



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

बोकारो इस्पात संयंत्र
BOKARO STEEL PLANT

PERSONNEL DEPARTMENT
RULES SECTION

Ref. No. PERS/RULES/RR-89/2020/996

DATE:-10.12.2020

(CIRCULAR No. 28/2020)

Sub:- Revised SAIL Gratuity Rules.

The SAIL Gratuity Rules have been revised by SAIL-CO w.e.f. 01.11.2020.

Detailed revised SAIL Gratuity Rules is annexed.


This issues with the approval of competent authority.


10/12/2020

Richa Kunal
Manager(Pers-Rules)

Distribution:-

1. All Divisional Heads/HoDs
2. GM(Tech),Director I/c's Sectt.
3. All outstation Offices/ All Offices of Personnel Department
4. GM(F&A-Pay)
5. BSL Intranet

 सैल SAIL	SAIL GRATUITY RULES	DATE OF EFFECT 01.11.2020
	APPROVED BY: BOARD OF DIRECTORS	ISSUED BY: DGM (P-CCS & Rules)

SAIL GRATUITY RULES


1.0 DEFINITIONS:

In these Rules, the following expressions will, unless excluded by or repugnant to their context, have the following meanings:-

- (a) **'Act'** means the Payment of Gratuity Act 1972, and the Rules framed thereunder, as may be amended from time to time.
- (b) **'Apprentice'** means a person as defined under Apprentices Act, 1961.
- (c) **'Board of Directors'** means the Board of Directors of the Company.
- (d) **'Chairman'** means the Chairman of the Board of Directors of the Company.
- (e) **'Company'** means Steel Authority of India Limited including its subsidiaries.
- (f) **'Completed year of service'** means the number of years and parts thereof; qualifying for the purpose of payment of gratuity as 1.0 (i) below.
- (g) **'Controlling Authority'** means an authority appointed by the appropriate Government under relevant provisions of the Payment of Gratuity Act, 1972.
- (h) **'Family'**, in relation to an employee, shall be deemed to consist of :-
 - i) In the case of a male employee, himself, his wife, his children (including lawfully adopted child, if any), whether married or unmarried, his dependent parents and the dependent parents of his wife, and the widow and children of his predeceased son, if any;
 - ii) In the case of a female employee, herself, her husband, her children (including lawfully adopted child, if any), whether married or unmarried, her dependent parents and the dependent parents of her husband, and the widow and children of her predeceased son, if any;

Explanation: Where the personal law of an employee permits the adoption by him/her of a child, any child lawfully adopted by him/her shall be deemed to be included in his/her family, and where a child of an employee has been adopted by another person and such adoption is under the personal law of the person making such adoption lawful, such child shall be deemed to be excluded from the family of the employee.

- (i) **'Qualifying Service'** means un-interrupted service in completed years and parts thereof rendered in the Company or its Subsidiaries after completion of 18 years of age by an employee except for the period spent as Apprentice, but includes the period of training followed by regular employment in the Company in the case of Trainees viz. Management Trainees and Trainees in Non-executive category

 सेल SAIL	SAIL GRATUITY RULES	DATE OF EFFECT 01.11.2020
	APPROVED BY: BOARD OF DIRECTORS	ISSUED BY: DGM (P-CCS & Rules)

engaged by the Company. The period will also include service which is interrupted by authorized leave and cessation of work not due to employee's fault.

- (j) **'Separation'** means termination of service of the employee by the Company other than on superannuation.
- (k) **'Superannuation'** means the retirement of the regular employee from the service of the Company on reaching the age of Sixty (60) years or the age as decided by the Company.
- (l) **'Temporary Employee'** means a person who is engaged for work of temporary nature.
- (m) **'Wages'** for the purpose of these rules shall mean the Basic Pay and Dearness Allowance (DA) and shall include other Pay and Allowances which have been decided to be treated as Basic Pay for computation of gratuity but does not include any Bonus, Commission, House Rent Allowance, Over-Time wages, Deputation Allowance and any other Allowance drawn by the employee on the date of cessation of employment.

