

**HIMACHAL PRADESH
FINANCIAL CORPORATION**

**EMPLOYEES PROVIDENT FUND
REGULATIONS, 2004**

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HIMACHAL PRADESH FINANCIAL CORPORATION

INCORPORATED UNDER THE STATE FINANCIAL CORPORATIONS ACT, 1951
(LXIII OF 1951)

HIMACHAL PRADESH FINANCIAL CORPORATION EMPLOYEES PROVIDENT FUND REGULATIONS

In exercise of the power conferred by section 48 (2) (k) of the State Financial Corporations Act, 1951 (LXIII of 1951), the Board after consultation with Small Industries Development Bank of India and with the previous sanction of the State Government, hereby make the following regulations, which shall be known as the Himachal Pradesh Financial Corporation Employees' Provident Fund Regulations.

1. *Constitution.*—A fund shall be created called:—

"The Himachal Pradesh Financial Corporation Employees' Provident Fund".

2. *Administration.*—The Fund shall be held by the Corporation and shall be administered by the Managing Director of the Corporation together with one representative of the officers and one of the clerical staff nominated by the Managing Director. These persons shall be called the Administrators of the Fund.

3. *Meeting of the administrators.*—Every meeting of the Administrators, the Managing Director or in his absence one elected at the meeting shall preside. The presence of at least two Administrators of whom one at least shall be a member of representative of the officers or of the clerical staff shall be necessary to form a quorum for the transaction of business. Each administrator shall have one vote and in all cases of an equal division the Chairman shall have a casting vote.

4. *Statement of accounts.*—The Accounts of the Fund shall be made up yearly as at the 31st March, and an audited statement of the accounts as at that date will be submitted to a meeting of the Administrators to be held not later than 30th June in every year and a copy of such statement shall be made available to subscribers at each office as soon as may be after such meeting.

5. *Membership for whom compulsory.*—(i) Every permanent employee of the Corporation in superior service and every permanent employee in subordinate service shall be bound to subscribe to the fund.

(ii) An employee appointed on probation to a post in which, if confirmed, he will become a permanent employee shall be deemed to be a permanent employee for the purpose of these Regulations from the date of his first appointment.

(iii) A temporary employee or any other person in receipt of other than casual remuneration from Corporation may subscribe to the Fund if he desires to do so, if so permitted by the Administrators. This option shall be available to the Managing Director also, but in his case the permission of the Administrators will not be required.

6. *Rate of subscription.*—(i) The subscriber who opt for Himachal Pradesh Corporate Sector Employees (Pension, Family Pension, Commutation of Pension and Gratuity) Scheme, 1999

shall subscribe to the fund at such rate of his basic pay plus DA (not being less than 12 percent or such rate as may be fixed by the State Government from time to time) as may be fixed by him from time to time.

(ii) The subscriber who do not opt for the aforesaid Himachal Pradesh Corporate Sector Employees (Pension, Family Pension, Commutation of Pension and Gratuity) Scheme, 1999, shall subscribe monthly to the Fund at such rate of his pay (not being less than 10 per cent) as may be fixed by him from time to time. Such subscription shall be deducted by the Corporation from the pay payable to the subscriber every month in amounts expressed in whole rupee. The corporation's contribution will remain fixed as provided by Regulation 8, below the rate once fixed shall remain unaltered throughout one year thereafter.

7. *Subscription of subscriber on leave or during the period of his suspension.*—A subscriber may, at his option not subscribe during leave or suspension, provided that he intimates in writing his intention not to subscribe, before the commencement of his leave, or on receipt of the order of suspension. The suspension of a subscriber during leave or during the period of suspension, in the event of his intention to subscribe during such period shall be assessed on his leave pay or subsistence allowance as the case may be but any such subscriber shall be at liberty to subscribe on the full amount of his pay subject to his giving notice in writing of his desire to do so not less than fourteen days in advance of the first payment to him of his leave salary or subsistence allowance as the case may be.

8. *Corporation's contribution.*—Save as otherwise provided in these Regulations, the Corporation shall contribute every month, to his account in the fund a sum equal to 10 percent of the Pay plus D. A. or as decided by the Board from time to time of the subscriber in amounts expressed in whole rupees, provided that no such contribution shall be made by the Corporation in respect of subscriber's (other than the Managing Director) who have been permitted to subscribe under sub-regulation (iii) of Regulation 5. Provided further that nothing in the foregoing provision shall apply to a subscriber whose contract of employment provides specifically for the payment of contributions by the Corporation and the conditions governing such payment. Provided also that in the case of temporary employee subscribing under sub-regulation (iii) of Regulation 5, who is subsequently taken into the permanent employment of the Corporation, the Corporation shall contribute, on the employee being made permanent, a sum equal to the amount subscribed by him during his temporary service but not exceeding 10 per cent of his Pay plus D.A. or as decided by the Board from time to time.

