
**KERALA AGRO MACHINERY CORPORATION EMPLOYEES' CONTRIBUTORY
PROVIDENT FUND SCHEME**

1. KAMC EMPLOYEES' CPF.
2. DEFINITIONS.
3. BOARD OF TRUSTEES:
4. MEETING AND DECISIONS OF THE BOARD OF TRUSTEES:
5. ACCOUNTS:
6. MEMBERSHIP.
7. SUBSCRIPTION AND CONTRIBUTION:
8. INVESTMENT AND INTEREST:
9. WITHDRAWALS
10. CONDITIONS FOR WITHDRAWALS FOR VARIOUS PURPOSES:
11. SECOND WITHDRAWAL
12. REPAYMENT OF AMOUNTS WITHDRAWN.
13. AMOUNT WITHDRAWN BUT NOT REPAID MAY BE DEEMED AS INCOME:
14. WITHDRAWAL WITHIN ONE YEAR BEFORE RETIREMENT
15. FINAL PAYMENT
16. NOMINATION
17. DECISIONS OF THE BOARD OF TRUSTEES FINAL:
18. LIABILITY OF THE TRUSTEES.
19. EMPLOYEES' PENSION SCHEME 1995.
20. AMENDMENT AND DISSOLUTION
21. STATUTORY PROVISIONS TO HAVE OVER-RIDING EFFECT
22. GENERAL

1. KAMC EMPLOYEES' CPF.

The Fund shall be called K.A.M.C. Employees' Contributory Provident Fund and these rules framed under The EPF & Misc. Provisions Act, 1952 shall be deemed to be applicable from 1st April, 1973.

2. DEFINITIONS

In these rules unless there is anything repugnant in the subject or context:

- a) 'Employer' means M/s. Kerala Agro Machinery Corporation Ltd., Athani represented by its Board of Directors or the Managing Director to whom the ultimate control over the affairs of the establishment is vested.

- b) 'Establishment' means the Kerala Agro Machinery Corporation Ltd., Athani.
 - c) '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 establishment and who gets his wages directly or indirectly from the employer and includes any person:
 - i) Employed by or through the contractor in or in connection with the work of the establishment.
 - ii) Engaged as an apprentice, not being an apprentice under The Apprentices Act, 1961 (52 of 1961) or under the standing orders of the establishment.
 - d) FUND' means the KA.M.C. Employees' Contributory Provident Fund established under these rules.
 - e) Trustees' means and include the trustees of the Fund for the time being.
 - f) 'Member' means an employee who is required under these rules to subscribe to the Fund, and shall include such other persons to whom the Employees' Provident Fund Scheme may be extended.
 - g) 'Family' means –
 - i) In case of a male member, his wife, his children, whether married or unmarried and dependent parents of the member, and the widow and children of a deceased son of the member. Provided that, if a member proves that his wife has ceased, under the personal law governing him or the customary law of the community to which the spouse belongs, to be entitled to maintenance, she shall no longer be deemed to be a part of the member's family for the purpose of these rules, unless the member subsequently intimates by express notice in writing to the Board of Trustees that she shall continue to be so regarded; and
 - ii) In the case of a female member, her husband, her children whether married or unmarried, her dependent parents, her husband's dependent parents and her deceased son's widow and children. Provided that if a member, by notice in writing to the Board of Trustees expresses her desire to exclude her husband from the family, the husband and his dependent parents shall no longer be deemed to be a part of the member's family for the purpose of these rules 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.
- h) 'excluded employee' means
 - i) an employee who having been a member of the Fund withdrew the full amount of his accumulations in the Fund under Rule 15 of these rules.
 - ii) Apprentice.
 - i) 'children' means legitimate children and includes adopted children; if the Board of Trustees is satisfied that under the personal law of the member adoption of a child is legally recognized.
 - j) 'Basic Pay' means all emoluments which are earned by an employee while on duty or on leave or on holiday with wages in either case in accordance with the terms of the contract of employment and which are paid or payable in cash to him, but does not include –

- i) the cash value of any food concession
- ii) Any Dearness allowance (that is to say, all cash payments by whatever name called paid to an employee on account of a rise in the cost of living,) house rent allowance, overtime allowance, bonus, commission or any other similar allowance, payable to the employee in respect of his employment or of work done in such employment.
- iii) Any present made by the employer.
- k) 'Financial Year' means the period commencing on the 1st of April and ending on the 31st March.
- l) All other words and expressions not defined herein shall have the same meaning respectively assigned to them in the Employees' Provident Fund & Misc. Provisions Act, 1952 and the Scheme framed thereunder.

