

**GUJARAT RAJYA KHADI GRAMODYOG BOARD  
CONTRIBUTORY PROVIDENT FUND RULES, 1974**

**CONTENTS**

1. Short title and Commencement
2. Definitions
3. Constitution and Management of Fund
4. 4
5. Nomination
6. Subscribers Accounts
7. Conditions and Rates of subscriptions
8. 8
9. Realization of Subscription
10. Contribution by the Board
11. Interest
12. Advances the Fund
13. 13
14. Final withdrawal from fund
- 14B. 14B
- 14C. 14C
- 14D. 14D
- 14E. 14E
15. Payment towards Insurance Policies
16. 16
17. 17
18. 18
19. 19
20. Deduction
21. Payment
22. Procedure
23. 23
24. 24

**SCHEDULE 1 :- Forms of Nomination**

**GUJARAT RAJYA KHADI GRAMODYOG BOARD  
CONTRIBUTORY PROVIDENT FUND RULES, 1974**

In exercise of the powers conferred by section 30 of the Bombay Khadi and Village Industries Act. 1960 (Bom. No. XIX of 1960) the Gujarat Rajya Khadi Gramodyog Board, with previous sanction of the Government of Gujarat as accorded to under Industries, Mines and Power Department letter No. VIS-1163/2470-KH, dated the

4th July, 1974, makes the following Rules, namely:-

**1. Short title and Commencement :-**

(i) These rules may be called the Gujarat Rajya Khadi Gramodyog Board Contributory Provident Fund Rules, 1974.

(ii) They shall come into force on the 4th of July, 1974.

**2. Definitions :-**

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

(i) 'Act' means the Bombay Khadi and Village Industries Act of 1960-Bombay Act XIX of 1960.

(ii) 'Board' means Gujarat Rajya Khadi Gramodyog Board.

(iii) 'Emolument' means the pay leave salary or subsistence grant as defined in the service regulation applicable to the employees of the Board and includes allowances. - (a) Any wages paid by Board to employees not remunerated by fixed monthly pay. (b) Any remuneration of the nature of pay received in respect of foreign service. (c) Dearness appropriate to pay, leave salary or subsistence grant.

(iv) 'Secretary' means Member-Secretary of the Board and includes any other Officer to whom he may delegate his powers under the rules.

(v) 'Family' means:

(a) In the case of a male subscriber, the wife or wives and children of a subscriber and the widow or widows and children of a deceased son of the subscriber: Provided that if a subscriber proves that his wife has been judicially separated from him or has caused under the customary law of the community to which she belongs to be entitled to maintenance she shall henceforth be deemed to be no longer a member of the subscriber's family in matters to which these Rules relate, unless the subscriber subsequently indicates by expressly in writing to the Secretary, that shall continue to be so regarded and provided further that the term, wife, or widow shall not for the purpose of these rules include a woman taken as a wife by a person under bigamous marriage after the coming into force of these rules irrespective of such marriage being legal or recognised under the law or custom applicable to such persons if a wife

previously married to him is alive, unless such bigamous marriage is contracted or performed with the written permission of the Secretary.

(b) In the case of a female subscriber, the husband, and the children of the subscriber and the widow or widows and children of a deceased son of the subscriber. Note.-(i) 'Children' means legitimate children. (ii) An adopted child shall be considered to be a child when that it's legally adopted child. (vi) "Fund" means Contributory Provident Fund: (vii) "Leave" means any variety of leave recognised by the service regulation applicable to the subscriber: (viii) "Member" means an employees appointed by the Board and includes every person who immediately before the appointed day is an employee of the former Saurashtra Board OR the pre- organisation Board and allotted for service to this Board under Section (33)5 of the Act and who has completed atleast one year continuous service or other Boards or the Board and whose emoluments are charged in salaries Accounts in Books of the Boards or Board: (ix) "Year" means a financial year (beginning from 1st April and ending on the 31st March) (x) 'Schedule' means the Schedule appended to these rules.

### **3. Constitution and Management of Fund :-**

The fund shall be administered by the Board.

