



**HAL
CONDUCT, DISCIPLINE
AND
APPEAL RULES - 1984**



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(Updated upto 30th Sept. 2013)

F O R E W O R D

The Theme for Vigilance Awareness Week 2013 is "Promoting Good Governance - Positive Contribution of Vigilance". Greater awareness of Company rules and procedures is imperative to good governance. Keeping this theme in mind, a handy booklet has been compiled on "HAL Conduct, Discipline and Appeal (CDA) Rules, 1984. This booklet has been updated with amendments to the rules upto 30th Sept. 2013, including provisions of DOP 2013. These rules apply to all officers of the Company in Grade-I and above including officers on contract service. This compilation does not include code of business conduct and ethics which is applicable to senior officers in Grade IX, X, Whole Time Directors of the Company including Chairman, all part-time directors and independent directors of the Company. Copy of code of business conduct and ethics is available for download at www.hal-india.com. Code of conduct for workmen is governed by the Standing Orders.

Prime objective of this booklet is to sensitise the officers on ethical conduct and to enhance greater compliance of rules and procedures of the Company, which will go a long way in instilling confidence while discharging their duties and responsibilities.

TEAM VIGILANCE
HINDUSTAN AERONAUTICS LTD.

Index

Sl. No.	Subject	Page No.
1.	HAL Conduct, Discipline and Appeal Rules - 1984 (As amended up to 30 th Sep. 2013)	1
2.	Rules - [Annexure-I]	3
3.	Code of Conduct - [Schedule I (Rule 4 of Annexure-I refers)]	21
4.	Procedure for awarding punishments - [Schedule II (Rule 11 (i) of Annexure I- refers)]	45
5.	Competent Authorities - To impose penalties - To decide on Appeals - [Appendix - I (Rule -10 of Annexure I refers)]	55
6.	Property returns - [Statement showing details of immovable property- (Form No.- 1 -Appendix-II)]	57
7.	Property returns - [Statement of assets & liabilities - Form No. - 2 - Appendix-III]	57
8.	Information to be furnished to Competent Authority by employees while seeking approval / reporting transactions in respect of movable / immovable properties - [Appendix-IV]	57
9.	A proforma of the letter to be issued while forwarding copy of the Enquiry Report is at Appendix-V	57

HAL CONDUCT, DISCIPLINE AND APPEAL RULES

Conduct Rules and Disciplinary Action Rules, applicable to the employees in the Company, not covered by the Industrial Employment (Standing Orders) Act, were introduced in the Company during the year 1967. These Rules, as amended from time to time, continued in operation till the year 1984.

(PC No.528 dt. 23.8.84)

2. Based on the Model Conduct, Discipline and Appeal Rules circulated by the Central Vigilance Commission for adoption in the Public Sector Undertakings, the 'Conduct Rules' and 'Disciplinary Action Rules' were amalgamated and the "HAL Conduct, Discipline and Appeal Rules, 1984 as given in **Annexure-I**, incorporating the provisions of the Model Conduct, Discipline and Appeal Rules were introduced in the Company effective from 1st September, 1984. Disciplinary proceedings, if any, pending at the commencement of these rules are to be continued and disposed of in accordance with the provisions of these rules, and any misconduct, etc, committed prior to issue of these rules which was a misconduct under the Conduct Rules 1967 and Disciplinary Action Rules 1967 shall be deemed to be misconduct under these rules.

3. These rules apply to all officers of the Company in Grade-I and above including officers on contract service and Government employees on deputation, other than those appointed by the President of India and Armed Services Personnel. However, the Conduct Rules, 1967 and Disciplinary Action Rules 1967 contained in **Annexure-II & III** will continue to apply to workmen of the Corporate Office, Offices of Managing Director, MiG Complex and Accessories Complex, Liaison Office, New Delhi and the HAL Management Academy (HMA) and those who are not covered by the Industrial Employment (Standing Orders) Act, 1946.

ANNEXURE-I

HAL CONDUCT, DISCIPLINE AND APPEAL RULES 1984
(As amended from time to time)

RULE 1

Short title and commencement :

- i) These rules may be called HAL Conduct, Discipline and Appeal Rules, 1984.
- ii) These rules are effective from 1st September, 1984.

RULE 2

Application :

These rules shall apply to all officers of the Company in Grade-I and above including officers on contract service and Government officers on deputation, other than those appointed by the President of India and Armed Services Personnel.

RULE 3

Definitions:

In these rules, unless the context otherwise requires:

- a) "Company" means the Hindustan Aeronautics Limited wherever situated and includes all its Divisions/Factories, Outstation bases, Service Centres, Branches and Offices.
- b) "Officer" means any person employed in Grade-I and above in the Company and includes personnel employed on contract and Government Officers on deputation other than those Officers who are appointed by the president of India and Armed Forces personnel.
- c) "Member of the Family" in relation to an Officer includes wife (husband in the case of a female officer), sons or daughters, step-sons or

step-daughters (whether they are residing with the officer or not) provided they are wholly dependent upon the officer. The spouse need not be wholly dependent on the officer for purposes of these rules.

(HAL/P&A/19(2)/87/795 dt 4/3/97)

d) (i) "Competent Authority" means and includes Chairman/ Managing Directors / Functional Directors/Executive Directors/ General Managers or any other officer empowered by the management to exercise powers under the provisions of these Rules;

Competent Authority for the purpose of Code of Conduct (Schedule-I) shall be as under :

For Officers in Grade-I to IV	Executive Director/General Manager/ Divisional Head
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For Officers in Gr-V to VIII	MDs/FDs
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For Officers in Gr IX & above	Chairman
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(ii) "Appointing Authority" means the Board of Directors, Chairman / Managing Directors/Executive Directors/ General Managers or other officers to whom the powers of appointment have been specially delegated;

(iii) "Disciplinary Authority" means an officer of the Company empowered to take disciplinary action under these Rules;

(iv) "Appellate Authority" means an officer of the Company empowered to consider appeals and vested with power to confirm, set aside, reduce or enhance the punishment appealed against;

e) "Management" means Chairman, Managing Directors, Directors, Executive Directors, General Managers, Additional General Managers, Deputy General Managers or those in equivalent posts and includes such other officers who may be authorized to act on his/their behalf or on behalf of the Company from time to time.

f) "Appropriate Government" means Central Government (State Authorities have no jurisdiction to decide in adjudicate upon the disputes).

(HAL/P&A/21(1)-1/97 dated 4.2.98)

RULE 4

Code of Conduct :

- i) Every officer of the Company shall at all times-
 - a) maintain absolute integrity;
 - b) maintain devotion to duty; and
 - c) do nothing which is unbecoming of an officer of the Company or any act which may bring disrepute to the Company.
- ii) Every officer of the Company 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.
- iii) Rules that are to be followed by officers in respect of specific matters/ transactions such as sale/purchase of property, gifts, contacts with foreign national etc., are stipulated in Schedule-I. Breach of any of these rules would be deemed as misconduct and the officers who violate these provisions are liable for disciplinary action in accordance with the provisions contained in these rules.

