

HIMACHAL PRADESH FINANCIAL CORPORATION

PAYMENT OF GRATUITY TO EMPLOYEES REGULATIONS, 2004

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HIMACHAL PRADESH FINANCIAL CORPORATION

Incorporated under State Financial Corporations Act, 1951
(LXIII of 1951)

(PAYMENT OF GRATUITY TO EMPLOYEES) REGULATIONS

**HIMACHAL PRADESH FINANCIAL CORPORATION,
NEW HIMRUS BUILDING, CIRCULAR ROAD,
SHIMLA-171 001**

NOTIFICATION

Shimla-2, the 15th July, 2004

In exercise of the powers conferred by section 48 of the State Financial Corporations Act, 1951 (LXIII of 1951), the Board of Directors of the Himachal Pradesh Financial Corporation, after consultation with the Small Industries Development Bank of India and with the previous sanction of the State Government is pleased to make the following Himachal Pradesh Financial Corporation (Payment of Gratuity to Employees) Regulations:—

1. *Short title.*—These Regulations be called the Himachal Pradesh Financial Corporation (Payment of Gratuity to Employees) Regulations, 2004.

2. *Application.*—(i) These regulations shall apply to the every whole time permanent employees of the Corporation.

(ii) Nothing in these regulations shall apply to the Managing Director, unless the application to him of all or any of these regulations has been approved by the Himachal Government.

3. *Definitions.*—In these regulations, unless there is anything repugnant in the subject or context:—

(a) "The Corporation" means the Himachal Pradesh Financial Corporation;

(b) "The Board" means the Board of Directors, for the time being of the Corporation.

(c) "Service in the Corporation" means the period of an employee's service from the date of his joining the Corporation;

(d) The expression "Pay" shall for the purpose of regulation 6 means:—

(i) in the case of an employee who has been on leave continuously for a period of twelve months or more immediately preceding the date of his retirement or death, the pay at the date of such leave or the average pay (as defined in the H. P. Financial Corporation Staff Rules/Regulations) earned while on duty during the twelve calendar months immediately preceding the month in which he has proceeded on leave whichever is higher;

(ii) in any other case, the pay at the date of his retirement or death or the average pay (as defined in the H. P. Financial Corporation Staff-Rules /Regulations) earned while on duty during the twelve calendar months immediately preceding the month of retirement or death, whichever is higher;

(e) The expression "Dearness Allowance" shall for the purpose of Regulation-6 mean D.A. released by the State Government from time to time.

4. Conditions of Grant.—Subject to the terms, conditions and other provisions contained in the succeeding Regulations, gratuity will be granted to a permanent employee after termination of his service in the Corporation or in the event of his death before receipt of gratuity, to such person or persons as may be determined in accordance with Regulation No. 8 ; but nothing in these Regulations shall be construed as conferring any right or benefit on any employee whose service in the Corporation is governed by a contract expressly stipulating his/her service to be for a specified period,

5. When not admissible.—(1) No gratuity will be granted to, or in the case of, an employee:

- (a) if he/she has not completed service in the Corporation for a minimum period of ten years; or
- (b) if he/she is or has been dismissed from service in the Corporation of any misconduct.

(2) Notwithstanding anything contained in clause (a) of sub-regulation (1), gratuity will be granted to, or in the case of an employee who has not completed service in the Corporation for a minimum period of ten years, if:

- (i) he/she dies while in service of the Corporation ; or
- (ii) he/she has retired or has been required to retire, either on account of certified permanent incapacity due to bodily or mental infirmity or owing to the abolition of his appointment on account of reduction of establishment.

6. Amount admissible.—Without prejudice to the provisions of Regulations 5, the amount of gratuity admissible to a whole-time employee shall be :—

a sum equal to one month's pay plus dearness allowance (D.A) for each completed year of service in the Corporation subject to a maximum of fifteen month's pay or Rs. 1,00,000/- whichever is less or as decided by the Board of the Corporation from time to time.

7. Notwithstanding anything contained in the foregoing Regulations, the Corporation may, while determining the amount of gratuity payable to an employee, take into account any financial loss caused to the Corporation by reason of reduced amount of gratuity:

Provided that the difference between the amount of gratuity ordinarily admissible under the foregoing Regulations and the amount of gratuity so reduced shall not exceed the amount of the financial loss caused to the Corporation.

8. Payment in case of death of the employee.—In the event of the death of an employee before receipt of gratuity, the amount of gratuity admissible shall be paid to the person or persons in the same manner as is applicable under the provisions of Regulation No. 16 of the Himachal Pradesh Financial Corporation Employees' Provident Fund Regulations.

9. The decision of the Board shall be final and binding upon employees in all respects and upon all matters, questions and disputes relating to or connected with the interpretation of these regulations or in any way concerning the same.

10. All the employees who opt for pension under the Himachal Pradesh corporate Sector Employees (Pension, Family Pension, Commutation of Pension and Gratuity) Scheme 1999 shall not be entitled to the benefit of Death-cum-Retirement Gratuity under HPFC payment of gratuity to employees Regulations.

By order of the Board of Directors of the Himachal Pradesh Financial Corporation,

Sd/-
Managing Director.