### **4. 4 :-**

These rules shall apply to:

(i) Every member in the service of the Board in respect of whose service, no pension, contribution is payable by the Board to the Government.

(ii) Every member of Board to whom these rules apply shall be a subscriber to the Fund.

(iii) The balance at the credit of any member of Board in any such fund as is referred to in sub-rule (1) shall, with effect from the date on which these rules come into force, be transferred to his credit in the fund.

(iv) If a member admitted to the benefit of the fund was previously a subscriber to any other contributory or the amount of his subscriptions and Boards contribution in the other Contributory Provident Fund/or as together with interest thereon, shall be transferred to his credit in the fund.

(v) If a member admitted to the benefit of the fund was previously a subscriber to any other contributory provident fund or the amount of his subscription and the Board contribution in the contributory provident fund or as the case may be, together with interest thereon, shall be transferred to his credit in the Fund, with the consent of the other institution or Board.

## **5. Nomination :-**

(i) A subscriber shall at the time of joining the fund send to the Secretary a nomination conferring on one or more persons the right to receive the amount that may stand to his credit in the Fund, in the event of his death before that amount has become payable or having become payable, has not been paid:

Provided that if, at the time of making the nomination, subscriber has a family, the nomination shall not be in favour of any persons other than the member of his family:

Provided further that the nomination made by the subscriber in respect of any other Provident Fund to which he was subscribing before joining the Fund shall, if the amount to his credit in such other Fund has been transferred to his credit in this fund, be deemed to be a nomination duly made under this rule until he makes a nomination in accordance with this rule.

(ii) If a subscriber nominates more than one persons under sub-rule (1) he shall specify in the nomination the amount or share payable to each of the nominees in such manner as to cover the whole of the amount that may stand to his credit in the Fund at any time.

(iii) Every nomination shall be in such one of the Forms set forth in the schedule as is appropriate in the circumstances.

(iv) A subscriber may at any time cancel a nomination by sending a notice in writing to the Secretary. Provided that the subscriber shall alongwith such notice send a fresh nomination made in accordance with the provisions of this rule.

(v) A subscriber may provide in a nomination

(a) in respect of any specified nominee that in the event of his predeceasing the subscriber the right conferred upto that nominee shall pass to such other person or persons may be specified in the nomination provided that such other person or persons shall if the subscriber has other members of family, be such other member or

members,

(b) that the nomination shall become invalid in the even on the happening of a contingency specified therein provided that if at the time of making the nomination the subscriber has no family he shall provide in the nomination that it shall become invalid in the event of his subsequently acquiring a family:

Provided that if at the time of making the nomination the subscriber has only one member of the family he shall provide in the nomination that right conferred upon the alternative nominee under clause (a) shall become invalid in the event of his subsequently acquiring other member or members in the family.

(vi) Immediately on the death of a nominee in respect of whom no special provision has been made in the nomination under clause (a) of sub-rule (v) or on the occurrence of any event by reason of which the nomination becomes invalid in pursuance of clause (b) of sub-rule (v) or the proviso thereto, the subscriber shall send to Secretary a notice in writing canceling the nomination together with a fresh nomination made in accordance with the provisions of this rule.

(vii) Every nomination made and every notice of cancellation given by a subscriber, shall to the extent that it is valid, take effect on the date on which it is received by the Secretary.

## **6. Subscribers Accounts :-**

An account shall be opened in the name of such subscriber on the books of the Board in which shall be credited.

(i) the subscribers subscriptions,

(ii) contributions made under rule 10 by the Board to his account,

(iii) Interest as provided by rule 11 on subscription, and

(iv) Interest as provided by rule 11 on contribution, to his account by the Board.

## **7. Conditions and Rates of subscriptions :-**

(i) Every subscriber shall subscribe monthly to the fund when on duty or foreign service but not during a period of suspension provided that a subscriber on reinstatement after a period passed under suspension shall be allowed the option of paying in one sum or installments any sum not exceeding the maximum amount of

arrears of subscription permissible for that period.

(ii) A subscriber may at his option not subscribe during leave.

