

**BHARAT DYNAMICS LIMITED PROVIDENT FUND RULES****I - PRELIMINARY****1. SHORT TITLE AND APPLICATION:**

The Fund shall be called the “BHARAT DYNAMICS LIMITED PROVIDENT FUND”, and these rules may be called “B.D.L.P.F. Rules”. The Rules became operative from 1<sup>st</sup> day of March 1971.

**2. DEFINITIONS:**

In these Rules, unless there be something repugnant in the subject or context: -

- (a) “**Act**” means, “The Employee’ Provident Funds and Miscellaneous Provisions Act, 1952 (XIX of 1952)”.
- (b) “**Scheme**” means, the Employees’ Provident Funds Scheme, 1952.
- (c) “**Company**” means, Bharat Dynamics Limited, Kanchanbagh, Hyderabad - 500 058.
- (d) “**Management**” means, the Board of Management of the Bharat Dynamics Limited.
- (e) “**Fund**” means, the Bharat Dynamics Limited Provident Fund.
- (f) “**Member**” means, a Member of the Fund.
- (g) “**Board**” means, a Board of Trustees constituted under these Rules.
- (h) “**Trustee**” means, a Member of the Board of Trustees.
- (i) “**Committee**” means, an Executive Committee constituted under these Rules.
- (j) “**Chairman**” means, the Chairman of the Board of Trustees.
- (k) “**Continuous Service**” means, uninterrupted service and shall include service which is interrupted by sickness, accident, authorized leave, strike which is not illegal, or cessation of work not due to the employees fault.
- (l) “**Pay**” means, all emoluments comprising of:-
  - (i) “**Basic Wages**” which are earned by an employee while on duty or on leave with wages in accordance with the terms of the contract of employment and which are paid or payable in cash to him. With effect from 01.08.1988 the “Holiday Wages” are taken into account for the purpose of Provident Fund deductions.
  - (ii) Personal pay of the employee will also be included.
  - (iii) Cash value of any food concession.



(iv) Any dearness allowance (that is to say, all cash payments by whatever name called) paid to any employee on account of a rise in the cost of living.

(v) But does not include:

- (1) House rent allowance, overtime allowance, night shift allowance, bonus, commission or any other similar allowance payable to the employee in respect of his employment or of work done in such employment;
- (2) Any presents made by the Company.

(m) **“Family”** means:

(i) In the case of male Member; his children, whether married or unmarried and dependant parents and his deceased son’s widow and children.

Provided that if a Member proves that his wife has ceased under the personal law governing him to be his wife or the customary law of the community to which the spouses belong, to be entitled to maintenance, she shall no longer be deemed to be a part of the Member’s family for the purpose of this Fund, unless the Member subsequently intimates by express notice in writing to the Chairman that she shall continue to be so regarded; and

(ii) In the case of female Member; her husband, her children, whether married or unmarried, her dependent parents, her husband’s dependent parents and the widow and children of a deceased son of the Member:

Provided that if a Member by notice in writing to the Chairman expresses her desire to exclude her husband and his dependent parents, they shall no longer be deemed to be a part of the Member’s family for the purpose of this Fund, unless the Member subsequently cancels in writing any such notice.

Explanation:- In either of the above two cases, if the child of a Member has been adopted by another person and if, under the personal law of the adopter, adoption is legally recognized, such a child shall be considered as excluded from the family of the Member.



- (n) “**Employee**” means, any person, who is employed for Wages in any kind of work, manual or otherwise, in or in connection with the work of the Company and who gets his wages directly or indirectly from the company and includes any person employed through contractor in or in connection with the work of the Company. Further, the term “Employee” includes any person engaged as “Apprentice” not being an apprentice engaged under Apprentices Act, 1961 or under the standing orders of the establishment, with effect from 01.08.1988.
- (o) “**Excluded Employee**” means, an employee who having been a member of the Fund withdraws, the full amount of his accumulations from the Fund.
- (p) “**Children**” means, legitimate children and includes adopted children if the Chairman is satisfied that under the personal law of the Member, adoption of a child is legally recognized.
- (q) “**Government Security**” shall have the meaning assigned to it in the Public Debts Act, 1944 (XVIII of 1944).
- (r) “**Financial Year**” means, the year commencing on the 1<sup>st</sup> April and closing on 31<sup>st</sup> March.
- (s) “**Contribution**” means, any sum credited by or on behalf of any Member out of his salary or by the Company out of its money to the individual account of the Member but does not include any sum credited as interest.
- (t) “**Balance to the credit of a Member**” means, the total amount to the credit of a Member’s account in the provident fund at any time.
- (u) “**Annual accretion in relation to the balance to the credit of Member**” means, the increase of such balance in any year arising from contribution and interest.
- (v) “**Accumulated balance due to a Member**” means the balance to his credit or such portion thereof as may be claimable by him/her in the regulations of the fund on the day he ceases to be a Member of the fund.
- (w) “**Regulations of the Fund**” means, the regulations made by Board of Trustees of the Bharat Dynamics Limited Provident fund.
- (x) All other words and expressions shall have the meaning respectively assigned to them in the Act.

## II - BOARD OF TRUSTEES

### 3. BOARD OF TRUSTEES:

(a) Composition of the Board of Trustees of the Exempted Establishments and the terms & conditions of service of the Trustees :

- (1) The Board of Trustees of the establishment granted exemption under clause (a) of sub-section (1) of section 17 of the Act already consisting of:
  - (a) Seven representatives of the Employer including the Chairman and the Secretary of the Board of Trustees, nominated by Company's Managing Director.
  - (b) (1) Seven representatives of the Member of the Fund elected from among the Members of the Fund. (As approved by the Regional Provident Fund Commissioner vide his letter No.AP/3487/Exem.Cell/P.F Rules/ Amendemnts/89/870 dt.20.11.89) The No. of Trustees shall be so fixed as to afford, as far as possible, representation to employees of each branch or department of the establishment. In case of common provident fund for a group of two or more establishments, there will be atleast one representative each from the participating establishments, provided that any factory or establishment seeking fresh exemption shall not be permitted to participate in any common provident fund having more than six participating factories or establishments.
- (2) The employer shall nominate his representatives on the Board of Trustees from amongst the officers employed in Managerial or Administrative capacity in the establishment.

#### (2) Election of Employees representatives.

The representatives of the employees, on the Board of Trustees shall be elected in the following manner :

- a) Wherever there is a Union recognized by the Employer under the Code of Discipline in industry or under any Act, such Union shall nominate the representatives of the employees.

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- b) Where there are more than one Trade Union recognized by the Employer, the representatives of employees shall be elected by the Members of the Union in an election to be held for the purpose on any working day.
- c) Where there is no Union recognized by the Employer under the Code of Discipline in industry under any Act but there are more than one registered Unions functioning in the establishment, the Union having the largest number of Members, subject to a minimum of 15% membership, shall have the right to nominate employees' representatives; and in case there is only one registered Union, it shall have the right to nominate the employees' representatives, provided it has a minimum of 15% membership.

**(3) Qualifications of candidates for election:**

Any employee of the establishment who is a Member of the fund and who is not less than 21 years of age may, if nominated as hereinafter provided, be a candidate for election as an employees' representative.

An outgoing trustee shall be eligible for re-election or re-nomination as the case may be.

**(4) Procedure for election:**

The employer shall fix a date for receiving the nomination from candidates for election as employees' representatives and shall also fix a date for withdrawal of nomination and the date of election which shall not be earlier than three days or later than ten days after the closing of the date for withdrawal of nominations. The date so fixed shall be notified to the members at least seven days in advance . The notice shall be affixed on the notice board of the establishment. The notice shall also specify the number of seats to be filled by the employees' representatives. A copy of such notice shall also be sent to the recognized trade unions concerned in the establishment and to the Regional Provident Fund Commissioner.

The election notice and procedure shall be published/conducted in the regional language besides in English.

**(5) Nomination of candidates for election:**

Every nomination shall be made in the prescribed form. Each nomination paper shall be signed by the candidate to whom it relates and attested by

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atleast two Members of the Fund, other than the proposer and shall be delivered to the Employer before or on the closing date fixed for receiving the nominations.

**(6) Scrutiny of Nomination papers:**

The Employer shall scrutinize the nomination papers received under Sub-rule(5) on the date of following the last date fixed for withdrawing the nomination papers. The candidate or his/her nominee, the proposer or the attesting Members may be present if they so desire. The invalid nomination papers shall be rejected.

**(7)(a) Voting in Election:**

- (i) If the number of candidates who have been validly nominated is equal to the number of seats, the candidates shall forthwith be declared duly elected.
- (ii) If the number of candidates is more than the number of seats, voting shall take place on the date fixed for election.
- (iii) The election shall be conducted by the Employer in the presence of an Officer deputed by the Regional Provident Fund Commissioner.
- (iv) Every Member of the Fund shall have as many votes as there are seats to be filled on the Board.  
Provided that each such Member shall be entitled to cast only one vote in favour of any one candidate.
- (v) The voting shall be by secret ballot.

**(b) Operation of the Trust Accounts :**

Of the fourteen Trustees mentioned under sub-paragraph (a) (i) (a) & (b) of paragraph 3 above, any two of whom one shall be the Chairman or Secretary, acting jointly, shall on behalf of the Board of Trustees, operate on the accounts of the fund with banks (Subsidiary accounts excluded) and discharge, receive, or otherwise dispose of, as may be necessary, Government Promissory notes, Securities, Interest Warrants etc., relating to the Fund and shall, on behalf of the Board, reassign to Members in accordance with the rules mentioned here in after, Life Insurance Policies which the Member might have assigned to the Board as security for payment of withdrawals from the Fund.

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**4. TERM OF OFFICE :**

The term of office of a Trustee shall be five years from the date of election or nomination. An outgoing Trustee shall be eligible for reelection or re-nomination. A trustee elected or nominated to fill the casual vacancy shall hold office for the remaining period of the term of the Trustee in whose place he is elected or nominated.

**5. RESIGNATION:**

A trustee may resign his office by letter in writing addressed to the Chairman of the Board and his office shall fall vacant from the date on which his resignation is accepted by the Chairman of the Board.