8(A). Provided further that the Corporation's contribution in respect of those employees who opt for Himachal Pradesh Corporate Sector Employees (Pension, Family Pensions, Commutation of Pension and Gratuity) Scheme, 1999 shall be 12 per cent of basic pay plus DA or such rate as may be prescribed by the State Government from time to time. The entire amount of the Corporation's contribution including interest therein Contributory Provident Fund account upto 31-3-99 shall be transferred to a corpus fund to be administered and maintained by the Government of Himachal Pradesh in the Finance Department. The Corporation's share in respect of all the eligible employees w.e.f. 1-4-1999 @ 12% of the basic pay plus DA or at the rate as the State Government may prescribe from time to time (but not less than the rate prescribed as above) shall continue to be transferred to the above corpus hereinafter.

Explanation.—For purposes of this Regulation and Regulation 6.

(1) "Pay" means the amount drawn by an employee as:—

(i) The pay which has been sanctioned for a post held by him substantively or in an officiating capacity, or to which he is entitled by reason of his position in a cadre;

- (ii) Special Pay and personal pay ;
- (iii) Any other emoluments which may be specially classed as Pay by Himachal Pradesh Government from time to time;
- (iv) Dearness Allowance means D. A. released by the State Government from time to time;

(2) "Whole Rupee" means and shall be deemed to have always meant the sum obtained by ignoring a fraction of a rupee less than fifty paise and taking another fraction as a whole rupee:

9. *Interest.*—The Corporation shall credit interest on the amount standing to each subscriber's credit at a rate which shall be sanctioned by the EPF for its subscribers or by the State Government on the GPF balances of employees (whichever is lower) and shall be credited to the account strictly as allowed by EPF organisation or GPF.

10. *Annual statement of each subscriber's account.*—Every subscriber shall receive from the Administrators of the Fund an annual statement showing the amount standing to his credit in the Fund.

11. *Borrowing from fund.*—(1) At the discretion of the Corporation, a temporary advance, not exceeding in any case the subscriber's own subscriptions and interest thereon may be granted to a subscriber on application, on interest as herein below prescribed, from the amount standing to his credit in the Fund, subject to the following conditions:—

- (a) The Corporation is satisfied that the amount will be expended on the following object or objects and not otherwise:—
 - (i) To pay expenses incurred in connection with the prolonged illness of the subscriber or any person actually dependent on him ;
 - (ii) To pay obligatory expenses on a scale appropriate to the subscriber's status in connection with marriages, funerals or ceremonies which by his religious or social custom it is incumbent on him to perform ;
 - (iii) To meet any other expenses or liability which in the opinion of the Corporation is extra-ordinary and beyond the ordinary means of the subscriber;
- (b) An advance shall not, except for special reasons to be recorded in writing by the Corporation:—
 - (i) Exceeds six months' Pay plus D.A. (Pay and D.A. defined in Explanation to Regulation 8) or three-fourth the amount of the subscriber's own contribution to the fund and interest thereon, whichever is less.
 - (ii) Be granted until after the final repayment of previous advance together with interest thereon by the Managing Director.

(2) (a) An advance shall be recovered from the subscriber in such number of equal monthly instalments as the Corporation may direct; but such number shall not be less than 20 unless the subscriber so elects or in any case more than 36. A subscriber may at his option repay more than one instalment in one month. Each instalment shall be a number of whole rupees, the month of the advance being raised or reduced, if necessary, to admit of the fixation of such instalment.

(b) Recoveries shall commence when the subscriber draw his pay for the full month for the first time after the advance is made. Recovery shall not be made, except with the subscriber's consent, while he is on leave other than ordinary leave on full average pay, or while he is under suspension.

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

(3) (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 instalment in the month after complete repayment of the principal but, if the period referred to in clause (a) exceeds twenty months interest may, if the subscriber so desires, be recovered in two equal monthly instalments. The method of recovery shall be that provided in sub-regulation (2). Payment shall be rounded to the nearest rupee in the manner provided in sub-regulation (2).