(iii) The subscriber shall intimate his election not to subscribe during leave in the following manner:- (a) If he is an officer who draws his own pay bills by making no deduction on account of subscription in his first pay bills drawn after proceeding on leave. (b) If he is not an officer who draws his own pay bills by written communication to the head of his office before he proceeds on leave. Failure to make due and timely intimation shall be deemed to constitute an election to subscribe. The option of a subscriber intimated under this sub-rule shall be final.

(iv) A subscriber who has under rule 18 withdrawn the amount of subscriptions and interest thereon shall not subscribe to the Fund after such withdrawal unless and until he returns to duty.

#### **8. 8 :-**

(i) The amount of subscription shall be fixed by the subscriber himself subject to the following conditions: (a) It shall be expressed in whole rupees; (b) It may be any sum, so expressed not less than 6 1/4% (after 1st August 1963, 8 1/3%) at his emoluments and not more than his emoluments.

(ii) For the purposes of sub-rule (1) the emoluments of a subscriber shall be co-emoluments which he was entitled to draw in the month to which the subscription relates.

(iii) The amount of subscription so fixed shall remain unchanged throughout the year.

(iv) When a subscriber is sent on deputation or foreign service outside of the Board, he shall remain subject to the rules of the fund in the same manner as if he was not sent on deputation.

#### **9. Realization of Subscription :-**

(1) When emoluments are drawn from the Board, the recovery of subscription on account of these emoluments and of their principle and interest of advances shall be made from the emoluments themselves.

(ii) When emoluments are drawn from any other source the subscriber shall forward his dues monthly to the Secretary.

## **10. Contribution by the Board :-**

(i) Board shall with effect from 31st March of every year make a contribution to the account of each subscriber a sum equivalent to 8 1/3 from 1st August 1963 of his emoluments for the year:

Provided that if a subscriber quits the service or dies during the year, contribution shall be credited to his account for the period between the close of the preceding year and the date of the casualty: Provided that in respect of a period during which a subscriber in foreign service, the contribution shall be recovered by the Board from the subscriber rules it is paid by the foreign employer.

(ii) Should subscriber elect to subscribe during leave, his leave salary shall, for the purposes of this rule, be deemed to be emoluments drawn on duty.

(iii) The amount of contribution payable shall be rounded to the nearest whole rupee-fifty paise counting as the next higher rupee.

## **11. Interest :-**

(i) This account of a subscriber shall be credited with interest at such rate as the Board may from time to time prescribe for payment of interest on subscription to the provident fund on the amount at his credit in the fund. The rate of interest that may be decided by the Board will not be less than that prescribed by the State Government from time to time.

(ii) Interest shall be credited with effect from 31st March of each year in the following manner.

(a) On the amount at the credit of a subscriber on the 31st March of the preceding year, less any sums withdrawn during the current year interest for twelve months.

(b) On sums withdrawn during the current year interest from the 1st April of the current year upto the last day "of the month preceding the month of withdrawal.

(c) On all sums credited to the subscriber's account after the 31st March of the preceding year interest from the date of deposit upto 31st March of the current year

**1** [(c-i) Whatsoever surplus of interest that accrues after giving credit of interest at the rate prescribed by the Board in the

subscriber's account shall be apportioned proportionately in relation to the amount standing as credit in the subscriber's Account every year.]

(d) The total account of interest shall be rounded to the nearest rupee in the manner provided in sub-rule (iii) of rule iv: Provided that when the amount standing at the credit of subscriber has become payable interest shall there upon be credited under this sub-rule in respect only of the period from the beginning of the current year or from the date of deposit, as the case may be, upto the date on which the amount standing at the credit of the subscriber became payable.

(iii) For the purpose of this rule, the date of deposit shall, in the case of recoveries from emoluments, be deemed to be the first day of the month in which they are recovered and in the case of amounts forwarded by the subscriber, shall be deemed to be the first day of the month of receipt, if they are received by the Board before the fifth day of that month, or if they are received on or after the fifth day of that month, the first day of next succeeding month.

