

VOLUNTARY RETIREMENT SCHEME

Authority

PC No.17/2000

Dt.06-07-2000

The revised scheme in line with the DPE guide lines under OM No.2(32)/97-DPE(WC) dated 5th May 2000 and approved by the Board is introduced. With the introduction of this new scheme, all earlier circulars issued on this subject stand superceded.

2. The salient features of the revised Voluntary Retirement Scheme are as follows :

ELIGIBILITY:

i) The permanent employees who have completed 10 years of service in the company or who have attained 40 years of age are eligible to opt for Voluntary Retirement.

ii) For the purpose of reckoning total service put up in the company, the services of the employee put up in the previous organisation if it is a Central Public Sector Undertaking and the service benefits like CPF, Gratuity, Leave, etc., have been transferred to BDL within a period of 5 years shall be considered. This benefit will not be considered for employees joined BDL from State/Central Government Departments, as they are governed by General Provident Fund, Pension and other terminal benefits, which are not available in PSUs.

BENEFITS

i) Employees opted for Voluntary Retirement are entitled to natural terminal benefits like VL encashment, Gratuity, PF and Transfer benefits.

ii) In addition, he/she will be entitled to an exgratia payment equivalent to two months' pay for every completed year of service or the monthly pay multiplied by the balance months of service left over before normal date of retirement, whichever is less. However, this exgratia payment in no case shall be more than 60 month' pay.

iii) The acceptance of applications for Voluntary Retirement will be at the discretion of the Competent Authority and subject to availability of funds.

3. Employees desirous of availing this scheme may submit their application in the prescribed form, which can be had from Divisional P&As and should be



forwarded to Corporate P&A through proper channel within the period indicated.

4. Acceptance of any application for Voluntary Retirement under this scheme will be at the sole discretion of the Competent Authority.

THE VOLUNTARY RETIREMENT SCHEME- 2000

1. TITLE

1.1 The scheme shall be called “Bharat Dynamics Limited Employees Voluntary Retirement Scheme, 2000”

2. OBJECTIVES

2.1 To achieve the optimum level of manpower with the desirable average age- mix so as to cope up with the changing needs of the company, consequent to technology upgradation, modernization, automation and system simplification. Even after meeting additional requirements for new activities and locations, there are some employees who cannot be redeployed due to either mobility constraints or reluctance on their part for re-skilling etc.

2.2 To provide certain benefits to such employees who have rendered sufficiently long service to the company and who opt to retire voluntarily before reaching the age of superannuation

3. SCOPE AND COMMENCEMENT

3.1 Save as otherwise provided in this scheme, the scheme shall apply to regular/ permanent employees of the company whether employed in India or abroad; but shall not apply to:

- a) Deputationists from the central/ State Government or other Public Sector Undertakings being subject of the rules/ regulations of their respective parent departments;
- b) Temporary or casual employees and employees on contract basis;
- c) Trainees or Apprentices engaged under the Apprentices Act,1961;
- d) CMD & Directors of the company.



Authority e) AGM & Above (applicable for 2003)
 PC No.18/2003
 Dt. 29 –8-2003)

- 3.2 The scheme shall come into force with effect from the date notified by the management for the purpose.
- 3.3 The scheme, after coming into force, shall be operated for a period of one month as decided by Competent Authority from time to time on need basis.
- 3.4 The scheme, after coming into force, shall supercede the existing Voluntary Retirement scheme.
- 3.5 The scheme may at the discretion of the Board of Directors, be withdrawn or amended, altered or modified whether wholly or partly, at any time during its operation, without any notice or assigning any reason whatsoever.
- 3.6 In implementing the Voluntary Retirement Scheme, Management shall ensure that it is extended primarily to such employees whose services may be dispensed without detriment to the Company. Care will be exercised to ensure that highly skilled and qualified workers and staff or not given the option. As there shall be no recruitment against vacancies arising due to VRS – it is important that the company is not denuded of talent

4. DEFINITION:

- i) CMD means the Chairman and Managing Director of the Company.
- ii) 'Company' means Bharat Dynamics Limited.
- iii) 'Competent Authority' means the CMD or such other executives to whom the powers are delegated by the CMD under this scheme.
- iv) 'Pay' means basic pay and dearness allowance. Basic pay does not include (a) Personal pay granted for undergoing Family Planning Operation, (b) Increment granted for passing Hindi examination, (c) Qualification pay, (d) non-practicing allowance and (e) any other pay/ allowance not specifically mentioned herein.
- v) 'Employees' means all employees who are on regular rolls of the company.

5. ELIGIBILITY:

- 5.1 The scheme shall be applicable to all permanent employees who have completed Ten (10) years of service in the company or who have attained forty (40) years of age as on the date making an application.



NOTE: 1

The age of employees as recorded in the company's record shall be final

NOTE-2

For the purpose of reckoning total service put up in the company, the service of the employee put up in the previous organisation shall also be taken into account provided he/she moves from Public Sector Enterprise that organisation should have transferred its liability to the employee towards CPF, Gratuity, VL/EL and Half pay leave, by making a lumpsum payment to BDL in respect of the amount due to the concerned employee for the service rendered in that Public Sector Enterprise. This amount should have been transferred by the PSE to BDL within a period of 5 years. This benefit of previous service is available only in the case of transfer from PSE and not from Central /State Government departments.