11-A. Withdrawal from the fund.—(1) Withdrawals from amount of subscribers own subscriptions and interest thereon standing to the credit of a subscriber in the fund may be allowed by the Corporation, at any time after completion of 10 years of service (including broken period of service, if any) of a subscriber or within ten years before the date of retirement on superannuation, whichever is earlier, for one or more of the following purpose, namely:—

- (a) Meeting the cost of higher education including the travelling expenses of any child of a subscriber actually dependent upon him beyond the high school stage for academic, professional or vocational course outside India and for professional or specialised course of not less than 3 years duration in India.
- (b) Meeting the expenditure in connection with marriages and betrothals of subscriber's sons or daughters and any other female relation actually dependent upon him.
- (c) Meeting the expenses in connection with illness including travelling expenses of the subscriber or any person actually dependent upon him.
- (d) Building or acquiring a house for residence of the subscriber himself or repaying any outstanding amount of loan taken for this purpose or construction/ making additions or alterations to the house already owned or acquired by a subscriber for himself provided that the loan under house building scheme and amount withdrawn from the fund shall not exceed the limit of amount provided in house building scheme or 5 years pay whichever is less and final withdrawal for house building purposes will not be allowed for more than one house.
- (e) Purchasing a house site for building a house for the subscriber himself or repaying outstanding amount of loan taken for this purpose.
- (f) For constructing a house on a site purchased under clause (e).

(2) The Corporation may also allow withdrawal to a subscriber from the amount of his subscription and interest thereon standing to his credit in the fund for acquiring a farm land or business premises or both within 6 months before the date of subscriber's retirement.

(3) Any sum withdrawn by a subscriber for any one or more of the purposes specified in sub-regulation (1) or sub-regulation (2) from the amount of subscriber's own subscription standing to his credit in the fund shall not ordinarily exceed three fourth of the amount of own subscriptions and interest thereon or six months pay whichever is less. The Corporation may, however allow the withdrawal of an amount in excess of this limit upto the amount of subscriptions and interest thereon, having due regard to the object for the withdrawal, the status of the subscriber and the amount of subscription and interest thereon standing to his credit in the fund.

(4) The subscriber will be allowed to make withdrawal under clause (a) of sub-regulation (1) once in every six months and where the subscriber has to pay in instalments for a site or a house he shall be allowed to make withdrawal as and when he has to pay such instalment and each withdrawal will be treated as a separate one. Similarly, withdrawal under clauses (a) (b) and (c) of sub-regulation (1) will be treated as separate ones.

(5) If whole of the sum so withdrawn or so much thereof, which has not been utilised for the purpose for which it was withdrawn, the same shall forthwith be repaid in one lump sum or recovered from his salary in such number of monthly instalments as may be determined by the Managing director.

12. Insurance policies, etc.—Sums to meet:—

- (a) Subscriptions to a family pension fund which may be maintained by the Corporation for its employees ; or
- (b) Payments towards a policy of insurance on the life of the subscriber effected under a scheme of insurance maintained or approved by the Corporation may be withheld from subscription to the Fund, or withdrawn from the amount subscribed thereto by the subscriber (including interest thereon). Any sum so withheld from a subscription shall be deemed to be part of the subscription for the purpose of calculating the Corporation's contribution under Regulation-8.

13. When interest would cease.—Interest on all sums standing in the books of the Fund to the credit of a subscriber shall cease when the amount payable to him on his leaving the service of the Corporation, or of his death whichever is earlier, is actually paid, but shall not extend beyond a period of six months from the date of his leaving the service of the Corporation, or of his death.

14. Payment of amount standing to the credit of subscriber.—The sum standing to the credit of a subscriber shall become payable on the termination of his service or on his death provided that there may, if the Executive Committee of the Board so directs, be deducted therefrom and paid to the Corporation:—

- (a) Any amount due under a liability incurred by the subscriber to the Corporation up to the total amount contributed by the Corporation to his account including the interest credited in respect thereof ; or
- (b) Where the subscriber has been dismissed from his employment on account of misconduct or gross negligence or where the subscriber has resigned his employment under the Corporation within five years of the commencement of his permanent service or such lesser period as the Managing Director may consider appropriate, the whole or any part of the amount of such contribution as the Corporation may have made together with interest credited in respect thereof. Provided that clause (b) shall not apply to the Managing Director if he has chosen to become a subscriber.