2.0 SCOPE :


2.1 These rules shall apply to regular employees of the Company including trainees engaged by the Company and subsequently confirmed in regular grades & pay scales but shall exclude the following:-

- a) Casual employees,
- b) Government Servants,
- c) Others employed on deputation,
- d) Foreign Technicians/Experts.
- e) Apprentices under Apprentices Act, 1961
- f) Persons engaged on "Contract for Service" basis, for a fixed term; *unless expressly provided in the terms of engagement.*

3.0 ELIGIBILITY FOR GRATUITY :

3.1 Gratuity shall be granted to the employees of the Company for good, efficient and faithful service and shall be admissible on termination of his/her employment after he/she has rendered qualifying service for not less than five (5) years, on :-

- (a) Superannuation.
- (b) Retirement which includes Voluntary Retirement, Compulsory Retirement and Premature Retirement under FR 56(J)
- (c) Resignation

 सेल SAIL	SAIL GRATUITY RULES	DATE OF EFFECT 01.11.2020
	APPROVED BY: BOARD OF DIRECTORS	ISSUED BY: DGM (P-CCS & Rules)

- (d) Death or Discharge/Termination on Medical Grounds owing to Permanent Incapacity due to bodily or mental infirmity as to which the opinion of the authorized medical officer nominated by the Company shall be final and binding. In this case the condition regarding completion of qualifying service of five (5) years shall not be necessary.

Provided that in the case of death of the employee gratuity payable to him/her shall be paid to his/her nominee(s), or if no nomination has been made, to his/ her legal heirs.

Provided further that in the case of permanent disablement of the employee which renders him/her incapable of applying his/her mind and upon certification by the medical board of the Company to this effect, gratuity payable to him/her shall be paid to his/her nominee(s), or if no nomination has been made, to his/her legal heir(s).

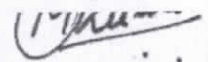
4.0 AMOUNT OF GRATUITY


- 4.1 Subject to provisions under sub-rule 4.2, the amount of gratuity payable to the employees shall be equal to fifteen (15) days' wages for each completed year of service or part thereof in excess of six (6) months subject to the maximum limits given herein below:-

Executives	Rs. 20,00,000 (<i>Rupees Twenty Lakh only</i>) or as notified by the Government from time to time under the provisions of the Act.
Non-executives	<p>a) <u>Non-executives joining the Company on or after 01.07.2014</u> Rs. 20,00,000 (<i>Rupees Twenty Lakh only</i>) or as notified by the Government from time to time under the provisions of the Act.</p> <p>b) <u>Non-executives who have joined the Company prior to 01.07.2014</u> No limit on gratuity amount payable at present.</p>

Provided that in case of death, gratuity shall be calculated in terms of sub-section 4.1 above and as given herein below and the higher of the two will be admissible:-

Sl. No.	Length of service rendered at the time of death	Amount of Gratuity payable
a)	Death during the first year of service.	Two (2) months' wages
b)	Death after one year but before five (5) years' service	Six (6) months' wages
c)	Death after completion of five (5) years' service.	Twelve (12) months' wages



 सैल SAIL	SAIL GRATUITY RULES	DATE OF EFFECT 01.11.2020
	APPROVED BY: BOARD OF DIRECTORS	ISSUED BY: DGM (P-CCS & Rules)

- 4.2 In case of re-employed military personnel, Government employees and employees of other Public Sector Undertakings, gratuity payable by the Company plus gratuity already received by the employee from the previous employer, if any, shall not exceed 20 month's wages or Rs.20,00,000/- (*Rupees Twenty Lakh only*) whichever is less.
- 4.3 The amount of gratuity so calculated shall be paid within thirty (30) days from the date it becomes payable to the person to whom the gratuity is payable.
- 4.4 If the amount of gratuity payable is not paid within the above specified period of thirty (30) days, simple interest at such rate, not exceeding as notified by the Central Government from time to time for repayment of long-term deposits, as that Government may, by notification specify, shall be paid towards delayed period beyond thirty (30) days of its becoming due up to the date on which it is paid.

Provided that no such interest shall be payable if the delay in the payment is due to the fault on the part employee/person to whom the gratuity is payable and the permission in writing from the Controlling Authority for the delayed payment on this ground has been obtained.