RULE 5

Further, the following acts would be deemed to be misconduct and officer committing such acts would be liable to disciplinary action :

- i) Wilful insubordination or disobedience whether or not in combination with others of any lawful and reasonable order of his superior;
- ii) Participation in strikes, gheraos and other agitational activities such as picketing or participating in demonstrations within the factory premises which involves incitement to an offence or abetting, inciting, instigating or acting in furtherance thereof;
- iii) Theft, fraud or dishonesty in connection with the business or property of the Company or of the property entrusted to the Company or of another employee within the premises of the Company;
- iv) Leaving duty station without previous permission;
- v) Absence without leave or over-stay the sanctioned leave without sufficient grounds or proper or satisfactory explanation;
- vi) Habitual indebtedness and/or insolvency;
- vii) Wilful damage to property of the Company;
- viii) Interference with any safety devices installed in or about the establishment;
- ix) Holding meetings on the premises of the establishment without previous permission of the Competent Authority or attending meetings other than those convened by the Management within the factory premises;
- x) Distribution and/or exhibition of any newspapers, hand bills, pamphlets or posters without the previous sanction of the Competent Authority;

- xi)Furnishing at the time of employment or during the course of employment wrong or incomplete information or suppressing any information regarding age, qualification, previous service or experience, conviction in a Court of law, dismissal, removal or compulsory retirement by a previous employer;
- xii)Making representations to persons or bodies outside the Company, whether official or otherwise on matters connected with the affairs of the Company or in respect of personal grievances against the Management;
- xiii)Making representations or sending grievance petitions to Government, Members of the Board or the Senior Management except through proper channels; making representations to outsiders or other organisations on matters pertaining to service of the Company;
- xiv)Accepting or offering any illegal gratification or indulging in any corrupt practice;
- xv)Possession of pecuniary resources or property disproportionate to the known sources of income by the officer or on his behalf by another person which the officer cannot satisfactorily account for;
- xvi)Acting in a manner prejudicial to the interests of the Company;
- xvii)Neglect of work or habitual negligence in the performance of duty including malingering or slowing down of work;
- xviii)Drunkenness or riotous or disorderly or indecent behaviour in the premises of the Company or outside such premises where such behaviour may bring disrepute to the Company;
- xix)Collection of any money within premises of the Company without permission of the Competent Authority;
- xx)Commission of any act which amounts to a criminal offence involving moral turpitude;

- xxi) Purchasing properties, machinery, stores etc., from or selling properties, machinery, stores etc., to the Company without express permission in writing from the Competent Authority;
- xxii) Commission of any act subversive of discipline or of good behavior;
- xxiii) Participation in go-slow or work-to-rule agitations or inciting others to resort to go-slow or stop work or proceed enmasse on casual leave;
- xxiv) Canvassing for a Union or an Association or party Membership within the factory premises;
- xxv) Abetment of or attempt abetment of any act which amounts to misconduct;
- xxvi) Deliberately making false complaints against employees; supervisors knowing them to be false and writing of anonymous or pseudonymous letters criticising employees/superiors of the Company and making false reports against them;
- xxvii) Refusal to accept or to take notice of any order or charge sheet or any other communication served either in person or in due course by post, or by notification on the Company's Notice boards;
- xxviii) Violation of the terms and conditions of allotment of Company's quarters or use of Company's transport;
- xxix) Indulging in political activities within the factory premises.
- xxx) Falsification / forging of the records and / or defalcation.
- xxxi) Spreading false rumours or giving false information which may bring disrepute to the Company or its employees or spreading panic among the employees; and
- xxxii) Falsifying or refusing to give testimony in investigations being conducted by Management in connection with any accident, misconduct or any other matter.

xxxiii) *Indulging in, or committing any act of sexual harassment with women employees at workplaces. For this purpose, sexual harassment includes such unwelcome sexually determined behaviour (whether directly or by implication) as:*

- a. Physical contact and advances;*
- b. A demand or request for sexual favours;*
- c. Sexually colored remarks;*
- d. Showing pornography;*
- e. Any other unwelcome physical, verbal or non-verbal conduct of sexual nature.*

RULE -6

Punishments:

The following punishments may for good and sufficient reasons be imposed on officers by the Competent Authorities empowered to impose such punishments under these rules:

(i) Minor Penalties :

- (a) Censure;
- (b) Recovery from an officer's pay of the whole or part of any loss caused to the Company on account of his negligence, default or breach of any regulations or orders of the Company;
- (c) Postponement of increment(s) of pay, without cumulative effect, for period to be specified by the Disciplinary Authority;
- (d) Reduction to a lower stage in the same scale of pay, without cumulative effect, for periods to be specified by the Disciplinary Authority, and not adversely affecting his terminal benefits;

(ii) Major Penalties :

- (e) Postponement of increment(s) of pay, with cumulative effect, with number of increments to be postponed to be specified by the Disciplinary Authority;

(f)Reduction to a lower stage in the same scale of pay, with cumulative effect, with number of stages to be specified by the Disciplinary Authority;

(g)Reduction to a lower Scale of pay, Grade or Post;

(h)Compulsory Retirement;

(i)Removal from service which shall not be a disqualification for future employment under the Government or a 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 a Corporation/Company owned or controlled by the Government;

(k)deleted *

Forfeiture of Gratuity would continue to be resorted to in cases of termination of services, as provided under Section 4 (6) of the Payment of Gratuity Act, 1972.

(* HAL/P&A/19(2)/2012 dated 19.3.2012)

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) above shall be imposed.

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


(HAL/P&A/19(2)-Vol.V-PF/2005/79, dated 19.2.2005)


Note : Whenever the Disciplinary Authority comes to the conclusion that the punishment of reduction to a lower stage in the same scale of pay or reduction to Lower scale of pay is warranted for a proven misconduct and passes order accordingly, the pay which the concerned employee would draw on such reduction in the same scale of pay or in lower scale of pay should be invariably indicated in the order communicating the punishment to the concerned employee so that the orders are clear and unambiguous.


(HAL/P&A/19(2)/Vol-5, dated 1.7.96)


Explanation:

The following shall not amount to penalty within the meaning of this rule:

 non-promotion of an officer whether in a substantive or officiating capacity after consideration of his case to a grade or post for promotion to which he is eligible;

 reversion of an officer officiating in a higher grade or post to a lower grade or post on the ground that he is considered to be unsuitable for such higher grade or post or on any administrative ground unconnected with his conduct;

 reversion of an officer appointed on probation to any grade or post to his previous grade or post or during or at the end of the period of probation in accordance with the terms of his appointment or the rules and orders governing such probation;

 termination of the services:

i) of an officer appointed on probation during or at the end of the period of his probation in accordance with the terms of his appointment or the rules and orders governing such probation; or

- ii) of a temporary officer in accordance with the provisions of his appointment; or
- iii) of an officer employed under a contract in accordance with the terms of such contract; or
- iv) of an officer as a result of retrenchment/premature retirement.

RULE -7

Penal Salary Deduction:

If 10 or more officers acting in concert absent themselves from their place of work or stop work without reasonable cause, the management shall have the right to deduct from their salary up to 8 times the proportionate salary for the period of their absence or wilful idleness as the case may be, in addition to taking against them such disciplinary action as the management may deem fit.

RULE 8

Suspension pending enquiry:

(i) The authority competent to take disciplinary action against an officer or the next higher authority or the concerned appointing authority, as the case may be, may by an order in writing, place an officer charged with misconduct under suspension pending enquiry in the following circumstances:-

- (a) Where a disciplinary proceeding against him is contemplated or is pending; or
- (b) Where a case against him in respect of any criminal offence is under investigation or trial.

(ii) An officer, who is detained in custody on a criminal charge for a period exceeding 48 hours can be suspended with effect from the date of detention by an order of the Competent Authority or next higher authority or appointing authority and shall remain under suspension until further orders;

(iii) Where an order of compulsory retirement or dismissal is set aside and/or the case is remitted for further proceedings on the basis of appeals preferred by an officer, the officer shall be deemed to have been under suspension from the date of the order revoking compulsory retirement or dismissal until further orders;

(iv) The order of suspension may be revoked by the authority which passed that order; or its next higher authority or the concerned appointing authority as the case may be.

RULE 9

Subsistence Allowance:

(i) An officer under suspension shall be entitled to draw subsistence allowance equal to half of the total emoluments last drawn by him provided the officer has not engaged in any other employment, business, profession or vocation. Subsistence allowance at this rate will be paid for the first 6 months of suspension. Thereafter if the enquiry gets prolonged and the officer continues to be under suspension for reasons attributable to the officer, the subsistence allowance will be reduced to $\frac{1}{4}$ of the emoluments (Basic Pay + Dearness Allowance + House Rent Allowance + City Compensatory Allowance) and, if on the other hand the delay is for reasons beyond the control of the officer, subsistence allowance will be increased to $\frac{3}{4}$ of the emoluments.

