

THE STATE TRADING CORPORATION OF INDIA LIMITED

SERVICE REGULATIONS

In exercise of the powers conferred on the Board of Directors under Article 81 (16) of the Articles of Association of the State Trading Corporation of India Limited, the Board of Directors hereby makes the following Regulations namely:-

“THE STATE TRADING CORPORATION SERVICE REGULATIONS”

1. TITLE :

These Regulations may be called “The State Trading Corporation Service Regulations.”

2. COMMENCEMENT :

The Regulation will come into force with effect from the date of issue of the Regulations.

3. DEFINITIONS :

In these Regulations, unless the context indicates otherwise :-

- a) “Corporation” means the State Trading Corporation of India Limited.
- b) “Board” means the Board of Directors of the Corporation.
- c) “Regulations” means the State Trading Corporation Service Regulations.
- d) “Chairman/Executive Director/Director” shall have the same meaning as are defined in the Articles of Association of the Corporation.
- e) “Regional/Branch Manager” means a person appointed as Regional/Branch Manager to manage the affairs of a Regional Branch office.
- f) “Secretary” means the Secretary of the Corporation.
- g) “Chief Finance Manager” means the Chief Finance Manager of the Corporation.
- h) “Employee” means any person appointed to Service or post in connection with the affairs of the Corporation but will not include a

labourer/worker in a factory/industrial undertaking under the control of the Corporation to whom the provisions of Factories Act, 1984 apply except that the Board may by a special resolution decide to apply these rules with such modifications as they may make from time to time.

- i) "Service" means service in connection with the affairs of the Corporation.
- j) "Office" includes Headquarters office, Regional/Branch Offices, Sub-Branch Offices, an Agency or a Depot, Trade Offices and Show-rooms or any other offices that the Corporation may establish anywhere in India or elsewhere.
- k) "Approved Medical Officer" means a doctor approved under the Central Government Health Service Scheme or approved by Chief Personnel Manager/Branch Manager for issuing medical certificate or reports.

Note :Words and phrases not defined above will in case of doubt have the same meaning as given to them in Fundamental Rules and Supplementary Rules of the Government of India.

4. SCOPE :

The Regulations have been framed by the Board of Directors of the Corporation to define the terms and conditions of service of the Employees of the Corporation including their pay and allowances and shall apply to every person in the employment of the Corporation.

EXCEPTIONS:-

Employees' whether of the Union or the State Government or State owned Undertaking whose services are placed at the disposal of the Corporation on Foreign Service shall be governed by such terms as may be laid-down for the purpose.

- (i) The Board may, for recorded reasons, waive or modify the operation of any of these Regulations in respect of any employee.
- (ii) Unless expressly provided for in these Regulations to the contrary the terms and conditions of service of the Corporation employees, their increments, leave and leave salary, joining time pay, travelling

and other allowances and other allied matters will *mutatis mutandis* be governed by the Government of India Fundamental and Supplementary Rules which shall include Government of India orders and decisions. Audit instructions and Audit Rules issued by

the Comptroller and Auditor General of India from time to time relating thereto.

- 4.(A) Disciplinary proceedings and penalties prescribed in the STC Employees' (Classification, Control and Appeal) Rules as amended from time to time and such other rules which may be prescribed by the Board of Directors from time to time in this regard will also be applicable to the employees.

5. DELEGATIONS :

The Board may confer on the Chairman/Executive Director/any other officer any of its powers in these Regulations by Resolution. The Chairman/Executive Director may with the approval of the Board confer on any officer of the Corporation any of his powers including his delegated powers by written authorisation. Delegated powers shall be exercised subject to such conditions and limits as may be prescribed in the resolution or authorisation by the Board.

6. RECRUITMENT RULES :

In regard to the matters concerning classifications of post, scales of pay, seniority, promotion and allied matters etc. the provisions of the Recruitment Rules of the Corporation as amended from time to time shall be applicable to the employees of the Corporation.

7. CREATION OF POSTS, SELECTION & APPOINTMENTS :

- (i) Consistent with the requirements of the Corporation, the Board may create posts from time to time, and prescribe the scale of pay of each post or class of posts or number of posts in each category. Appointments shall be made after considering the cases of all the suitable candidates available. A properly constituted Selection Committee shall consider the candidates and recommend their appointments.

- (ii) The composition of Selection Committee (to be known as Personnel Committee) which will deal specifically with recruitment of new personnel and selection and promotion of the departmental candidate will be :-

(Portion deleted. Reference may be made to schedule of Delegation of Powers as in force from time to time).