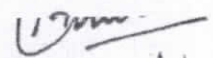
5.0 COMPUTATION OF GRATUITY :


- (a) Gratuity shall be calculated at the rate of half months' wage last drawn by the employees for every completed year of service, less than thirty (30) years.

Formula for computation of Half Month's wages:

$$\text{Half Months' Wages} = \frac{\text{Monthly Wage} \times 15}{26}$$

- (b) For service beyond thirty (30) years, gratuity shall be calculated at the rate of One Months' wage last drawn by the employee for every completed year of service in excess of thirty (30) years.
- (c) While computing the qualifying service, the period spent on '*Dies non*' for the purpose of payment of gratuity shall be excluded for reckoning gratuity for that year.
- (d) Training period of an employee would be considered for the purpose of computation of gratuity where it is followed by regular employment on successful completion of the training. This shall not, however, include the period of apprenticeship under the Apprenticeship Act.
- (e) If a Temporary/Nominal Muster Roll (NMR) employee puts in a minimum of 240 days work in a year, the year will be counted for computation of gratuity provided that the employee gets regular employment in continuation of his/her temporary period of service.



 सेल SAIL	SAIL GRATUITY RULES	DATE OF EFFECT 01.11.2020
	APPROVED BY: BOARD OF DIRECTORS	ISSUED BY: DGM (P-CCS & Rules)


- (f) For the purpose of computation of gratuity in continuation of service, the requirement of 240 days will be for the first year of service only and not for subsequent years.
- (g) If the period of service rendered during the last year of service is 180 days or more, it will continue to be reckoned as full one year for the purpose of calculation of gratuity. However, if the service is less than 180 days in the last year of service, proportionate payment of gratuity will be made.
- (h) In case of employees superannuating from the services of the Company on *30th June* and *31st December*, computation of gratuity would be done after adding the increment payable on 1st July and 1st January respectively as applicable.

6.0 DEFERMENT OF PAYMENT OF GRATUITY :

- 6.1 During the pendency of the disciplinary proceeding or the judicial proceeding on the date of superannuation/separation of an employee, the Disciplinary Authority may defer payment of gratuity beyond the statutory limit of thirty (30) days from it becoming due for payment, as the last pay particulars of the employee are uncertain due to pendency of the punishment that may be imposed on the employee on conclusion of the disciplinary proceedings or as a result of prosecution proceedings.
- 6.2 In such an event, pending disciplinary proceedings or judicial proceedings, soon after the employee is superannuated/separated from service, an application shall be submitted to the Controlling Authority under relevant section of the Act, seeking permission for any delay likely in payment of gratuity on the following grounds :-
- i) In case the employee is not guilty of the charges alleged against him/her, the amount of gratuity so withheld shall be released along with simple interest thereon as is specified;
- ii) In other cases, if the employee is found guilty of offences/misconduct, the gratuity "*as is determined now*" shall be released without any interest thereon.
- 6.3 The payment of interest for any delay incurred in payment of gratuity shall be governed as per relevant section under the Act.

7.0 FORFEITURE OF GRATUITY :

- 7.1 The gratuity of an employee, whose services have been terminated for any act, wilful omission or negligence causing any damage or loss to, or destruction of property belonging to the Company, shall be forfeited to the extent of the damage or loss so caused.
- 7.2 The gratuity payable to an employee may be wholly or partially forfeited, based on order issued by Disciplinary Authority:-
- (a) If the services of such employee have been terminated for his/her riotous or disorderly conduct or any other act of violence on his/her part, **or**

 सेल SAIL	SAIL GRATUITY RULES	DATE OF EFFECT 01.11.2020
	APPROVED BY: BOARD OF DIRECTORS	ISSUED BY: DGM (P-CCS & Rules)

(b) If the services of such employee have been terminated for any act which constitutes an offence involving moral turpitude, provided that such offence is committed by him/her in the course of his/her employment.

7.3 Before forfeiting gratuity, a show-cause notice shall be given to the concerned employee asking him/her to explain as to why gratuity should not be forfeited. Order for forfeiting gratuity shall be issued considering his/her representation. In other cases of termination, gratuity shall not be forfeited.

8.0 TRANSFER OF GRATUITY :

8.1 Persons transferred between different Plants/Units of the Company will carry forward their service for the purpose of gratuity in SAIL.

