

## **BANK OF BARODA PROVIDENT FUND RULES**

1. The Fund shall be called "Bank of Baroda Provident Fund".
2. These rules shall be deemed to have come into operation on 01.06.2003 in substitution for all previous Rules of the Provident Fund of the Bank of Baroda, which are hereby cancelled.
3. The fund shall be governed by these Rules and by such other Rules as shall for the time being be in force.  
In these Rules unless there is something repugnant in the subject or context:
  - (a) 'The Bank' means Bank of Baroda.
  - (b) 'Bank's contribution' shall mean the amount contributed by the Bank.
  - (c) 'Board of Directors' means the Board of Directors for the time being of the Bank.
  - (d) 'Member' means any person in the service of the Bank, who is a subscriber to the Fund or whose subscription to the fund has arisen on account of amalgamation and absorption of his/her service from any other Bank with the Bank.
  - (e) 'Member's subscription' shall mean the amount subscribed by each member.
  - (f) 'Officer' shall mean any person who is an officer, of the Bank or who is so designated or who is governed by the terms and conditions of service prescribed by the Bank for officers of the Bank by whatever name called (and includes a workman) who has opted for the scales of pay and terms and conditions of service prescribed by the bank for the officers of the Bank.
  - (g) 'Officiating allowance' shall mean an allowance payable to an employee for officiating in a post carrying a higher salary than his/her own and/or payable as such under the Bipartite settlements/ BOB(O)SR,1979/Bank level settlements/ Industrial Award or other law or decision from time to time binding upon the Bank.
  - (h) 'Rules' means these Rules as amended from time to time and the Rules for the time being in force for the management of the fund.
  - (i) 'Salary' means basic pay, including stagnation increments, PQP, FPP, PPA, if any, special pay and officiating Allowance, if any, received by each member from the Bank and does not include any personal pay, bonus, dearness allowance, commission, presents, donations or house, motor or other allowances not included in special pay. The special pay shall be those payable as such under the Bipartite settlements/ Bank level settlements, industrial Award or other law, or decision from time to time binding upon the Bank.
  - (j) "The Trustees" means the Trustees for the time being of the fund.
  - (k) 'Workman' shall mean a person who is in employment of the Bank as a confirmed employee and whose relations with the bank are governed by the Industrial disputes Act, 1947 or to whom the Award of the National Industrial Tribunal (Bank Disputes) Bombay or other law, rules, regulations and settlements for the time being in force and from time to time governing the relations between the Bank and its workmen applies.

Words importing the singular number shall include the plural number and vice versa.

Words importing the masculine gender shall include the feminine gender.

4. The object of the Fund shall be to provide every employee who is a member with a sum of money, the amount of which will be ascertained according to these Rules on the cessation of his service with the Bank.

Provided that the members who have opted for pension in accordance with Bank's pension scheme shall be paid such amount of contributions made by such member standing to the credit of his own subscription to the Provident Fund accordingly.

5. (a) The fund shall be vested in and administered by Trustees under a Trust, which shall not be revocable save with the consent of all the members of the Fund for the time being.

(b) The number of Trustees shall be five. One of these Trustees shall be a workman who is a member of the fund. Such Workman Trustee shall be a workman serving the Bank in any of its offices at Baroda and shall be nominated by the Board of Directors of the Bank. A Workman Trustee shall hold office for a period of two years unless in the meanwhile he is transferred to any office of the Bank outside Baroda or he resigns of his own accord or ceases to be in the employ of the Bank or is desired to resign by the Board of Directors or fails to attend all meetings of the Trustees for a period of six months.

One trustee shall be Director of Bank, nominated by the Board of directors of the Bank. A Director Trustee shall continue in office until he dies or becomes insolvent or ceases to be a Director or is desired by the Board of Directors to vacate his office or resigns his office of Trustee or leaves India for a period exceeding six months. The Board of Directors of the Bank shall appoint a Trustee to fill up such vacancy. The remaining three Trustees shall be members of the Fund nominated by the Board of Directors of the Bank from time to time, in their discretion.

(c) Every member of the Fund, who shall be so nominated as a Trustee, shall hold office for a period of two years from his nomination unless he resigns of his own accord or ceases to be in the employ of the Bank or is desired to resign by the Board of Directors.

(d) A retiring Trustee shall be eligible for re-appointment by the Board of Directors.

(e) Whenever the number of Trustees shall be below five, the vacancy shall be filled in within two months from the date of occurrence of the vacancy.

(f) Notwithstanding such vacancy, the remaining Trustees shall have power to exercise all the powers and authorities hereby or by law conferred upon the Trustees and to carry on the administration of the Fund.

