

THE STATE TRADING CORPORATION OF INDIA LIMITED: NEW DELHI
(INDUSTRIAL RELATIONS DIVISION)

August 11th, 2016

Circular No: IR/25/ 2016

Sub: STC Compulsory Retirement Scheme - 2016

Pursuant to the directions received from the Government of India regarding introduction of a Compulsory Retirement Scheme, as per provisions contained in FR 56 (j), which stipulated periodical review of employees for ensuring Probity and Efficacy, the Board of Directors of STC, in its 605th meeting held on 28.05.2016 approved the Compulsory Retirement Scheme to be introduced in STC. The guidelines of the Scheme are detailed hereunder:

2. Coverage of the Scheme:

Periodical review shall be undertaken six months before an employee attains the age of 50/55 or completes 30 years of service, subject to the following:

- i. For employees of the level from Office Manager to Chief General Manager who have entered the service before 35 years of age and have attained 50 years of age would be covered in the Scheme.
- ii. For employees of the level from Grade-I to Assistant/Stenographer who have attained age of 55 years.

3. Periodicity of Review:

The review shall be carried out as per schedule given below:

S.no	Qtr in which review is to be made	Cases of employees who will be attaining the age of 50/55 years or will be completing 30 years of service as the case may be.
1	January to March	July to September of the same calendar year
2	April to June	October to December of the same calendar year
3	July to September	January to March of the next calendar year
4	October to December	April to June of the next calendar year



4. **Constitution of Committee for Consideration of Cases for Compulsory Retirement:**

In order to periodically review the cases, a Committee shall be constituted as under:

i. **For the post of DGM and below:**

CGM(Personnel), CGM(Marketing), CGM(Finance) and GM(Legal)

ii. **For the post of JGM and above:**

Director(Personnel), Director(Finance) and Director(Marketing)

5. The Committee shall review the case(s) based on the following criterion for judging inefficiency and doubtful integrity as laid down in DOPT OM No. 25013/01/2013-Estt.A-IV dated 11th September 2015 and 21.03.2014 and other instructions issued by the Government of India from time to time:

- (i) Whenever the services of an employee of the company are no longer useful to the general administration, the employee can be compulsorily retired for the sake of public interest.
- (ii) Ordinarily, the order of compulsory retirement is not to be treated as a penalty stipulated under The (CD&A) Rules of the Company.
- (iii) For better administration, it is necessary to chop off dead wood, but the order of compulsory retirement can be passed after having due regard to the entire service record of the employee.
- (iv) Any adverse entries made in the confidential record/APAR/PMR shall be taken note of and be given due weightage in passing such order.
- (v) Even un-communicated entries in the confidential record/ APAR/PMR can also be taken into consideration.



- (vi) The order of Compulsory Retirement shall not be passed as a short cut to avoid Departmental Inquiry under the (CD&A) Rules of the Company when such course is more desirable.
- (vii) If an employee was given a promotion despite adverse entries made in the confidential record/APAR/PMR that is a fact in favour of the officer.
- (viii) Compulsory Retirement shall not be imposed as a punitive measure.
- (ix) An employee may be considered for Compulsory Retirement where in the summary appraisal of his confidential record/APAR/PMR in the preceding three consecutive years, he has been rated "Poor".
- (x) An employee may be considered for Compulsory Retirement when he gets an adverse comment on his integrity in his confidential record/APAR/PMR in the preceding three consecutive years and there is a proven instance of misconduct relating to his integrity.
- (xi) During the assessment period of confidential record/APAR/PMR his reports have been written by at least two different reporting officers. If not, an opportunity will be afforded to the individual employee to be assessed by another reporting officer for a least one year.
- (xii) In every review, the entire service records should be considered. The expression 'service record' will take in all relevant records and hence the review should not be confined to the consideration of the APAR / PMR.
- (xiii) The personal file of the officer may contain valuable material. Similarly, the work and performance of the officer could also be assessed by looking into files dealt with by him or in any papers or reports prepared and submitted by him.
- (xiv) In case of those employees who have been promoted during the last five years, the previous entries in the APARs may be taken into account if the employee in Group 'B' and 'C' was promoted on the basis of Seniority cum fitness, and not on the basis of merit.

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- (xv) While considering integrity of an employee, actions or decisions taken by the employee which do not appear to be above board, complaints received against him, or suspicious property transactions, for which there may not be sufficient evidence to initiate departmental proceedings, may be taken into account.

6. Benefits under the Scheme

An employee, who has been compulsorily retired by the Competent Authority, shall be given following benefits:-

- i. Pay for the notice period of three months as may be applicable to him under his terms and conditions of service;
- ii. Full Provident Fund contribution of the employer with accretions thereto in the account of the employee subject to the provision of the Provident Fund Rules applicable to him;
- iii. Gratuity for each completed year of service or part thereof as admissible under the Payment of Gratuity Rules/Act;
- iv. Leave encashment applicable as per policy of the Corporation;
- v. Transfer benefits for self and family for proceeding to hometown or to the place where he intends to settle in India as admissible under the TA Rules;
- vi. Pensionary benefits as per the provisions of STC Employees Defined Contribution Superannuation Scheme as amended from time to time;&
- vii. The benefits of STC (Retired Employees) Medical Benefit Scheme as amended from time to time.

7. Authority Competent to Grant Compulsory Retirement

- (i) The Director (Personnel) of the Corporation in the capacity of Appointing Authority is the Competent Authority to consider and decide Compulsory Retirement to the employees from the level of Grade -I to DGM under this Scheme. The report of the Review Committee will be put to the Director (Personnel) as per office procedure.
- (ii) CMD of the Corporation in the capacity of Appointing Authority is the Competent Authority to consider and decide Compulsory Retirement to the employees of the



Corporation from the level of JGM to CGM under this Scheme. The report of the Review Committee will be put to the CMD as per office procedure.


8. **Appeal**

In an event an employee prefers to appeal against the decision of the Appointing Authority, he/she will be allowed to do so, provided the representation is submitted within one month of communication of the order to the concerned person. The affected person shall submit its appeal to CMD /Board of Directors as the case may be.

9. **Amendments/Modification to the Scheme**

Amendments/modifications, if any, to the Scheme shall be made by the Chairman & Managing Director of STC.

This issues with the approval of the Competent Authority.



11.08.16

(Samit Mohapatra)

General Manager (Personnel)

- Exe. Secy. to CMD
- Exe. Secys. to Directors/CVO
- All CGMs
- All Branch Managers
- All Divisional Heads
- DGM(A&E)
- Notice Board/Website: For information of all concerned