1, other than a lock-out or a strike, the period of unemployment shall be treated as compulsory leave either with or without pay, as the case may be.

NOTE: Where any of the provisions laid down under Rule 6.2 are less beneficial to the employees than the provisions of the industrial Disputes Act, 1947, the relevant provisions of the Act shall apply.

7.0 SUSPENSION PENDING INQUIRY AND DISCIPLINARY ACTION FOR MISCONDUCT

7.1 Misconduct

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

- (1) Theft, fraud, or dishonesty in connection with the business or property of the Company or of property of another person within the premises of the Company.
- (2) Taking or giving bribes or any illegal gratification.
- (3) Engaging directly or indirectly in any business, trade or profession or canvassing for any profession, business or trade owned or managed by a member of his family without written permission of the Company.

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- (4) Transactions, by way of borrowing or lending money with fellow-employees habitually, or, with any other person/firm/Private Limited Company/Agent with whom the employee has or is likely to have any official dealings, including insolvency and habitual indebtedness.
- (5) Contracting or entering into a marriage with a person having a spouse living, or contracting/entering into another marriage while employee's spouse is alive, without obtaining prior permission of the Company, notwithstanding the fact that such marriage is permissible under the personal law applicable to the employee.
- (6) Abuse of official position or exerting pressure, directly or indirectly, to secure employment or any other pecuniary benefit for any member of employee's family in any undertaking having direct dealing with the Company.
- (7) Acceptance of gifts by the employee or any member of his family or any person acting on his behalf, in contravention of the Company Rules.
- (8) Furnishing false information regarding name, age, father's name, qualifications, previous service or any other matter germane to the employment, at the time of employment or during the course of employment.
- (9) Willful insubordination or disobedience, whether or not in combination with others, of any lawful and reasonable order of the employee's superior in connection with the Company's work.
- (10) Habitual late or irregular attendance.
- (11) Habitual negligence or neglect of work including slowing down of work.
- (12) Interference or tampering with any safety devices installed in or about the premises of the Company or willful damage to any property of the Company.
- (13) Drunkenness or riotous or disorderly behaviour in the premises of the Company or outside such premises where such behaviour is related to or connected with the employment.
- (14) Gambling within the premises of the Company.
- (15) Smoking within the premises of the Company where it is prohibited.
- (16) Collection without the permission of the competent authority of any money within the premises of the Company except as sanctioned by any law of the land for the time being in force or rules of the Company.

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- (17) Sleeping while on duty.
- (18) Commission of any acts which amount to a criminal offence involving normal turpitude.
- (19) Habitual or prolonged absence from the employee's appointed place of work without permission or sufficient cause.
- (20) Purchasing properties, machinery, stores, etc., from, or, selling properties, machinery, stores, etc., to the Company without express permission in writing from the competent authority.
- (21) Commission of any act subversive of discipline or good behaviour.
- (22) Striking work or inciting others to strike work in contravention of the provisions of any law, or rule having the force of law.
- (23) Breach or violation of the rules, regulations or orders applicable to the employees.
- (24) Assaulting, threatening or abusing or insulting or intimidating or surrounding and forcibly detaining any employees or officer of the Company within or outside the premises of the Company.
- (25) Abetment, or attempt at abetment, of any act, which amounts to misconduct.
- (26) Commission of any act of sexual harassment such as physical contact and advances, sexually coloured remarks, showing pornography, sexual demand and any other unwelcome physical, verbal or non-verbal conduct of sexual nature?
- (27) The possession of assets disproportionate to the known sources of income

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

7.2 **Suspension**

- (1) The disciplinary authority or any other authority to which it is subordinate, which is empowered to impose on an employee any or all of the penalties specified in Rule 7.5, or, any other authority empowered in that behalf by the Board or the Chairman & Managing Director, by general or special order, may place an employee under suspension by issuing an order:

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- (a) where a disciplinary proceeding against an employee is contemplated or is pending, and his/her presence at his/her duty post is not considered desirable; or
 - (b) where a case against an employee in respect of any criminal offence is under investigation or trial, if the case relates to his/her official duties and/or his/her presence at his/her duty post is not considered desirable.
- (2) An employee who is arrested, whether on a criminal charge or otherwise, and is detained in custody for a period exceeding 48 hours shall, as soon as possible, report the facts to the disciplinary authority. That authority will decide whether the employee should be placed under suspension, and, if so, for what period.
- (3) While taking a decision to place an employee under suspension the disciplinary authority will pass order whether or not the employee will be required to be present in the office.
- (4) A statement setting out in detail the reasons for suspension shall be supplied to the employee within a week from the date of the order of suspension.
- (5) An order of suspension made under this clause may be, at any time, revoked by the authority which made the order or by any authority to which that authority is subordinate.

7.3 Subsistence Allowance

- (1) An employee under suspension in various circumstances as indicated below shall be paid as subsistence allowance at the specified percentage of pay (including special pay, if any) stipulated at Rule 7.3 (3) that he would have drawn from time to time had he been on duty, and, in addition, such of the under mentioned allowances and at such quantum as he would have drawn from time to time had he been on duty:
- (a) Dearness Allowance
 - (b) Compensatory (City) Allowance, if any
 - (c) House Rent Allowance, if any
 - (d) Personal allowance, if any
 - (e) Field Allowance/Project Allowance, if any
 - (f) Special local allowance, if any

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NOTE: Inclusion of special pay in computing subsistence allowance and payment of the allowances mentioned above will be subject to the fulfillment of the conditions governing drawal of special pay or of the allowances, as the case may be.

(2) No subsistence allowance or the applicable allowances shall be paid if the employee does not furnish a certificate that he is not engaged in any other employment, business, profession or vocation during the suspension period.

(3) Specified percentages

A. Where the inquiry contemplated or pending is departmental,

(i) For the first ninety days from the date of suspension Fifty per cent

(ii) If the inquiry gets prolonged for period exceeding 90 days -

(a) For reasons not directly attributable to the employees Seventy-five per cent for the period in excess of 90 days

(b) For reasons directly attributable to the employee Twenty-five per cent for the period in excess of 90 days

B. Where criminal proceedings are under investigation or under trial,

(i) For the first 180 days from the date of suspension Fifty per cent

(ii) If criminal proceedings get prolonged for period exceeding 180 days -

(a) For reasons not directly attributable to the employee Seventy-five per cent for the period in excess of 180 days

(b) For reasons directly attributable to the employee Twenty-five per cent for the period in excess of 180 days

7.4 Treatment of the period of suspension

(1) When the employee under suspension is reinstated, the suspending authority (vide clause (1) of Rule 7.2) may grant to him the following pay and allowances for the period of suspension:

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- (a) if the employee is exonerated and not awarded any of the penalties mentioned in Rule 7.5, the full pay and allowances which he would have been entitled to if he had not been suspended, less the subsistence allowance and the allowances already paid to him; and
 - (b) if otherwise, such proportion of pay and allowances as the aforesaid authority may prescribe.
- (2) In a case falling under sub-clause (a), the period of absence from duty will be treated as period spent on duty. In a case falling under sub-clause (b), it will not be treated as period spent on duty unless the aforesaid authority so directs in writing.

7.5 Penalties

7.5.1 The following penalties may be imposed upon an employee, as hereinafter provided, for misconduct committed by him/her in the present, previous or earlier appointments or for any other good and sufficient reasons:

Minor Penalties:

- (a) Censure;
- (b) withholding of increments of pay with or without cumulative effect;
- (c) withholding of promotion;
- (d) recovery from pay of the whole or part of any pecuniary loss caused to Corporation/Company by negligence or breach of order;
- (e) reduction to a lower stage in the time-scale of pay for a period not exceeding 3 years, without cumulative effect and not adversely affecting his terminal benefits.