(iv) In addition to any amount to be paid under Rule 21 interest thereon upto the end of the month preceding that in which payment is made, or upto the end of the sixth month after the month in which such amount became payable, whichever or there periods be less, shall be payable to the person to whom such amount is to be paid: Provided that no interest shall be paid in respect of any period after the date which the Board has intimated to that person (or his agent) as the date on which he is prepared to make payment in cash or if he pays by cheque/draft, after the date on which the cheque/draft in that person's favour is put in the post.

1. Inserted by Notfn. dt. [22-8-1980].

## **12. Advances the Fund :-**

A temporary advance may be granted to a subscriber from the amount standing to his credit in the fund at the discretion of the appropriate authority subject to the following conditions:

(a) No advance shall be granted unless the sanctioning authority is satisfied that the applicants pecuniary circumstances justify it: and that it will be expended on the following object or objects and not otherwise:

(i) to pay expenses in connection with the prolonged or serious illness or complement of the applicant or any person actually dependent on him.

(ii) to pay for overseas passage for reasons of health or any person actually dependent on him.

(iii) to meet the cost of education of the applicant or any person actually dependent upon him. 2. Outside in an academic, technical, professional or vocational course OR. 3. In India, beyond the High School stage in a college or in Medical Engineering or other Technical or Specialized course of study (provided that the course of such study is not less than 3 years).

(iv) to pay obligatory expenses on a scale appropriate to the applicant's status which by customary usage the applicant has to incur in connection with marriages, funerals or ceremonies which by his religion it is incumbent on him to perform.

(v) to meet the cost of legal proceedings instituted by the subscriber for indicating his position in regard to any allegations made against him in respect of any act done or supporting to be done by him in the discharge of his official duty the advance in this case being available in addition to any advance admissible for the same purpose from any other source:

Provided that the advance under this sub-rule shall not be admissible to subscriber who institutes legal proceedings in any court of law either in respect of any matter unconnected with his official duty or against Board in respect of any condition of service or penalty imposed on him.

(vi) To meet the cost of his defence when he is prosecuted by Board in any court of law for where the subscriber engages a legal practitioner to defend himself in any enquiry in respect of any alleged official mis-conduct in his part.

(b) An advance shall not except for special reasons exceed three months pay and shall in no case exceed the amount of subscriptions and interest thereon standing to the credit of the subscriber in the fund.

(c) An advance shall not except for special reason be granted until atleast three months after the final repayment of all previous advances together with interest thereupon, unless the amount

already advanced does not exceed 2/3rds of the amount admissible under clause (b).

(d) Notwithstanding anything contained in clauses (b) and (c) the advance to be sanctioned for the objects mentioned in sub-clause (i) to (v) of clause (a) shall not exceed three months pay or Rs. 500 whichever is greater and shall in no case exceed the amount of subscriptions and interest thereon standing to the credit of the subscriber in the fund. (e) The sanctioning authority shall record in writing its reasons for granting advance.

### **13. 13 :-**

(i) An advance shall be recovered from the subscriber in such number of equal monthly installments as the sanctioning authority may direct but such number shall not be less than twelve unless the subscriber selects and more than twenty-four. In special cases where the amount of advance exceeds three month's pay of the subscriber under clause (b) of Rule 12, the sanctioning authority may fix such No. of installments to be more than 24 but in no case more than 36. A subscriber may at his option make repayment in a smaller number of installments than that prescribed. Each installment shall be a number of whole rupees the amount of the advance being raised or reduced, if necessary to admit of the fixation of such installments.

(ii) Recovery shall be made in the manner prescribed in Rule 9 for the realization of subscription and shall commence with the issue of any for the month following the one in which the advance was drawn. Recovery shall not be made, except with the subscriber's consent, while he is on leave or in receipt of subsistence grant and may be postponed by the sanctioning authority during the recovery of an advance of pay granted to the subscriber.

(iii) If more than one advance has been made to a subscriber, each advance shall be treated separately for the purpose of recovery.