3. BOARD OF TRUSTEES:

- i. The Fund shall vest in a Board of Trustees established by the employer according to the directions given by the Central Government or the Central Provident Fund Commissioner, as the case may be, from time to time. The Board of Trustees will be responsible for and accountable to the Employees Provident Fund Organisation, inter alia, for proper accounts of the receipts into and payment from the Provident Fund and the balance in their custody. The Board of Trustees shall consist of
 - a) The Managing Director
 - b) Three of the Directors nominated by the Board of Directors of Kerala Agro Machinery Corporation Ltd.
 - c) Four of the Subscribers to the Fund elected by the Subscribers.The Chairman of the Fund shall be the Chairman of the Company, if he is a Trustee or any other Management Trustee. The Board may at any time vary the constitution of the board of Trustees.
- ii. The Managing Director and Director Trustees shall cease to be trustees when they cease to hold their respective offices. The term of office of a Trustee shall be five years from the date of election or nomination. A person representing employer or employees shall be eligible for appointment as a member of the Board of Trustees for a maximum of not more than two terms provided that a member who has already completed two or more terms in the Board may continue his present term subject to the provisions of the Scheme. The Director Trustee and the Subscriber Trustee may at any time resign from the Board of Trustees by giving notice in writing to the Managing Director. Every vacancy in the Board of Trustees may be filled up by a fresh nomination or election as the case may be. Provided further that a Trustee elected or nominated to fill the casual vacancy shall hold office for the remaining period of the term of the Trustees in whose place he is elected or nominated.
- iii. Number of Trustees to the Board of Trustees shall neither be less than four nor more than twelve.

4. MEETING AND DECISIONS OF THE BOARD OF TRUSTEES:

- i) 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.

- ii) The question arising at the meeting shall be decided by all the trustees present, If there is a tie, the Chairman of the meeting will have a casting vote to decide the issue.
- iii) Resolution in writing circulated to all the members of the Board of Trustees and approved by not less than five members shall be valid as if they have been passed at the meeting of the Trustees.
- iv) The Trustees may nominate one among themselves to be the Secretary of the Fund. The Secretary shall have the custody of the records of the Fund and shall be its Chief Executive.
- v) The Board of Trustees shall meet at least once in every three months and shall function in accordance with the guidelines that may be issued from time to time by the Central Government/Central Provident Fund Commissioner (CPFC) or an officer authorised by him.

5. ACCOUNTS:

- i) The Accounts relating to the Fund shall be maintained as provided in Rule 74 of the Income Tax Rules. The accounts shall be finalised yearly as on 31st March and shall be audited and presented at the meeting of the Trustees held immediately thereafter.
 - a) The Accounts of the Provident Fund maintained by the Board of Trustees shall be subject to audit by a qualified independent chartered accountant annually. Where considered necessary, the CPFC or the RPFC in charge of the Region shall have the right to have the accounts reaudited by any other qualified auditor and the expenses so incurred shall be borne by the employer.
 - b) A copy of the Auditor's report along with the audited balance sheet should be submitted to the RPFC concerned by the Auditors directly within six months after the closing of the financial year from 1st April to 31st March. The format of the balance sheet and the information to be furnished in the report shall be as prescribed by the Employees' Provident Fund Organisation and made available with the RPFC Office in electronic format as well as a signed hard copy.
 - c) The same Auditors should not be appointed for two consecutive years and not more than two years in a block of six years.
- ii) The fund shall vest in the Board of Trustees who will be responsible for and accountable to the employees' Provident Fund Organisation inter-alia for proper accounts of the receipts into and payments from the Fund and the balance in their custody.
- iii) The Board of Trustees shall maintain detailed accounts to show the contributions credited, withdrawal and interest in respect of each employee. The maintenance of such records should preferably be done electronically. The establishments should periodically transmit the details of members' accounts electronically as and when directed by the CPFC/RPFC.
- iv) The Board of Trustees shall issue an annual statement of accounts to every employee within six months of the close of the financial/accounting year free of cost once in an year. Additional print outs can be made available as and when the members want, subject to nominal charges. Such statement of accounts shall be accepted as correct and binding on the members. Save that if any manifest error shall be found therein and notified by the members to the Board of Trustees in

writing within two months of receipt of the annual statement of accounts, the same may be rectified.

- v) The employer shall make necessary provisions to enable all the members to be able to see their account balance from the computer terminals as and when required by them.

6. MEMBERSHIP.

- i) All employees as defined in Section 2(f) of the EPF & Misc. Provisions Act 1952 employed by the Corporation or in connection with the work of the Corporation and who have been eligible to become members of the Provident Fund had the establishment not been granted exemption, shall be entitled and required to become members of the Fund
- ii) Where an employee who is already a member of Employees' Provident Fund or a provident fund of any other exempted establishment is employed in his establishment, the employer shall immediately enroll him as a member of the fund. The employer should also arrange to have the accumulations in the provident fund account of such employee with his previous employer transferred and credited into his account.