(ii) When an officer who has been placed under suspension under Rule-8 is reinstated, the period of suspension will be treated in the following manner:-

(a) If he is fully exonerated, the period of suspension will be treated as duty and he will be paid the full pay and allowances to which he was entitled as if he was on duty less the subsistence allowance already paid;

(b) In other cases, he will receive such portion of the pay and allowances as the Competent Authority decides and the period spent on suspension treated as on duty only to such an extent and for such purposes as the Competent Authority decides provided that if the officer so desires, the Competent Authority may permit the period of absence from duty being converted into leave due and admissible to the officer;

(iii) Subsistence Allowance will be admissible to an officer who has been taken into custody also, with effect from the date of suspension, irrespective of the fact whether bail has been granted to him or not.

(HAL/P&A/19(2)/2005/64, dated 7.2.2005)

RULE 10

Powers to award punishments:

The Competent Authorities empowered to impose penalties and the authorities to whom the Appeals can be made by Officers concerned are indicated in **Appendix-I**.

RULE 11

Procedure for awarding punishments:

(i) No punishment under Rule-6 except censure shall be awarded to an officer unless he has been informed in writing of the alleged misconduct and has been given adequate opportunity to explain his case in accordance with the procedure laid down

in this behalf in Schedule-II. However, while awarding punishment of censure, the Officer concerned should be given adequate opportunity to explain his case.

(ii) Notwithstanding anything contained in these rules, it shall not be incumbent upon the authority competent to impose the punishments to follow the procedure herein prescribed before imposing any of the penalties enumerated in Rule-6 on an officer when such an officer has been convicted by any court or tribunal on a criminal charge involving moral turpitude.

(iii) When an increment is withheld under Rule-6, the order shall indicate the period for which the increment has to be withheld and whether or not it shall have the effect of postponing subsequent increments.

RULE 12 (a)

Continuance of disciplinary proceedings/enquiries after retirement from service.

The Officer against whom disciplinary proceedings / CBI enquiries have been initiated or contemplated will cease to be in service on the date of superannuation but the disciplinary proceedings will continue as if he was in service until the proceedings are concluded and final order is passed in respect thereof, including imposition of any of the penalties prescribed in the Rules. For this limited and specific purpose, the concerned Officer shall be deemed to have continued in employment of the Company. He will not receive any Pay and/or

Allowance after the date of superannuation. He will also not be entitled for the payment of retirement benefits (viz: Gratuity and Vacation Leave Encashment), till the proceedings are completed and final order is passed thereon”.

(HAL /P&A/19(2)/10(10th August 2010)

RULE 12 (b)

Special procedure in certain cases :

Notwithstanding anything contained in Rules-10 and 11, the disciplinary authority may impose any of the penalties specified in Rule-6 without enquiry under any one of the following circumstances:

- (i) The officer has been convicted on a criminal charge or on the strength of facts or conclusions arrived at by judicial trial; or
- (ii) Where the disciplinary authority has specified for reasons to be recorded by it in writing that it is not reasonably practical to hold an enquiry in the manner provided in this rules; or
- (iii) Where the Management has specified that in the interest of the security of the company, it is not expedient to hold any enquiry in the manner provided in this rules.

RULE 13

Procedure for imposing punishment on Govt. employees on deputation:

Except in the case of officers on deputation who are appointed by the President of India and Armed Forces Personnel, Chairman has powers to initiate disciplinary action and also place officers under suspension. Whenever an officer on

Deputation is placed under suspension, the parent department of the officer should forthwith be informed explaining the circumstances leading to the order of suspension or commencement of disciplinary proceedings, as the case may be.

2. In the light of the findings of the disciplinary proceedings conducted against the Government employee:

i) If the Chairman is of the opinion that any of the penalties specified in (a) to (d) of Rule-6 should be imposed on the Government employees, he may after consultation with the parent department make such orders on the case as he considers necessary; provided that in the event of a difference of opinion between the parent department and the company, the Government employee shall be reverted to his parent department.

ii) If the Chairman is of the opinion that any of the penalties specified in (e) to (j) of Rule-6 should be imposed on the Govt. Employees he shall replace his service at the disposal of the parent department and transmit to it the proceedings of the enquiry.

RULE 14

Appeals:

An aggrieved officer may appeal against an order imposing upon him any of the punishments specified in the rule-6 to the Appellate Authority as indicated in the **Appendix-I** within 45 days of the imposition of punishment with copy to the Competent Authority.

2. The appeal shall contain all material statements/ arguments on which the appellant

relies and shall not contain any disrespectful or improper language.

3. The Competent Authority on receipt of a copy of appeal will forward the same with his comments thereon together with relevant record to Appellate Authority within 15 days.

RULE - 15

Consideration of appeal:

In the case of an appeal against an order imposing any of the penalties specified in Rule-6, the Appellate Authority shall consider:-

a) Whether the procedure laid down in these rules has been complied with and if not whether such non-compliance has resulted in the failure of justice;

b) Whether the findings of the Enquiry Committee are based on the evidence on record; and

c) Whether the penalty or the enhanced penalty imposed is adequate, inadequate and pass orders:

i) confirming, enhancing, reducing, or setting aside the penalty; or

li) in case where penalty is to be enhanced, the procedure to be followed; remitting the case to the Competent Authority which imposed or enhanced the penalty or to any other Authority with such direction as it may deem fit in the circumstances of the case.

RULE 16

Review of Punishments:

Notwithstanding anything contained in these rules; the Appellate Authority as specified in the Appendix-I of the rules, suo-motto may call for the records of the case within six months of the date of

the final order and after reviewing the case pass such orders thereon as it may deem fit. Provided that, if the enhanced penalty, which the Appellate Authority proposes to impose, is a major penalty specified in clause (ii) of Rule-6 and an enquiry as provided under Item-III of Schedule-II has not already been held in the case, the Appellate Authority shall direct that such an enquiry be held in accordance with the provisions of said item and thereafter consider the records of the enquiry and pass such order as it may deem proper. If the Appellate Authority decided to enhance the punishment but an enquiry has already been held in accordance with the provisions of the said Item-III, the Appellate Authority shall give show cause notice to the officers as to why the enhanced penalty should not be imposed upon him. The Appellate Authority shall pass final order after taking into account the representation, if any, submitted by the officer.

(PC No. 576, dated 26.12.1987)

RULE 17

Sufficiency of service of notice etc.

Any notice or charge sheet to be delivered to the officer may be served personally or by registered post addressed to the officer at his last, present and permanent address furnished by him. If the whereabouts of the officer are not known or if he avoids or refuses the notice of charge sheet or such other order issued under these rules, such notice/order may be pasted on the Company's Notice Board and such pasting shall constitute adequate service or notice of charge-sheet or order as the case may be.

RULE 18

Removal of doubts:

Where a doubt arises as to the interpretation of any of these rules, the matter shall be referred to the Board for final decision.

RULE 19

Amendments:

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

SCHEDULE I
(Rule 4 of Annexure-I refers)

CODE OF CONDUCT

I. Movable, Immovable and Valuable property :

No officer of the Company shall except with the previous knowledge of the Competent Authority acquire or dispose of any immovable property by lease, mortgage, purchase, sale, gift or otherwise either in his own name or any member of his family.

All Officers are required to intimate/obtain prior approval, before property transactions are made, as prescribed in the Rules.

Note:

Whenever an officer starts construction of a building/ residential accommodation on a land or plot of land owned by him, he should report the fact of such construction to the Competent Authority, indicating details of plinth area of the house/residential accommodation as per the building plan approved by appropriate Authorities like Local Bodies, Town Municipalities, City Corporation, City Development authorities etc. Further, within one month of the date of completion of the construction of the house/residential accommodation, Competent Authority should be informed about the same indicating the total cost of construction and the source of fund(s) utilized for the said purpose.

(HAL/P&A/19(2)/90/Vol.V dated 5.8.1997)

2. No officer of the Company shall except with the previous sanction of the Competent Authority enter into any transaction concerning any immovable or movable property with a person or a firm having official dealing with the officer or his subordinate.

3. Every officer of the Company shall report to the Competent Authority in the prescribed form at Appendix-IV, every transaction concerning movable property owned or held by him in his own name or in the name of a member of his family, within one month of such transactions, if the value of such property exceeds two (2) months Basic Pay of the Officer (at the time of transaction). The report shall be submitted within one month of the date of transaction.