15. *Nominations.*—(i) Every subscriber shall as soon as may be after joining the Fund, send to the Head Office of the Corporation a nomination conferring on one or more persons the right to receive the amount that may stand to his credit in the Funds; 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, the subscriber has a family, the nomination shall not be in favour of any person or persons other than the members of the family.

(ii) If a subscriber nominates more than one person under sub-regulation (i), he shall specify in the nomination the amount of share payable to each of the nominees on 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 made in such one of the forms annexed to these Regulations as is appropriate in the circumstances.

(iv) A subscriber may at any time cancel a nomination by sending a notice in writing to the Head Office of the Corporation:

Provided that the subscriber shall along with such notice send a fresh nomination made in accordance with the provisions of this regulation.

(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 upon that nominee shall pass to such other person as may be specified in the nomination.

(b) That the nomination shall become invalid in the event of 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.

(vi) Immediate on the death of nominee in respect of whom no special provision has been made in the nomination under clause (a) of sub-regulation (v) or on the occurrence of any event by reason of which the nomination becomes invalid in pursuance of clause (b) of sub-regulation (v) or the provision thereto the subscriber shall send to the Head Office of the Corporation a notice in writing cancelling the nomination together with a fresh nomination made in accordance with the provisions of this Regulation.

(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 Head Office of the Corporation; provided it is received, while the subscriber is still in the service of the Corporation.

Explanation.—In this regulation, and in regulation 16, “family” means the wife or wives; or husbands, and children of subscriber, and the widow or widows and children of a deceased son of a subscriber:

Provided that if a subscriber proves that his wife has been judicially separated from him or has ceased under the customary law of the community to which she belongs to be entitled to maintenance she shall no longer be deemed to be a member of the family unless the subscriber subsequently indicates by express notification in writing to the Administrators that she shall continue to be so regarded:

Provided further that if a subscriber by notification in writing to the Administrators expresses her desire to exclude her husband from the family, the husband shall no longer be deemed to be a member of the family unless the subscriber subsequently cancels formally in writing her notification excluding him.

16. *Payment on death of subscriber.*—On the death of subscriber:—

(i) when the subscriber leaves a family—

(a) If a nomination made by the subscriber in accordance with these regulations 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 the nominee or nominees in the proportion specified in nomination.

(b) If no such nomination in favour of a member of the family of the subscriber subsists or if such nomination relates only to a part of the amount standing to his credit to the Fund, the whole 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 shares:

Provided that no share shall be payable to—

- (i) sons who have attained legal majority ;
- (ii) sons of a deceased son who have attained legal majority ;
- (iii) married daughters whose husbands are alive ;
- (iv) married daughters of a deceased son whose husbands are alive.

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

Provided further that the widow or widows and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the subscriber and if in a case where had he survived the subscriber, he would have been excluded from a share under clause (i) of the first proviso, he had not been so excluded.

(ii) when the subscriber leaves no family, if a nomination made by him in accordance with these regulations in favour of any person subsists, the amount standing to his credit in Fund or the part thereof to which the nomination relates shall become payable to nominee or nominees in the proportion specified in the nomination.

17. *Agreement to be executed by subscribers.*—Every employee on becoming a subscriber to the Fund shall execute an agreement in the following form:—

"I hereby declare that I have read and understood the Regulations of the Himachal Pradesh Financial Corporation Employees' Provident Fund and I hereby undertake to the said Fund and I hereby agree to be bound by the said Regulations"

Signature in full.....

Date

Address

Witness

FORM OF AGREEMENT

Place.....
Date.....

To
The Administrators of the
Himachal Pradesh Financial Corporation
Employees' Provident Fund.

Gentlemen,

I hereby declare that I have read and understood the regulations of the Himachal Pradesh Financial Corporation Employees' Provident Fund and I hereby subscribe and agree to be bound by the said regulations.

Name (in full).....

Date of birth.....

Nature of appointment.....

Salary per month.....

Yours faithfully,

(Signature)
Index No.

Witness :

Signature.....

Designation.....

Address.....

.....

.....

H.P.F.C./P.F.-2

FORM OF NOMINATION

I—(When the subscriber has a family and wishes to nominate one member thereof).

To

The Administrators of the
Himachal Pradesh Financial Corporation
Employee's Provident Fund.