7. SUBSCRIPTION AND CONTRIBUTION:

- i) Every member shall subscribe to the Fund every month a sum which should not be less than 12% and more than 12½% of his monthly basic pay, DA (including cash value of food concessions) and retaining allowance (if any) actually drawn during the whole month whether paid on weekly, fortnightly or monthly basis. The amount of subscription shall be deducted from his salary/wages for each month.
- ii) The percentage of subscription once opted by the subscriber shall not be revised retrospectively. However, the percentage of subscription once opted by the subscriber may be permitted to be revised on request in writing twice in a financial year ie. during April and October, every year (salary month March and September respectively) subject to the minimum and maximum percentage of subscription allowed.
- iii) The employer will contribute each month to the Fund for credit to such subscriber an amount equal to the amount subscribed by the subscriber subject to the limit of 12½% of his salary (Pay + DA) provided that from and out of the Employer's contribution 8.33% of his salary subject to limits prescribed in the proviso to subparagraph (2) of paragraph 3 of the Employees' Pension Scheme, 1995 from time to time shall be paid as contribution to Employees' Pension Scheme 1995.
- iv) A member may, however, at his option subscribe more than the amount fixed under sub-rule (i). But the contribution from the Corporation shall remain as under sub-rule (i) notwithstanding sub-rule (iii). The rate of additional subscription shall be given effect from the month of April or October of a financial year and shall not be changed at any other interval.
- v) The contribution to Employees' Pension Fund shall be applicable only in case the employee in question is a member of the Employees' Pension Scheme, 1995 as laid down in para 6 of the said Scheme and shall cease on the Employee attaining the age of Superannuation as defined in The Employees Pension Scheme, 1995. Provided further that if the employee continues in service even after the date of superannuation the entire contribution payable by the employer as per rule 7(iii) shall be credited to the member's Account.

- vi) The employer shall transfer to the Board of Trustees the contributions payable to the Provident Fund by himself and employees at the rate prescribed under the Act from time to time by the 15th of each month following the month for which the contributions are payable. The employer shall be liable to pay simple interest in terms of the provisions of Section 7Q of the Act for any delay in payment of any dues towards the Board of Trustees.
- vii) The employer shall bear all the expenses of the administration of the Provident Fund and also make good any other loss that may be caused to the provident Fund due to theft, burglary, defalcation, misappropriation or any other reason.

8. INVESTMENT AND INTEREST:

- i) a) The Board of Trustees shall invest the monies of the Provident Fund as per the directions of the Government from time to time. Failure to make investments as per directions of the Government shall make the Board of Trustees separately and jointly liable to surcharge as may be imposed by the Central Provident Fund Commissioner or his representative.
- b) The Securities shall be obtained in the name of Trust. The securities so obtained should be in dematerialized (DEMAT) form and in case the required facility is not available in the areas where the trust operates, the Board of Trustees shall inform the Regional Provident Fund Commissioner concerned about the same.
- c) The Board of Trustees shall maintain a script wise register and ensure timely realisation of interest.
- d) The DEMAT Account should be opened through depository participants approved by Reserve Bank of India and Central Government in accordance with the instructions issued by the Central Government in this regard.
- e) The cost of maintaining DEMAT account should be treated as incidental cost of investment by the Trust. Also all types of cost of investments like brokerage for purchase of securities etc. shall be treated as incidental cost of investment by the Trust.
- f) All such investments made, like purchase of securities and bonds, should be lodged in the safe custody of depository participants, approved by Reserve Bank of India and Central Government, who shall be the custodian of the same. On closure of establishment or liquidation or cancellation of exemption from EPF Scheme, 1952, such custodian shall transfer the investment obtained in the name of the Trust and standing in its credit to the RPFC concerned directly on receipt of request from the RPFC concerned to that effect.
- g) The exempted establishment shall intimate to the RPFC concerned the details of depository participants (approved by Reserve Bank of India and Central Government), with whom and in whose safe custody, the investments made in the name of Trust, viz., Investments made in securities, bonds, etc. have been lodged. However, the Board of Trustees may raise such sum or sums of money as may be required for meeting obligatory expenses such as settlement of claims, grant of advances as per rules and transfer of member's PF accumulations in the event of his/her leaving service of the employer and any other receipts by sale of the securities or other investments standing in the name of the fund subject to the prior approval of the Regional Provident Fund Commissioner.

- h) Any commission, incentive, bonus or other pecuniary rewards given by any financial or other institutions for the investments made by the Trust should be credited to its account.
- ii) The account of each subscriber shall be credited with interest calculated on monthly running balance basis with effect from the last day in each year in the following manner.
 - a) The rate of interest shall not be less than the interest declared by the Employees' Provident Fund Organisation to its members for the respective year.
 - b) On the amount at the credit of a member on the last day of the preceding year, less any sum withdrawn during current years – interest for twelve months.
 - c) On sums withdrawn during the current year – interest from the beginning of the current year upto the last day of the month preceding the month of withdrawal.
 - d) On all the sums credited to the members account after the last day of the preceding year – interest from the first day of the month succeeding the month of credit to the end of the current year.
 - e) The total amount of interest shall be rounded to the nearest whole Rupee (50 paise counting as the next higher rupee).
 - f) In the case of claim for final settlement under rule 15 of C.P.F. Rules interest shall be payable upto the end of the month preceding the date on which the final payment is authorised irrespective of the date of receipt of the claim from the claimant concerned, provided 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.
- iii) Interest for the broken period shall be allowed for the amount transferred from other establishment from the first of the month following the month in which the amount received to the credit of the organisation to the end of the financial year. The rate of interest shall be at the rate fixed for the financial year in which the amount is transferred to the Fund.
- iv) All expenses involved in the administration of the Fund including the maintenance of accounts, submission of accounts and returns, transfer of accumulation and payment of inspection charges will be borne by the employer.
- v) Any deficiency in the interest declared by the Board of Trustees is to be made good by the employer to bring it up to the statutory limit.