**6. CESSATION AND RESTORATION OF TRUSTEESHIP :**

A Trustee ceases to be a trustee on the Board if he

- i) ceases to be an employee of the company;
- ii) ceases to be a member of the Fund;
- iii) is a nominee of representative of recognized union and the union ceases to be representative or recognized;
- iv) incurs any of the disqualifications mentioned in the Rule 7;
- v) fails to attend three consecutive meetings of the Board without obtaining leave of absence from the Chairman of the Board of Trustees provided that the Chairman of the Board of Trustees may restore him to Trusteeship if he is satisfied that there were reasonable grounds for such absence.

**7. DISQUALIFICATIONS FOR TRUSTEESHIP :**

(1) A person shall be disqualified for being a trustee if he :-

- i) is declared to be of unsound mind by a competent court; or
- ii) has been convicted of an offence involving moral turpitude ;
- iii) is an undischarged insolvent; or
- iv) is an Employer of an exempted or un-exempted establishment which has defaulted in payment of any dues under the Act.

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- (2) A person shall cease to be a Trustee of the Board if :-
- i) he ceases to be an employee of the establishment or
  - ii) he ceases to be a Member of the P.F of the establishment or
  - iii) the Union on whose behalf he was elected or nominated, ceases to be recognized by the Employer or
  - iv) he fails to attend three consecutive meetings of the Board obtaining leave of absence from the Chairman of the Board of Trustees. The Chairman may, however, condone the absence of a Trustee if he is satisfied that there were reasonable grounds for such absence.

8. **MEETINGS :**

The Board of Trustees shall meet at such place and time as may be decided by the Chairman. Meeting of the Board of Trustees shall be held atleast once in every quarter. Provided that if the Chairman is of opinion that a decision in any particular matter cannot be delayed till the next meeting of the Board the matter may be circulated to the Trustees for decision and any decision by majority votes taken would have the same validity as that of a resolution passed in a meeting and shall be recorded in Minutes Book. Provided, however, that any decision so taken shall be placed before the Board at the next meeting for confirmation.

9. **NOTICE OF MEETING AND LIST OF BUSINESS :**

Notice of not less than fifteen days, containing the date, time and place of every ordinary meeting together with a list of business to be conducted at the meeting shall be sent to each trustee:

Provided that when the Chairman of the Board calls a meeting for considering any matter which in his opinion is urgent, a notice giving such reasonable time as he may consider necessary shall be deemed sufficient.

10. **QUORUM :**

- a) At any meeting of the Board of Trustees the majority may be treated as quorum provided atleast one Trustee is present from the employee's side.

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- b) If at any meeting the number of Trustees is less than the required quorum, the Chairman of the Board shall adjourn the meeting to a date not later than fifteen days from the date of the original meeting informing the Trustees of the date, time and place of the adjourned meeting and it shall there upon be lawful to dispose of the business at such adjourned meeting irrespective of the number of Trustees present.

**11. DISPOSAL OF BUSINESS :**

Every question considered at a meeting of the Board shall be decided by a majority of the votes of the Trustees present and voting. In the event of an equality of votes, the Chairman of the Board shall have a casting vote:

Provided that the Chairman of the Board may, if he thinks fit, direct that any question shall be decided by the circulation of necessary papers to Trustees and by securing their opinion in writing . Any such question shall be decided in accordance with the opinion of the majority of Trustees received within the time limit allowed and, if the opinions are equally divided, the opinion of the Chairman of the Board shall prevail.

Provided further that, in the event of a decision being prejudicial to a Member as a result of the Chairman of the Board exercising his casting vote, the Member shall have the right of appeal to the Board whose decision in the matter shall be final and binding.

**12(a) MINUTES OF MEETING :**

- (i) The minutes of meeting of the Board showing inter-alia the names of the Trustees present there at shall be circulated to all Trustees not later than one month from the date of the meeting. The minutes shall thereafter be recorded in the MINUTES BOOK as a permanent record:

Provided that if another meeting is held within a period of one month and ten days, the minutes shall be circulated so as to reach the Trustees atleast ten days before such meeting.

- (ii) The record of the minutes of each meeting shall be signed by the Chairman of the Board after confirmation with such modifications, if any, as may be considered necessary at the next meeting.

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**(b) CHAIRMAN OF THE BOARD :**

The Employer shall nominate one of his representatives on the Board to be the Chairman thereof. In the event of equality of votes, the Chairman shall exercise a casting vote.

**(c) REFERENCE TO REGIONAL PROVIDENT FUND COMMISSIONER :**

In cases of any dispute or doubt the matter shall be referred to the Regional Provident Fund Commissioner in whose region the Head Office of the establishment is situated. His decision in the matter shall be final and binding.

**(d) COST OF MANAGEMENT :**

- (i) The costs, charges and expenses of administration of the fund including the maintenance of accounts, audit fee, submission of returns and transfer of Provident Fund accumulations and bank charges shall be borne by the employer.
- (ii) The Employer shall make good any other loss that may be caused to the Fund due to theft, burglary, defalcation, misappropriation or any other reason. The employer shall within fifteen days of the close of every month pay the Inspection charges at the rate of 0.09% of the Basic wages, Dearness allowance, Cash value of food concession and retaining allowance, if any, or at such rates as may be fixed by the Central Government.

**III - EXECUTIVE COMMITTEE****13. EXECUTIVE COMMITTEE :**

The Trustees may make assignment of duties and delegate such powers to the officers of the Provident Fund with regard to the day-to-day administration of the Fund as they consider necessary from time to time.

**IV - EMPLOYEES REQUIRE TO JOIN THE FUND****14. MEMBER SHIP :**

- a) Every employee employed in or in connection with the work of the establishment other than and excluded employee shall be entitled

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- and required to become a member of the fund from the date of joining the establishment.
- b) An excluded employee shall on ceasing to be such and employee be entitled and required to become a member of the Fund from the date he ceased to be such employee.
  - c) Every employee on becoming a member shall remain and continue to be a member until he withdraws his provident fund accumulation from the fund.
  - d) Notwithstanding anything contained in this rule, the Board of Trustees may, on the joint request in writing, of any employee of establishment and the employer, enroll such employee as a member or allow him to contribute on more than five thousand rupees of his pay per month if he is already a member of the Fund and there upon such employee shall be entitled to the benefits and shall be subject to the conditions of the Fund, provide that the employer gives an undertaking in writing that he shall pay the inspection charges payable and comply with all statutory provisions in respect of such employee.
  - e) Every employee shall on becoming a member sign a declaration in the Form set out in Annexure 'B'. Absence of such declaration will not, however, invalidate his membership.
  - f) Every employee shall become a member of the Fund from the date of his joining the establishment provided he was previously a member of a Fund in respect of exempted establishment or of a fund established under the Employees' Provident Fund Scheme 1952 and he did not withdraw his provident fund accumulations.
  - g) If any question arises whether an employee is entitled or required to become or continue as a member or as regards the date from which he is so entitled or required to become a member, the decision thereon of the Regional Provident Fund Commissioner shall be final.

14(A) Declaration by person taking up employment after the Fund has been established. The establishment shall before taking any person into employment ask him to state in writing whether or not he is a member of any provident fund and if he is, the account number and/or the name and the particulars of the last employer. The establishment shall require such person to furnish and such person shall on demand to furnish the establishment for communication to the Board of Trustees, particulars regarding himself required for the Declaration Form. The establishment shall enter the particulars in the Declaration Form and obtain the signature or thumb impression of the person (s) concerned. Such declaration shall be made in the form prescribed in Annexure 'C'.

## V - CONTRIBUTIONS

### 15. CONTRIBUTIONS:

- (a) (i) The contribution payable by the Company shall be at the rate of 12% of the pay payable to each Member with effect from 1.9.1997. Out of this 8.33% of pay restricted to Rs 6,500/- towards Pension Fund and the balance towards Provident Fund with effect from 01.06.2001.
- Authority** RPF's Lr. No. Pension I/18(1) 96/Vol.VII/3930 Dt. 04-06-2001
- (ii) A member's contribution shall be at the rate of 12% of the pay recoverable from each member.
- (iii) A member may, however, if he so chooses, may contribute voluntarily to any extent but the company's contribution shall remain as under clause(i).
- (iv) The rate of contribution given under clause (iii) shall ordinarily become effective from 1<sup>st</sup> March and the option given will be in force for one year, i.e., for the month of February next year.
- (b) (i) The contribution shall be calculated on the nearest rupee of the pay actually drawn during the calendar month, 50 paise or more to be accounted as the next higher rupee.
- (ii) The contribution shall be rounded off to the nearest rupee, 50 paise or more to be counted as the next higher rupee and fraction of a rupee less than 50 paise to be ignored.
- (c) The contribution of the members shall be recoverable by means of deduction from the wages of the members.
- (d) Contribution of employee as well as employer have been included in "arrears having priority to all other debts".
- (e) On failure of deposit or remit Provident Fund dues within due dates, the Employer is liable to pay simple interest @12% per annum or at such higher rate for the period of default. This will come into force as and when the effective date of Amendment is intimidated by R.P.F.C., Hyderabad.

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## VI - DECLARATIONS AND MEMBERS' RECORDS

### 16. DECLARATION BY EMPLOYEES:

(a) Every employee who is required or entitled to become a Member of Fund shall on demand furnish particulars concerning himself and his nominee in the form prescribed as per Annexure-D. If during his last employment, if any, he was a member of a Provident Fund, he/she shall further state the Account Number and/or/the name and particulars of the last Employer.

(b) Every Member or employee shall furnish any information as it may be necessary or proper for the purpose of implementing these Rules or as may be required by the Board.

(c) Supply of Pass Books to the Members:  
With effect from such date as the Commissioner may specify in this behalf, every Employer shall, on an employee becoming a Member of the Fund, provide an Annual Statement to every such Member and maintain the same in such form and manner as the Commissioner may direct from time to time. Provided that different dates may be specified for different industries or classes of establishments or for different areas.

(d) Supply of cards and forms to employers:

The Commissioner shall supply to employers free of charge, on demand, contribution cards, Pass Books, declaration forms and other forms referred to in this scheme.