Major Penalties:

- (f) save as provided in clause (e), reduction to a lower stage in the time-scale of pay for a specified period, with further directions as to whether or not the employee will earn increments of pay during the period of such reduction and whether on expiry of such period, the reduction will or will not have the effect of postponing the future increment of pay;
- (g) reduction to a lower time scale of pay, grade, post or service which shall ordinarily be a bar to the promotion of the employee to the time-scale of pay, grade, post from which he was reduced, with or without further directions regarding conditions of restoration to the grade or post from which the employee was reduced and his seniority and pay on such restoration to that grade or post;
- (h) compulsory retirement;

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- (i) removal from service which shall not be a disqualification for future employment under the Govt. or the Corporation/Company owned or controlled by the Govt.;
- (j) dismissal from service which shall ordinarily be a disqualification for future employment under the Government or the Corporation/Company owned or controlled by the Government;

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

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

Explanation:

Nothing other than those specified at items (a) to (j) above is a penalty. To illustrate, the following shall not amount to a penalty within the meaning of this rule:

- (i) non-grant of increment of an employee on account of his work not being found satisfactory or to be of the required standard, or for failure to pass a prescribed test or examination;
- (ii) non-promotion of an employee to a post in the next higher grade;
- (iii) reversion to his previous grade or post, of an employee appointed on probation to another grade or post, during or at the end of the period of probation, in accordance with the terms of his appointment;
- (iv) termination of service of an employee -
 - (a) appointed on probation, during or at the end of the period of probation in accordance with the terms of his appointment;
 - (b) appointed in a temporary capacity otherwise than under a contract or agreement, on the expiry of the period for which he was appointed, or earlier in accordance with the terms of his appointment;
 - (c) appointed under a time-bound contract or agreement, in accordance with the terms of such contract or agreement;
 - (d) on reduction of establishment;
 - (e) for continued ill health or on permanent incapacitation for further service due to ill health or disablement; and
 - (f) on voluntary abandonment of service;
 - (g) retirement of an employee on attaining the age of superannuation.

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7.6 Disciplinary Authority

- (a) The various authorities specified in clause (f) of Rule 2.0 may impose any or all of the penalties prescribed in Rule 7.5. An authority higher than that which is empowered to impose a particular penalty on an employee may, on its own motion, impose that penalty on that employee. In such cases, appeal shall lie to the authority to which such higher authority reports.
- (b) The C&MD or the Committee of Functional Directors (CFD) may -
 - (i) institute disciplinary proceedings against any employee;
 - (ii) direct a Disciplinary Authority to institute disciplinary proceedings against any employee.
- (c) In the event of involvement of Disciplinary Authority as a witness or otherwise in the disciplinary proceedings, an authority higher than the Disciplinary Authority to whom Disciplinary Authority is subordinate, shall exercise powers of Disciplinary Authority.
- (d) Before commencement of disciplinary proceedings against any employee, the C&MD may transfer such employee to any other department/division. In such situation, Disciplinary Authority of such employee shall be Head of the Department/Division where such employee has been transferred.

7.7 Procedure for imposing penalties

- (a) Order imposing any of the major penalties specified in Rule 7.5 shall be made after an enquiry is held. However, minor penalties may be imposed after issue of charge sheet, receipt of reply thereto from the delinquent employee and consideration of the reply by the Disciplinary Authority.
- (b) In the enquiry, the employee concerned may take the assistance of another employee (to be known as the 'Assisting Officer') posted at his Headquarters Station, at his own initiative and responsibility.

7.8 Action on the inquiry report

- (a) Order imposing any of the major penalties specified in Rule 7.5 shall be made after an enquiry is held. However, minor penalties may be imposed after issue of charge sheet, receipt of reply thereto from the delinquent employee and consideration of the reply by the Disciplinary Authority.

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(b) In the enquiry, the employee concerned may take the assistance of another employee (to be known as the 'Assisting Officer') posted at his Headquarters station, at his own initiative and responsibility.