Provided that the previous sanction of the Competent Authority shall be obtained by the Officer if any transaction is with a person having official dealing with him

(HAL/P&A/19(2)/11 dated 14.11.2011)

SUBMISSION OF PROPERTY RETURNS:

Officers will submit their Property Returns, on first appointment and every year on a calendar year basis, in the Formats at **Appendix-II, III and IV**. The Annual Returns in respect of calendar year will be submitted as on 1st January of the subsequent year. The Return will be submitted by each officer latest by 7th January.

Note :

(i) Transactions concerning movable property acquired or gifted to the spouse at the time of

marriage by her parents/relatives are not required to be reported.

(HAL/P&A/19(2)/97 DT. 28/5/97

(ii) If an Officer has reported about payment of LIC Premium/premia, NSCs if its value exceeds two (2) months Basic Pay of the Officer (at the time of transaction) in the property returns of the relevant years, no further reporting is necessary when he receives the amount of matured policies/ certificates. This clarification will also apply to shares, securities and debentures; however, this will not apply to moneys held in accounts on fixed deposits in a Bank or deposits in Savings Bank Account made out of his salary on accumulated savings.

(iii) Movable property inherited at the time of death of officer's parents/relatives should be reported if its value exceeds two (2) months Basic Pay of the Officer (at the time of transaction).

(HAL/P&A/19(2)/97 DT. 25/6/97

4. Every officer shall on first appointment in the Company submit a return of assets and liabilities in the form as at Appendix-II, III and IV giving the particulars regarding:-

a) the immovable property inherited by him or owned or acquired by him or held by him on lease or mortgage either in his own name or in the name of any member of his family or in that name of any other person;

b) shares debentures, and cash including bank deposits inherited by him or similarly owned, acquired or held by him;

c) other movable property inherited by him or similarly owned acquired for held by him if the value of such property exceeds the limits specified at 3 above;

d) debts and other liabilities incurred by him directly or indirectly;

e) Every officer shall submit a return, every calendar year, in respect of immovable properties inherited / owned / acquired, in the Forms at **Appendix-II to IV**. The return must be filled and submitted as on 1st January of each year, for the preceding calendar year. A certificate regarding submission of the Return will be indicated in the Performance Appraisal Report of the concerned year.

(HAL/P&A/19(2)/2005/64 DT. 7/2/2005

Note :

Movable/improvable property transactions entered into by the spouse of an Officer who is not wholly dependant on the Officer, need not be reported to the Competent Authority if such transactions have been made out of his/her own funds (including 'Stridhan,', Gifts, inheritance etc.) as distinct from the funds of the officer concerned, in his/her own name and in his/her right.

(HAL/P&A/19(2)/98 DT. 20/8/98

5. The Competent Authority may, at any time; by general or special order require an officer to submit within a period specified in the order a full and complete statement of such movable or immovable property held or acquired by him or on his behalf or by any member of his family as may be specified in the order. Such statement shall, if so required by the Competent Authority include details of the means by which or the source from which such property was acquired.

Note :

The Division should computerize the property returns of all the Officers for ensuring effective implementation of the Rule by Government Scrutiny

on a random basis, and on specific information about 20% of the annual property returns of permanent employees of the Company so, that the scrutiny cycle is completed once in every five years.

(HAL/P&A/19(2)/93 DT. 17/10/98)

II. Promotion of Companies etc.

No officer shall, except with the previous sanction of the company, take part in the registration, promotion or management of any bank or other Company registered under the Indian Companies Act, 1913 or any other law for the time being in force.

Provided that an officer may take part in the registration, promotion or management of a Co-operative Society registered under the Co-operative Societies Act, 1912 or any other law for the time being in force or a literary or scientific or charitable society registered under the Societies Registration Act, 1860 or any corresponding law in force.

III. Communication of official information :

No officer 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 to any officer or any other employee or any other person to whom he is not authorized to communicate such document or information.

IV. Restriction on other employment etc.

No officer of the Company shall, except with the previous sanction of the Competent Authority,

Engage directly or indirectly in any trade or business or undertake any other employment;

Provided that an officer may, without such sanction, undertake honorary work of a social or charitable nature or occasional work of literacy, artistic or scientific character subject to the condition that his official duties do not thereby suffer;

2. Every officer of the Company shall report to the Competent Authority, if any member of his family is engaged in a trade or business or owns or manages an insurance agency or commission agency;

3. No officer of the Company shall, without the previous sanction of the Competent Authority except in the discharge of his official duties take part in the registration, promotion or management of any bank or other company which is required to be registered under the Companies Act. 1956(1 of 1956) or other law for the time being in force or any co-operative society for commercial purposes;

Provided that an officer on the Company may take part in the registration, promotion of a society substantially for the benefit of the employees of the Company, registered under the Co-operative Societies Act 1912 (2 of 1912) or any other law for the time being in force or of a literary, scientific or charitable society registered under the Societies Registration Act. 1860(21 to 1860) or any corresponding law in force.

4. No officer of the Company may accept any fee or any pecuniary advantages for any work done by him for any public body or any private person without the sanction of the Competent Authority;

5. Employment of near relative of the officer of the Company in any firm enjoying patronage of the Company:

i) No officer shall use his position or influence directly or indirectly to secure employment in the Company or any firm enjoying patronage of the company for any person related whether by blood or marriage to the officer or to the officer's wife or husband, whether such a person is dependent on the officer or not.

ii) No officer shall except with the previous sanction of the Competent Authority, permit his son, daughter or any member of the family to accept employment with any company or firm, with which he has official dealings or with any company or firm, having official dealings with the company provided that where the acceptance of the employment cannot await the prior permission of the Competent Authority, the employment may be accepted provisionally subject to the permission of the Competent Authority, to whom the matter shall be reported forthwith.

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

Note: Employees should inform their respective Divisional/Office management through their Section/Departmental Head about employment of their near relatives (viz. father, mother, spouse, children including step children, brother, sister) in the firms with which the Division/Office of HAL have business dealing. This is with a view to protect the interest of the company and ensure that the concerned Division/Office enters into a fair and proper business/ transaction with such firms.

(HAL/P&A/19(2)/90/Vol. V DT. 5/8/97)

V. Connection with Press or Radio:

No officer of the company shall, except with the previous sanction of the Competent Authority, own wholly or in part or conduct or participate in the editing or Management of any news paper or other periodical publication;

2. No officer of the Company shall, except with the previous sanction of the Competent Authority; or the prescribed Authority or in the bonafide discharge of his duties participate in a radio broadcast or contribute any article or write any letter either in his own name or anonymously, pseudonymously or in the name of any other person to any newspaper or periodical; Provided that no such sanction shall be required if such broadcast or such contribution is of a purely literary, artistic or scientific character,

V (A). Prohibition of political activities:

Officers are prohibited from:-

- a) becoming an office-bearer of a political party or an organization which takes part in politics;
- b) taking part in assisting in any manner in any movement/agitation or demonstration of a political nature;

- c) taking part in an election to any legislature or local authority; &
- d) canvassing in any election to any legislature or local authority.

(PC No. 539 DT. 9/4/85)

VI. Inventions and Patents :

No officer shall, without the previous consent in writing of the Company, apply for a patent or exclusive privilege in respect of any invention under any enactment, if such invention is made by him when in the service of the Company, and he shall in the event of a patent or exclusive privilege under any such enactment to make, sell and use such invention or allow others to do so, being granted to him, grant to the Company the unqualified right to adopt and use the said invention without its being obliged to pay any royalty or other consideration therefor. He shall not assign, charge or transfer in any manner whatsoever his original or any extended patent or exclusive privilege in respect of the said invention, without the previous consent in writing of the Company and without providing for the unqualified use, free of charge of the Company of the said invention and further he shall, on demand execute in favour of the Company such letters of licence or other deed or document for the purpose as it may advise; provided always that the Company at any time within six months of the receipt of any intimation from the employee that he has acquired such patent or exclusive privilege in India or abroad shall have the right to require the employee to transfer and assign such patent or exclusive privilege to the Company for such consideration as the Management shall at its discretion fix and if such right is exercised, the employee

shall execute all such deeds of assignment, grants and assurances and do all such acts, deeds and thing for vesting in the Company and/or its nominees the ownership of the patent or exclusive privilege and the full benefit thereof as the Company shall require.