8.2 In case of transfer of an employee to Central/State Government/other PSU etc., with the consent of SAIL Management, the employee, on being eligible for gratuity, may be allowed the benefit of transfer of gratuity to the new employer; provided he/she has neither kept lien with SAIL nor has been paid gratuity by SAIL.

8.3 In the case of an employee joining SAIL on permanent absorption basis, after resignation from Central/State Government/other PSU etc. with the consent of both the organisations, the payment of gratuity, if made by the transferor organisation, will be accepted by the SAIL and in lieu thereof, his/her past qualifying service in the previous organisation will be counted as qualifying service for the purpose of SAIL Gratuity Rules.


Provided that while obtaining such qualifying service from previous employer details of period of spent on '*Dies non*'/'*Break-in-service*' for the purpose of payment of gratuity shall be obtained.

9.0 NOMINATION FOR PAYMENT OF GRATUITY :

9.1 Employees shall make nomination in the prescribed form as mentioned in *Annexure-I*, to these rules, conferring on one or more persons of his/her family the right to receive the gratuity in the event of his/her death while in service or after quitting service but before payment of the gratuity is made, indicating the shares payable to each member.

9.2 If an employee has a family, the nomination(s) shall be made in favour of one or more members of his/her family, and any nomination made by such employee in favour of a person who is not a member of his/her family, shall be *void*.

9.3 In the case of an employee having no family at the time of making nomination(s), the nomination may be made in favour of any other person or persons. However if the employee subsequently acquires a family, such nomination shall forthwith become invalid and the employee shall make, within such time as may be prescribed, a fresh nomination in favour of one or more members of his/her family.

 सेल SAIL	SAIL GRATUITY RULES	DATE OF EFFECT 01.11.2020
	APPROVED BY: BOARD OF DIRECTORS	ISSUED BY: DGM (P-CCS & Rules)

- 9.4 Subject to various provisions under sub-sections 9.2 and 9.3 above, a nomination may be modified by an employee at any time, after filling in *Annexure-I* of his/her intention to do so.
- 9.5 If a nominee predeceases the employee, the interest of such nominee shall revert to the employee who shall have to make a fresh nomination in respect of such interest.
- 9.6 If an employee dies *intestate*, gratuity may be distributed as per the succession certificate issued by a competent court.

10.0 APPLICATION FOR GRATUITY :

Application for the grant of gratuity shall be admitted in the prescribed form as mentioned in *Annexure-II*.

Provided that an application on plain paper with relevant particulars shall also be accepted and the concerned officer processing the case may, if required, obtain any such particulars in terms of *Annexure-II*.

11.0 MODE OF PAYMENT OF GRATUITY:


The gratuity payable shall be paid to the bank account of the eligible employee/nominee(s)/legal heir(s) as the case may be, through ECS/RTGS/NEFT or if so desired by the applicant, by Demand Draft or Account Payee Cheque.

12.0 INCOME TAX/DUTY ETC. PAYABLE BY AN EMPLOYEE :

Income tax and any other tax/duty, if any, payable on the amount of gratuity shall be deducted from the gratuity amount payable to the concerned employee/nominee(s)/legal heir(s).

13.0 INTERPRETATION:

- 13.1 In the event of any inconsistency between any provision/part of these Rules and the Payment of Gratuity Act, 1972 and its Rules, or the NJCS Agreement, the provision of the Act and its Rules or the relevant terms and conditions of the NJCS Agreement shall prevail.
- 13.2 Further, in the event of any dispute as to the interpretation of these rules, the decision of Chairman thereon shall be final and binding.

 सेल SAIL	SAIL GRATUITY RULES	DATE OF EFFECT 01.11.2020
	APPROVED BY: BOARD OF DIRECTORS	ISSUED BY: DGM (P-CCS & Rules)

Annexure-I

NOMINATION FORM FOR THE PURPOSE OF GRATUITY

(See provisions under Rule 9.0)

Strike out words and/or paragraphs which are not applicable.