7.9 Communication of orders

Orders made by the disciplinary authority under Rule 7.8 shall be communicated to the employee concerned. Every order, notice and other process made or issued under these rules shall be served on the employee concerned in person, or communicated to him at his last known address by registered post acknowledgement due. It may also be served personally. If the employee refuses to accept delivery in person in the presence of at least one witness, the record of such refusal will be made and signature(s) of the witness/es obtained and communication deemed to have been served. If it is not possible to deliver the document by any of the above means, a copy thereof will be posted on the notice board of the establishment to which the employee belongs and notice so posted shall be deemed to be served on the employee.

7.10 Special procedure in certain cases

- (1) When the disciplinary authority is satisfied that in the interest of the Company it is not expedient or necessary to hold an enquiry, it may in writing recommend to the next higher authority for imposing penalty without going through the procedure of the enquiry. However, the next higher authority to whom the case is so referred or so motto may, subject to clause (2) below, impose the penalty specified in rule 7.5, when it is convinced that there are reasons for taking action under the clause and the situation so warrants. Such action may also be taken by any superior authority to the next higher authority.
- (2) The power under this rule shall not be delegated to any lower authority.

7.11 Appeals

An employee may appeal within one month against an order imposing upon him any of the penalties specified in Rule 7.5. The appeal shall lie to the authority specified in clause (g) of Rule 2.0

7.12 Savings

Proceedings pending at the commencement of these rules shall be considered and orders thereon shall be made, in accordance with these rules.

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7.12A REVIEW:

Notwithstanding anything contained in these rules, a Committee of Functional Directors (CFD) (hereinafter referred to as 'Reviewing Authority') may at any time within six months, either on its own motion or otherwise call for the record of the case for the purpose of review of the records of any enquiry and disciplinary proceedings and revise any order made under these rules or under the rules from which an appeal is allowed but no appeal has been preferred, and may:

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

Provided that if the Reviewing Authority proposes to enhance the penalty already imposed and the proposed penalty is a major penalty as specified in Rule 7.5 and an enquiry as provided in Rule 7.7, 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 the Rule 7.7 and thereafter, consider the record of the enquiry and pass such order as it may deem proper. If the Reviewing Authority decides to enhance the punishment but an enquiry has already been held as provided in Rule 7.7, the Reviewing Authority shall give a show cause notice to the employee as to why the enhanced penalty should not be imposed upon him. The Reviewing Authority shall pass the final order after taking into account the representation, if any, submitted by the employee.

Similarly, if the Reviewing Authority proposes to enhance the punishment within the Minor Penalties, an opportunity to be heard will be given to the employee and the employee's representation if any, submitted shall be taken into account by the Reviewing Authority before imposing enhanced penalty.

7.12B SPECIAL REVIEW:

The Chairman & Managing Director, either on his own motion or otherwise may review any order passed under these rules, at any time within six months, when any new material or evidence which could not be produced or was not available at the time of passing the order under review and which has the effect of changing the nature of the case, has come, or has been brought to his notice.

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Provided that no order imposing or enhancing any penalty shall be made by the Chairman & Managing Director unless the employee concerned has been given a reasonable opportunity of making a representation against the penalty proposed or where it is proposed to impose any of the major penalties specified in Rule 7.5 or to enhance the minor penalty imposed by the order sought to be reviewed to any of the major penalties and if an enquiry under Rule 7.7 has not already been held in the case, no such penalty shall be imposed except after inquiring in the manner laid down in Rule 7.7.

8.0 MEANS OF REDRESS FOR EMPLOYEES AGAINST UNFAIR TREATMENT OR WRONGFUL EXACTIONS BY THE COMPANY OR ITS LAWFUL REPRESENTATIVE

8.1 All complaints arising out of employment including those relating to unfair treatment or wrongful exaction on the part of the company or its lawful representative, shall be submitted to the Divisional Manager leading the Division in which the employee concerned is employed for the time being.

9.0 CERTIFICATE ON TERMINATION OF EMPLOYMENT

9.1 Every employee shall be entitled to a service certificate on the prescribed form on termination of his employment.

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