VII. Vindication of Official Acts:

No officer shall , except with the previous sanction of the Chairman/ Managing Director/ General Manager or any other officer authorized in this behalf have recourse to any Court or to the press for vindication of any official act which has been the subject of adverse criticism or an attack of defamatory character;

Provided that nothing in this regulation shall be deemed to preclude an officer from vindicating his private character or any act done by him in his private/personal capacity;

VIII. Influence:

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

Note :

a) Employees violating the provisions of Rule 5 (xii) and 5 (xiii) under CDA Rules should be advised by the appropriate disciplinary authority to desist from approaching outsiders/ outside bodies including MPs/MLAs Representatives of other organizations etc. to further his/her interest in respect of matters pertaining to service conditions.

b) If an employee is found guilty of violating the above provisions of the rules for the second time, despite the issue of advice on an earlier occasion, a written warning should be issued to him/her by the appropriate disciplinary authority and a copy thereof should be placed in his/her CR dossier/ performance appraisal report.

c) If an employee is found guilty of violating the above provisions of the rules, despite the issue of warning to him/her, disciplinary action should be initiated against him/her, under the provisions of Conduct, Discipline and Appeal Rules/Disciplinary Action Rules/Standing Orders, as the case may be.

(PC No. 623 dt. 1/7/95)

IX. Criticism of Government and the Company :

No officer shall, in any radio broadcast or in any document published under his name or in the name of any other person or under the name of any Association in any communication to the press or in any public utterances make any statement:

a) which has the effect of adverse criticism of any policy or action of the Central or State Governments or of the Company;

OR

b) which is capable of embarrassing the Company.

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

X. Evidence before Committee or any other Authority :

Save as provided in Sub-rule(3), no officer of the Company shall except with the previous sanction of the Competent Authority, give evidence in connection with any enquiry conducted by any person, committee or authority;

2. Where any Sanction has been accorded under Sub-rule (1) no officer giving such evidence shall criticize the policy or any action of the Central Government or of a State Government or of the Company;

3. Nothing in this rule shall apply to:

(a) evidence given at any enquiry before an authority appointed by the Government, Parliament or a State Legislature or Company;

(b) evidence given in any judicial enquiry; or

(c) evidence given at any departmental enquiry ordered by authorities subordinate to the Government.

XI. Investment, Lending and Borrowing:

No officer shall, save in the ordinary course of business with a bank, the Life Insurance Corporation or a firm of standing, borrow money from or lend money to or otherwise place himself under pecuniary obligation to any person with whom he has or is likely to have official dealings or permit any such borrowing, lending or pecuniary obligation in his name or for his benefit of any member of his family.

Employee should not purchase shares out of the equity reserved for friends and associates of Directors of Companies. Officers of the Company

should send an intimation to the prescribed authority in case the total transaction in shares/securities/debentures or mutual fund schemes exceed Rs.50,000/- during the calendar year.

Note : Purchase of shares by employees from “Directors/Promoters and Employees” equity of Companies etc. should be monitored by Public Sector Undertakings with a view that such transactions do not embarrass, or influence them in discharge of their official duties.

(HAL/P&A/19(2)/93, dated 13.10.1993)

XII. Insolvency and Habitual Indebtedness:

1. An officer of the Company shall avoid habitual indebtedness unless he proves that such indebtedness or insolvency is the result of circumstances beyond his control and does not proceed from extravagance or dissipation;
2. An officer of the Company who applies to be or is adjudged or declared insolvent shall forthwith report the fact to his Competent Authority.

XIII. Bigamous Marriage:

1. No officer shall enter into or contract a marriage with a person having a spouse living; and
2. No officer having a spouse living shall enter into or contract a marriage with any person; Provided that the Board may permit an employee to enter into or contract any such marriage as referred to in clause (1) or clause (2) if it is satisfied that:
 - a) Such marriage is permissible under the personal law applicable to such officer and the other party to the marriage; and

- b) There are other grounds for so doing.
- c) An officer who has married or marries a person other than that of Indian Nationality, shall forthwith intimate the fact to the Competent Authority.

XIV. Consumption of intoxicating drinks and drugs :

An officer of the Company shall take due care that the performance of his duties is not affected in anyway by the influence of any intoxicating drink or drug;

XV. Gifts:

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

Explanation:

The expression "Gift" shall include free transport, board, lodging or other service or any other pecuniary advantage when provided by any person other than a near relative or a personal friend having no official dealings with the officer.

Note:

(1) An officer of the Company shall avoid acceptance of lavish or frequent hospitality from any individual or firm having official dealings with him;

(2) On occasions such as weddings, anniversaries, funerals or religious functions, when the making of gifts is in conformity with the prevailing religious or social practices, an Officer of the Company may accept gifts from his near relatives but he shall make a report to the

Competent Authority if the value of the gift exceeds Rs.4000/- in respect of Officers in Grade-I; and Rs.7000/- in respect of Officers in Grade-II & above;

(3) On such occasions as are specified in Sub-rule (2), an Officer of the Company may accept gifts from his personal friends having no official dealings with him, but he shall make a report to the Competent Authority if the value of the gift exceeds Rs.4000/- in respect of Officer in Grade-I; and Rs.7000/- in respect of Officer in Grade-II & above;

(4) In any other case, an Officer of the Company shall not accept or permit any other member of his family or any other person acting on his behalf to accept any gifts without the sanction of the Competent Authority if the value thereof exceeds Rs.1500/-.

Provided that when more than one gift is received from the same person / firm within a period of 12 months, the matter shall be reported to the Competent Authority if the aggregate value of the gifts exceed Rs.1500/-".

(Letter No. HAL/P&A/19(2)/2012 dated 17.05.2012).

XVI. No officer of the Company shall :

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

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

XVII. Official and Social Calls:

Officers should particularly ensure that the contacts with representatives of other countries are limited to their appropriate official levels.

XVIII. Return of hospitality accepted from Foreign Missions :

Diplomats are specially paid to enable them to entertain local officials and that the local officer's capacity to return their hospitality is limited. There need not, therefore, be anything like a quid pro quo basis maintained in the matter of entertainment between diplomats and Company Officers.

XIX. Supply of information to members of Missions and Nationals of other countries :

The supply of or imparting of information to other members of Missions or to nationals of other countries should not be done directly or by implication by any officer as it is the responsibility of either the Ministry of Defence or the Ministry of External Affairs. It is also imperative that no information of a secret or confidential nature relating to HAL service matters or pertaining to Defence matter should be disclosed to a Foreign national directly or indirectly or through any other channel. If officers are approached for any information by Service Advisers/Attaches, Advisers of a foreign country, they should be advised to contact the HAL Corporate Office or the concerned Managing Director or the General Manager. If other members of a Foreign Mission or if nationals of a foreign country approach for information, they should be advised to contact the HAL Corporate Office or the concerned Managing Director or General Manager as the circumstance demand.

XX. Putting up or staying with Foreign Nationals as Guests :

- a) Officers should not stay as guests with foreign diplomats in India or abroad, except with the permission of the Competent Authority.
- b) Officers should not invite foreign diplomats to stay with them as their guests in India. Residential accommodation whether owned by the officer or allotted to him by the Company, where he actually resides, should not be let out or shared with foreign nationals/members of Diplomatic Mission and their employees, except with the approval of the Competent Authority.

(PC No.587, dated 25.2.1989)

Note:All request for letting out/sharing accommodation with full details of property, rate of rent, advance, if any, containing interalia, the following particulars in respect of the concerned officer as well as the Foreign National/Employee of diplomatic Mission etc., should be forwarded to Corporate Office for clearance, in consultation with the Department of Defence Production & Supplies and Ministry of Home Affairs(1B) :-

- a) Parentage
- b) Date of birth
- c) Place of birth
- d) Present & Permanent address
- e) Nationality

(HAL/P&A/19(2)/80/Vol.V, dated 26.4.1991)

XXI. Employment of wife/members of family of Officers :

If an officer's wife/members of the family (in the case of female employees whose husband whether dependent on her or not or whose other

dependents) intends to take up employment with foreign missions in India/Abroad, he/she should apply through proper channel and obtain a 'NO OBJECTION' certificate from the Corporate Office before accepting such employment. No such appointment should be accepted without prior permission.