9. WITHDRAWALS

- 1) Withdrawals of employees may be allowed by trustees of the Provident Fund in the following circumstances:-
 - a) To pay expenses incurred in connection with the illness of the employee or a member of his family.
 - aa) Meeting the cost of higher education, including where necessary, the travelling expenses of any child of the employee actually dependant on him in the following cases, namely:-
 - i) Education outside India for academic technical, professional or vocational courses beyond the High School stage, and

- ii) Any medical, engineering or other technical or specialised course in India beyond the High School stage, provided that the course of study is for not less than three years.
- b) to pay for the cost of passage to a place out of India of an employee or any member of his family.
- c) To pay expenses in connection with marriage of the member's daughter, his/her own marriage, the marriage of his dependant brother/sister/son and funerals or ceremonies which by the religion of the employee it is incumbent upon him to perform.
- d) To meet expenditure(i) for purchasing a dwelling house/flat, including a flat in a building owned jointly with others (outright or on hire purchase basis), or for constructing 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 (hereinafter referred to as the agency/agencies) or (ii) for purchasing a dwelling site for the purpose of construction of a dwelling house or a ready built dwelling house/flat from any individual or (iii) 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 on such site or for purchase of a house/flat in the joint name of the member and the spouse under clause (i) and (ii) above provided that where the withdrawal for the purchase of a dwelling house/flat or a dwelling site from an agency, 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 authorised by the member. Where the withdrawal is for the acquisition of a dwelling site for the purpose of construction of a dwelling house thereon from any individual or agency, the amount shall be paid in not less than two equal installments, the first instalment at the time of acquisition of the dwelling site and the remaining at his request at the time of construction of a dwelling house on such dwelling site.

A further withdrawal equivalent to the amount of difference between the amount of withdrawal admissible to a member under this rule on the date of fresh application and the amount of withdrawal that was drawn by a member under this rule any time during 6 years preceding 03.10.1981 may be granted to such a member (i) who had availed the earlier withdrawal for purchase of a dwelling site and has now proposed to construct a dwelling house on the land so purchased or (ii) who had availed the earlier advance for making initial payment towards the allotment/purchase of a house/flat from an agency as referred to in clause (a) of sub-rule (d) above and has now proposed to avail a withdrawal for completing the transaction to get the sole ownership of the house/flat so purchased or (iii) who had availed the earlier withdrawal for construction of a house but could not complete the construction in time due to lack of fund.

A second withdrawal equivalent to the amount of difference between the amount of withdrawal admissible to a member under this rule on the date of fresh application and the amount of withdrawal that was drawn by a member under rule 9(1) d at any time earlier may be granted to such a member, (1) who had availed the earlier withdrawal for purchase of dwelling site and now propose to construct a dwelling house on the land so purchased or (2) who had availed earlier withdrawal for construction of a house but could not complete the construction due to lack of funds (3) who

had earlier availed non-refundable withdrawal and secured a ready built house or completed house construction and now wish to make addition/alteration/expansion to the existing house to provide more facilities to the family provided that the second withdrawal shall be admissible only after a period of three years from the date of first withdrawal under this rule.

An additional withdrawal up to 12 months' basic wages and dearness allowance or the member's own share of contributions with interest thereon in the amount standing to his credit in the Fund whichever is less may be granted once and 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 by the member and the spouse provided that the advance shall be admissible only after a period of five years from the date of completion of the dwelling house.

- e) To pay premia on policies of insurance on the life of the employee or of his wife/husband provided that the policy is assigned to the trustees of the Fund, or at their discretion, deposited with them and that the receipts granted by the insurance company for the premia from time to time handed over to the trustees for inspection by the Income Tax Officer. Any payment made under this rule shall be made out and debited to the member's own contribution with interest thereon standing to his credit in the Fund. No payment shall be made under this rule unless the members own contribution in his PF account with interest thereon is sufficient to pay the premium and where the payment is to be made on the 1st premium, sufficient to pay the premium for two years.

No payment shall be made towards a policy unless it is legally assignable by the member to the Fund and before making payment in respect of existing policies, the Secretary of the Fund has to satisfy himself by a reference to the LIC that no prior assignment of the policy exists and the policy is free from all encumbrances.

The Fund can convert the insurance policy into a paid up one when the credit in his PF on account of his share becomes inadequate for the payment of any premium. The Fund may pay late fee and interest out of the members own contribution in his PF account, if any premium cannot be remitted to the LIC in time because of delay in sending to the Secretary, the policy duly assigned or any other reason for which the members may be responsible.

So long as the policy remains assigned to the Fund any bonus accruing on it may be drawn by the Fund and adjusted against the payment made on behalf of the member by the Fund. If a policy matures or otherwise falls due for payment during the currency of its assignment, the Fund 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.

- f) To meet the cost of legal proceedings instituted by the employee for vindicating his position in regard to any allegations made against him in respect of any act done or purporting to be done by him in the discharge of his official duty or to meet the cost of his defence when he is prosecuted by the employer in any court of law in respect of any official misconduct on his part, provided that the advance under this clause shall not be admissible to an employee who institutes legal proceedings in any

court of law either in respect of any matter unconnected with his official duty or against the employer in respect of any conditions of service or penalty imposed on him.