- (iii) Applications for appointment to vacancies in the Corporation should ordinarily be invited through advertisements in some of the prominent daily papers of India and also through the Government Employment Exchange(s).

8. CONSULTATION WITH FINANCE :

The Chief Finance Manager will be consulted in all cases where the fixation of pay is proposed at a stage higher than the minimum in the scale of pay.

9. CERTIFICATE OF HEALTH :

No person shall be taken in service unless he/she furnishes to the Corporation a health certificate in the prescribed form from the approved Medical Officer or officers either before or within a week of the appointment, provided that the Board may in special circumstances grant exemption from the operation of this Regulation in the case of an employee belonging to the Class 1 and II and the Chairman in the case of an employee belonging to Class III and IV.

EXPLANATION : A certificate of health shall not be required in the case of the following appointments:

- (a) Permanent employees of the Central or State Government on deputation to the Corporation;
- (b) Temporary Government servants who have already been medically examined if transferred to the Corporation without a break in service provided the head of the office from which they are transferred has certified to the effect that the employees have already produced the requisite medical certificate of health;
- (c) Persons appointed to a vacancy in Class-1, II and III posts not likely to last for more than three months;
- (d) A person appointed to a post in Class-IV service of less than six months duration; &
- (e) Retired Government servants re-employed immediately on retirement without break in service.

10. PROHIBITION OF BIGAMOUS MARRIAGES :

Every person on appointment to the service of the Corporation shall sign a declaration that if married, he does not have more than one wife living and, that he will not contract another marriage without proper permission from the Corporation even if such subsequent marriage is permissible under the personal law applicable to him. Likewise a female employee will

furnish a declaration to the effect that she is not married to and shall not marry a person who has one wife or more living at the time of appointment.

11. PROBATION :

- (i) Persons recruited direct in any post and employees promoted from one post to any higher post shall be placed on probation for a period of one year from the date of appointment which may be extended or reduced at the discretion of the appointing authority and may be reverted under the orders of the appointing authority without notice or assigning any reason thereof, at any time during probation.

Note : The appointing authority may dispense with the above provision regarding probation in the case of purely temporary appointments not likely to exceed a period of one year and such an employee shall be liable for reversion or termination of service at any time without notice.

- (ii) During the period of probation, a person appointed direct shall be liable to be discharged at one month's notice. Similarly, during the period of probation, if the person appointed direct desires to leave the service of the Corporation he shall give a month's notice in writing to the appointing authority or pay cash compensation equivalent to his pay for the period the actual notice falls short of one month unless the appointing authority relaxes the condition of notice either in full or in part in special circumstances.

Provided that the Corporation may terminate the service of any employee forthwith without such notice on payment to him of a sum equivalent to the amount of his pay plus allowances at the same rates at which he was drawing immediately before the termination of his service for the period of the notice or, as the case may be, for the period by which such notice falls short of one month.

12. SENIORITY :

The seniority in respect of employees of each category shall be determined according to the provisions of the Recruitment Rules. A gradation list will be drawn up and revised from time to time and the same shall be authenticated by the Chief Personnel Manager.

13. RESIGNATION, DISMISSAL OR TERMINATION OF SERVICE :

- (i) An employee who has completed his/her period of probation shall not resign his/her service in the Corporation without first giving two

months notice of his/her intention to do so. Failure to give the adequate notice shall make the employee liable to pay to the Corporation as compensation a sum equal to his/her pay for the period by which the notice falls short.

Resignation tendered by an employee shall not become effective till it is accepted by the Corporation and the acceptance communicated to the employee. The corporation shall have the right to refuse, for reasons to be communicated to the employee in writing, to accept resignation in a case where a disciplinary proceedings against the concerned employee is contemplated or has been initiated or is pending.

- (ii) Nothing in this Regulation shall effect the right of the Corporation to terminate the service of an employee without notice or pay in lieu thereof on his being declared mentally or physically disabled for further continuance in service by the approved medical officer. An appeal may lie against the opinion of the Medical Officer provided that it is preferred within a period of one month. The appeal shall be referred by the Corporation to such Medical Authority as the Corporation may decide and the opinion of such Medical Authority shall be considered as final and conclusive.
- (iii) The service of an employee who has completed his/her probation satisfactorily shall not be liable to termination except :-
 - (a) in the circumstances and in the manner laid-down in the "STC Employees (Classification, Control & Appeal) Rules, or
 - (b) when the appointing authority concerned has certified that a reduction has occurred in the number of posts available for such employees who have completed their probation.