(iv) (a) after the principal of the advance has been fully repaid interest shall be paid thereon at the rate of one fifth per cent of the principal for each month or broken portion of a month during the period between the drawal and complete repayment of the principal. (b) Interest shall ordinarily be recovered in one installment in the month after complete repayment of the principal but if the period referred to in clause (9) exceeds 20 months interest may if the subscriber so desires, be recovered in 2 equal

monthly installments. The method of recovery shall be that provided in sub-rule (2) payment shall be rounded to the nearest rupees in the manner provided in sub-rule (6) of rule (10).

(v) If an advance has been granted to a subscriber and drawn by him and the advance is subsequently disallowed before repayment is completed the whole of balance of the amount withdrawn shall with interest at the rate provided in rule 11, forthwith be repaid by subscriber to the Fund or in default be ordered by the authority competent to sanction an advance for the grant of which special reasons are required under clause (b)a or clause (c) or rule 12.

(vi) Recoveries made under this rule shall be credited as they are made to the account of the subscriber in the Fund.

#### **14. Final withdrawal from fund :-**

(a)(i) Subject to the conditions specified therein this rule and rule 14-B and 14-C final withdrawals may be sanctioned by the authorities competent to sanction an advance for special reasons under the clause (b) (c) or rule 12 at any time. (ii) After the completion of 15 years of service (including broken period of service, if any) of a subscriber or within 10 years before the date of his retirement on superannuation, whichever is earlier, final withdrawal may be made for the amount standing to his credit in the Fund, for one or more of following purposes; namely: (a) Meeting the cost of higher education, including where necessary, the travelling expenses at any child of subscriber actually dependent on him in the following cases, namely: - (1) For education outside India for academic, technical, professional or vocational course beyond the High School stage, and (2) For any medical, engineering or other technical or specialized course in India beyond the High School stage, provided that the course of study is for not less than 3 years.

(b) Meeting the expenditure in connection with the marriage of a son or of a daughter of the subscriber and he has no daughter of any other female relation dependent on him.

(c) Meeting the expenses in connection with the illness including where necessary the travelling expenses of the subscriber or any person actually dependent on him.

(d) Building or acquiring a suitable house for his residence including the cost of the site or repaying any outstanding amount on account

of the loan expressly taken for this purpose before the date of receipt of the application for withdrawal but not earlier than 12 months of that date or reconstructing or making additions or alteration to a house already owned by a subscriber.

(e) Purchasing a house site or repaying any outstanding amount on account of loan expressly taken for this purpose before the date of receipt of the application for the withdrawal but not earlier than 12 months of that date.

(f) For constructing a house on a site purchased utilizing the sum withdrawn under clause (b).

(iii) A subscriber who has availed himself of an advance under the scheme of Housing Board, Housing Scy. for the grant of advance for house building purpose, or has been allowed any assistance in this regard from any other service, shall be eligible for the grant of final withdrawal under sub-rule (a), (b) and (c) of sub-rule 13 for the purpose of repayment of any loan taken under the aforesaid scheme subject to the limit specified in the proviso to sub-rule 14-B.

(iv) The actual withdrawal from the fund shall be made only on receipt of an authorisation from the Secretary concerned who will arrange for the same as soon as the former sanction of the sanctioning authority is issued.

**14B. 14B :-**

(i) Any sum withdrawn by a subscriber at any one time for one or more of the purposes specified in rule 14-A from the amount of standing to his credit in the fund shall not ordinarily exceed  $\frac{1}{2}$  on such amount or six months pay, whichever is less. The sanctioning authority may however sanction the withdrawal of an amount in excess of the said limit upto  $\frac{3}{4}$ th of the balance to his credit in the Fund having due regard to (i) the status of the subscriber and (i) the amount to his credit in the fund:

Provided that in the case of a subscriber who has availed himself of an advance under the Scheme of Housing Board: Housing Society for the grant of advances for house building purpose or has been allowed any assistance in this regard from any other source, the sum withdrawn under this sub-rule together with the amount of advance taken under the aforesaid scheme or the assistance taken from any other source, shall not exceed Rs. 75,000 or five years

pay whichever is less.