(g) If any Trustee with the permission of the Directors shall propose to be absent or be absent for a period exceeding two months, but not exceeding six months, he, if a Director Trustee, may grant a Power of Attorney to another Director of the Bank or if a member of Fund, may grant a Power of Attorney to another Member of the Fund empowering such Director of the Bank or Member of the Fund as the case may be, to act on his behalf during his absence as aforesaid and

thereupon such person shall have all the powers exercisable by the Trustee so absent as aforesaid during the period of his absence.

Upon every new appointment of a Trustee the assets and investments of the Fund shall stand vested in the new Trustee together with the surviving or continuing Trustees. Every new Trustee, before as well as after the vesting of the investments in him, shall have all the powers and authorities of the Trustee in whose place he has been appointed.

6. (a) The management, investment, administration and control of the Fund shall in all respects be vested in the Trustees, whose decision on all matters shall be final and binding upon all members. The decision of the Trustees as regards the construction of the Rules and all questions arising out of the Rules and on all other matters shall be final and binding on all members and or their representatives. Subject to the provision of the Rules, the Trustees shall have power to decide all matters relating to the management and administration of the Fund and to make all arrangements therefor, and in their discretion to make rules, bye-laws and alter them from time to time.

(b) The Management, Investment, Administration and Control of such Provident Fund as may have been vested with the Trustees on account of amalgamation or absorption of any other Bank and the Provident Fund of the employees of such Bank shall from and after the date of amalgamation of such Bank with the Bank shall also stand vested in all respect in the Trustees, whose decision in all matters relating thereto shall be final and binding upon such members of the Fund becoming members on account of such amalgamation of any other Bank with the Bank. The decision of the trustees as regards construction of the Rules and all questions arising out of the Rules and on all other matters as regards Members, whose contributions shall vest in the Trust on account of such amalgamation, shall be binding and final on the members and / or on their Representatives as well. Subject to the provisions of the Rules, the Trustees shall have the powers to decide all matters relating to the Management and Administration of the Fund of employees of such Bank, who are absorbed in service of the Bank on amalgamation and the Trustees shall make all arrangements thereof and in their discretion shall have power to make Rules and Bye-laws therefor and alter them from time to time.

7. (i) Every whole time workman serving the Bank other than personal or domestic servants, irrespective of the salary he draws, and with effect from 1<sup>st</sup> September, 1978, every part time workman who is required by the Bank to work for more than 6 hours a week, shall be a member of the fund as and from the date of his confirmation in the service of the Bank, provided that an officer employee of the Bank who may become a member of P F unless he is already a member of that fund, from the date of joining the Bank's service or from 14/3/1984 whichever is later. Provided further that an employee of the Bank, who is not a workman and who is employed on contract basis shall not be a member of the fund unless permitted to join by the Directors.

(ii) if any member of the Fund becomes a member of any other Provident Fund and/or other retiring benefit established by the Bank for the benefit of particular classes of employees, e.g. employees serving at an office of the Bank outside India, he/she shall, while a member of such other fund and/or

other retiring benefit not be liable to subscribe to this Fund nor shall the Bank be liable to contribute any amount to this Fund, in respect of such member. But the balance to the credit of the individual account of such member in this fund shall, until transferred to such other fund, continue to be held subject to the Rules and Conditions herein contained and shall continue to carry proportionate interest as herein provided.

If any member of the fund is transferred to any office of the Bank outside India in respect of which no other Provident Fund is established he/she shall continue to subscribe to this Fund and the Bank shall continue to contribute to this Fund in the manner herein provided.

If, however, such member resigns/is terminated, from service while serving abroad, his/her Provident Fund dues would be payable in **INDIAN CURRENCY ONLY.**

(iii) Trustees shall be entitled to receive the balance of the Provident Fund amount of a new in-coming employee which has been held in credit by the previous employer of such a new employee subject to the condition that such a transfer of balance would not amount to the new employee being immediately accepted as a 'MEMBER' of the Fund and that such an in-coming employee will be entitled to the membership of the Fund only upon his/her becoming eligible as per sub rule (i ) above.

(iv) Trustees may also allow transfer of the balance of the Provident Fund of the out-going employees of the Bank as per his/her entitlement under the Rules, when he/she is joining other institution/bank to his/her new employer when so requested by the out-going member.

(v) The trustees of the Fund will authorise release of Bank's contribution standing in the account of member who opts for pension and for whom request is received from Pension Trust.

8. (a) Membership of the Fund may not be terminated during the service of an employee except as herein provided or by permission of the Trustees and of the Bank (which will not ordinarily be granted).
- (b) Any member of the Fund ceasing for any reason whatsoever to be in the service of the Bank shall thereupon cease to be a member of the Fund.
9. Every workman/officer who shall be or become a member of the Fund shall be subject to these Rules and shall sign a declaration and agreement in the form 'A' annexed to these Rules signifying his assent thereto and shall at the same time receive a copy of such Rules. PROVIDED NEVERTHELESS that the Rules of the Fund, shall be binding upon every member whether he shall have signed the declaration and agreement and received a copy of the Rules or not.
10. (a) The amount of compulsory subscription of every member to the fund when on duty shall be 10% of salary or such amount at such other rate as may be determined, of the monthly salary of each member, by Income tax Act, 1961 or other provision of Bipartite settlements/BOB(O)SR 1979/Bank level settlement as hereafter in force from time to time.