Provided that the service of such an employee shall not be liable to termination under Clause (b) so long as any post of the same grade and under the same appointing authority, as the specified post held by him/her continues to be held by an employee junior to him/her.

Provided further that when the service of an employee who has completed his/her probation are terminated under clause (b) he/she shall be given three months notice and if, in any case, such notice is not given, then with the sanction of the authority competent to terminate the services of such employees, he/she shall be paid a sum equivalent to his/her pay plus allowances at the same rates at which he/she was drawing them immediately before the termination of his/her services for the period by which the notice actually given to him/her falls short of three months. If the employee is entitled to gratuity such gratuity shall not be paid for the period in respect of which he/she receives a sum in lieu of notice.

iv) The expression “**month**” used in this Regulation shall be reckoned according to the Gregorian Calendar and shall commence from the day following that on which notice is given by the employee or the Corporation as the case may be.

13-A Notwithstanding anything contained in Rule 13, in respect of employees joining the service of the Corporation in a managerial grade i.e. as Deputy Marketing Manager Grade-II (or in an equivalent rank) and above on or after 21st March, 1975, the Corporation shall have the right to terminate, without assigning any reason, the services of any such employee after he/she has completed his/her probation satisfactorily, by giving three months notice or pay in lieu thereof. Similarly, such an employee may, after he/she has completed his/her probation satisfactorily, resign his/her service by giving three months notice or pay in lieu thereof.

The power to terminate the services of any employee shall in all cases be exercised only by the appointing authority and for reasons recorded in writing on the concerned employee’s personal file and shall always be with the prior written approval of the Chairman.

14. RESTRICTIONS ON TOP LEVEL EXECUTIVES JOINING PRIVATE COMMERCIAL ORGANISATION AFTER RETIREMENT.

- 14.1 No functional Director of the company including the Chief Executives 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 one year from the date of retirement without prior approval of the Government. The term retirement includes resignation but not the cases of those whose term of appointment was not extended by government for reasons other than proven misconduct. The term 'business relations' includes 'official dealings' as well.
- 14.2 Functional Directors including Chief Executives who after superannuation or resignation accept employment in private commercial firms with which the company has or had business relations, within one year of the date of retirement without prior sanction of the Government, will henceforth be debarred from being appointed as full time/part time Directors of the CPSEs.
- 14.3 Functional Directors including Chief Executives, at the time of his/her employment/retirement/resignation, will submit a Bond for Rs.3.50 lakhs (Rupees Three Lakhs fifty thousand only) payable by him/her as damages for any violation of the restrictions as imposed in para 14.1 and 14.2 above.

15. RETIREMENT :

- (a) Except as otherwise provided specifically, every employee shall retire from service on the afternoon of the last day of the month in which he/she attains the age of 60 years. However, an employee whose date of birth is the first of the month shall retire from service on the afternoon of last day of the preceding month on attaining the age of 60 years.
- (b) There shall be complete ban on extension in service beyond the age of superannuation.

Provided, however, notwithstanding the provisions contained in the above Regulation, the Management may, if considered necessary, require a Manager to retire after he/she attains the age of 50 years, on three months notice without assigning any reasons. Similarly, a Manager may also, after attaining the age of 50 years, voluntarily retire after giving three months' notice to the Corporation.

Notwithstanding anything stated herein above in this Regulation a Manager who has attained the age of 50 years and against whom a disciplinary proceeding is contemplated, or has been initiated, or is pending, may with the prior permission of the Corporation voluntarily retire after giving three month's notice to the Corporation. In cases where the said permission is refused, the Corporation will, within a reasonable time, inform the reasons thereof to the Manager concerned.

16. PROVIDENT FUND :

Every employee who is appointed in the service of the Corporation shall become a member of the State Trading Corporation of India Limited., Employees' Provident Fund in accordance with the rules on the subject.

17. SERVICE RECORD :

- (i) A service Register in a suitable form to be prescribed shall be maintained by the Corporation at its Head Office in the case of employees in class I and II. This register shall contain the names of all such employees in alphabetical order, the substantive posts held by them, the posts in which they are officiating their pay and the date of next increment, date of birth, date of joining service, amount of leave availed of from time to time and the date of their last return from leave to join their substantive or officiating post in the Corporation.
- (ii) A service book shall be maintained in the prescribed form, in respect of each employee other than those for whom the Service Register is maintained.
- (iii) Every event in an employee's official career must be recorded in the service register or the Service Book. In latter case such entry must be attested by the Head Office of an officer authorised by him, care being taken to see that there are no erasures or over-writings.