- g) To meet the expenses of post matriculation education of children.
- h) For the payment of wholly or partly of any outstanding principal and interest of the loan obtained from a State Government, Co-operative Society, Housing Board, HDFC Ltd., Municipal Corporation or a body similar to the Delhi Development Authority for purchase of a dwelling house or a dwelling site or for the construction of a dwelling house.

The amount of advance shall not exceed the member's basic wages and dearness allowance for thirtysix months or 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 loan whichever is less.

- i) Grant of advance in special cases
 - a) In case the factory has been locked up or closed down for more than fifteen days and its employees are rendered unemployed without any compensation or in case an employee does not receive his wages for a continuous period of two months or more, these being for reasons other than a strike, the Secretary of the Fund may on an application from an employee, who is a member of the Fund, in such form as may be prescribed authorise payment to him, of one or more non-recoverable advances from his Provident Fund account not exceeding his own total contribution including interest thereon up to the date the payment has been authorised.
 - 1.a) In case a Provident Fund member is discharged or dismissed or retrenched by the employer and such discharge or dismissal or retrenchment is challenged by the member and the cases are pending in a Court of Law, the Secretary of the Fund may on an application from the member in such form as may be prescribed authorise payment to him of one or more non-recoverable advances from his Provident Fund account not exceeding fifty percent of his own share of contribution with interest thereon standing to his credit in the Fund on the date of such authorisation
 - 2.a) In case the factory continues to remain locked up or closed down for more than six months, the Secretary of the Fund, on being satisfied that a member who has already been granted one or more non-recoverable advances from his Provident Fund account under sub-paragraph (1) 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 therefor in such form as may be prescribed in this behalf, authorise 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 contribution including interest thereon upto the date on which the payment has been authorised. 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.

- b) The advance granted under clause (a) shall be interest-free.
- c) The advance granted under clause (a) shall be recovered by deductions from the wages of the member in such installments (subject to a maximum of thirtysix instalments) as may be determined by the Secretary of the Fund. The recovery shall commence from the first wages paid to the member immediately after the re-start of the factory.
- d) The employer shall remit the amount so deducted to the Fund within such time in such manner as may be specified by the Secretary of the Fund. The amount, on receipt, shall be credited to the member's account in the Fund.

(Explanation – for the purpose of grant of advance under this paragraph, the establishment may be closed legally, illegally, with permission or without permission, so long as the establishment is closed).

- j) Grant of advances in abnormal conditions
 - 1. The Secretary of the Fund may on an application from a member whose property, movable or immovable, has been damaged by a calamity of exceptional nature, such as floods, earthquakes or riots, authorise payment to him from the Provident Fund account, a non-refundable advance, of (rupees five thousand) or fifty percent of his own total contributions including interest thereon standing to his credit on the date of such authorisation, whichever is less, to meet any unforeseen expenditure.
 - 2. No advance under sub-paragraph (1) shall be paid unless –
 - i. the State Government has declared that the calamity has affected the general public in the area;
 - ii. the member produces a certificate from an appropriate authority to the effect that his property (movable or immovable) has been damaged as a result of the calamity and
 - iii. the application for advance is made within a period of 4 months from the date of declaration referred to in sub-para (i).
- 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, namely:-

 - a) 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.
 - b) The advance shall be restricted to the amount of wages for a month or Rs.300/- 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;

- c) No advance shall be paid unless the State Government certify that the cut in the supply of electricity was enforced in the area in which the factory is located and the employer certifies that the fall in the member's pay was due to cut in the supply of electricity.
- d) Only one advance shall be admissible under the paragraph.

(Explanation – 'Wages' means for the purpose of this paragraph, basic wages and dearness allowance excluding lay-off compensation, if any).

- l) Grant of advance to members who are physically handicapped.
 - 1. A member, who is physically handicapped, may be allowed a non-refundable advance from his account in the Fund, for purchasing an equipment required to minimise the hardship on account of handicap.
 - 2. No advance under sub-paragraph(1) shall be paid unless the member produces a medical certificate from a competent medical practitioner to the satisfaction of the Secretary of the Fund in this behalf to the effect that he is physically handicapped.
 - 3. The amount advanced under this paragraph shall not exceed the member's basic wages and dearness allowance for six months or his own share of contributions with interest thereon or the cost of the equipment, whichever is the least.

No second advance under this paragraph shall be allowed within a period of three years from the date of payment of an advance allowed under this paragraph.