(ii) A subscriber who has been permitted to withdraw money from the Fund u/r. 14-A shall satisfy the sanctioning authority within a reasonable period as may be specified by that authority that the money has been utilised for the purpose for which it was withdrawn and if he fails to do so, the whole of the sum so withdrawn, or so much there of as has not been applied for the purpose for which it was withdrawn shall forthwith be repaid by the subscriber to the Fund in one 'lump sum' together with interest thereon at the rate determined under Rule 11 and in default of such repayment, the sanctioning authority may by order direct that the sum not so repaid shall be recovered from his emoluments either in a 'lump sum' or in such manner of monthly installments as may be determined by the Board.

(iii) A subscriber who has been permitted to withdraw money from the amount standing to his credit in the Fund for a purpose specialized in clause (d), (e) or (f) of sub-rule (2) of Rule 14A shall not part with the possession of the house built acquired or constructed or the house site purchased by way of sale, mortgage, gift, exchange or lease for a term exceeding 3 years, without the previous permission of the sanctioning authority.

If at any time before retirement the subscriber parts with the possession of the house or house site without obtaining the previous permission of the sanctioning authority the sum withdrawn by him shall forthwith be repaid by him to the Fund in one 'lump sum' together with interest thereon at the rate determined under rule 11 and in default of such repayment the sanctioning authority may be order direct that the sum not repaid shall be recovered from his emoluments either in a 'lump sum' or in sum number of monthly installments as may be determined by the Board.

(iv) Nothing in sub-rule (2) or (3) shall be deemed to require a subscriber whose deposits in the fund carry no interest to pay any interest on any sum repayable by him under such sub-rule.

**14C. 14C :-**

A subscriber who has already drawn or may hereafter drawn advance under rule 12 for any of the purposes specified in clause (9)(b) and (c) of sub-rule (2) of the rule 14-A may convert, at his discretion by written request addressed to the Secretary through the sanctioning authority the balance outstanding against it with

interest into a final withdrawal on his satisfying the conditions laid down in rule 14-A and 14-B.

**14D. 14D :-**

Final withdrawal may be sanctioned by the authorities competent to the sanction an advance for special reasons under clause (b) and (e) or rule 12 at any time to subscribers who have completed 25 years of service or who have less than 3 years to attain the age of superannuation from the amount standing at their credit, for purchasing a motor car or for repaying a Board loan already taken by them for the purpose, subject to the following condition namely:

- (i) the pay of the officer is not less than one thousand rupees;
- (ii) the amount of withdrawal is limited to 12,000 rupees or 1/4th of the amount of subscriber subscription with interest thereon standing to the credit in the contributory provident fund of the actual price of car whichever is the least;
- (iii) such withdrawal shall be allowed only on one occasion. In the case of a withdrawal for purchase of another car, the motor car advance under relevant provision of the B and Financial Rules and other orders supplementary thereto if any, shall not be admissible.

**14E. 14E :-**

Notwithstanding anything contained in Section 14-A, 14-B, 14-C, and 14-D

- (1) the provisions contained therein in respect of 'Tart Final withdrawal' shall be construed to be modified in accordance with the provisions contained under Section 14-A, 14-B, 14-C and 14-D of the Contributory Provident Fund Rules Bombay, as amended from time to time by the Government of Gujarat.

**15. Payment towards Insurance Policies :-**

- (a) Payment towards an insurance policy may at the option of a subscriber, be substituted for the whole or part of subscription to the Fund.

- (b) the amount of subscriptions with interest thereon standing to the credit of a subscriber in the Fund may be withdrawn to meet,
  - (i) Payments towards an Inserted Policy: (ii) Purchase of a single payment Inserted Policy: (iii) Payment of a single premium or subscriptions to a family Inserted Policy:

Provided that no amount shall be withdrawn (1) before the details of the proposed policy have been submitted to Board and accepted by him as suitable (2) to meet any payment or purchase made or effected more than 3 months (3) In excess of the amount required to meet premium or subscription actually due for payment within 3 months of the date:

Provided further that payments towards an educational endowment policy may not be substituted for subscriptions to the Fund any that no amount may be of such a policy if that policy is due for payment in whole or part before the subscriber's age of normal superannuation, (c) any amount withdrawn under clause (b) shall be paid in whole rupees only rounded to the nearest rupees in the number in sub-rule (b) of rule 10.