XXII. Acceptance of lifts in Aircraft belonging to foreign embassies in India to Foreign Government abroad:

No officer should accept or permit his wife or dependent to accept passage money or free air transport from a Foreign Mission/Government Organization. Exceptional cases where humanitarian or Compassionate grounds are involved should be referred to the Corporate Office for grant of permission

There would, however, be no objection to the acceptance of the cost of passage when invited by foreign Governments and organizations to participate in conferences, seminars etc., if the invitation is extended to a particular official by name with a view to benefit from the expertise of the officer invited. Cases of such an invitation may be referred to Corporate Office for obtaining approval of the Ministry of Defence before acceptance. In other cases in which participation in conferences etc., is considered desirable in the interest of the officer concerned or the Division sponsoring his deputation, the cost of passage should continue to be met by the sponsoring Division.

Within a foreign country, an officer could accept a free flight in connection with his official duties only. When an officer and his family are in a foreign country as State Guests it would be permissible for them to accept free flights from Foreign Governments.

Note : Deputation of employees to Foreign Countries :

The system of submitting the report by employees on completion of business visits, training etc., abroad, as follows :-

Employees at the level of	Report to be submitted to
Director	Chairman
Chief Manager to Executive Director	Concerned Director
Senior Manager & below	Concerned General Manager / Executive Director

It is further decided that in cases where the employees notice any aspects related to Security & Vigilance angles in the behavior of the personnel whom they meet abroad or in the interactions with them, the same would be intimated by the employees to the Vigilance Department. Accordingly, copies of the Reports wherein employees furnish details under Paras IV & V (Vigilance & Security aspects respectively) (as per Paras-11 & 12 of the prescribed Format notified vide the Circular dated 22nd September 1999 referred at (ii) above) will be forwarded to the CVO, Corporate Office also. If at any stage it is found that the Government instructions on the subject are at variance with the above instructions, the Government instructions on the subject would prevail.

(HAL/P&A/28(12)/2007 Dt.30/10/2007)

XXIII. Disposal of immovable property by lease from Foreign Nationals and to Foreign Nationals.

Officers are forbidden to dispose of or acquire any immovable/movable property by lease or otherwise except with the prior knowledge of the Competent Authority. When such transaction is conducted otherwise than through a regular or a reputed dealer prior permission of the Competent Authority is necessary. Thus in either case that is,

whether the transaction is by direct negotiations or through a regular dealer, the Competent Authority must know the terms and conditions of the proposed transaction and also the party to whom the property is to be leased or acquired. In dealing with all cases relating to disposal/acquisition by HAL personnel of immovable/movable property whether by lease or otherwise, the Competent Authority concerned should exercise great care where foreign missions or their employees are concerned; such authority should keep in mind the security angle and also ensure that the officer does not derive any undue advantage from the transaction and thus place himself under an obligation direct or indirect on the foreign missions or its employees.

While officers can give reasonable publicity to the effect that their houses are available for hiring, it shall be undignified and undesirable for them to solicit offers from Diplomatic Missions or Members of such Missions.

XXIV. Joining of Foreign language classes:

Officers or their wives who desire to join a School or language classes conducted by an organization controlled or subsidized by foreign Govt/Missions and Indo-Foreign Cultural Organization, may join such classes with the prior permission of the management. Normally they are expected to utilize the facilities available in the school of Foreign Languages.

XXV. Association of officers with Indo-Foreign cultural organization.

Officers should not be allowed to actively participate or become members in the activities of

Indo-Foreign Cultural Organization such as the German-Indian association, the Indo-Soviet Cultural Society etc.

XXVI. Supply and procurement of films/literature from foreign missions for display among the officers :

On no account whatsoever should officers approach foreign missions or the Information Services of foreign commercial concerns or foreign non- Government organizations directly for the supply of any film or literature. Where foreign embassies etc. send any films/literature to Divisions on their own initiative, the Division should return the film/literature to the embassy etc., concerned tactfully.

XXVII. Prohibition or Sexual Harassment of working Women.

i) No officer shall indulge in any act of sexual harassment of any woman at her work place;

ii) Every officer who is incharge of a work place shall take appropriate steps to prevent Sexual harassment to any woman at such work place.

Explanation:

For the purpose of this rule, "Sexual harassment" includes such unwelcome sexually determined behavior (where directly or by implication) as-

- a) Physical contact and advances :
- b) A demand of request for sexual favours;
- c) Sexually coloured remarks;
- d) Showing pornography
- e) Any other unwelcome physical, verbal or non verbal conduct of sexual nature;

(HAL/P&A/19(2)/97, dt. 31.12.97 &
HAL/P&A/19(2)/97, dt.23.7.98)

Note :

The Code of Conduct for work place issued by the National Commission for Women is to be followed.

(HAL/P&A/19(12)/559, dated 20.10.1998)

XXVIII. Restrictions on Board Level Officers joining Private Commercial Undertakings after their retirement:

- a) "No Functional Director of the Company including Chairman, who has retired / resigned from the service of the Company, after such retirement / resignation, shall accept any appointment or post, whether advisory or administrative, in any Firm or Company, whether Indian or Foreign, with which the Company has or had business relations, within 1 year from the date of retirement, without prior approval of the Government. The term 'retirement' includes 'resignation', but not cases of those whose term of appointment was not extended by the Government for reasons other than proven misconduct. The term 'business relation' includes 'official dealings' as well;
- b) Functional Directors, including the Chairman, who after superannuation or resignation accept appointment in private commercial firms without prior sanction of the Government, will henceforth be debarred from being appointed as Full Time / Part Time Directors of CPSEs;
- c) In order to ensure compliance of the above restrictions, the Company shall secure a Bond, in the specified proforma, at the time of his appointment / retirement / resignation as Director / Chairman in the Company;

d) For any violation of the above specified procedure, the Director / Chairman will pay Rs. 5 Lakhs as 'damages' to the Company."

(HAL /P&A/19(2)/10 dt10th August 2010)

XXIX: Imposing restrictions on dealing with shares of CPSEs:

a) A Full - Time Director / Chairman or any Officer / Employee involved in the decision making process of fixation of price of an IPO / FPO of Shares of the Company shall not apply either himself / herself or through any member of his / her family or through any other person acting on his / her behalf for allotment of Shares (which includes all types of equity related instruments) in an IPO/FPO of the Company, even out of the category of preferential quota reserved for Employees / Directors of HAL;

b) All Officer / Employees including Full Time Directors / Chairman of HAL who are in possession of unpublished price sensitive information would be prohibited from dealing / transacting either in their own name or through any member of their family in the shares of HAL;

c) Full-Time Directors/Chairman or Officers / Employees of HAL or any member of his / her family or any person acting on his / her behalf shall not apply for shares out of any preferential quota reserved for Employees / Directors of other Companies;

d) All Employees of HAL would be required to report to the Company all transactions of purchase / sale in shares worth Rs. 20,000/- or more in value OR existing holding / interest in the shares worth Rs. 20,000/- or more in his / her own Company either in his / her own name or in the name of any family member, indicating the quantity, price, date of transaction and nature of interest within 4 working days".(HAL /P&A/19(2)/10 dt10th August 2010)

SCHEDULE II

(Rule 11 (i) of Annexure I- refers)

PROCEDURE FOR DISCIPLINARY ACTION

Where disciplinary action is to be taken against an officer under Rule 11, the following procedure will be followed:-

I. Investigation :

2. On receipt of information or report that an officer has committed misconduct the Competent Authority or its next higher authority or appointing authority may at his discretion, cause an investigation to be carried out to ascertain whether or not there is a prima facie case to take disciplinary action against the officer. Where he is satisfied that no such investigation is necessary, he may dispense with such investigation and proceed to issue charge sheet to the delinquent officer. If the officer admits guilt during the course of investigation, such admission should be recorded in the presence of and signed by the officer concerned.

