

**THE STATE TRADING CORPORATION OF INDIA LIMITED: NEW DELHI
(PERSONNEL DIVISION)**

No.: STC/CO/PER/IR/02031/2016-2021

April 06 , 2021

Circular No:IR/ 06 /2021

Sub: STC Compulsory Retirement Scheme – 2021 – similar to provisions of FR-56(j)

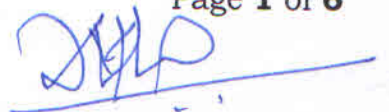
Pursuant to the directions made by the Government of India from time to time, STC Compulsory Retirement Scheme, 2016 was introduced on 11.08.2016. During the course of review of individual cases, as per extant applicable policy on the subject, difficulty was being faced to address the issues of probity and efficiency in dealing with organisational context which were not indicated therein explicitly.

ii. In order to make the policy more objective and effective to determine the issues of probity of individual employee and the level of efficiency reasonably expected from any regular employee, the need has been felt to review the policy, at the same time adhering to the parameters and grounds prescribed by the Government of India in their instructions issued from time to time, based on various pronouncements made by the Hon'ble Supreme Court of India etc. Accordingly, the revised policy has been formulated similar to provisions of FR 56(j) addressing organisational context objectively and indicating the criterion unambiguously, enabling the policy for implementation on its notification. The Board of Directors of STC deliberated and considered the revised policy and approved the same for implementation on 03.03.2021, (item No.638.1.3).

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	Quarter 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 or 30 years of service qualifying for pension, as the case may be, in the quarter.
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. Maintenance of Register :

A register of the employees who are due to attain the age of 50/55 years or to complete 30 years of service has to be maintained. The register should be scrutinized at the beginning of each quarter and the review to be undertaken as per schedule to ensure timely completion.

5. The Management may, at any time after an employee has attained the age of 50/55 years or completed 30 years of service, as the case may be, retire him pre-maturely in public interest under the Scheme. However, non-adherence to the time-lines of periodical review due to certain administrative exigencies shall not take away the powers of Appropriate Authority to pre-maturely retire an employee under the scheme. Therefore, review of employee for the sake of these rules can be undertaken even after he/ she has attained the age of 50/55 years.

6. There is also no bar on the Management to review any such case again where it was decided earlier to retain the officer, but the Appropriate/Appointing Authority is of the opinion that it is expedient to undertake the review again on account of changed circumstances, in public interest. In such cases, the Appropriate Authority is expected to demonstrate visible meticulousness as such employees have been found effective on earlier occasion for retention in service.

7. The Competent Authority for Consideration of Cases for Compulsory Retirement :

The Board of Directors shall be the Competent Authority for review all the cases to be placed before it by the Personnel Division of STC on quarterly basis and decide across all the levels under this scheme.

8. The Competent Authority shall review the case(s) based on the following criterion:-

- (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/she has been rated "Poor".
- (x) An employee may be considered for Compulsory Retirement when he/she gets an adverse comment on his/her integrity in



his/her confidential record/APAR/PMR in the preceding three consecutive years and there is a proven instance of misconduct relating to his/her integrity.

- (xi) During the assessment period of confidential record/APAR/PMR his/her 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/her or in any papers or reports prepared and submitted by him/her.
- (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.
- (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/her, or suspicious property transactions, for which there may not be sufficient evidence to initiate departmental proceedings, may be taken into account.

9. In addition to above, in the current context of the Corporation, the services of the large number of employees are no longer useful to the Corporation and can be compulsorily retired for the sake of public interest on the following grounds also:

- I. An employee have been issued repetitive Advisory, Memo, Warning for not attending the task assigned to him;
- II. Attending the official work casually and not adhering to the timelines fixed by seniors in the course of completing the task;
- III. The employee is not fitted into the current objectives of the Corporation and are passing time like dead-wood, namely :-
 - i. Recovery of trade receivables.
 - ii. OTS with Banks and all associated matters.



- iii. Other Personnel, GAD, AUD matters etc.
- IV. The policy will apply to all eligible employees, who are covered under the Scheme, irrespective of which cadre one is serving. Further, for all employees of over 50 years of age, their entire service history compiled by the Personnel Division will be placed before the Board for taking a decision in the matter. The Scheme will be implemented on its notification in the Corporation.

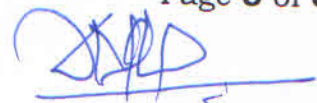
10. Benefits under the Scheme :

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/her under his/her 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/her;
- 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. Pensioner benefits as per the provisions of STC Employees Defined Contribution Superannuation Scheme as amended from time to time; and
- vii. The benefits of STC (Retired Employees) Medical Benefit Scheme as amended from time to time.
- viii. Officials occupying official accommodation in STC Housing Colony will be governed under the existing RAAR Rules.

11. Representation against Premature Retirement :

After issue of the orders of premature retirement, the concerned person may put up representation for orders otherwise, within three weeks from the date of service of such notice / order and the matter may be placed before Board of Directors along with fresh input, if any. The examination of the representation should be completed by the Personnel Division within two weeks from the date of receipt of representation. The Board of Directors considering the representation shall make its recommendations within two



weeks from the date of receipt of the reference from the Personnel Division and the Appropriate/Appointing Authority should pass its orders at the earliest from the date of receipt of the recommendations of Board of Directors.

12. Amendments/Modification to the Scheme :

Amendments/modifications, if any, to the Scheme shall be made by the Board of Directors of STC. This Circular supersedes the earlier circular on Compulsory Retirement Scheme of STC which was introduced vide Circular No. IR/25/2016 dated 11.08.2016.

13. The State Trading Corporation Service Regulations stands amended to this effect by these Rules similar to FR-56(J) by adding clause 15 (c).

This issues with the approval of the Competent Authority.


06/04/2024

(D.P. Mishra)

Chief General Manager (Personnel)

- Exe. Secy. to CMD
- Exe. Secys. to Directors/CVO
- All Divisional Heads at C.O.
- All Representative Offices
- DGM(A&E)
- Notice Board/Website: For information of all concerned