Provided that if any Employer desires to obtain any cards, pass books or forms in excess of the number which the Commissioner considers to be the requirement of the employer, the Commissioner may, if he thinks fit, supply such cards, pass books or forms and make such charge therefor as he considers reasonable.

### 17. INSPECTION OF RECORDS BY MEMBERS:

Any Member on making a written request, shall be permitted to inspect his account and other records provided that no such request shall be entertained more than once in every three calendar months.

A. Contribution by Members:

Every member shall subscribe to the fund every month a sum equal to the 12% of the total of his monthly basic pay plus D.A. and retaining allowance, if any. A member may contribute voluntarily to the P.F. an amount exceeding 12% of his monthly basic pay and D.A. The establishment shall every month deduct from the emoluments of the members, such a sum as may be required under the rules and transfer every month not later than 15<sup>th</sup> of the following month to the BOT. The money so deducted shall be credited to the member individual account. No subscription shall be recovered from an employee for such period as he is absent from duties without pay.

B. Employer's Contribution to the Fund:

The employer shall not later than the 15<sup>th</sup> day of the succeeding month in respect of each of the members of the Fund, pay to the Trustees as Employer's contribution to the Fund a sum equal to the total of the members' compulsory contribution under rule. The employer's contribution shall be credited to the member's individual account. The establishment shall not be liable to make any contribution in respect of the voluntary contribution if any.

C. Payment of Contribution:

(1) The employer shall in the first instance, pay both the contributions payable by him towards employer's contribution and also on behalf of the members employed by him directly or by through a contractor the contribution payable by such member.

(2) In respect of employees, employed by or through a contractor, the contractor shall recover the contribution payable by such employee and shall pay to the principal employer the amount of members contribution so deducted together with an equal amount of contribution and also Inspection Charges.

(3) it shall be the responsibility of the principal employer to pay both the contributions payable by him in respect of the employees directly employed by him and also in respect of the employees employed by or through a contractor and also pay Inspection Charges.

(4) The employer shall be liable to pay simple interest and penal damages to the BOT at such rate as may be specified by the RPFC for any delay in payment of contributions in the same manner as an un-exempted establishment is liable under similar circumstances.

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D. Investment of the Fund:

(i) The money of the Fund not immediately required by the Board of Trustees shall be invested by the Board within two weeks from the date of receipt of contribution from the employer in the pattern prescribed by the Government of India from time to time.

(ii) The BOT shall maintain scriptwise Register and ensure timely realization of interest and redemption proceeds.

(iii) Conversion and re-conversion of securities shall be made in the name of Fund as per direction of the RPFC.

(iv) The securities shall be obtained in the name of the Fund and shall be kept in the custody of a scheduled bank under the credit control of the Reserve Bank of India.

E. Sale of Securities:

The BOT may raise such sums of money as may be required for the purpose of the Fund by sale of the securities standing in the name of the Fund subject to prior approval of the RPFC.

F. Distribution of profits of the Fund:

(a) On or as soon as may be after the 31<sup>st</sup> day of March in each year, the BOT shall prepare a Balance Sheet and Revenue account as at the date in respect of the preceeding twelve months. In preparing the Balance Sheet the Board shall value investments of the fund according to the cost value as on that date.

(b) The Revenue account shall be credited with all income arising out of the investments of the Fund, all profits, if any, arising from the sale of securities.

(c) The Board shall after crediting the Revenue account as stated in clause (b) above, distribute and credit and balance to the individual account of the members in proportion to the total amount standing to his credit as on the period of account.

(d) The account of each employee shall be credited with interest calculated on monthly running balances on the first day of the accounting year in respect of member's own contribution and employer's contribution respectively w.e.f.1-4-

1993 at such rate as may be decided by the BOT, but shall not be lower than the rate declared by the Employees Provident Fund by the Government of India under para (60) of the E.P.F. Scheme 1952. If the BOT are unable to pay interest at the rate declared for EPF established under the EPF Scheme 1952, for the reason that the return on investment is less or for any other reason then the deficiency shall be made good by the employer.

(e) In determining the rate of interest the Board shall satisfy itself that no excess amount is drawn from the Revenue Account as a result of debit thereto of the interest credited to the individual.

(f) The Board shall before the close of the financial year declare the rate of interest for the succeeding year.

#### G. Audit of Accounts of the Fund:

(i) The Account shall be audited yearly by the Auditors appointed by the BOT for this Fund. A copy of the audited Annual Provident Fund Accounts together with the audited Balance Sheet of the establishment for each accounting year shall be submitted to the RPFC within six months after the close of the financial year.

(ii) The accounts of the Fund maintained by the BOT shall be subject to audit by qualified independent Chartered Accountant annually. Where considered necessary the CPFC shall have the right to have the accounts re-audited by any other qualified auditor and the expenses so incurred shall be borne by the employer.

#### H. Inspection:

The BOT shall afford facilities for inspection of the Accounts of the Fund to the RPFC or his representative.

### **VII – INVESTMENTS, ACCOUNTS & AUDIT**

#### **18. INVESTMENTS:**

(a) All money belonging to the fund shall be deposited in the Reserve Bank or the State Bank of India or in such other nationalised Bank as may be approved by the Board.

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- (b) The money shall be invested by the Board subject to such direction as the Government of India may issue from time to time in the securities mentioned or referred to in clauses (a) to (d) of section 20 of the Indian Trusts Act, 1882 (ii of 1882) provided that such securities are payable both in respect of capital and in respect of interest in India and such other securities as the Central Government may from time to time approve in this regard.
- (c) All expenses incurred in respect of/and loss, if any, arising from any investment shall be charged to the Reserve and Forfeiture Account of the Fund.

#### **19. MEMBER'S ACCOUNTS:**

An account shall be opened in the office of the Fund in the name of each Member in which shall be credited:

- (a) his/her contribution;
- (b) the contributions made by a company in respect of him/her;
- (c) the interest or profit accruing to the member's account;
- (d) the advance if any made to the member out of the Fund;
- (e) the re-payments, towards advances made to the members.

#### **20. ANNUAL STATEMENT OF MEMBER'S ACCOUNTS:**

- (a) As soon as possible after the close of each financial year each Member shall be given a statement of his/her account in the Fund showing the opening balance at beginning of the period, amount contributed during the year, the total amount of interest credited on the monthly running balances of the period or debited in the period and closing balance at the end of the period, or in such form as may be prescribed by the Board.
- (b) Members should satisfy themselves as to the correctness of the annual statement and any error should be reported within six months from the date of receipt of the statement. If nowritten objections are lodged within 6 months, the amounts shown as standing to their credit shall be considered to be correct.

#### **21. TRANSFER OF MEMBERS' ACCOUNTS:**

Where a Member ceases to be employed in the company and takes up employment in any other firm to which the scheme applies, his/her account shall be transferred to the firm where he/she has taken up employment.



**22. INTEREST:**

- (a) Interest shall be credited on monthly running balance to the account of each Member at such rate as may be approved by the Board but not lower than the rate declared for the employees provident fund by the Government of India.
- (b) (i) From 01.04.1993 interest shall be credited to the Member's account on monthly running balance basis with effect from the last day in each year in the following manner:-
- (i) on the amount at the credit of a Member of the last day of the preceeding year, less any sums withdrawn during the current years - interest for twelve months;
  - (ii) on sum withdrawn during the current year – interest from the beginning of the current year upto the last day of the month preceeding the month of withdrawal;
  - (iii) on all the sums credited to the Members' account after the last day of the preceeding year – interest from the first day of the month succeeding the month of credit to the end of the current year.
- (ii) In the case of claim for the refund/transfer under paragraph (21) & (28) interest upto and for the current month shall be payable on the claims which are authorised on or after the 25<sup>th</sup> day of a particular month along with actual payment after the end of the current month.

Provided further that the rate of interest to be allowed on claims for refund for the broken currency period shall be the rate fixed for the financial year in which the refund is authorised. If the rate of interest for the current year is not available, the rate of interest payable shall not be less than the rate of interest declared for that year by the Central Government.

- (c) The total amount of interest shall be rounded to the nearest whole rupee (fifty paise counting as the next higher rupee).

**23. FUND ACCOUNTS:**

- (a) The Trustees shall cause the account of the fund to be in such manner and submit such returns as the Board may, from time to time, direct. At the end of each financial year an Income and Expenditure account together with a

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Balance Sheet of the Fund's Assets and Liabilities shall be laid before the Trustees by the Executive Committee.

- (b) All expenses involved in the Administration of the Fund will be borne by the Employer and will not be charged to the Fund.

#### **24. AUDITORS:**

The Auditors of the Fund may be the Company's Auditors or any other Auditors nominated by the Chairman.

### **CHAPTER VIII**

#### **NOMINATIONS, PAYMENTS & WITHDRAWALS FROM THE FUND**

#### **25. NOMINATIONS:**

- (a) Each Member shall make his/her declaration in the form prescribed as per Annexure – 'D' a nomination conferring the right to receive the amount that may stand to his/her credit in the Fund in the event of his/her death before the amount standing to his/her credit has become payable, or where the amount has become payable before payment has been made.
- (b) A Member may in his/her nomination distribute the amount that may stand to his/her credit in the Fund amongst his/her nominees at his/her own discretion.
- (c) If a Member has a family at the time of making a nomination, the nomination shall be in favour of one or more persons belonging to his/her family. Any nomination made by such Member in favour of a person not belonging to his/her family shall be invalid.
- (d) If at the time of making a nomination the Member has no family, the nomination may be in favour of any person or persons but if the Member subsequently acquires a family, such nomination shall forthwith be deemed to be invalid and the Member shall make a fresh nomination in favour of one or more persons belonging to his/her family.
- (e) A nomination made under sub-paragraph (a) may at any time be modified by a Member after giving a written notice of his/her intention of doing so in the form prescribed for the purpose. If the nominee predeceases the

Member, the interest of the nominees shall revert to the member who may make a fresh nomination in respect of such interest.

- (f) A nomination or its modification shall take effect to the extent that it is valid on the date on which it is received by the Chairman.
- (g) The nomination made under this Rule should whenever possible be in the handwriting of the Member and must be signed by him and attested by two witnesses. If a member is unable to sign his/her name, his/her thumb or finger impression must be affixed to the nomination and similarly attested.

