



PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

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OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR

No: 5736-81 /HR/PESCO/11/20 BOD Dated: 25 /02/2025

OFFICE ORDER

Pursuant to the decision of PESCO Board of Directors (BoD) in its 214th meeting held on February 4, 2025, under Agenda Item2, Resolution 214-BOD-R02, conveyed via Company Secretary BoD PESCO letter No. 373-374/214th BoD dated 19.02.2025, the competent authority is pleased to accord approval regarding implementation of PESCO Gratuity Policy for contractual employees working on lumpsum pay package with immediate effect.

This is issued with the approval of Chief Executive Officer PESCO Peshawar.

Manager (HR)
PESCO Peshawar

Copy to:

1. All Chief Engineers PESCO H/Q.
2. Finance Director PESCO H/Q.
3. Head of Internal Audit PESCO H/Q
4. Chief Legal Officer PESCO H/Q
5. Company Secretary BoD PESCO H/Q w.r.to above.
6. All SEs (Operation Circles) /GSO / M&T Circles.
7. PDs (Construction / GSC) PESCO Peshawar.
8. All Managers PESCO H/Q
9. MS WAPDA Hospital Peshawar.
10. XEN Civil PESCO H/Q
11. XEN RTC PESCO Charsadda.
12. SO to CEO PESCO H/Q
13. PA to DG (HR) PESCO H/Q
14. Head Mistress PESCO Girls High School
15. AM Webmaster PESCO H/Q a/w copy of above for uploading on PESCO Website immediately for information of all concerned under intimation to this office please (DA).
16. AM PR PESCO H/Q for information.
17. Cashier CEO office PESCO H/Q
18. Circulation file.

PESCO Gratuity Policy is
uploaded and available on
PESCO official Website for
Information please.



PESHAWAR ELECTRIC SUPPLY COMPANY

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Office of the
Company Secretary PESCO
Room No.158 Wapda House,
Shami Road, Peshawar

No. 373-374 /214th BoD

Dated :19/02/2024

Director General (HR),
PESCO.

Subject: - **DIRECTIONS/DECISIONS OF THE 214TH MEETING OF BOARD OF DIRECTORS, PESCO.**

The 214th Board of Directors meeting was held on February 4, 2025, wherein the Board of Directors deliberated the following agenda item and issued the mentioned direction/decision.

AGENDA ITEM 2

ADMISSIBILITY OF ANNUAL INCREMENT TO THE OFFICERS & OFFICIALS WORKING ON LUMP SUM PAY PACKAGE.

RESOLUTION 214-BOD-R02

Resolved that, the Board of Directors of PESCO hereby unanimously approves the PESCO Gratuity Policy for contractual employees working on lumpsum pay package at (Annex-A) from immediate effect.

Please take further necessary action in the light of the Board resolution/Directions urgently, under intimation to this office.


COMPANY SECRETARY
PESCO

COPY TO:

1. Chief Executive Officer PESCO.

GRATUITY POLICY

1. PURPOSE

This policy is aimed at providing financial security to contractual employees on retirement/separation from the company. This policy is aimed at fair employment practices high employee satisfaction and engaging workforce. This benefit is given to employees at the time of termination or completion of their employment, subject to certain pre-requisites

2. SCOPE

This policy will apply to all contract employees of the PESCO irrespective of rank and cadre. The policy substitutes all retiring financial/non-financial benefits admissible to contract employees except;

- i. Compensation admissible to the families of Linemen with permanent disability due to non-fatal accident while performing official duty
- ii. Ex-Gratia amount admissible to the families of linemen who die due to fatal accidents while performing their official duties.
- iii. Leave encashment of the un-availed portion of earned leave (if admissible).

3. OBJECTIVE

The objective of this Policy is to accumulate and pay certain sums for benefit of the Employees of the Company and their families in the event of Employee leaving service of the Company, due to termination of service, resignation, retirement, disability or death.

4. EFFECTIVE DATE

This Policy shall become effective as of the date of its approval by the Board of Directors.

5. DEFINITIONS

For the purpose of this Policy, unless there is anything repugnant in the subject or context, the term used herein shall have the following meanings:

- a) "Accumulated amount due" shall mean the amount due to the Employee or such portion thereof as may be payable to him under this Policy on the day his employment ceases in this Company;
- b) "Board" shall mean the Board of Directors of the Company.
- c) "Company or Employer" shall mean Peshawar Electric Supply Company (PESCO).
- d) "Employee" shall mean a full-time contractual Employee of the Company provided the contract is not for less than two years, and who is eligible for the benefit of this Policy.
- d) "Family" shall mean Employee's lawfully wedded spouse and his children and parents.
- f) "Normal retirement date" shall mean the date on which the Employee reaches the age of sixty years; or the date of superannuation as approved by the Board;

- g) "Retirement" shall mean in relation to a Employee ceasing to be in the Company's service at the normal retirement age or thereafter or earlier.
- h) "Policy" mean this Policy as in force for the time being;
- i) "Salary" shall include all allowances, if the term of employment so provide, but exclude all non-cash allowances and perquisites. [Gross salary including increments /26 (working days)] X thirty days

Throughout in this Policy wherever the context admits, words implying the masculine gender include the feminine gender and singular shall include plural.