5.1.1 The following categories of employees will not be eligible for Voluntary Retirement

- i) Where disciplinary proceedings are pending or are contemplated against the employee concerned for imposition of major penalty.
- ii) Where prosecution in a criminal court is contemplated or may have been launched in a Court of Law.
- iii) Employees who resign from the services of the company
- iv) Employees who have been specially trained at collaborators works or elsewhere in the preceding 5 years and /or those who are under bond after having undergone the training.
- v) Employees who have acquired specialist/ higher level of qualification on Company sponsorship and on the date of application have not completed 5 years after acquiring such qualification.

5.1.2 An employee who desires to retire voluntarily under the scheme shall make a written application to the competent authority in the prescribed form.**5.1.3 Acceptance of any application for voluntarily retirement under the scheme will be at the sole discretion and option of the Competent**

Authority. In fact, the scheme does not confer any right on an employee to have his request for voluntarily retirement accepted.

6. BENEFITS:

6.1 An employee whose request for voluntarily retirement is accepted shall be entitled to the following normal benefits which are admissible on attaining the age of superannuation for the service rendered.

- a) Cash equivalent of accumulated earned leave at credit, if any, as per the rules of the company.
- b) Gratuity as per the Gratuity Act/Gratuity Scheme applicable to the employees.
- c) The balance in his Provident Fund account payable as per the PF Rules of the company.
- d) Transfer benefit for self and eligible family members for proceeding to Home Town/Intended place of settling down within the territory of India, as admissible under the company's TA/DA rules.

6.2 In addition, employees opting for voluntary retirement shall be entitle to:

- (i) An ex-gratia payment equivalent to two months' pay for each completed year of service or the monthly pay at the time of retirement multiplied by the balance months of service left before normal date of retirement which ever is less . For example, an employee who has put in 24 years of service and has got only 1 ½ years of service for normal retirement will get ex-gratia payment of only 18 months' pay and not 48 months' pay.
- (ii) All those who have completed not less than 30 years of service, will be eligible for a maximum of 60 (Sixty) months' pay as compensation. This will be subject to the amount not exceeding the pay for the balance period of service left (@ monthly pay at the time of voluntary retirement).

NOTE:

For the purpose of reckoning of completed years of service period more than 6 months shall be counted as one year and less than 6 months shall be ignored and service includes service put in the previous PSE as given in the para –5.1, Note-2.



Authority : <i>Cir. No.BDL/04/ 01/073/C-P&A Dt.21-08-2000</i>	Clarification : It is to clarify that it is implied that the LOP period is not to be counted as duty for VR benefits. Therefore, for the purpose of calculation of completed years of service, period of un-authorized absence, leave without pay or any absence not regularized by sanction of leave shall not be taken into account.
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7 PROCEDURE & GENERAL CONDITIONS

- 7.1 An employee who desires to retire voluntarily under the scheme shall make and application to the Competent Authority through proper channel in the prescribed form which can be had from the Divisional P&A Dept. Receipts will be acknowledged.
- 7.2 On receiving the application seeking voluntarily retirement, the Divisional/Departmental Head, if recommends, voluntary retirement as applied for, should endorse a certificate that the retirement would not adversely effect production/work in the division/department. In case, the Divisional/Departmental Head does not recommend voluntary retirement as applied for, should record the reasons thereof.
- 7.3 A Committee, comprising full time Directors, GM(P&A) and GM of the concerned division will be constituted to examine the cases of voluntary retirement before obtaining approval of the Competent Authority.
- 7.4 Once the application for voluntary retirement is accepted, the same shall be final and irrevocable. The decision on the application shall be communicated to the applicant at the earliest.
- 7.5 No Notice Pay shall be paid for employees whose request has been considered for Voluntary Retirement.
- 7.6 On acceptance of voluntary retirement under this scheme, final dues will be settled within 10 days of submission of 'No-dues certificate' by the applicant after voluntary retirement.
- 7.7 An employee retired voluntarily under this scheme shall not be eligible for re-employment in the company.
- 7.8 Unrecovered advances, loans and any other recoveries which are due from the employees' retired voluntarily under this scheme, as on the



date of retirement, will be fully adjusted against the final payments due to him including ex-gratia payment under this scheme.

- 7.9 No recruitment shall be made (either through direct appointment or by promotion) against vacancy arising on account of voluntary retirement.
- 7.10 Income tax deduction at source on the amount of compensation to be paid under this scheme will be regulated in accordance with the income tax Act/Rules as applicable from time to time.
- 7.11 All employees who opt for voluntary retirement under this scheme may be given superannuation gift as per the rules in vogue as per the existing practice in the company.
- 7.12 Applications, for voluntary retirement shall be processed strictly in accordance with the eligibility under this scheme.
- 7.13 An employee will, ordinarily be relieved from the service of company on the close business of the last working day of the month in which his/her request for voluntary retirement is finally accepted and approved.

8. REMOVAL OF DOUBTS

- 8.1 In case of any doubt about interpretation of any provision of the scheme, the matter shall be referred to the CMD., whose decision thereon shall be final and binding.