10. CONDITIONS FOR WITHDRAWALS FOR VARIOUS PURPOSES:

- 1) The withdrawals in connection with expenses on marriages as specified in clause (c) of sub-rule (1) of rule 9 shall not exceed six months basic wages or the total of the accumulation of exempted contributions and exempted interest lying to the credit of the employee whichever is less.
- 2) The withdrawal for the purpose specified in clause (d) of sub-rule (1) of rule 9 shall be subject to the following conditions.
 - a) The purpose of purchase of a site for construction of house thereon the amount of advance shall not exceed 24 months' Pay + DA or the share of contributions with interest thereon or the actual cost towards the acquisition of dwelling site, whichever is the least.
 - b) For the purpose of acquisition of ready built house/flat or for construction of a house/flat the withdrawal shall not exceed the member's basic wages and dearness allowance for thirtysix month or the member's own share of contribution together with the employer's share of contribution with interest thereon or the total cost of construction whichever is the least.
 - i. The employee shall have completed five years of service or is due to retire within the next ten years.
 - ii. The construction of the house should be commenced within six months of the withdrawal and should be completed within one year from the date of commencement of the construction.

- iii. If the withdrawal is made for the purchase of a house and/or a site for a house, the purchase should be made within six months of the withdrawal.
 - iv. If the withdrawal is made for the re-payment of loan previously raised
 - v. for the purpose of construction or purchase of a house, the repayment of the loan should be made within three months of withdrawal.
 - vi. Where the withdrawal is for the construction of a house, it shall be transmitted in two or more equal installments (not exceeding four), a latter instalment being permitted only after verification by the trustees about the actual utilisation of the earlier withdrawal.
 - vii. The withdrawal shall be permitted only if the house and/or site is free from encumbrances and no withdrawal shall be permitted for purchasing a share in a joint property or building or house or land whose ownership is divided.
 - viii. If the amount withdrawn exceeds the actual cost of the purchase or construction of the house and/or site, or if the amount is not utilised for the purpose for which it is withdrawn, the excess or the whole amount, as the case may be shall be refunded to the trustees forthwith in one lumpsum together with interest from the month of such withdrawal at the rate prescribed in sub-rule (3) of Rule 12. The amount so refunded excluding the penal interest 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 the member's own share of contribution in his account. The amount of penal interest shall, however, be credited to the Interest Suspense Account.
- 3) a. Where any advance granted under this rule has been misused by the member no further advance shall be granted to him within a period of three years from the date of grant of the said advance or till the full recovery of the amount of the said advance with penal interest thereon, The withdrawal for the purpose specified in clause (g) of sub rule (1) of rule 9 shall be subject to the following conditions:-
- i) The member should have completed 7 years membership in the Fund.
 - ii) The amount of his total contribution with interest thereon to his credit in the fund is Rs.1000/- or more.
 - iii) Advance shall be limited to the actual number of children undergoing studies.
- b. No advance shall be sanctioned under rule 9(1)(h) unless;
- i. The member has completed ten years membership of the Fund and;
 - ii. 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
 - iii. The member produces a certificate or such other documents as may be prescribed by the Board of Trustees or whereso authorised by the Board of Trustees, any officer subordinate, 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.

- c. The payment of the advance under 9(i) shall be made direct to such agency on receipt of an authorisation from the member in such manner as may be specified by the Board of Trustees, or whereso authorised by the Trustees, any officer subordinate to them, and in no event the payment shall be made to the member.
- 4) The withdrawal for the purpose specified in clause (f) of sub-rule (1) of rule 9 shall not exceed 3 months basic wages or Rs.500/- whichever is greater but shall in no case exceed half the amount to the credit of the employee.
- 5) a. The withdrawal for the purpose specified in clause (a) of sub-rule (1) of rule 9 shall not exceed 6 months basic wages and dearness allowance or the total of the accumulation of exempted contribution and exempted interest lying to the credit of the employee, whichever is less.
 - b. The withdrawal for any other purpose referred to in sub-rule (1) of rule shall not exceed 3 months basic wages or the total of the accumulation of exempted contribution and exempted interest lying to the credit of the employee, whichever is less.
- 6) For the purpose of this rule 'Basic wages' means the pay to which the employee is entitled at the time when the withdrawal is granted and in case of employees on consolidated wages, daily rates and/or monthly paid 32% of such wages or in the case of an employee who retains his employment while serving in the armed forces of the Union or when taken into or employed in the National Service under any law for the time being in force, the pay (including increments, if any) which he would have received had he not entered the armed forces of the Union or been taken into or employed in the national service.
- 7) All claims for withdrawals, advances and transfers should be settled expeditiously, within the maximum time frame prescribed by the Employees' Provident Fund Organisation.

11. SECOND WITHDRAWAL

1. Save as in sub rule (2), a second withdrawal shall not be permitted until the sum first withdrawn has been fully repaid.
2. A withdrawal may be permitted for the purpose specified in clauses (a), (c), (d), (e), (g) and (h) of sub-rule (1) of rule 9 notwithstanding that the sum withdrawn for any other purpose has not been repaid. A withdrawal may be permitted for any other purpose notwithstanding that the sum withdrawn for the purpose specified in clauses (a), (c), (d), (e), (g) or (h) of sub rule (1) of rule 9 has not been repaid.

12. REPAYMENT OF AMOUNTS WITHDRAWN.

1. Subject to the provisions of clause (viii) of sub-rule (2) of rule 10 where a withdrawal is allowed for a purpose specified in clause (a),(c),(d),(e),(g) or (h) of sub rule (1) of rule 9, the amount withdrawn need not be repaid.
2. Where a withdrawal is allowed in connection with marriage as specified in clause (c) or illness as specified in clause (a) of sub-rule (1) of Rule 9 and the member indent to refund the amount in monthly installments, the amount withdrawn shall be repaid in not more than fortyeight equal monthly installments.