#### **26. FINANCING OF MEMBER'S LIFE INSURANCE POLICIES:**

(1) Where a Member desires that premium due on a policy of Life Insurance taken by him on his own life should be financed from his Provident Fund Account, he may apply in such form and in such manner as may be prescribed by the Chairman.

(2) On receipt of such application, the Chairman, or, where so authorised by the Chairman, any other officer subordinate to him may make payment on behalf of the member to the Life Insurance Corporation of India towards premium due on his policy.  
Provided that no such payment shall be made unless the premium is payable yearly.

(3) Any payment made under sub-paragraph (2) shall be made out of and debited to the Member's own contribution with interest thereon standing to his credit in the Fund.

(4) No payment shall be made under sub-paragraph (2) unless the Member's own contribution in his Provident Fund Account with interest thereon is sufficient to pay the premium; and where the payment is to be made on the first premium, sufficient to pay the premium for two years.

(5) No payment shall be made towards a policy unless it is legally assignable by the Member to the P.F. Trust Board.

(6) The Chairman shall before making payment in respect of existing policies, satisfy himself by reference to the Life Insurance Corporation That no prior assignment of the policy exists and the policy is free from all encumbrances.

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(7) No educational endowment policy or marriage endowment policy shall be financed from the Fund, if such policy is due for payment in whole or in part before the Member attains the age of 55 years.

**(a) Conversion of Policy into a Paid-up one and payment of late fee etc.**

Where a policy of Life Insurance of a Member is financed from his P.F. Account, the Chairman, may-

(i) convert the Insurance Policy into a paid-up one when the credit in his P.F. on account of his share becomes inadequate for the payment of any premium;

(ii) pay late fee and interest out of the Member's own contribution in his P.F. Account, if any premium cannot be remitted to the Life Insurance Corporation in time because of delay in sending to the Chairman the policy duly assigned to the P.F. Trust Board or any other reasons for which the Member or his Employer may be responsible.

**(b) Assignment of Policies to the Fund:**

(i) The policy within six months of the first payment under paragraph 26, be assigned to the Board of Trustees and shall be delivered to the Chairman.

(ii) Notice of the assignment of the policy shall be given by the Member to the Life Insurance Corporation and the acknowledgement of the said notice by the Corporation shall be sent to the Chairman within three months of the date of assignment.

(iii) The terms of the policy shall not be altered nor shall the policy be exchanged for another policy without the prior consent of the Chairman to whom the details of the alteration or of the new policy shall be furnished in such form as he may specify.

(iv) If the Policy is not assigned and delivered as required under sub-para 1, or is assigned otherwise than to the Board of Trustees, or is charged or encumbered or lapses, any amount paid from the Fund in respect of such policy shall, with interest thereon at the rate provided in paragraph (22), be repaid by the member forthwith to the Fund. In the event of default the Employer shall, on receipt of such directions as may be issued by the Chairman in this behalf, deduct the amount in lumpsum or in such installments as the Chairman may determine from the emoluments of the member and pay it to the Fund within such time and in such manner as any be specified by the Chairman. The amount so

repaid or recovered shall be credited to the member's account in the Fund.

**(c) Bonus on Policy to be adjusted against payments made from the fund:**

So long as the policy remains assigned to the Board of Trustees, any bonus accruing on it may be drawn by the Board of Trustees or where authorised by the Board of Trustees by the Chairman, and adjusted against the payments made on behalf of the Member under paragraph (26).

**(d) Reassignment of policies:**

(1) Where the accumulations standing to the credit of the Member are withdrawn under paragraph (28) or when the member repays to the Fund the amount of premium paid by the Board of Trustees with interest thereon at the rate provided in paragraph (22), the Board of Trustees, or, where authorised by the Board of Trustees, the Chairman shall reassign by endorsement thereon the policy to the Member together with a signed notice of reassignment addressed to the Life Insurance Corporation.

(2) If the member dies before the policy has been reassigned under subparagraph (1), the Board of Trustees, or where so authorized by the Board of Trustees, the Chairman shall reassign by endorsement thereon, the policy to the nominee of the member if a valid nomination subsists and if there be no such nominee, to such person as may be legally entitled to receive it together with a signed notice of reassignment addressed to the Life Insurance Corporation.

**(e) Recovery of the amounts paid towards Insurance Policies:**

If a policy matures or otherwise falls due for payment during the currency of its assignment, the Board of Trustees, or where so authorised by the Board of Trustees, the Chairman shall realise the amount assured together with bonus, if any, accrued thereon, place to the credit of the member the amount so realised, or the whole of the amount paid from the Fund in respect of the policy with interest thereon, whichever is less, and refund the balance, if any, to the Member.

**27. LOANS AND ADVANCES:**

(a) No loans or advances from the Fund will be permitted except on special grounds in the following circumstances or circumstances of a similar nature;

(i) to pay expenses incurred in connection with the illness of the Member or a Member of his family;

(ii) to pay for the passage to a place out of India, of a Member or any Member of his family;

(iii) to pay expenses in connection with marriages, funeral or ceremonies which by the Member it is incumbent upon him to perform and in connection with which it is obligatory that expenditure should be incurred;

(iv) to pay advances for purchase of dwelling house or dwelling site or for construction of a dwelling houses;

(v) to pay advance for special and abnormal cases as provided by hear under.

**EXPLANATION:**

For the purpose of sub-rule (a) of para (27) above, 'family' members any of the following persons who are wholly dependent on the employee, namely the employee spouse, legitimate children, step children, parents, unmarried sisters and brothers.

(b) An advance shall no ordinarily, except for the purpose specified clause (vi) of sub-rule (a) exceed

(i) The basic pay plus dearness allowance of the Member for three months, or

(ii) half of the total of the accumulations of the Members contribution together with interest there on whichever is LESS

(c) No fresh refundable loan shall be allowed until/after the repayments of the pervious loan in full, same number of equal months installments agreed to.

(d) (i) The loan permitted under clause(iv) of sub-rule (a) of this will be treated as Non-Refundable.

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(ii) Where a withdrawal is allowed in connection with purpose specified in clause (i), (ii), and (iii) of sub-rule (a) of this rule, amount withdrawn shall be treated as Refundable Loans, unless otherwise provided in these rules. The refundable loan will be repaid in not more than 36 equal monthly installments.

(iii) The installments shall be deducted from the Member's earnings and credited to his account in the Fund. The deduction shall commence from the second monthly salary paid after withdrawal or in the case of an employee on leave without pay from the second monthly payment made after his return to duty or in case the employee cease to be Member of the Fund after taking such advance, at the time of settlement of his account .

(iv) In respect of withdrawals referred in clause (i), (ii) and (iii) of sub-rule (a) interest at a rate of 2% more than the rate of interest provided in sub-paragraph (22) shall be collected on the amounts outstanding as of each month. The total amount of interest will be charged to the Member's account at the end of each financial year. The penal interest should be credited to an account called "Interest Suspense Account".

(v) No change in number of monthly installments is permitted at any stage.

(e) Withdrawal from the Fund for the purchase of a dwelling house/flat or for the construction of a dwelling house including the acquisition of suitable site for the purpose under para 27(a) (iv) above.

(i) The Chairman, may on an application from a Member in such form as may be prescribed and subject to the conditions prescribed, sanction from the amount standing to the credit of the Member in the Fund, a withdrawal

1) For purchasing a dwelling house/flat, including a flat in a building owned jointly with other (outright or on hire purchase basis), or for construction of a dwelling house including the acquisition of a suitable site for the purpose from the Central Government, the State Government, a Co-operative Society, an institution, a trust, a local body or a Housing Finance Corporation (herein-after referred to as the agency/agencies):

OR

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2) For the construction of a dwelling house on a site owned by the Member or the spouse of the Member or jointly by the Member and the spouse, or for completing / continuing the construction of a dwelling house already commenced by the member or the spouse, for purchase of a house/flat in the joint name of the Member and the spouse under clause (1) & (2).

#### Explanation 1

In this paragraph, the expression, co-operative society means a society registered or deemed to be register under the co-operative societies Act,1912 (2 of 1912) or under any other any other law for the time being in force in any state relating to co-operative societies.

#### Explanation 2

In this paragraph the fact of a new and unlived house/flat shall be determined with reference to the certificates relating to the number and date of approval of the building plan, the date commencement and completion of the house, Flat, and the tax bills and receipts issued by the appropriate authorities, and wherever necessary, the neighborhood enquires.

(ii) a) For the purpose a site for construction of house thereon the amounts of withdrawal shall not exceed Member's basic wages and dearness allowance for 36 months or the Member's own share of contribution, together with the Employer's share of contribution with interest thereon or the actual cost towards the acquisition the dwelling site, whichever is the least.

b) For the purpose of acquisition of a ready built house/flat or construction of a house/flat, the withdrawal shall not exceed Member's basic wages and dearness allowances for thirty six months: or

the Member's own share of contributions, together with Employer's share of contribution with interest thereon, or the total cost of construction whichever is the least.

or the purchase of the dwelling house/flat or the construction of dwelling house whichever is the least.



### Explanation

The actual cost towards the acquisition of the dwelling site or purchase of dwelling house/flat shall include the charges payable towards registration of such site, house or flat.

(iii) (1) No withdrawal under this paragraph shall be granted unless:

- I. the Member has completed 5 years membership in the fund:
- II. the Member's own share of contribution with interest thereon in the amount standing to his/her credit in the fund is not than one thousand rupees:
- III. the dwelling site or the dwelling house/flat or the house under construction is free from encumbrances;

Provided that where a dwelling site or a dwelling house/flat is mortgaged to any of the agencies, referred to in clause (1) of sub-paragraph (i), solely for having obtained funds for the purchase dwelling house/flat or for the construction of a dwelling house including the reacquisition of a dwelling house including the reacquisition of a suitable site for the purpose, such a dwelling site or a dwelling house/flat, as the case may be, shall not be deemed to be an encumbered property:

Provided further that a land acquired on a perpetual lease or on lease for a period of not less than 30 years for constructing a dwelling house/flat, or a house/flat built on such a leased land, shall also not be deemed to be an encumbered property.