Gentlemen,

I hereby nominate the person mentioned below, who is a member of my family as defined in Regulation No. 15 of the Himachal Pradesh Financial Corporation Employees' Provident Fund Regulations, to receive the amount that may stand to my credit in the Fund, in the event

of my death before that amount has become payable, or having become payable has not been paid:—

Name & Address of nominee	Relationship with subscriber/Age	Contingencies on the happening of which the nomination shall become invalid	Name, address & relationship of the person, to whom the right of the nominee shall pass in the event of his predeceasing the subscriber
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Dated this.....day of.....200.....at.....

Two witnesses to signature :

1. Name.....
Address.....

Signature of Subscriber.

2. Name.....

Subscriber's
Signature verified
by me.

Authorised Officer.
Seal.

H. P. F. C./P.F.-3

FORM OF NOMINATION

II—(When the subscriber has family and wishes to nominate more than one member thereof).

To

The Administrators of the
Himachal Pradesh Financial Corporation
Employee's Provident Fund.

Gentlemen,

I hereby nominate the persons mentioned below, who are members of my family as defined in Regulation No. 15 of the Himachal Pradesh Financial Corporation Employees' Provident Fund Regulations, to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become payable has

not been paid and direct that the said amount shall be distributed among the said persons in the manners shown below against their names:—

Name & Address of nominee	Relationship with subscriber/age	Contingencies on the happening of which the nomination shall become invalid	Name address & relationship of the person, to whom the right of the nominee shall pass in the event of his predeceasing the subscriber
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Dated this day of 200... at.....

Two witnesses to Signature:

1. Name.....
Address.....

Signature of Subscriber.

2. Name.....

Subscriber's Signature verified by me.

Authorised Officer.

Note.—This column should be filled in so as to cover the whole amount that may stand to the credit of the subscriber in the Fund at any time.

H.P.F.C./P.F—4.

FORM OF NOMINATION

III— (When the subscriber has no family and wishes to nominate one person).

To

The Administrators of the
Himachal Pradesh Financial Corporation
Employee's Provident Fund.

Gentlemen,

I having no family as defined in regulation No. 15 of the Himachal Pradesh Financial Corporation Employees' Provident Fund Regulations, hereby nominate the person mentioned

below to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become payable has not been paid :

Name & Address of nominee	Relationship with subscriber/age	Contingencies on the happening of which the nomination shall become invalid	Name, address & relationship of the person, to whom the right of the nominee shall pass in the event of his predeceasing the subscriber
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Dated this day of 200... at.....

Two witnesses to Signature:

1. Name.....

Address.....
.....

Signature of Subscriber.

2. Name.....

Subscriber's Signature verified by me.

Authorised Officer

Note.—Where a subscriber who has no family makes a nomination he shall specify in this column that the nomination shall become invalid in the event of his subsequently acquiring a family.

H.P.F.C./P.F.—5.

FORM OF NOMINATION

IV—(When the subscriber has no family and wishes to nominate more than one person).

To

The Administrators of the
Himachal Pradesh Financial Corporation
Employee's Provident Fund.

Gentlemen,

I, having no family as defined in Regulation No. 15 of the Himachal Pradesh Financial Corporation Employees' Provident Fund Regulations, hereby nominate the person mentioned below to receive the amount that may stand to my credit in the Fund, in the event of my

death before that amount has become payable, or having become payable has not been paid and direct that the said amount shall be distributed among the said persons in the manner below against their names:—

Name & Address of nominee	Relationship with subscriber/age	Contingencies on the happening of which the nomination shall become invalid	Name, address & relationship of the person, to whom the right of the nominee shall pass in the event of his predeceasing the subscriber
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Dated this day of 200... at

Two witnesses to Signature :

1. Name.....
Address.....

Signature of Subscriber.

2. Name.....

Subscriber's Signature verified by me
Authorised Officer.

Note.—This column should be filled in so as to cover the whole amount that may stand to the credit of the subscriber in Fund at anytime.

Note.—Where a subscriber who has no family makes a nomination, he shall specify in this column that the nomination shall become invalid, in the event of his subsequently acquiring a family.

H.P.F.C./P.F.-6

FORM FOR FIXING RATE OF SUBSCRIPTIONS

Place.....

Date.....

To

The Managing Director,
Himachal Pradesh Financial Corporation
Employees' Provident Fund.

Dear Sir,

I hereby direct under regulation 6 of the Himachal Pradesh Financial Corporation Employees' Provident Fund Regulations that per cent of my pay may be deducted every month as my subscription to the Provident Fund.

Yours faithfully,

.....
(Signature).

Designation.....

Index No.....