Note.-For the purposes of this rule an insurance policy shall unless it is a policy expressed on the face of it to be for the benefit of the subscribers wife or of his wife and children or any of them be such as may be locally assigned by the subscriber to the Bank.

**16. 16 :-**

Notwithstanding anything contained in these if the Secretary is satisfied that money drawn on an advance from the fund under clause (2) or rule 12 or withheld or withdrawn from the Fund under clause (1) or clause (b) of rule 15 has been utilised for a purpose other than that for which sanction was given to the drawal withholding or withdrawal of the money, the amount in question shall with interest at the rate provided in rule 11, forthwith be repaid or paid as the case may be by the subscriber to the Fund or in default be ordered to be recovered by deduction in one sum from emoluments of the subscriber even if he be on leave. If the total amount to be repaid or paid, as the case may be, is more than half the subscriber's emoluments, recoveries shall be made in monthly installments of moieties of his emoluments till the entire amount recoverable be repaid or paid as the case may be by him.

Note.- The term 'emoluments' as used in the rule does not include subsistence grant. Circumstances in which accumulation are payable.

**17. 17 :-**

When a subscriber quits the service the amount standing to his credit in the Fund shall subject to any deduction under rule 20 become payable to him:

Provided that a subscriber who has been dismissed from the service and is subsequently in the service, shall if required to do so by Board, repay any amount paid to him from the Fund in pursuance of this rule interest thereon of the rate proviso to rule 18. The amount so repaid shall be credited to his account in the funds the part which represents his subscriptions and interest thereon and the part which represents Board contribution with interest thereon, being accounted for the manner provided in rule 6.

**18. 18 :-**

When a subscriber

(a) has proceeded on leave preparatory to retirement or (b) while on leave has been permitted to retire or declared by a competent Medical authority to be unfit for further service the amount of subscription and interest thereon standing to his credit in the Fund shall, upon application made by him in that behalf to Secretary become payable to the subscriber:

Provided that the subscriber if he returns to duty, shall if required to do so by Board, repay to the Fund for credit to his account the whole or part of any amount paid to him from the Fund in pursuance of this rule with interest thereon, at the rate provided in rule 11 in cash or securities or partly in cash and partly in securities by installments or otherwise by recovery from his emoluments or otherwise as Board may direct.

**19. 19 :-**

Subject to any deductions under rule 20 on the death of a subscriber before the amount standing to his credit has become payable or if the amount has become payable before payment has been made.

(i) When a subscriber leaves a family

(a) If a nomination made by the subscriber, in accordance with the provisions of rule 5, in favour of a member or members of his family subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates shall become payable to his nominee or nominees in the proportions specified in the nomination.

(b) If not such nomination in favour of a member or members of the family of the subscribers subsists or if such nomination relates only to part of the amount or the part thereof to which the

nomination does not relate as the case may be shall notwithstanding any nomination purporting to be in favour of any person or persons other than a member or members of his family become payable to the members of his family in equal share:

Provided that no share shall be payable to (1) Sons who have attained legal majority. (2) Sons of deceased son who have attained legal majority. (3) Married daughters of a deceased son whose husbands are alive. (4) Married daughters whose husbands are alive. If there is any member of the family other than those specified clause 1, 2, 3 and 4: Provided also 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 subscriber and had been exempted from the provisions of clause (1) of the 1 of the first proviso:- Note.-Any sum payable under these rules to a member of the family of a subscriber vests in such member and sub-section (2) of section 4 of the Provident Funds Act, 1925. (2) When a subscriber leaves no family if a nomination made by him in accordance with the provisions of rule 5 in favour of any person or persons subsists the amount standing to his credit in the Fund or the part thereof to which the nomination relates shall become payable to his nominee or nominees in the proportion specified in the nomination. Note I.-When a nominee is a dependent of the subscriber as defined in clause C of the Provident Fund Act, 1925 the amount vests in such nominee under sub-section (2) of section 3 of that Act. Note II.-If when the subscriber leaves no family and no nomination made by him an accordance with the provision of rule 5 subsists or if such nomination relates only to part of the amount standing to his credit in the Fund, the relevant provisions of clause (b) and sub-clause (ii) of clause (c) of sub-section (1) of section (4) of the P.F. Act, 1925 are applicable to the whole amount or the part thereof to which the nomination does not relate.