3. In respect of withdrawal referred to in sub-rule (2) and the amount referred to in clause (viii) of sub-rule (2) of Rule 10, interest shall be paid at one percent above the rate which is payable for the time being on the balance in the Fund at the credit of the employees. The amount of interest under clause (viii) of sub-rule (2) of rule 10 is refundable.

The interest shall be recovered in additional installments as below:-

Monthly instalment not more than 12	:	1 additional instalment.
Monthly instalment	13 to 24	: 2 -do-
Monthly instalment	25 to 36	: 3 -do-
Monthly instalment	37 to 48	: 4 -do-

Provided that at the discretion of the trustees of the Fund, interest may be recovered on the amount aforesaid or the balance thereof outstanding from time to time at one percent above the rate, which is payable for the time being on the balance in the Fund at the credit of the employee.

4. The employer shall deduct the installments aforesaid from the employee's salary, and pay them to the trustees of the Fund. These deductions shall commence from the second monthly payment of salary made after the withdrawal or, in the case of an employee on leave without pay, from the second monthly payment of salary made after his return to duty.

13. AMOUNT WITHDRAWN BUT NOT REPAID MAY BE DEEMED AS INCOME:

In case of default of repayment of installments due under sub-rule (2) or sub-rule (3) or sub-rule(4) of rule 12 or where the amount withdrawn is not utilised for the purpose for which it is withdrawn, the Commissioner of Income Tax may at his discretion order that the amount of withdrawal or the amount outstanding shall be added to the total income of the employee for the year in which the default occurs or the withdrawn amount is finally held not to have been utilised for the purpose for which it is withdrawn, and the Income Tax Officer shall assess the employee accordingly.

14. WITHDRAWAL WITHIN ONE YEAR BEFORE RETIREMENT

The Board of Trustees may on an application from the member in such form as may be prescribed permit withdrawal of upto 90% of the amount standing at his credit at any time after attainment of the age of 54 years by the member or within one year before his actual retirement on superannuation, whichever is later.

15. FINAL PAYMENT

On a subscriber leaving the service of the Corporation the amount standing to his credit including interest upto previous month on which the amount has been authorised for payment shall be paid within 60 days of his ceasing to be an employee of the Corporation.

- a) On the death of a member the minimum amount payable to the nominee should be Rs.2000/-.

16. NOMINATION

- i) Every member shall as soon as may be after joining the Fund make a nomination in the term set out conferring the right to receive the amount that may stand to his credit in the Fund in the event of his death before the amount standing to his

credit has become payable or where the amount has become payable before payment has been made.

- ii) A member may in his nomination distribute the amount that may stand to his credit in the Fund amongst his nominees at his own discretion. If a member has a family at the time of making nomination, the nomination shall be in favour of one or more persons belonging to his family. Any nomination made by such member in favour of a person not belonging to his family shall be invalid.

Provided that a fresh nomination shall be made by the member on his marriage and any nomination made before such marriage shall be deemed to be invalid.

- iii) 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 acquired 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 person belonging to his family.
- iv) A nomination may at any time be modified by a member after giving a written notice of his intention of doing so, in the prescribed form. If the nominee predeceases the member, the interest of the nominee shall revert to the member, who may make a fresh nomination in respect of such interest.
- v) Where the nomination is wholly or partly in favour of a minor, the member may, for the purposes of this rule appoint a major person of his family, as defined in clause (g) of rule 2, to be the guardian of the minor nominee in the event of the member predeceasing the nominee and the guardian so appointed.

Provided that where there is no major person in the family, the member may, at his discretion, appoint any other person to be a guardian of the minor nominee.

- vi) 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 Board of Trustees.
- vii) On the death of a subscriber who has made nomination, the amount payable to him shall be paid to his nominee.
- viii) No person or persons claiming under or through a subscriber, other than a nominee, shall be entitled to claim any payment of money which may be standing to the credit of the subscriber in the books of the Fund.
- ix) Save as herein provided with regard to nomination, no subscriber shall be entitled in any way to deal with or transfer by way of security or otherwise his interest or any part thereof in the Fund and any such transaction or transfer shall be invalid and the trustees shall not recognise or be bound by any notice to them of any such transactions.

17. DECISIONS OF THE BOARD OF TRUSTEES FINAL:

The decision of the Trustees shall be final and binding upon all subscribers and persons claiming under them in all respects and upon all matters. All questions and disputes relating to or connected with these schemes or with the Fund or on the administration thereof or the rights or obligations of the subscriber including all disputes and differences which may arise between any member or his executors and administrators, nominees or representatives and the Trustees as to the meaning or effect of any of these provisions or to any matter relating to or arising out of these shall be referred to the Regional P.F. Commissioner and his decision shall be final.

18. LIABILITY OF THE TRUSTEES.

No trustees shall be liable or chargeable for any act done by him in good faith or any omission otherwise than willfully and with intention to defraud.