18. CONDUCT AND DISCIPLINE :

An employee shall serve the Corporation in its business in such capacity and at such places as he may be directed from time to time. Employees in class IV will ordinarily be required to serve at one specified station.

19. An employee shall serve the Corporation efficiently, honestly, loyally and faithfully and shall maintain the strictest secrecy regarding the affairs of the Corporation and its constituents. Every employee is a whole time servant of the Corporation and may be employed in such manner as he is directed without any claim for extra remuneration. He shall strive his best to promote the interest of the Corporation. No employee shall take part in politics or in any political demonstration.

20. An employee shall not absent himself/herself from duty without prior permission of the Competent Authority. Nor shall he/she himself/herself absent from duty in case of sickness or accident without an immediate report duly supported by a medical certificate issued by the approved Medical Officer with a request as to the period for which leave is sought for. He shall then comply with the decision of the leave sanctioning authority. No employee shall leave the station where he/she is posted without obtaining previous permission from his/her immediate superior officer.

Provided that in case of temporary indisposition the production of a medical certificate may not be insisted upon.

21. The conduct of the employees while in service of the Corporation shall be governed by the provisions of the STC Employees' (Conduct, Discipline & Appeal) Rules, 1975.

22. APPLICATION / OTHER RULES :

Such of the Rules which have not been referred to but are in force in the Corporation from time to time shall apply to the employee.

23. PENALTIES

Failure to observe discipline and to abide by the condition of service to which he/she is subject under the Service Regulations will render an employee liable to imposition of penalties as contained in the STC Employees (Conduct, Discipline & Appeal) Rules.

24. GENERAL :

(i) The Board may for reasons to be recorded in writing waive or modify the operation of any of these regulations in respect of any employee.

- (ii) Whenever there is any doubt about the meaning or extent of application of any of these regulations, the decision of the Board thereon shall be final and binding.
- (iii) In respect of matters concerning the service conditions of the employees of the Corporation not covered by these Regulations or specific decisions of the Board the rules and procedures set-forth in the Government of India Fundamental Rules and Supplementary Rules including the Government of India orders and decision and audit instructions there-under shall apply.
- (iv) No additions or alterations to these Regulations shall have force until passed by a Resolution of the Board.

25. REPEAL AND SAVINGS :

- (i) Any Regulations or rules corresponding to these Regulations in force immediately before the commencement of these Regulations apply are hereby repealed, provided that any order made or action taken under the Regulations or Rules so repealed shall be deemed to have been made or taken under the corresponding provision of these Regulations.
- (ii) All appointments made in the Corporation prior to the enforcement of these Regulations shall be deemed to have been made under these Regulations and all the present employees of the Corporation shall be governed by these Regulations.

A M E N D M E N T S

Sl. No.	Amendment	Authority
1.	Rule 7 – Composition of Selection Committee amended	Minutes of Meeting of Board of Directors held On 2.8.68 (item 16)
2.	Rule 7- Composition of Selection Committee for Class IV posts further amended	Minutes of Meeting of Board of Directors held on 28.01.69 (item 15)
3.	Rule 7-Composition of Selection Committee for Managerial and Staff posts further amended	Minutes of Meeting of Board of Directors held on 17.05.69 (item 11).
4.	“Note” under Rule 7(ii) inserted	Minutes of Meeting of Board of Directors held on 04.07.1969 (item 1).
5.	Incorporation – Rule 13-A	Minutes of Meeting of Board of Directors held On 31.05.1975
6.	Rule 13- Provision added in clause (i)	Minutes of Meeting of Board of Directors held on 18.9.79
7.	Rule 14-Provision added at The end of Rule.	- do –
8.	Rule 14 para 1 substituted by Para’s (a) and (b) revising the date of Retirement from 58 to 60	Minutes of Meeting of Board of Directors held on 29.5.98
9.	Rule regarding restriction of Top level Executives joining Private Commercial Organization after retirement adopted as Rule 14 (1 to 3) and existing Rules Nos.14 to 24 renumbered as Rules 15 to 25 respectively.	Minutes of 558 th Meeting of Board of Directors held on 28.07.2009
10.	Rule 14.3 - Bond amount fixed at Rs.3.50 lakhs	Minutes of 568 th meeting of Board of Directors held on 2.2.2011