II. Chargesheet:

3. If the competent Authority or such other disciplinary authority as the case may be, satisfies itself on receiving information or report on preliminary investigation that there is a prima-facie case for taking disciplinary action against the officer, the latter should be served with the written charge- sheet clearly setting out the alleged misconduct and such other details as may be necessary to enable the officer to prepare his defence. The officer charged should be given a reasonable time of not less than 7 days from the date of charge-sheet to submit his written explanation.

III Enquiry:

4 If the officer accepts his guilt, no further enquiry is necessary. Similarly, where the Competent Authority comes to the conclusion after consideration of the explanation of the officer that only minor punishment is warranted in the case, he may award the appropriate minor punishment without conducting enquiry.

5. If no explanation is received from the Officer charged within the time specified or where the Competent Authority on receipt of the explanation of the officer comes to the conclusion that further proceedings are called for, such authority may appoint in writing an Enquiry Officer or Enquiry Committee consisting of one or more members to hold enquiry into the charges against the officer.

6 Where the disciplinary proceedings are initiated in consultation with or at the instance of Central Vigilance Commission, the Competent Authority may appoint a Commission nominated by the Central Vigilance commission to conduct the enquiry.

7. The concerned authority itself may enquire into the charges or may appoint in writing an officer of the company or other person who is not HAL employee, as he may deem fit, as 'Presenting Officer' to present the case on behalf of such authority.

8. The officer charged should be informed in writing of the date and time when the enquiry will be held and it shall be obligatory on the part of the officer to present himself before the Enquiry Officer/Enquiry Committee at the appointed time.

The officer should also be informed that in the event of his failure to present himself before the Enquiry Officer/Enquiry Committee, the proceedings will be conducted ex-parte and that he is eligible to be assisted during the proceedings by a co-officer working in the same Office/Division situated at the same place where the officer is working. He shall not however take the assistance of an officer who has two pending disciplinary cases on hand in which he is functioning as Co-officer. He shall not also be entitled to engage a legal practitioner for this purpose.

9. The officer charged along with his Co-officer will be entitled to be present during the hearing of witnesses. Evidence shall be taken in their presence except in ex-parte proceedings. Should the officer so charged fail to attend the enquiry or after attending it refuses to take part in the enquiry, the Enquiry Officer/ Enquiry Committee will conduct ex-parte proceedings after recording the reasons therefor.

10. On the date fixed by the Enquiry Officer / Enquiry Committee, the officer shall appear before that enquiry authority at the time, place and the date specified in the notice. The enquiry Officer/Enquiry Committee shall ask the officer whether he pleads guilty or not. If he pleads guilty to any of the charges, the Enquiry Officer/Enquiry Committee shall record the same, sign the proceedings and obtain the signature of the employee concerned thereon. The Enquiry Authority shall record a finding of guilt in respect of those articles of charge to which the officer concerned has pleaded guilty.

11. If the officer charged does not plead guilty, the Enquiry Authority shall continue with the enquiry.

12. On the date fixed for the enquiry the oral and/or documentary evidence by which articles of charges are proposed to be proved shall be produced by /or on behalf of the Disciplinary Authority. The witness shall be examined by/or on behalf of the presenting officer and may be cross examined by or on behalf of the officer. The Presenting Officer shall be entitled to re-examine the witnesses on any point on which they have been cross examined but not on a new matter without the permission of the Enquiry Officer/Enquiry Committee. The Enquiry Officer/Enquiry Committee may also put such questions to witnesses as it thinks fit.

13. Before close of the prosecution case, the Enquiry Authority may, at his discretion allow the Presenting Officer to produce evidence not included in the charge-sheet or call for new evidence or recall or re-examine any witness. In such cases the officer shall be given opportunity to inspect the documentary evidence if any before it is taken on record or to cross-examine a witness who has been so summoned.

14. When the prosecution case is closed, the officer may be required to state his defence orally or in writing as he may prefer. If the defence is made orally it shall be recorded and the officer shall be required to sign the record.

15. The evidence on behalf of the officer shall thereafter be produced. The officer may examine himself in his own behalf if he so prefers. The witnesses produced by him will be examined by the

officer himself or by the co-officer on behalf of him and the witness is also liable for cross-examination, re-examination and examination by the Presenting Officer, Officer charged and the Enquiry Authority respectively.

16. The statement made by each witness shall be succinctly recorded by the Enquiry Officer / Enquiry Committee and will be signed by the witness and countersigned by the officer charged. It is not necessary to write down questions and answers except where absolutely necessary on a crucial point where the admission or denial must be recorded verbatim.

17. When a witness comes before the Enquiry Officer / Enquiry Committee he should be asked to make a statement of facts within his knowledge relating to the charge. The officer charged shall be entitled to cross-examine such witness but the witness will not be permitted to cross-examine the officer charged. The officer charged can be examined only by the Enquiry Officer / Enquiry Committee. If on the evidence given by the witness the Enquiry Officer/Enquiry Committee wishes to examine the officer charged, this may be done in the absence of the witness who made the statement. The witness could be recalled later, if necessary.

18. Wherever the Enquiry Officer/Enquiry Committee after having heard and recorded the whole or any part of the evidence in an enquiry ceases to exercise jurisdiction and is succeeded by another Enquiry Officer/ Enquiry Committee, the authority so succeeding him may act on the

Evidence already recorded by his predecessor or partly recorded by his predecessor and partly recorded by itself. If the succeeding officer/ committee is of the opinion that further examination of any of the witnesses whose evidence is already recorded is necessary in the interest of justice it may recall, cross-examine and re-examine such witness.

IV. Witnesses:

19. The following witnesses as applicable may be examined before the Enquiry Officer / Enquiry Committee:-

a) those upon whose testimony the charge was based ;

b) those whom the officers charged may bring forward as witness in his defence. The persons charged will be required to indicate the points on which such witnesses give evidence and it is open to the Enquiry Officer/ Enquiry Committee on scrutinizing the list where it appears to be vexatious or frivolous to restrict this number of witnesses only to the points of enquiry;

c) any other person whose evidence being relevant, the Committee considers it necessary to record.

V. Common Proceedings:

20. Where two or more officers are concerned in a case, the Competent Authority empowered to impose major punishment on all of them may make an order in writing that disciplinary proceedings against all of them may be taken in common proceedings and such authority may function as the Competent Disciplinary Authority for the purpose of common proceedings.

VI. Final Statement :

21. After all the evidence which is necessary and relevant for the purpose of enquiry has been recorded the Enquiry Authority may after completion of production of evidence, hear the presenting officer if any appointed and the officer or permit them to file written briefs of their respective cases if they so desire. This statement should be recorded in writing and signed by the person charged. In case the person charged or any witness refuses to sign his statement or deposition that fact should be recorded in the enquiry proceedings.

VII. Report of the Enquiry Committee :

22 The Committee of Enquiry should formulate its report in the following order:-

- a) Charges contained in the charge sheet;
- b) Summary of the evidence recorded;
- c) Analysis of evidence and Enquiry Committee's observations thereon;
- d) Findings in respect of each of the charges and reasons for arriving at these findings.

VIII. Order by Competent Authority:

23. The Competent Authority on receiving the report of the Enquiry Committee shall satisfy itself as to the correctness of the findings by giving its independent attention to the Weightage of evidence both for and against the charges. Where the authority agrees with the findings of the Enquiry Committee, it is not necessary for it to give reasons for the acceptance of the report but where it disagrees, it shall record the reasons for such

disagreement. The Competent Authority shall thereafter issue an order of punishment. In awarding punishment the authority shall take into consideration the extent and gravity of the misconduct, previous service record of the person charged and any extenuating or aggravating circumstances of the case.