Provided also that where the site of the dwelling house/flat is held in the name of any agency, referred to in clause (1) of sub-paragraph (i) and the allottee is precluded from transferring or otherwise disposing the house/flat without the prior approval of such agency, the mere fact that the allottee does not have absolute right of ownership of the house/flat and the site is held in the name of the agency, shall not be a bar to the giving of an advance under clause (1) of sub-paragraph (i), if the other conditions mentioned in this paragraph are satisfied.

2) No withdrawal shall be granted for purchasing a share in a joint property or for construction a house on a site owned jointly, except on a site owned jointly with the spouse.

(iv) SUBJECT TO THE LIMITATION PRESCRIBED IN SUB-PARAGRAPH (ii)

1) Where the withdrawal is for the purchase of dwelling house/flat or a dwelling site from any agency referred to in clause (1) of sub-paragraph (i) the payment of withdrawal shall not be made to the Member but shall be made direct to the agency, in one or more installments, as may be authorized by the Member.

2) Where the withdrawal is for the construction of a dwelling house it may be sanctioned in such number of installments as the Chairman or where so authorized by the Chairman, any Officer subordinate to him, thinks fit;

(v) Where the withdrawal is sanctioned for the constructions of a dwelling house, the construction shall commence within six months of the withdrawal of the first installments and shall be completed within twelve months of the withdrawal of the final installment. Where the advance is sanctioned for the purchase of a dwelling house/flat or for the acquisition of a dwelling site, the purchase or acquisition, as the case may be shall be completed within six months of the withdrawal of the amount. Provided that this provision shall not be applicable in case of purchase of a dwelling house/flat on hire purchase basis and in cases where dwelling site is to be acquired or houses are to be constructed by a co-operated society on behalf of its Member with a view to their allotment to the Members.

(vi) Except in the cases specified in sub-paragraph (vii), no further withdrawal shall be admissible to a Member under this paragraph.

(vii) (a) An additional withdrawal upto twelve months, basic wages and dearness allowance or the Member's own share of contribution with interest thereon, in the amount standing to his credit in the Fund, whichever is less, may be granted in one installment only, for additions; substantial alterations or improvements necessary to the dwelling house owned by the Member or by the spouse or jointly the Member and the spouse;

provided that the withdrawal shall be admissible only after a period of five years from the date of completion of the dwelling house.

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b) A further withdrawal upto twelve months, basic wages dearness allowances or Member's own share of contribution interest thereon in his account, whichever is the least, may be granted for additions alterations, improvement or repair of the dwelling house owned by the Member, or by the spouse or jointly by the Member and spouse, five years after completion of the dwelling house.

(viii) The work of additions, all increments or improvements shall commence within 6 months and completed within one year of the drawal of the amount. The Member shall produce the title deed and such other documents as may be required for inspection which shall be returned to the Member after the grant of withdrawal.

(ix) (1) If the withdrawal granted under the paragraph exceeds the amount actually spent for the purpose for which it was sanctioned, the excess amount shall be refunded by the Member to the Fund in one lumpsum within thirty days of the finalization of the purchase, or the completion of the construction of, or necessary additions, alteration or improvements to a dwelling house, as the case may be. The amount so refunded shall be credited to the Employer's share of contributions in the Member's account in the Fund to the extent of withdrawal granted out of the said share and the balance if any, shall be credited to the Member's share of contributions in his account.

(2) In the event of the Member not having been allotted a dwelling site/dwelling house/flat, or in the event of the cancellation of an allotment made to the Member and of the refund of the amount by the agency, referred to in clause (1) of sub-paragraph (i), or in the event of the Member not being able to acquire the dwelling site or to purchase the dwelling house/flat from any individual or to construct the dwelling house, the Members shall be liable to refund to the Fund in one lumpsum and in such manner as may be specified be the Chairman, or so authorized by the Chairman, any Member subordinate to him, the amount of advance remitted under this paragraph to him or, as the case may be, to the agency referred to in clause (1) of sub paragraph (i).

The amount so refunded shall be credited to the Employer's share of contribution in the Member's account in the Fund, to the extent of advance granted out of the said share, and the balance, if any, shall be credited to Member's own share of contributions in his account.

(x) If the Chairman is satisfied that the withdrawal granted under this paragraph has been utilized for a purpose other than that for which it was granted or that the Member refused to accept an allotment or to acquire a

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dwelling site or that the conditions of withdrawals have not been fulfilled or that there is reasonable apprehension that they will not be fulfilled, wholly or partly or that, the excess amount will not be refunded in terms of clause (1) sub-paragraph (ix) or that the amount remitted back to the Member by any agency, referred to in clause (1) of sub-paragraph (i), will not be refunded in terms of clause (2) of sub-paragraph (ix), the Chairman, or where so authorized by the Chairman, any Officer subordinate to him shall forthwith take steps to recover the amount due, with penal interest thereon at the rate of 2% per annum above the rate of the interest declared under para (22) (a), from the wages of the Member in such number of installments as the Chairman or where so authorized by the Chairman any Officer subordinate to him, may direct the Employer to deduct such installments from the wages of the Member and on receipt of such direction the Employer shall deduct accordingly. The amount so deducted shall be remitted by the Employer to the Chairman, or where so authorized by the Chairman any Officer subordinate to him within such time and in such manner as may be specified in the direction. The amount so refunded, excluding the penal interest, shall be credited to the Employer's share of contributions in the Member's account and the balance if any shall be credited to the member's own share of contribution in her/his account. The amount of penal interest shall however, be credited to the Interest Suspense Account.

- (xi) (1) Where any withdrawal granted under this paragraph has been misused by the Member, no further withdrawal shall be granted to him/her under this paragraph within a period of three years from the date of grant of the said withdrawal or till the recovery of the amount of the said withdrawal, with penal interest thereon whichever is later.
- (2) In computing the period of membership of the Fund of Member, his/her total service exclusive of periods of break under the same Employer of factory or other establishment before this scheme applied to him/her as well as the periods of his/her membership, whether of the fund or other establishments, or provident funds exempted under paragraph (27), of the Employee's Provident Fund Scheme, 1952, immediately preceding in the current membership of the fund, shall be included.

Provided that the Member has not severed his/her membership by withdrawal of his/her provident fund during such period.

- (3) Where a withdrawal is sanctioned for purchasing a dwelling house or dwelling site, or for construction of dwelling house or the dwelling site

or the constructed house, as the case may be at any time after withdrawal of the first installment and within a period of five years of the first installments and of the final installments and shall deposit and keep deposited for a period of five years, with the Board of Trustees, the title deeds in respect of such dwelling house or dwelling site, as the case may be, within such time as the Board of Trustees may direct.

(xii) The Board may relax any of the above conditions, on application by a Member referred to under para (27) (e) in the matter of withdrawals for purchase of dwelling site and purchase/conditions of dwelling house.

(f) ADVANCE FROM THE FUND FOR REPAYMENT OF LOANS IN SPECIAL CASE:

(i) (1) The Chairman, may on an application from a Member, sanction from the amount standing to the credit of the Member in the Fund, an advance for the repayment, wholly or partly of any outstanding principal and interest of a loan obtained from a State Government, co-operative Society, Housing Board, Municipal Corporation or a Body similar to the Delhi Development authority solely for the purpose specified in sub-paragraph (e) (i) (1) of paragraph 27.

(2) The amount of withdrawal shall not exceed the Member's basic wages and dearness allowances for thirty six (36) months of his own share of contributions together with the Employer's share of contributions with interest thereon, in the Member's account in the Fund or the amount of outstanding principal and interest of the said loans, whichever is least.

(ii) No advance shall be sanctioned under this paragraph unless.....

(1) The Member has completed ten year's membership of the Fund, and

(2) The Member's own share of contribution, with interest thereon, in the amount standing to his credit in the Fund, is one thousand rupees or more; and

(3) The Member produces a certificate or such other documents, as may be prescribed by the Chairman, from such agency, indicating the particulars of the member, the loan granted, the outstanding principal and interest of the loan and such other particulars as may be required.

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(4) The payment of the advance under this rule shall be made direct to such agency on receipt of an authorization from the Member in such manner as may be specified by the Chairman, and in no event the payment shall be made to the Member.

In computing the period of membership of the Fund of a Member his total service exclusive of period of break under the same Employer of factory or other establishment before this scheme applied to him as well as the periods of his membership, whether of the fund or private provident funds as exempted factories of other establishments, or provident funds under paragraph 27, of the Employees Provident Fund Scheme, 1952, immediately preceding in the current membership of the fund, shall be included.

Provided that the Member has not severed his membership by withdrawal of his Provident Fund during such period, where an advance is sanctioned for purchasing a dwelling house or the dwelling site, the Member shall not sell the swelling house or the swelling site, as the case may be, at any time after the withdrawal of the first installments and within a period of five years of the first installments and of the final installment and shall deposit and keep deposited for a period of five years, with a Board of Trustees, the title deeds in respect of such dwelling house or dwelling site, as the case may be, with in such times as the Board of Trustees may direct.

**(g) GRANT OF ADVANCE IN SPECIAL CASES:**

(i) In case the company has been locked up or closed down for more than 15 days for any reason other than illegal lockout or strike and its employees are rendered unemployed without any compensation, or if an employee does not receive his/her wages for a continuous period of two months or more the Board may on being satisfied that no compensation to the employees is likely to be paid by the Employer within a reasonable time, may authorize a payment to a Member who has employed in the company, one or more non-recoverable advances from his provident fund account not exceeding his own total contributions including interest thereon upto the date the payment has been authorized.

(ii)(1) In case the factory or other establishment continues to remain locked up or closed down for more than six months the Chairman, on being satisfied that a Member who had already been granted one or more non-recoverable advances from his PF account under sub-paragraph (i) still continues to be unemployed and no compensation is likely to be paid to him at an early date may, on receipt of an application therefore in the form prescribed by the

Chairman in this behalf authorize payment to the member of one or more recoverable advances from his Provident Fund account upto the extent of 100% of the Employer's total contributions including interest thereon upto the date on which the payment has been authorized.

Provided that if the factory or establishment in which the member is employed remains closed for more than five years for reasons other than strike, recoverable advance may be converted into non-recoverable advance on receipt of a request in writing from the member concerned.

(2) The advance drawn under clause (1) shall be interest free.

