

CORPORATE HR POLICY CIRCULAR NO.551 Date 18.08.2020

SUB: SCHEME FOR VOLUNTARY RETIREMENT OF NON-OFFICERS & OFFICERS up to Gr.IV

1. INTRODUCTION

A Scheme for allowing retirement of Non-Officers and Officers on their own accord is offered on the following terms and conditions:

2. OBJECTIVE

- i] To reduce surplus manpower and achieve optimum manpower utilization.
- ii] To improve the average age mix of the Non-Officers & Officers.
- iii] To improve the overall skill level.

3. ELIGIBILITY

The VR Scheme is open to all permanent Non-Officers and Officers up to & including Grade-4. Officers having Professional Qualification are not eligible to apply.

4. PERIOD OF OPERATION OF VR

The Scheme shall be operative from 24.08.2020 to 15.09.2020 and those employees opt VR will be relieved from the services of the Company on 30.09.2020 (A/N).

5. BENEFITS

5.1 Those whose request for Voluntary Retirement is accepted will be entitled to the following normal terminal benefits: -

- a] Gratuity
- b] Provident Fund
- c] Encashment of Privilege Leave at credit as on the date of release.
- d] Encashment of unavailed Casual Leave in proportion up to the date of release on VR.
- e] TA to self and family members to move to one's hometown as per TA Rules which includes travel expenses, cost of transportation of personal effects to a place anywhere in India where the employee intends to settle down.
- f] Unavailed LLTC encashment for the current block.

The benefits listed at [a], [b], [c], [d] & [f] above will be settled within a period of 30 days from the date of release.

5.2 EX-GRATIA

5.2 [a] In addition to the normal terminal benefits, Non-Officers & Officers will be entitled to opt for any one of the following methods of calculation of ex-gratia payment :

[i] Exgratia payment to be computed at the rate of 1.5 months emoluments [Basic + DA] for each completed year of service **OR** the monthly emoluments [Basic + DA] at the time of voluntary retirement multiplied by the balance months' of service left before attaining the age of 60, whichever is less.
[SCHEME - A]

OR

[ii] 35 days salary [Basic Pay + DA] for every completed year of service AND 25 days salary [Basic Pay + DA] for every year of balance service left up to the age of 60 years. The exgratia will be subject to a minimum of Rs.25,000/- or 250 days salary [Basic Pay + DA] whichever is higher. However, exgratia shall not exceed the sum of the salary that Non-Officer & Officer would draw at the prevailing rates for the balance of the period left up to the age of 60 years.

[SCHEME - B]

NOTE :

[1] For the purpose of calculation of one day's salary for VR Compensation a month is to be reckoned as 30 days for both the options e.g.

Basic Pay [Rs.7120] + DA @ 340.2 [Rs.24,222.24] - Rs.31,324.24
Rs.31.324.24 / 30 days = Rs.1044.75 [one day's salary]

[2] In option [i] above, only completed year of service will be taken into account and not fractions thereof.

[3] In option [ii] above, the Calculation of VR has to be made for completed years and for part service [i.e. months & days]. Calculation of VRC for completed years of service : completed years of service X 35 X Salary [one day's salary as calculated at [i] above.

Ex-gratia for part service has to be calculated on pro-rata basis as follows:

[a] for complete months : one day's salary as calculated at [i] above X 35 X completed months / 12.

[b] for completed days : one day's salary as calculated at [i] above X 35 X completed days / 12 / 30.

A similar method has to be adopted for calculation of VRS for leftover service except the method of 35 days, 25 days has to be substituted.

5.2 [b] MODE OF PAYMENT

The amount payable under the scheme shall be paid in a lumpsum through an account payee cheque at the time of release as indicated in 5.1 above.



- 5.3 All outstanding dues to the Company will be adjusted against the benefits payable under the scheme.
- 5.4 The VR compensation amount payable under the scheme will be calculated based on monthly emoluments [Basic + DA only] drawn by the VR Optee preceding the day of voluntary retirement.
- 5.5 The VR compensation amount payable under the scheme is exempt from Income Tax upto Rs.5 lakhs. Sub-clause [i] and after sub-clause [viii] of clause [10C] of Section 10 of Chapter III -Incomes which do not form part of Total Income as per the Income Tax Act, 1961 is re-produced below :-

QUOTE :

"Section 10 - In computing the total income of a previous year of any person, any income falling with any of the following clauses shall not be included :-

[1]

[2]

[10C] any amount received by a Non-Officer & Officer of -

[i] a Public Sector Company

[ii]

[iii]

.....
[viii]

at the time of his voluntary retirement or termination of his service in accordance with any scheme or schemes of voluntary retirement or in the case of a Public Sector Company referred to in sub-clause [i], a scheme of voluntary separation, to the extent such amount does not exceed five lakh rupees."

Provided that the schemes of the said companies or authorities or societies or Universities or the Institutes referred to in sub-clauses [vii] and [viii], as the case may be, governing the payment of such amount are framed in accordance with such guidelines [including inter alia criteria of economic viability] as may be prescribed.


Provided further that where exemption has been allowed to Non-Officer & Officer under this clause for any assessment year, no exemption there under shall be allowed to him in relation to any other assessment year.

6. PROCEDURE

Non-Officers & Officers upto Grade-4 desirous of opting for VR may submit the prescribed application [available with the Unit HR] to the Competent Authority through proper channel.

7. COMPETENT AUTHORITIES

- 7.1 Unit Head is the Competent Authority for the purpose of acceptance of VR request in respect of all Non-Officers & Officers upto Grade-4 working in the Unit.



7.2 In respect of those not conforming to the objectives of the scheme, CMD is the Competent Authority.

8. GENERAL

- 8.1 The objective of the VR Scheme is reduction of surplus manpower and improving the average age mix. There shall be no recruitment against vacancies arising due to VRS, as the post vacated by the VR optee shall stand abolished. Therefore, in accordance with the Government directives, requests received for being released on VR will be scrutinized and only those who are surplus to the requirement of the Company and whose release will not denude the Company of talent will be accepted.
- 8.2 The Company reserves to itself the right to extend the period of operation of the Scheme or to withdraw the scheme without any notice and without assigning reasons there for and to modify/alter/amend the scheme in any manner without any notice and without assigning reasons therefor. CMD will be the Competent Authority in this regard.
- 8.3 In case of doubts regarding interpretation or application of any of the clause in this scheme, reference shall be made to the Corporate Office and the decision of the Corporate Management shall be final.
- 8.4 Applications falling under clause 7.2 under the scheme may be forwarded to Corporate HR along with specific recommendations of the Unit Head.
- 8.5 Applications for Voluntary Retirement, once submitted by the Non-Officers and Officers under the scheme, will not be allowed to be withdrawn.
- 8.6 An option once submitted for a method of calculation of ex-gratia cannot be changed.
- 8.7 Steps will be taken by the Company to provide rehabilitation/retraining wherever requested, through the nodal agency nominated by the Government of India. Further details in this regard may be collected from the Unit HR.
- 8.8 A VR optee shall not be allowed to take up employment in another PSU. If he/ she desires to do so, he / shall have to refund the VR compensation received from the Company.


15/9/2020
[MURLI DHAR DWIVEDY]
ADDITIONAL GENERAL MANAGER-HR