

RAJASTHAN FINANCIAL CORPORATION, JAIPUR
(PAYMENT OF GRATUITY TO EMPLOYEES) REGULATIONS, 1975

In exercise of the powers conferred by Section 48 of the State Financial Corporation Act, 1951, the Board of Directors of the Rajasthan Financial Corporation, after consultation with the Reserve Bank of India and with the previous sanction of the Government of Rajasthan, hereby makes the following regulations, namely:

1. Short Title: These Regulations may be called the Rajasthan Financial Corporation (payment of Gratuity to Employee) Regulation 1975.

2. Application:(1) These Regulations shall apply to every whole time permanent employee of the Corporation.

2) Nothing in these regulations shall apply to the Managing Director, unless the application to him of all or any of these regulations has been approved by the State Government.

3. Definitions: In these Regulations, unless there is anything repugnant in the subject or context:

(a) 'Board' means the Board of Directors for the time being of the Corporation.

(b) Corporation means the Rajasthan Financial Corporation.

(c) "pay" shall for the purpose of Regulation 7 means:

(a) In the case of an employee who has been on leave continuously for a period of twelve months or more immediately preceding the date of his retirement or death, the sub-stantive pay at the date of such leave or the 'average pay' (as defined in Regulation 3 (h) of the Rajasthan Financial Corporation (staff) Regulations) earned while on duty during the twelve calendar months immediately preceding the month in which he has proceeded on leave, whichever is higher.

(b) In by other case, the substantive pay at the date of his retirement or death or the average pay (as defined in Regulation 3(h) of the Rajasthan Financial Corporation (Staff Regulations) earned while on duty during the twelve calendar month immediately preceding the month of retirement or death, whichever is higher.

(*)(d) "Service" in the Corporation means a period of an employee's continuous service from the date of his joining in the regular pay scale in the Corporation.

4. (a) Conditions of Grant Of Gratuity:

(1) Subject to the terms, conditions and other provisions contained 'in the succeeding Regulations, gratuity shall be granted to a permanent employee after termination of his service in the Corporation, or in the event of his death before receipt, of gratuity to such persons or persons as may be determined in accordance with Regulation 8.

*Amended as per notification dated 21-5-1981

2) Notwithstanding anything contained in clause(a) of Regulation 6, Gratuity shall be granted to, or in the case of an employee who has not completed service the Corporation for a minimum period of five years, if :-

(i) he dies while in service of the corporation or

(ii) he has retired or has been required to retire, either on account of certified permanent incapacity due to bodily or mental infirmity or owing to the abolition of his appointment on account of reduction of establishment : Or

(iii) his service in the Corporation is terminated by the Corporation for reasons other than reduction of establishment dismissal for misconduct.

5. When not Applicable: Nothing in these Regulations shall be construed as conferring any right or benefit on any employee whose service in the Corporation is governed by a contract expressly, stipulating his service to be for a specified period.

6. When not admissible No gratuity shall be granted to, or in the case, of an employee :

(a) if he has not completed service in the Corporation for a minimum period of five years, or

(b) if he is or has been discharged from service in the Corporation for any misconduct.

7. Amount admissible: Without prejudice to the provision of Regulation 6, the amount of gratuity admissible to an employee shall be a sum equal to one month's pay for each completed year of service in the Corporation subject to a maximum of twenty months pay or Rs.30, 000/— whichever is less.

(Amended vide Notification dated 22.7.85 as under)

Amount Admissible: Without prejudice to the provision of Regulation No. 6 the amount of gratuity will be one forth of the pay of a Corporation employee for each completed six monthly period of qualifying service subject to a maximum of 16 1/2 times the pay. In the event of death of the employee while in service, the gratuity will be subject to a minimum of 12

times the pay of the employee at the time of death. Provided that the amount of gratuity payable shall in no case exceed Rs. 36, 000/—.

Note: The existing employees as on 1.4.1984 shall have an option to opt for the current method of calculating gratuity but in that case the maximum amount of gratuity shall not exceed Rs. 30, 000/—.

(Revised as under vide notification dated 26.10.85 in supersession to Notification dated 22.7.85)

Amount Admissible: Without prejudice to the provision of Regulation No. 6 the amount of gratuity admissible to an employee shall be a sum equal to:

either

One month's pay for each completed year of service subject to 20 month's pay or Rs.30, 000/— whichever is less.

NOTE: (Applicable to those employees only who are in the service of the Corporation as on 31.3.84 and who opt for this provision).

Or

One fourth of the pay of a Corporation employee for each completed six monthly period of qualifying service subject to a maximum of $16\frac{1}{2}$ times the pay. In the event of death of the employee while in service, the gratuity will be subject to a minimum of 12 times the pay drawn at the time of death. Provided that the amount of gratuity payable shall in no case exceed Rs.36,000/-.

NOTE: (Applicable to those employees who are in the service of the Corporation as on 31.3.1984 and who opt for this provision and to those

employees who joined the service of the Corporation after 31st March, 1984).

(Revised Notification in Supersession to Notification dated 26.10.85 in respect to Second method of calculation w.e.f. 1.4.86 as follows).