19. EMPLOYEES' PENSION SCHEME 1995.

The Employees' Pension Scheme 1995 shall apply to the employees of this Corporation. The declaration form prescribed under the Scheme shall be obtained from all concerned and communicated to the Regional Commissioner appointed by the Government under the Scheme.

20. AMENDMENT AND DISSOLUTION

- (1) Subject to the approval of the Regional Provident Fund Commissioner and the Commissioner of Income Tax, the Board of Trustees may at any time add to, delete or amend any of the provisions of this scheme, but the main purpose of the Fund shall not, thereby, be affected. With the consent of the beneficiaries as also the Regional P.F. Commissioner, the Board of Trustees may also dissolve the Fund at any time, in which event the balance remaining to the credit of each subscriber after realisation of the investments made out of this Fund and adjusting the gain or loss on such realisation, shall be paid to the subscribers. The members shall have a right to appeal to the Regional P.F. Commissioner in case the Regional P.F. Commissioner approves any amendment to their disadvantage. In case of any dispute regarding any amendment to these rules, the decision of the Regional P.F. Commissioner shall be final. Provided further that any amendment suggested by the Provident Fund Commissioner from time to time in conformity with The EPF & Misc. Provisions Act, 1952 and the scheme framed thereunder shall always be effected.
- (2) Any amendment to the Scheme, which is more beneficial to the employees than the existing rules of the establishment, shall be made applicable to them automatically pending formal amendment of the Rules of the Trust.
- (3) No amendment in the rules shall be made by the employer without the prior approval of the Regional Provident Fund Commissioner (referred to as RPFC hereafter). The RPFC shall before giving his approval give a reasonable opportunity to the employees to explain their point of view.

21. STATUTORY PROVISIONS TO HAVE OVER-RIDING EFFECT

- i) In the absence of any specific provisions in these rules or if any provision of these rules is less beneficial than the corresponding provisions of The EPF & Misc. Provisions Act, 1952 and The Employees' Provident Fund Scheme, 1952 framed thereunder, the latter provisions shall prevail, mutatis mutandis.
- ii) Where any provisions of these rules conflicts with any provisions of the EPFScheme 1952, the latter shall always be deemed to prevail.
- iii) Question whether any rule is beneficial or not shall be decided by the Regional Provident Fund Commissioner whose decision shall be final.

22. GENERAL

- a) The employer shall display on the notice board of the establishment, a copy of the rules of the Fund as approved by the appropriate authority and as and when amended thereto along with a translation in the language of the majority of the employees.

- b) The rate of contributions payable, the conditions and quantum of advances and other matters laid down under these rules and the interest credited to the account of each member, calculated on the monthly running balance of the member and declared by the Board of Trustees shall not be lower than those declared by the Central Government under the various provisions prescribed in the Act and the Scheme framed thereunder.
- c) The Board of Trustees and the employer shall file such returns monthly/annually as may be prescribed by the Employees' Provident Fund Organisation within the specified time-limit, failing which it will be deemed as a default and the Board of Trustees and employer will jointly and separately be liable for suitable penal action by the Employees' Provident Fund Organisation.
- d) The employer and the members of the Board of Trustees, at the time of grant of exemption, shall furnish a written undertaking to the RPFC in such format as may be prescribed from time to time, inter alia, agreeing to abide by the conditions which are specified and this shall be legally binding on the employer and the Board of Trustees, including their successors, and assignees, or such conditions as may be specified later for continuation of exemption.
- e) The employer and the Board of Trustees shall also give an undertaking to transfer the funds promptly within the time limit prescribed by the concerned RPFC in the event of cancellation of exemption. This shall be legally binding on them and will make them liable for prosecution in the event of any delay in the transfer of funds.
- f) If the company is reporting loss for three consecutive financial years or if there is erosion in the capital base of the Company, the EPFO will have the power to withdraw the exemption granted, with effect from the first day of the next/succeeding financial year.
- g) The employer in relation to the exempted establishment shall provide for such facilities for inspection and pay such inspection charges as the Central Government may from time to time direct under clause (a) of sub section (3) of Section 17 of the Act within 15 days from the close of every month.
- h) In the event of any violation of the conditions for grant of exemption, by the employer or the Board of Trustees, the exemption granted may be cancelled after issuing a show cause notice in this regard to the concerned person.
- i) In the event of any loss to the trust as a result of any fraud, defalcation, wrong investment decisions etc., the employer shall be liable to make good the loss.
- j) In case of any change of legal status of the establishment, which has been granted exemption, as a result of merger, demerger, acquisition, sale amalgamation, formation of a subsidiary, whether wholly owned or not etc., the exemption granted shall stand revoked and the establishment should promptly report the matter to the RPFC concerned for grant of fresh exemption.
- k) In case, there are more than one unit/establishment participating in the common Provident Fund Trust which has been granted exemption, all the trustees shall be jointly and separately liable/responsible for any default committed by any of the trustees/employer of any of the participating units and the RPFC shall take suitable legal action against all the trustees of the common Provident Fund Trust.
- l) The Central Government may lay down any further conditions for continuation of exemption of the establishments.