## **20. Deduction :-**

Subject to the condition that no deduction may be made which reduced the credit by more than the amount of any contribution by Board with interest thereon credited under rules 10 and 11 before the amount standing to the credit of a subscriber in the Fund is paid out of the Fund, Board may direct the deduction therefrom and payment to the Board of

(a) Any amount a subscriber has been dismissed from the service for grave misconduct:

Provided that if the order of dismissal is subsequently cancelled, the amount so deducted shall on his reinstatement in the service be replaced at his credit in the Fund.

(b) Subject to the following conditions, the following amount shall be deducted from the Board's subscription, if a subscriber resigns his employment under Board within the period mentioned in the conditions, otherwise than by reason of superannuation or a declaration by a competent medical authority that he is unfit for further service: (1) 50% of the Board's subscription will be deducted if a subscriber resigns his employment under Board within 9 years of the commencement. (2) 25% of the Board's subscription will be deducted if a subscriber resigns his employment under Board after 2 years, but within 4 years of the commencement.

(c) Any amount due under a liability incurred by the subscriber to the Board.

(d) All such deductions will be credited in the Welfare Fund which will be managed by the Board as per regulations framed thereunder.

## **21. Payment :-**

(1) When the amount standing to the credit of a subscriber in the Fund, or the balance thereof after any deduction under rule 20 becomes payable it shall be the duty of Secretary after satisfying himself when no such deduction has been directed under that rule, that no deduction is to be made to make payment as provided in Section 4 of the Provident Fund Act, 1925.

(2) If the person to whom, under these rules, any amount or policy is to be paid, assigned, reassigned delivered is a lunatic for whose estate a Manager has been appointed to this behalf under the Indian Lunacy Act, 1912; the payment or reassignment or delivery will be made to such Manager and not to the lunatic.

(3) Any person who desires to claim payment under this rule shall send a written application in that behalf to the Secretary. Payment of amounts withdrawn shall be made in India only. The persons to whom the amounts are payable shall make their own arrangement to receive payment in India.

Note.-When the amount standing to the credit of a subscriber has become payable under rules 17, 18, 19 the Secretary shall authorise prompt payment of that portion of the amount standing to the credit of a subscriber in regard to which there is no dispute or doubt the balance being adjusted as soon or doubt the balance being adjusted as soon as thereafter as may be.

## **22. Procedure :-**

All sums paid into the Fund under these rules shall be credited in the books of Board to an account named "The Contributory Provident Fund Account", sums of which payment has not been taken within 6 months after they become payable under these rules shall be transferred to 'Deposits' after the 31st March of the year and treated under the ordinary rules relating to deposits.

## **23. 23 :-**

When paying a subscription either by deduction from emoluments or in cash, a subscriber shall quote the number of his account in Fund which shall be communicated to him by the Board. Any change in the number shall similarly be communicated to the subscriber by the Board.

## **24. 24 :-**

(1) As soon as possible after 31st March of each year, the Board shall send to each subscriber a statement of his account in the fund, showing the opening balance on the 1st April of the year, the total amount credited or debited during the year, the total amount of interest credited as on 31st March of the year and the closing balance on that date. The Secretary shall attach to the statement of account inquiry whether the subscription. (a) desires to make any alteration in any nomination made under the rule, (b) has acquired a family in case where the subscriber has made no nomination in favour of a member of his family under the proviso to sub-rule (1) or rule 5.

(2) Subscribers should satisfy themselves as to the correctness of annual statement and errors should be brought to the notice of the Board within six months from the date of receipt of the statement.

(3) The Board shall if required by a subscriber, once, but no more than once, in a year, inform the subscriber of the total amount standing to his credit in the Fund at the end of the last month for which his account has been written up.

## **SCHEDULE 1**

Forms of Nomination