6. GRATUITY:

- i) An Employee who has completed a minimum of two years continuous service with the Company shall be entitled to Gratuity. The condition of two years' continuous service shall not apply when an Employee dies or has to leave service on medical grounds, or redundancy.
- ii) An Employee shall be entitled to Gratuity at the rate of one Gross salary for each completed year of service. Salary shall be deemed to be the salary for the last month immediately preceding the month in which Gratuity becomes payable. For calculation and payment of Gratuity, all period shall be taken on monthly pro-rata basis.

7. PERIOD OF SERVICE

For the purpose of calculation of the gratuity, an Employee's eligible service shall be counted from the first day of contractual employment with the Company (excluding the first year) on its payroll against a sanctioned position but does not include the period served as a trainee, or internee.

8. ELIGIBLE SERVICE

A Employee's eligible service means all periods of service with the Employer and shall include:

- a) all periods of leave of absence with pay;
- b) all periods of leave of absence without pay:
 - i) up to a maximum of one year on account of illness or disability;
 - ii) for educational purposes with the express approval of the Employer; or,
 - iii) for any other purpose for such time as the Employer may expressly approve and certify to the Company.
- c) all periods of leave of absence due to any national emergency as the Employer may expressly approve and certify to the Board;
- d) subject to Employer's express approval, any period of service with the Employer on probation provided that at the end of the period of probation, the Employee was authorized in the Employer's service;

- e) subject to Employer's consent, all service with the Employer prior to the commencement date including such service as defined in (a) to (d) above.
- f) In the event of a former Employee of the Employer re-entering the Employer's service, his eligible service shall not for any purpose whatsoever of this Policy and theses present includes any service prior to such re-entry.

Unless specifically provided to the contrary elsewhere in these presents, eligible service shall be calculated and expressed in years and fractions of a year and in term of months (more than 14 days of a month will be counted complete month and up to 14 days, ignored), and any reference to the number of years of eligible service shall mean the period of eligible service so expressed. However, Employees who are dismissed from the service of the Company for cause, including but not limited to misconduct, dishonesty, or gross negligence resulting in loss to the Company, shall not be eligible to participate in the Gratuity scheme. Gratuity shall be granted to an Employee on his ceasing to be in the Company's service, or in the event of his death before grant of the Gratuity, to his legal heirs.

9. NOMINATION OF BENEFICIARY

- i) Each Employee on joining the Company shall nominate in a duly attested written statement submitted to the HR Department, any person or persons who shall be entitled to receive the accumulated dues in the event of the Employee's death while in the service of the Company and receipts from any such nominee or nominees to whom the said amount may be so paid shall operate as and be considered as valid receipt, discharge and release to the Company.
- ii) The Employee may change their nominations from time to time and inform the Company accordingly in writing. Notification in the change of nomination(s) without Employee's signature shall be considered invalid and prior nomination(s) shall not be cancelled; In the absence of a nominee, on the death of a Employee, payment of the accumulated balance due to the estate of the deceased Employee shall be made to his legal heirs; executors or administrators, as determined by the Board and such payment shall be deemed to be a good discharge against all claims on the Company. Every nomination or change in nomination by a Employee shall, to the extent that it is valid, take effect on the date on which it is received by the Company.

10. ASSIGNMENT

Except so far as the nomination prescribed by this Policy operates as such, no assignment, mortgage or other disposition of money standing to a Employees' credit shall be recognized by the Company and it shall not be liable to attachment under any decree or order of any civil, Revenue or Criminal Court of law in respect of any debt or liability incurred by the Employee; and neither the assignee or any receiver appointed under the Provincial Insolvency Act of 1920 shall be entitled to, or have any claim on any such compulsory deposit or contribution.

11. PAYMENT

- i) The accumulated amount due to a Employee shall be payable to him or to the person or persons nominated by him as soon as the accumulated amount due can reasonably be determined in accordance with this Policy, and the amount subsequently shall be paid after the day on which such Employee ceased to be in the service of the Company, or has left the service of the Company, due to permanent or total disability, or has died; or after winding up of the Company. If payment is not claimed within ten years from the date such payment is due, the accumulated balance due to the Employee shall lapse absolutely to the Company and will be credited to the Company.
- ii) The amount payable at the time of final payment will be ascertained and determined by a certificate signed by the officer in-charge of the Payroll Management System and countersigned by the Head of Concerned Department of the Company and payment of such amount so certified to the Employee or other person entitled hereto under this Policy shall operate as a full and sufficient discharge of all liabilities of the Company and of the Board in respect thereof.

12. FORFEITURE OF GRATUITY

An Employee's accrued Gratuity may be forfeited in the following cases:

- i) Misconduct
- ii) Willful or negligent actions causing loss to the Company
- iii) Violence against the Company, its assets and/or employees

13. AMENDMENT

The Board, may review and amend this Policy as necessary, and from time to time.