(3) The advance granted under clause (1) shall be recovered by deductions from the wages of the members in such instalments subject to a maximum of thirty six instalments as may be determined by the chairman. The recovery shall commence from the first wages paid to the member immediately after the re-start of the factory or establishment.

(4) The employer shall remit the amount so deducted to the Fund within such time and in such manner as may be specified by the Chairman. The amount on receipt shall be credited to the member's account in the Fund.

(h) Advance from the Fund for illness in certain cases:

(i) A member may be allowed non-refundable advance from his account in the fund in case of -

(1) hospitalization lasting for one month or more, or

(2) major surgical operation in a hospital or

(3) suffering from T.B., Leprosy, Paralysis, Cancer, Mental derangement or heart ailment and having been granted leave by his employer for treatment to the said illness.

(ii) The advance shall be granted if -

(1) the Employer certifies that the Employees State Insurance Scheme facility and benefit there under are not actually available to the member or the member produces a certificate from the Employees State Insurance Corporation to the effect that he has ceased to be eligible for cash benefits under the Employees State Insurance Scheme; and

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(2) a Doctor of the hospital certifies that a surgical operation was necessary, or that hospitalization for one month or more was considered necessary, or a registered medical practitioner, or in the case of mental derangement or heart ailment, a specialist certifies that the member is suffering from T.B., Leprosy, Paralysis, Cancer, Mental derangement or Heart ailment.

(iii) A member may be allowed non-refundable advances from his/her account in the Fund for the treatment of a member of his family, who has been hospitalized, or requires hospitalization for one month or more;

(a) for a major surgical operation, or

(b) for the treatment of T.B., Leprosy, Paralysis, Cancer, Mental derangement or Heart ailment.

Provided that no such advance shall be granted to a member unless he/she has produced;

(1) A certificate from a Doctor of the hospital that the patient has been hospitalized or requires hospitalization for one month or more or that a major surgical operation had or has become necessary and (2) A certificate from his Employer that ESI scheme facility and benefits are not available to him/her for the treatment of the patient.

(iv) Provided that the amount so advanced shall not exceed the member's basic wages and the dearness allowance for six months or his/her own share of contribution with interest in the Fund, whichever is less.

(v) If the Chairman is not satisfied with the Medical Certificate furnished by the Member under this paragraph, he may before granting the advance under this paragraph demand from the member another medical certificate to his satisfaction.

**(i) Advances from the Fund for Marriages or Post-Matriculation Education of Children:**

(i)The Chairman may on an application from a Member authorize payment to him/her of a non-refundable advance from his/her provident fund account non exceeding 50% of his/her own total contributions including interest thereon standing to his/her credit in the fund on the date of such authorization for

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his/her own marriage, the marriage of his/her daughter, son, sister or brother or for the post matriculation education of his/her son or daughter.

(ii) No advance under this paragraph shall be sanctioned to a member unless:

(1) he/she has completed seven years membership of the fund; and

(2) the amount of his/her own share of contributions with interest thereon standing to his/her credit in the fund is Rs 1000/- or more:

(iii) Not more than three advances shall be admissible to a member under this paragraph.

(iv) If the Chairman is satisfied that the advance granted under this paragraph is utilized for a purpose other than that for which granted or that the conditions of advance have not been fulfilled within a reasonable time, Chairman shall forthwith take steps to recover the amount due with penal interest thereon at the rate of 2% per annum above the rate of interest provided under paragraph (22) (a), from the wages of the member in such number of instalments as the Chairman may determine. For the purpose of such recovery, the Chairman may direct the Employer to deduct each such instalment from the wages of the member and on the receipt of such direction, the Employer shall deduct accordingly. The amount so deducted shall be remitted by the Employer to the Chairman, within such time and such manner as may be specified in this direction. The amount refunded excluding penal interest shall be credited to the member's account and the amount of penal interest to the 'Interest Suspense Account'.

**(j) Grant of Advances in Abnormal Conditions:**

(i) The board may, on an application from a member whose property movable or immovable has been damaged by the calamity of exceptional nature, such as floods, earthquakes or riots or cyclone, authorize payment to him/her from the Provident Fund account a non-refundable advance of Rs 1000/- (maximum) from his/her own total contributions or from Company's contribution or from both including interest thereon, standing to his/her credit on the date of such authorization, whichever is less, to meet any unforeseen expenditure.

(ii) No advance under sub-paragraph (i) shall be paid unless:

(1) The State Government has declared that the calamity has effected the general public in the area; or

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(2) The member produces a certificate from an appropriate authority to the effect that his/her property (movable or immovable) has been damaged as a result of the calamity; or

(3) The application for advance is made within a period of 4 months from the date of declaration referred to in sub-para (i) above; or

(4) Self-certification by the individual employee regarding the details of the damage occurred in respect of property of his/her own spouse/relations affected in the areas.

**(k) Grant of Advance to Members affected by cut in the Supply of Electricity:**

A member may be allowed a non-refundable advance from his account in the fund, if there is a cut in the supply of electricity to a factory or establishment in which he is employed on the following conditions:

(i) The advance may be granted only to a member whose total wages for any one month commencing from the month of January, 1973 were three-fourths or less than three-fourths of wages for a month.

(ii) The advance shall be restricted to the amount of wages for a month or Rs.500/- or the amount standing to the credit of the member in the Fund as his own share of contribution with interest thereon, whichever is less.

(iii) No advance shall be paid unless the State Government certifies that the cut in the supply of electricity was enforced in the area in which the factory or establishment is located and the Employer certifies that the fall in the member's pay was due to cut in the supply of electricity.

(iv) Only one advance shall be admissible under this paragraph.

Explanation: "Wages" means, for the purpose of this paragraph, basic wages and dearness allowance excluding lay-off compensation, if any.

**28. CIRCUMSTANCES IN WHICH ACCUMULATIONS IN THE FUND ARE PAYABLE TO A MEMBER:**

(a) A member may withdraw the full amount standing to his/her credit in the fund;

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(i) On attaining the age of 55 years.

(ii) On retirement on account of permanent and total incapacity for work due to bodily or mental infirmity duly certified by the Medical Officer of the factory or a Registered Medical Practitioner;

Provided that member suffering from T.B. or Leprosy or Cancer, even if contracted after leaving the service or, the factory on ground of illness but before payment has been authorized shall be deemed to have been permanently and totally incapacitated from work.

(iii) On death or on termination of employment by the Company for reasons of a member's service being no longer required by the Company.

(iv) Immediately before he migrates from India for permanent settlement abroad.

(c) A Member may be permitted to withdraw the amount standing to his credit to his fund on attaining the age of 55 years; if:

(i) he has not been employed in any factory to which the Act applies for a continuous period of 2 months immediately preceding the date on which he makes an application for withdrawal.

Provided that a certificate in the prescribed form from such authority as may be specified by the Board for non-employment for a period of 2 months in any factory to which the scheme applied is produced.

Note: A declaration in writing made by a member affirming the fact of non-employment, as aforesaid, duly attested by any one of the officials authorized by the Government from time to time with the seal of his office may be accepted as a proof thereof.

(c) When a member withdraws any amount under sub-paragraph (b) the following provision shall apply, namely:

With effect from 01.01.1990, an outgoing employee will be entitled to get both the shares of employee's share and Employer's share in full without any forfeiture.

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- (d) Notwithstanding the provisions in sub-para (b) & (c) the Board may permit any number of class of Members to withdraw under sub-para (b) the full amount, standing to the credit of such Member or Members at any time after the termination of employment.

#### Explanation

- (I) In computing the period of membership under sub-para (b) in respect of a Member, his total service, exclusive of periods of breaks under the same Employer/factory before the scheme applied to the factory as well as the periods of his membership, whether of the Fund or of Private Provident Fund of exempted factories or Provident Fund exempted, under para 27 of the Employees' Provident Funds Scheme 1952, immediately preceeding the current membership of the fund shall be included, provided that the Member did not withdraw his provident fund money during each period.
- (II) In computing the period of membership under sub-para (c) for subsequent withdrawals under sub-para (b), the periods of membership whether of the fund or of private provident funds of exempted factories or provident funds exempted under para 27 of the scheme immediately preceeding the current membership of the fund shall be included, provided that the Member did not withdraw his provident fund money during such periods.
- (e) Any amount credited to the Reserve Account of the Fund may be utilized for the following purposes subject to availability of sufficient balance in the Reserve Account at the time of payment.
- (1) Adhoc payment of Rs.30/- to the heirs of a deceased member as an aid for procuring a succession or a guardianship certificate for getting the provident fund dues if such a certificate is necessary.
  - (2) Payment of a sum to the nominees/heirs of deceased Member provided that the total amount including the sum proposed to be paid does not exceed Rs.2,000/- (the intention is that a sum of Rs.2,000/- should be assured to such nominee/heirs).
  - (3) For meeting money order commission or remittance from the Provident Fund to outgoing Members/their heirs.

- (4) For declaring the rate of interest so that it is not lower than that fixed under Employees' Provident Funds Scheme, 1952.
- (5) For making good the capital loss on the conversion of securities and other investments. This should, however, be limited to cases of absolute necessity.
- (f) A Member who withdraws the amount under the sub-para (b) shall be required to join as a new Member of the fund if he obtains employment again in the Company and qualifies again for the membership of the fund.
- (g) (i) On termination of service in the case of mass or individual retrenchment; provided that in the case of mass retrenchment the payment shall be made immediately and in the case of individual retrenchment; payment shall be made if the Member has not been employed in any factory or other establishment to which the Act applies for a continuous period of not less than two months immediately the date on which the Member makes the application for withdrawal.
  - (ii) In any of the following contingencies, provided the actual payment shall be made only after completing a continuous period of not less than six months immediately preceding the date on which a Member makes the application for withdrawal :
    - 1) Where the company is closed but certain employees who are not retrenched, are transferred by the Employer to other factory or establishment not covered under the Act.
    - 2) Where a Member is transferred from the Company to another factory or other establishment not covered under the Act, but is under the same Employer, and
    - 3) Where a Member is discharged and is given retrenchment compensation under the Industrial Disputes Act 1947 (14 of 1947).
  - iii) Deduction of Income Tax at source if the period of membership is less than five years in case of resignation.
  - iv) Final settlement of accounts points to be checked.