The Controlling Officer,

Dear Sir,

- I, Shri/Smt./Ms.(Name in full in block letters), son/wife/daughter of Shri....., hereby nominate the person(s) mentioned below to receive the gratuity payable after my death as also the gratuity standing to my credit in the event of my death before that amount has become payable or having become payable has not been paid and direct that the said amount of gratuity shall be paid in proportion indicated against the name(s) of the nominee(s).
- I hereby certify that the person(s) mentioned is/are member(s) of my family within the meaning of SAIL Gratuity Rules.
- I hereby declare that I have no family within the meaning of SAIL Gratuity Rules.
- I have acquired a family within the meaning of SAIL Gratuity Rules with effect from the(date)...and therefore nominate afresh person(s) mentioned below to receive the gratuity payable after my death as also the gratuity standing to my credit in the event of my death before that amount has become payable or having become payable has not been paid and direct that the said amount of gratuity shall be paid in proportion indicated against the name(s) of the nominee(s).
- Nomination(s) made herein are in supersession of any previous nomination(s) made by me in this regard.


NOMINEE(S):

Sl. No.	Names in full	Address of the nominee	Age of the nominee	Relationship with the Employee	Proportion in which the Gratuity is to be shared (%)

Certified that the above entries were made by me/read out to me.

Signature/Left Hand Thumb Impression of the Employee

(Signature)

 सेल SAIL	SAIL GRATUITY RULES	DATE OF EFFECT 01.11.2020
	APPROVED BY: BOARD OF DIRECTORS	ISSUED BY: DGM (P-CCS & Rules)

Present Address	Permanent Address
.....
.....
.....
.....

Signature/Left Hand Thumb Impression of the Employee

Present Post held: _____

Date :

Place :

Appointment of Nominee signed/thumb impression affixed before me:

	Witness-1	Witness-2
Signature :		
Name in full :		
Full Address :
Date :		
Place :		

FOR OFFICE USE ONLY

Certified that the particulars of the above appointment of Nominee(s) have been verified and recorded in this establishment.

Signature of the Officer Authorized * :


Name :

Designation :

Office Stamp :

** Authorized Officer will be the Officer-in-charge of establishment who maintains the personal files of the employee concerned and is thus able to verify particulars furnished by the employee.*

Chauhan

 सेल SAIL	SAIL GRATUITY RULES	DATE OF EFFECT 01.11.2020
	APPROVED BY: BOARD OF DIRECTORS	ISSUED BY: DGM (P-CCS & Rules)

Annexure- II
(Rule No.10.0)

APPLICATION FOR THE GRANT OF GRATUITY

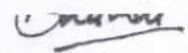
(To be filled in separately by each Nominee/Legal heir in case of death of employee)


1.	Name of the Employee		
2.	Name of the Nominee/ Legal Heir <i>(in case of death of employee)</i>		
3.	Mother's/Father's/Husband's Name of Employee/Nominee/ Legal Heir		
4.	Permanent Residential Address and Contact Number with e-mail id, if any, of Employee/Nominee/ Legal Heir, <i>as the case may be. (proof of residence to be attached by Nominee/Legal Heir)</i>	
5.	ADHAAR Number of Employee/ Nominee/legal Heir <i>(Self-attested copy to be attached in case of Nominee/ Legal Heir).</i>	
6.	Date of Start of Service by Employee		
7.	Date of End of Service		
8.	Last Basic Pay & DA drawn	Basic Pay :	Rs.
		DA :	Rs.
9.	Declaration by Nominee/Legal Heir, if applicable. <i>(Copy of the Legal Heir/Succession certificate to be attached).</i>	<p>I,<i>name of Nominee/Legal heir</i> son/daughter/wife/ husband of<i>name of employee (P. No.....)</i>, hereby declare and undertake that I am a bonafide Nominee/Legal Heir of the aforesaid employee of SAIL and entitled to claim/ apply for his/her gratuity from SAIL.</p> <p>I further undertake to refund the entire amount in case it is found at any stage that the claim made by me is false or illegitimate.</p>	

Signature/LTI of the Employee/Nominee/Legal Heir

Date :

Place :



 सेल SAIL	SAIL GRATUITY RULES	DATE OF EFFECT 01.11.2020
	APPROVED BY: BOARD OF DIRECTORS	ISSUED BY: DGM (P-CCS & Rules)

	Witness-1	Witness-2
Signature :		
Name in full :		
Full Address :		
Date :		
Place :		

M. Kumar