If a Departmental Enquiry was constituted by the Disciplinary Authority as per rules, a copy of the Enquiry Report be given invariably to the Delinquent by the Disciplinary Authority whenever any penalty is proposed to be imposed, whether 'minor' or major, and representation, if any, from the Delinquent may be called for thereafter. Thereafter, the Enquiry Report may be considered by the Disciplinary Authority taking into account the representation, if any, of the Delinquent and appropriate penalty imposed having regard to the gravity of the charges etc. and his past records etc. A proforma of the letter to be issued while forwarding copy of the Enquiry Report is at Appendix-V.

(HAL/P&A/19(2)/Vol. V DT. 5/7/91&22/10/94)

IX. General:

24. In a case where an appeal lies and the person charged request for a copy of the Enquiry Committee's Report and / or enquiry proceedings to enable him to prefer an appeal, the Competent Authority shall supply him with a copy of the Enquiry Committee's Report and / or with a copy of the enquiry proceedings. Similarly, at a request of the person charged, the Enquiry Committee shall during the course of the Enquiry also supply him with a copy of the Enquiry Proceedings/Statement recorded before the Enquiry Committee.

Note:

i) It is important that an investigation and/or enquiry into any irregularities or misconduct be completed within the shortest possible time. Delay in disposal of disciplinary cases is neither in the interest of the concerned employees nor the management. The Departmental Enquiry Committees should conduct regular hearings on a day-to-day basis and desist from granting adjournments on frivolous grounds as a matter of routine. It is also essential that the procedure laid down in the Conduct, Discipline & Appeal Rules / other relevant rules are meticulously followed. This may be brought to the notice as and when Disciplinary Authority appoints an Officer as Enquiry Officer.

(HAL/P&A/19(1)/483, dated 2.11.1995)

ii) Divisions should monitor the pending disciplinary cases pertaining to Vigilance aspects and ensure that these cases are disposed off at the earliest except where compelling circumstances such as stay by Courts etc. are prevailing. These cases should be disposed of within a period of six months from the date of issuance of charge sheet. General Managers are personally responsible for such delays.

(HAL/P&A/19(5)/97, dt. 2.12.97 &

HAL/P&A/19(5)/97/1753, dt. 16.12.97)

iii) The designated Disciplinary Authority of Transferor Division/Complex will be empowered to take Disciplinary Action against such transferred employees by signing the Charge Sheet etc. All the communications from the Disciplinary Authority to such employee are to be issued through the Head of the Transferee Complex/Division as the case may be.

(HAL/P&A/19(3)/2005 dt. 16.8.2005)

25. Need for self contained speaking and reasoned order to be issued by Disciplinary/Appellate Authorities.

(i) Disciplinary proceedings are quasi-judicial in nature and therefore it is necessary that orders issued by such authorities should have the attributes of a judicial order.

(ii) Recording of reasons in support of a decision by a quasi-judicial authority is obligatory as it ensures that the decision reached is in accordance with law.

(iii) Disciplinary / Appellate authorities are required to apply their mind to the facts and circumstances of the case and to come to their own conclusions, though they may consult outside agencies, like the CVC.

(iv) Instances exist, wherein Orders passed without application of mind by the Disciplinary / Appellate Authorities while passing the order (viz imposing punishment etc.) based on the recommendation of CVC without bringing out the reasons for not accepting the representation of concerned employee on the findings of Enquiry Officer, were quashed by the courts on the ground of non application of mind by the concerned authorities.

(v) All orders of Disciplinary / Appellate Authorities should be self contained, speaking and reasoned orders conforming to the legal requirements which must indicate inter-alia the application of mind by the concerned authorities.

While on the subject, it would be further relevant to mention that reference to vigilance opinion/investigations as also opinion of other authorities of management relating to particular case should not be incorporated while issuance of orders by Disciplinary / Appellate Authorities, as this clearly indicates that the appropriate authority has not applied its mind to the case.

(HAL/P&A/19(2)/Vol. VI dated 2.12.2003)

APPENDIX - I
(Rule -10 of Annexure I refers)

**DISCIPLINARY AND APPELLATE AUTHORITIES
UNDER THE HAL CDA RULES 1984**

(For all Divisions / Offices)

Disciplinary Authority -
Sl.No.I (43) of DOP 2013

SL. NO.	PARTICULARS	CH	FD/MID	ED/GM/COP/CD				Functional Head	Dept. / Group Head	REMARKS
				Level -IA	Level-IB	Level-IC	Level-ID			
	(DA) under the CDA Rules (for Officers below Board level) a) other than Vigilance Systems Audit	up to Gr VIII	Up to Gr VI	Gr-I to Gr-V	Gr-I to Gr-V	Gr-I to Gr-V	Gr-I to Gr-V	---	---	
	b) Vigilance Dept	up to Gr VIII		CVO - Gr-I to Gr VI				---	---	
	c) Systems Audit	up to Gr VIII	DF - up to Gr-VI	GM(SYA) - Gr- I to Gr-V				---	---	
44.	Appellate Authority under the CDA Rules (for Officers below Board level) a) other than Vigilance Systems Audit	up to Gr VI	Full for Gr-I to V	---	---	---	---	---	---	
	b) Vigilance Dept.	up to Gr-VI	---	---	---	---	---	---	---	Gr-VII & above, Board
	c) Systems Audit	up to Gr-VI	DF - up to Gr-V	---	---	---	---	---	---	

Ref: Sl. No. I (43)- HR, DOP-2012

Explanation 1): If the Disciplinary Authority / Appellate Authority mentioned above is not available in respect of any Officer, the Authority next above the said Authority will exercise the powers of such Authority.

Explanation 2) : With respect to cases which call for Dismissal as a punishment, if the Disciplinary Authorities proposed above are not the Appointing Authorities for the respective Grades, the concerned Appointing Authorities (as per Delegation of Powers) on considering the entire case shall pass orders as Disciplinary Authority. In such an event, the next higher Authority will be the Appellate Authority.

Explanation 3) : In respect of Officers in Grades I to VI of the Vigilance Department, CVO would be the Disciplinary Authority and Chairman would be the Appellate Authority.

HAL/P&A/19(2)/2005/64, dt. 7.2.2005)

Appendix/ Annexure	HAL Circular No.	Subject	URL
Appendix-II	HAL/P&A/19(2)/08 dated 12.12.2008	Submission of Annual Property Returns	http://172.128.0.100 - /docs/HR Circulars/Property Return/Annual property returns-Dt-12-12-2008
Appendix-III	HAL/P&A/19(2)/08 dated 12.12.2008	Submission of Annual Property Returns	http://172.128.0.100 - /docs/HR Circulars/Property Return/Annual property returns-Dt-12-12-2008
Appendix-IV	HAL/P&A/19(2)/09/463 dated 16.11.2009	Transaction in Movable and Immovable Property	http://172.128.0.100 - /docs/HR Circulars/Property Return/Transaction in Movable and Immovable Property-Dt-16-11-2009
Appendix-V	HAL CDA Rules (Book-2) 1984	Calling for representation from CSO before imposition of final punishment order by the DA	http://172.128.0.100 - /docs/Manuals - Procedure/Personnel Manual/Book-2, CDA Rules
	HAL/P&A/19(1)/PC/2000 dated 15.02.2000	Acts of misconduct Awarding of Punishments	http://172.128.0.100 - /docs/HR Circulars/Conduct Rules/Officers - Conduct Rules/Acts of Misconduct - Awarding of Punishments - 15.02.2000
Annexure-II & III	HAL CDA Rules (Book-2) 1984	Conduct Rules 1967 & Disciplinary Action Rules 1967	http://172.128.0.100 - /docs/Manuals -Procedure/Personnel Manual/Book-2, CDA Rules

Disclaimer:

The objective of publishing this booklet is to sensitize our colleagues regarding the provisions of HAL CDA Rules, 1984. This compilation is not an official policy of HAL. For specific issues, the relevant official policy / directives / guidelines may please be referred to.

“Ethics & Corporate Governance” are not just Moral or Compliance Issues. In the long term they are Essential Behavioral Traits for the Organisation, that strengthen the Organisation's “Brand Equity” and help ensure Stable Sustainable Growth.



VIGILANCE DEPARTMENT
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HINDUSTAN AERONAUTICS LIMITED