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When a Member desires final withdrawal of his provident fund money under para 69 of the scheme, he submits an application in Form 19. On receipt of a claim in Form 19, the following points should be checked up :-

- 1) that the accumulations have become payable under the scheme;
  - 2) that the Form is correctly filled in and either signed or affixed with the impression of the left thumb if Member is male or of the right thumb if female by the Member and that the date of signature or the date and description of thumb impression is given;
  - 3) that the Form has been attested and dated by the Employer or by any of the officials mentioned therein, and that the official seal of the attesting officer is affixed to the application;
  - 4) that the certificate portion has been filled in by the attesting officer;
  - 5) that the application is supported by the relevant certificates; where necessary, according to the instructions on the Form;
  - 6) that it is supported by a declaration of non-employment for a period of six months where the reason for leaving is resignation, discharge, dismissal or retrenchment, or by a medical certificate of permanent and total invalidity where the reason for retirement is on medical ground;
  - 7) that Form 10 or 12 showing the date of leaving service with reason and the contribution cards in Form 3 showing the contribution up to the last date of service have been received;
- h) Where payment is desired by a Member to be made through his/her Employer (by cheque drawn in favour of the Employer), the request may be complied with provided the Employer agrees in writing to obtain and submit to the Regional Office the stamped receipt from the Member for the total amount due to the Member without any deduction there from and to arrange in case of his/her death before receiving the dues, to refund the entire amount back to the Trust Board without delay.

**29. ACCUMULATIONS OF A DECEASED MEMBER TO WHOM PAYABLE:**

On the death of a member before the amount standing to his credit has become payable, or where the amount has become payable before payment has been made.

- a) If a nomination made by the member in accordance with para 25 subsists, the amount standing to his credit in the Fund or that part thereof to which the nomination relates shall become payable to his nominee or nominees in accordance with such nomination;
- b) If nomination subsists or if the nomination relates only to pay a part of the amount standing to his/her credit in the Fund, the whole amount or the part thereof, to which the nomination does not relate, as the case may be, shall become payable to the Member or his family in equal shares.

Provided that no share shall be payable to:

- i) Sons who have attained majority;
- ii) Sons of a deceased son who have attained majority;
- iii) Married daughters whose husbands are alive;
- iv) Married daughters of a deceased son whose husbands are alive.

If there is any Member of the family other than those specified in clauses (i, ii,iii and iv);

Provided further that the widow or widows and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the Member and had not attained the age of majority at the time of the Member's death.

- c) In any case to which the provisions of clauses (a) and (b) do not apply the whole amount shall be payable to the person legally entitled to it.

EXPLANATION: For the purpose of this paragraph a Member's posthumous child, if born alive, shall be treated in the same way as a surviving child born before the member's death.

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d) Payment of provident fund accumulations in case of a person charged with the offence of a murder.

1) If a person who is the event of the death of a Member of the fund is eligible to receive PF accumulations of the deceased Member under paragraph 29, is charged with the offence of murdering the Member or abetting in the commission of such an offence, his claim to receive the share of Provident Fund shall remain suspended till the conclusion of the criminal proceedings initiated against him for such offence.

2) If on the conclusion of the criminal proceedings referred to subparagraph (1), the person concerned is:-

a)  
convicted for the murder or abetting the murder of the Member, he shall be debarred from receiving the share of provident fund accumulations which shall be payable to other eligible Members, any, of the deceased Member or

b) acquitted of the murdering or abetting the murder of the Member his share of the provident fund shall be payable to him.

### **30. PAYMENT OF PROVIDENT FUND:**

a) When the amount standing to the credit of a Member, or the balance there of after any deduction under paragraph (28), becomes payable, it shall be the duty of the Chairman to make prompt payment as provided in these rules.

In case there is no nominee in accordance with these Rules, to receive such amount, the Chairman, may, if the amount to the Credit of the fund does not exceed Rs.20,000 /- and if satisfied after enquiry about the title of the claimant, pay such amount to the claimant.

b) If any portion of the amount which has become payable is in dispute or doubt, the chairman shall make prompt payment of that portion of the amount in regard to which there is no dispute or doubt; the balance being adjusted as soon as possible.

c) If the person to whom any amount is to be paid under these rules is a minor for whose estates a guardian under the Guardians and Wards Act, 1890 (8 of 1890), has been appointed, the payment shall be made to the guardian, Where no guardian under the Guardians and Wards Act, 1890 (8 of 1890) has been appointed, the payment shall be made to the guardian if any appointed where

no guardian under the Guardians and Wards Act, 1890 (8 of 1890) has been appointed, the payment shall be made to the natural guardian and in the absence of a natural guardian and in the absence of a natural guardian, to such person as the Secretary, Board of Trustees, where the amount does not exceed RS. 20,000/- or the Chairman of the Board of Trustees, if the amount exceeds Rs. 20,000/- considers to be the proper person representing the minor and the receipt of such person representing the minor and the receipt of such person for the amount paid shall be a sufficient discharge thereof.

If the person to whom any amount is to be paid under these Rules is a lunatic for whose estate a manager under the Indian Lunacy Act, 1912 (4 of 1912 ), has been appointed, the payment shall be made to such manager. If no such manager has been appointed, the payment shall be made to the natural guardian of the lunatic and in the absence of any natural guardian, to such person as the Secretary, Board of Trustees, where the amount does not exceed Rs.20,000/- or the Chairman of the Board of Trustees, if the amount exceeds Rs.20,000/- considers to be the proper person representing the lunatic and the receipt of such person for the amount paid shall be a sufficient discharge thereof.

d) If it is brought to the notice of the Chairman that a posthumous child is to be born to the deceased Member, he shall retain the amount which will be due to the child in the event of its being born alive and distribute the balance. If subsequently no child is born or the child is still-born the amount retained shall be distributed in accordance with the provisions of paragraph 29.

e) a) Every Employer shall, at the time when a Member of the Fund leaves the service, be required to get the claim application for payment of provident fund in cases specified in clauses (a) to (d) of Paragraph (28), duly filled in and attested, and to forward the said application to the Chairman or any other officer authorized by him in this behalf.

(b) Every Employer shall, at the time when a Member of the Fund leaves the service, be required to get the claim application for payment of provident fund in cases specified in clause (ii) of sub-Para (g) of Para (28) and in clause (ii) (a) of Paragraph (28), duly filled in and attested, and to give the said application to the Member, for submission, on completion of the period specified in clause (b) (ii) of paragraph (28), duly completing the declaration of non-employment in the said application, either through post or in person with proper identification, to the Chairman or any other officer authorized by him in this behalf.

(c) Every Employer shall, on the death of the Member and on receipt of an application for receiving the amount standing to the credit of such Member, forward forthwith the said application to the Chairman or any officer authorized by him in this behalf.

(d) If the applicant is unable to send the claim application through the Employer or duly attested by him, for any reason whatsoever, he may forward it to the Chairman or any other officer authorized by him in this behalf, and wherever necessary, the Chairman or any other officer authorized by him in this behalf, may forward such application to the Employer and the Employer shall be required to return it within five days of its receipt.

(e) The payment may be made, at the option of the person to whom payment is to be made.

- (i) by postal money order, or
- (ii) by deposit in the payee's bank account in the scheduled bank or co-operative bank including urban co-operative banks or any Post Office, or
- (iii) through the Employer:

Provided that where the provident fund amount payable by postal money orders exceeds RS. 500/- it shall be remitted at the cost of the payee.

### **31. EX-MEMBERS' UNCLAIMED ACCOUNT:**

Any amount becoming due to a Member as a result of:

(i) Supplementary contribution from the Employer in respect of leave wages/arrears of pay, installment of arrear contribution received in respect of a Member whose claim has been settled on account but which could not be remitted for want of latest address, or

(ii) Accumulation in respect of any Member who has either ceased to be employed or died, but no claim has been preferred within a period of three years from the date it becomes payable, or if any amount remitted to a person, is received back undelivered, and it is not claimed again within a

period of three years from the date it becomes payable, shall be transferred to an account to be called the Unclaimed Deposits Accounts.

Provided that in the case of a claim for the payment of the said balance the amount shall be paid by debiting the "Unclaimed Deposited Account".

## **CHAPTER IX MISCELLANEOUS**

### **32. ALTERATIONS, ADDITONS AND DELETIONS:**

These Rules may from time to time be altered, enlarged or reduced in such manner as the Board may consider desirable, for the proper implementation of the Rules, or for the purpose of removing any difficulty which may arise in the administration thereof including difficulties in the matter of payment of accumulations of the Fund to Members after they cease to be such Members, and each Member shall be bound by the amendments, additions or otherwise in the same manner as in the original Rules.

Provided that all such amendments shall have received the prior approval of the Commissioner of Income Tax and the Regional Provident Fund Commissioner.

### **33. PROTECTION OF MEMBER'S INTEREST:**

The Total amount standing to the credit of a Member whether in actual service, discharge or deceased is not in any way capable of being assigned or charged and is nor liable to attachment under any decree or order of any civil Revenue or Criminal court in respect of any debt or liability incurred by the Member. and neither the official assignee nor any receiver appointed under the law with respect to insolvency will be entitled to or have any claim on any such amount standing to the credit of a Member in Fund.

### **34. OVERRIDING EFFECT OF THEPROVISIONS OF THE E.P.F.SCHEME IN CERTAIN CASES:**

Notwithstanding any thing contained in these regulations:

1) If any benefit admissible under the provisions of these regulations is less or renders less beneficial than the benefit admissible under the provisions of the E.P.F. Scheme 1952 framed by the Government of India or

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2) If any of the provisions of these regulations are in conflict with the provisions of the said statutory scheme shall prevail to the extent to which the provision of these regulations are less beneficial or repugnant to the provisions of the said statutory scheme.