One fourth of the pay Corporation employee for each completed six monthly period of qualifying service subject to a maximum of $16^{1/2}$ times the pay. In the event of death of the employee while in service, the gratuity will be subject to a minimum of 12 times the pay drawn at the time of death. provided that the amount of gratuity payable shall in no case exceed Rs.50, 000/-

NOTE: Applicable to those employees who are in the service of the Corporation as on 01.04.86 and who opt for this provision and to those employees who joined the service of the Corporation after 01.04.1986.

(The second existing alternative of Regulation No. 7 has been substituted w. e. f. 1.9.86 by the following vide Notification dated 30.6.88)

For Corporation employees retiring on or after 1.9.86, the amount of gratuity will be one forth of his emoluments for each completed six months period of his qualifying service, subject to a maximum of $16^{1/2}$ times the "Emoluments".

In the event of death of Corporation employee while in service, the gratuity shall be admissible at the following rates :—

| | | |
|------|--|--|
| (i) | 5 Years or more but less than 20 years | 12 times of emoluments |
| (ii) | 20 years or more | Half of emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times emoluments. |

Provided that the amount of death cum retirement gratuity payable under this regulation shall in no case exceed Rs. 75,000/-

Amendment in Regulation No. 7 of Rajasthan Financial Corporation (Payment of Gratuity to Employees) Regulations, 1975 vide notification dated 02.01.2004

That with effect from 01.04.1996 the amount of gratuity will be calculated as follows:-

With effect from 01.04.1996 Dearness Allowance shall be treated as Dearness Pay for reckoning emoluments for the purpose of calculation of Death-cum-Retirement gratuity for Corporation Employees who have died/retired on or after 01.04.1996 in the following manner:-

| Sl.No. | Pay Range | Dearness Allowance to be added to pay for calculating gratuity |
|--------|---|--|
| 1 | Basic pay upto Rs.3500/- p.m. | 97% of pay |
| 2 | Basic Pay above Rs. 3500/- p.m. & upto Rs. 6000/-p.m. | 73% of pay subject to a minimum of Rs. 3395/- |
| 3 | Basic Pay above Rs. 6000/- p.m. | 63% of pay subject to a minimum of Rs. 4380/- |

After 01.01.1997 the gratuity amount shall be calculated by adding permissible Dearness Allowance to the Basic Pay of the Corporation Employee:

Provided that the amount of Death-cum-Retirement gratuity permission under the Regulation shall in no case exceed Rs. 85000/- to

the employees retired/died on or after 28.12.1991, Rs. 2.50 lac to the employees retired / died on or after 01.04.1996 and Rs. 3.50 lac to the Corporation employees retired/died on or after 01.01.1997.

Amendment in Regulation No. 7 of Rajasthan Financial Corporation (Payment of Gratuity to Employees) Regulations, 1975 vide notification dated 01.01.2010

The maximum amount of Death-cum-Retirement gratuity permissible under Regulation No. 7 of Rajasthan Financial Corporation (Payment of Gratuity to Employees) Regulations, 1975 is increased from Rs. 3.50 lac to Rs. 10.00 lac w.e.f. 01.01.2007.

Amendment in Regulation No. 7 of Rajasthan Financial Corporation (Payment of Gratuity to Employees) Regulations, 1975

The Regulation No. 7 of RFC (Payment of Gratuity to Employees) Regulations, 1975 under the heading "amount admissible" is hereby amended as under:-

"The maximum amount of death-cum-retirement gratuity permissible under Regulation No. 7 of Rajasthan Financial Corporation (Payment of Gratuity to Employees) Regulations, 1975 is increased from Rs.10.00 lac to Rs. 20.00 lac w.e.f. 01.01.2017."

The other provisions of RFC (Payment of Gratuity to Employees) Regulations, 1975 shall remain unchanged.

Vide Board Meeting dated 07.03.2018 and order No. RFC.F.PA-23(5)/261 dated 16.05.2018 and bears the approval of the Industries (Gr.-I) Department, GOR conveyed vide letter No. PA-

10(5)Udyog/I/2018 dated 02.05.2018 and approval of SIDBI vide its letter No. L00110617/RFC/Staff Regulation dated 07.05.2018.

8. Notwithstanding anything contained in the fore-going Regulations, the Corporation may, while determining the amount of gratuity payable to an employee, take into account any financial loss caused to the Corporation by reason of inefficiency or misconduct of such employee and grant a reduced amount of gratuity.

Provided that the difference between the amount of gratuity ordinarily admissible under the foregoing Regulations and the amount of gratuity so reduced shall not exceed the amount of the financial loss caused to the Corporation.

9. Payment in case of death of the employee:-

In the event of the death of an employee before receipt of gratuity, the amount of gratuity admissible shall be paid to the person or persons in the same manner as is applicable under the provisions of Regulation 22 of the Rajasthan Financial Corporation Employees provident Fund Regulations.

10. The decision of the Board shall be final and binding upon employees in all respects and upon all matters, questions and disputes relating to or connected with the interpretation of these regulations or in any way concerning the same.