### **35 INTERPRETATIONS:**

a) As regards interpretation to be placed upon any or all of these rules, the decision of the Chairman or such authority as may be specified by the Regional Provident Fund Commissioner shall be final.

b) As per section 405 of Indian Penal Code the Employer of Exempted establishment is liable to be prosecuted for Criminal breach of Trust, with effect from 01.08.1988.

c) For any violation of conditions specified in the exemption notification, the Employer as well as the Board of Trustees are liable to be prosecuted under section 14 of the Employees Provident Fund, and miscellaneous Provisions Act, 1952. This will come into force, as and when the effective date of Amendment is intimated by the Regional Provident Fund Commissioner, Hyderabad.

### **ANNEXURE-'A'**

#### **GUIDE LINES FOR THE FUNCTIONING OF BOARD OF TRUSTEES ON EXEMPTED ESTABLISHMENTS.**

1) The Trustees when elected should ensure that there is a proper trust-deed registered.

2) The board of Trustees shall meet at least once in every three months.

3) No business shall be transacted at a meeting of the Board of Trustees unless at least four trustees of the Board are present, of whom at least one should be from employer's side and one from the employees' side.

4) Monthly return submitted to the Regional Commissioner should be placed before the meeting for scrutiny of the trustees. The Trustees attending the meeting should affix their signatures as a proof of their scrutiny. Their views on the returns should be recorded in the minutes of meeting.

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- 5) The Trustees should ensure that the rules of exempted Provident fund must require approval of all loans by at least two Trustees and in case of a large organization with major plants/offices in different locations, the trustees may be allowed to delegate approval of loans to two managers. One of whom may be a personnel / labour officer (and in his absence Accounts Officer). Such delegations should be by name of the manager/officer and not to specified positions and the trustees must satisfy that the authorized manager/officer is well informed and kept advised about applicable regulation.
- 6) Similarly settlement of accounts (including transfer of accumulations to another provident fund) should require authorization of at least two trustees. All settlements should be specifically checked by the auditors of the fund.
- 7) The Board of Trustees, wherever the amount of provident fund has not been transferred by the employers to the Board of Trustees shall pass a resolution to the effect and forward it to the employer and the Regional Provident Fund Commissioner.
- 8) The Trustees should examine if the amount shown as transferred in the return has in effect been transferred and credited to the Bank account of the Fund. Specific mention in this scrutiny and findings should be recorded in the minutes of the meeting.
- 9) The Trustees should also ensure whether the amount shown as invested in the last monthly return has in effect been invested and record a certificate to that effect in the minutes.
- 10) Once in every year the securities should be recorded and scrutinized by the trustees and their findings recorded in the minutes of the meeting.
- 11) The Report of the Provident fund inspector and the correspondence relating to the trust between the employer and the Regional Provident Fund Commissioner should be placed before the meeting of trustees and their views recorded in the minutes.
- 12) Within six months of the close of financial year the employer should place the Audited Balance Sheet of the Trust before the trustees.
- 13) The trustees shall, before the close of the financial year declare the rate of interest for the succeeding year.

14) Along with Balance sheet the Chairman should also furnish annual report to the trustees for their consideration and adopting.

15) The Balance sheet and the Annual Report, their approvals by trustees, should be forwarded to the concerned Regional Provident Fund Commissioner, recognized union/Association of employees.

16) All complaints received from the subscribers should be examined by the Board of Trustees.

17) The Board of Trustees shall fix a grievance day once in a month.

18) The Board of Trustees shall have a separate Notification Board of their own and display important decision, amendments etc. on it. Wherever non-transfer/non-investing occur the same should be displayed for the knowledge of the subscribers.

19) The Board of Trustees shall periodically review the issuance of Annual Statement of Accounts, settlement of claims, sanction of Advance etc.

20) The Annual Report Shall contain the following:-

- (i) The total number of employees of the establishment in each category of work at the beginning of the year fresh recruitments made/number of employees left during the year. The total number of subscribers at the beginning of the year, the additions during the year and the total number of subscribers at the close of the year.
- (ii) The names, address of the Board of Trustees.
- (iii) Total amount of accumulations in the trust with figures at least for the past two years.
- (iv) Total amount transferred to the fund (with figures of the last year)
- (v) The rate of interest and total amount of interest debited/credited to the fund.
- (vi) Investments made during the year: Details of the securities to be shown.

- (vii) Claims settled and rejected with the amount sanctioned loan application sanctioned/ rejected and the amount distributed.
- (viii) Balance Sheet, Income and Expenditure Account.
- (ix) Constitution/re-constitution of the Board of Trustees. Number of meetings held during the year and salient decisions.
- (x) Whether the Monthly/annual returns etc. have been submitted to the Regional Provident Fund Commissioner in the time or not if not, reasons for the same.
- (xi) A statement to the effect as to whether all the conditions of exemption given by the Auditors.
- (xii) The justification and explanation of the Board in respect of qualifying remarks have been complied with.
- (xiii) The number of applications for transfer of accounts and their disposal
- (xiv) The position regarding issuance of Annual Statement of Accounts, the arrears, if any and the reasons for the same.
- (xv) The number of inspections carried out and the salient remarks, if any.

21) The Annual Report and Accounts of the Provident Fund Trust Board should be exhibited on Notice Board of all office and factories for a minimum period of thirty days.

22) The Provident Fund money kept aside for obligatory payments towards settlement of claims and grant of advances to the members may be kept deposited in the Saving Bank Account opened in any scheduled Bank in the name of the fund to be operated jointly by two trustees authorized by the Board, one of them being the employees' representatives.



**ANNEXURE ‘B’**

**FORM OF DECLARATION**

(See Rule No.8 (f))

I hereby declare that I have read/have been read and explained to me and I have understood the Rules of \_\_\_\_\_

I here by subscribe to and agree to be bound thereby.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

Name in full and address \_\_\_\_\_

\_\_\_\_\_

Date of Birth \_\_\_\_\_ Nature of appointment \_\_\_\_\_

Date of joining service \_\_\_\_\_

Present Salary : (i) Basic \_\_\_\_\_

(ii) Dearness Allowance \_\_\_\_\_

Witness \_\_\_\_\_

Signature


(1) Name \_\_\_\_\_

(2) Address \_\_\_\_\_

Signature/Right or Left Hand Thumb impression of  
the employee

The applicant can be admitted as a member.

**TRUSTEE**

\_\_\_\_\_ 

ANNEXURE 'C'

DECLARATION BY A PERSON TAKING UP  
EMPLOYMENT OF THE ESTABLISHMENT

(See Rule No. 8A)

\_\_\_\_\_ (Name) S/W/D of \_\_\_\_\_

do hereby solemnly declare that I am not\*

(a) a member of the Employees Provident Fund :

(b) a member of private Provident Fund of an exempted establishment as establishment granted relaxation would have become and continued as a member of the Employees' Provident Fund.

(c) an employee exempted under para 27/27A of the Employees Provident Funds Scheme, 1952 and but for such exemption would have become and continued as a member of the Employees Provident Fund.

I also declare that I was not employed\*/I was employed in  
M/s. \_\_\_\_\_

\_\_\_\_\_ (Name and full address of the establishment) which is/not a covered establishment/in any covered establishment under the Employees Provident Fund Act, 1952. My Provident Fund Account No. is \*/was

I further declare that I have \*/have not withdrawn the total accumulations standing to my credit in the Fund.

Date : \_\_\_\_\_ \*\* Signature or right/left hand thumb impression of the employee.

\_\_\_\_\_

**NAME OF THE PRESENT EMPLOYER**

(To be filled up by the employer only when the person employed is not a member of the Employees Provident Fund)

Shri \_\_\_\_\_ (Name of the employee) is appointed as \_\_\_\_\_ (Designation) in \_\_\_\_\_ (Name of the factory/Estt.) with effect from \_\_\_\_\_(Date of appointment)

**PARTICULARS OF EMPLOYMENT**


| From | To | No of days worked |
|------|----|-------------------|
|      |    |                   |

Date of admission as member of Employees' Provident Fund \_\_\_\_\_

Date :

Signature of the employer.

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ANNEXURE – ‘E’

APPLICATION FORM FOR VOLUNTARY CONTRIBUTION  
(See Rule 11 (b))

Date of Application

1. Name of the Employee

2. Department/Section

3. Account Number, if any

Ledger Folio No.

4. Present Rate

(a) Basic Pay

(b) Dearness Allowance

5. Present Rate of Contribution

6. Proposed Rate of Contribution

7. Difference on account of Voluntary Contribution

8. Date of from which such contribution is proposed to be made \_\_\_\_\_

9. Address

Signature/Thumb Impression

Voluntary Contribution @%  
Permitted

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**EMPLOYEES' PENSION SCHEME:**

- (I) The salient features of the Scheme are as under:
- a) The FPS, 1971 stands repealed with the Pension Scheme with effect from 16.11.95
  - b) Employees who are already the members of the FPS (FPF) will automatically become members of the Pension Scheme.
  - c) Non-members of the FPS (FPF) can also exercise option to become members of the Pension Scheme with effect from 16.11.95.
- (II) Contributions have to be made as under:
- a) **EMPLOYEE'S CONTRIBUTION:**  
10% of pay (Basic + DA + Spl. Inc.- irrespective of any ceiling) towards PF (i.e. as member's contribution) as deduction from the wages of the member and remitted to Trust Board.
  - b) **EMPLOYER'S CONTRIBUTION:**

|  |  |
|--|--|
| <b>Authority</b><br><i>RPFC's Ltr. No.</i><br><i>Pension I/18(1)</i><br><i>96/Vol.VII/3930</i><br><i>Dt.04-06-2001</i> | 8.33% of pay (Basic + DA + SPL. inc.- restricted to Rs. 5000/- ) towards Pension Fund out of the matching contribution of 10% of the Company's share for those employees (members) who are already the members of FPF. This amount should be paid through Challan in Account no. 10 by the concerned Pay Rolls Section and the challan submitted to the Trust Board. |
|--|--|
  - c) The balance of Company's share over and above 8.33% (as calculated under Para 3(b) above) should be remitted to the Trust Board as Company's Contribution.
  - d) In respect of Non- FPS (FPF) Members - 12% of basic + DA + Spl .inc.- irrespective of any ceiling) should be remitted to the Trust Board towards the shares of both Member's as well as Company's contributions.
  - e) The amounts have to be calculated as above towards PF/Pension and remitted to the concerned authorities with affect from February '96 (i.e. Wages for the month of February'96 and onwards) invariably.

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