- (b) The compulsory subscription of any member who shall be absent on leave without pay / half pay shall during the period of such absence be assessed at his option either on his full salary or on the salary allowed to him during such absence but any member shall be at liberty to elect not to subscribe to the fund during such period of absence.
11. The Bank shall be entitled to deduct from each month's salary payable by the Bank to each member the amount of the compulsory subscription of such member to the Fund. If the amount of the compulsory subscription of any member to the Fund shall not be deducted by the Bank, as aforesaid, at the end of any month, such member shall forthwith pay the amount of his said subscription to the Bank. The amount of every subscription deducted by the Bank as aforesaid shall be paid to the Trustees who shall credit the same to individual accounts to be maintained by the Trustees in the name of each member.
12. (a) For those members, who opted to continue with contributory provident fund scheme, the Bank shall contribute monthly and pay to the Trustees not later than 15 days after the compulsory subscription of the member is deducted from his salary an amount equal to the aggregate of the amounts of compulsory subscription subscribed by the members. Out of the amount so contributed by the Bank, the Trustees shall credit to the account in the name of each member an amount equal to the subscription of such member.
- (b) The interest or dividends received by the Trustees from all sources during the preceding year shall be entered in an interest Account which shall be opened and kept for the purpose and the amount of such interest and dividend of every year shall, after providing for the expenses of the Fund, be credited to the individual account in the name of each member on a pro-rata basis as soon as possible after the 31<sup>st</sup> March and 30<sup>th</sup> September, of such year. All sums representing the aggregate of fractions shall be carried forward in the 'Interest Account.' Provided, always, that there shall be no obligation to credit such accounts at a rate exceeding the rate of interest or amount of dividend yielded by the investments of the fund.
- (c) The Bank may, on any day in which interest under clause (b) above shall be credited to the individual accounts of the member, pay to the Trustees for crediting to the individual accounts of the members such further sum as will be equal to the difference between the amount of interest actually credited under clause (b) above to the individual account of members and the amounts of interest for a period of six months calculated on the balance to the credit of the individual account of each member on the previous 31<sup>st</sup> March and 30<sup>th</sup> September at a rate not less than 3 ½% per annum and not exceeding the rate fixed by the Central Government in this behalf by Notification in the Official Gazette.
- (d) The Bank may pay periodical bonuses or other contributions in the form of bonus to the extent and in the manner permitted by law.
- (e) The assets of the Fund and all moneys standing at the credit of the accounts in the individual names of members or other accounts shall be dealt with only in accordance with Rules and in accordance with the decision of the Trustees.

- (f) Members can make voluntary subscription towards Provident Fund over and above the present compulsory subscription of 10% of the salary not exceeding 90% of the salary by the members on the following terms and conditions:
- i) The total contribution of the members not to exceed in all 90% of salary.
  - ii) Bank's contribution shall be restricted to 10% of the salary.
  - iii) Interest payable on voluntary subscription to be the same as in the case of compulsory subscription.
  - iv) Fresh mandatory letters to be obtained from those desirous of availing of the benefit of the scheme.
  - v) Changes effected in the employee's voluntary subscription from 10% upto 90% of the salary should remain in force atleast for one year.
13. No member nor any other person shall have any right to make payment of money out of the Fund except as is by these Rules expressly provided.
14. Each member shall by making and keeping alive a valid declaration in the form hereto annexed and marked 'B' nominate any person or persons to whom the amount standing to the credit of the account opened in the name of such member shall be payable in the event of his death while in the service of the Bank or before his claim on the Fund shall have been discharged and may from time to time change such nomination.
15. On a member dying, retiring by reason of incapacity or under the Bank's service rules or on termination of his service by the bank on account of illness, physical disability, by way of retrenchment or for reasons beyond his control, the full amount standing to the credit of his account opened in his name in the fund including the Bank's contribution thereon with interest upto date shall become payable to him or in the event of his death to his nominee, subject to the payment of any withdrawal made by him under rule 22 (b) and subject to rule 18 hereof.
16. (i) Subject to the provision of sub rule (ii) no deduction shall be made from the amount standing to the credit of the account opened in the name of a member when final payment is made to him or his nominees except as is by these rules expressly provided.
- (ii) a) A member who has put in ten years of service and over with the Bank shall be paid the full amount to the Bank's contribution with interest attributable thereto.
- b) A member who has served for five years and more but less than ten years shall be entitled to the Bank's contribution at the rate of ten percent of such contribution with interest for each completed year of service.
- c) A member who has served for less than five years shall not be entitled to any portion of the contribution of the Bank or interest on it notwithstanding that the same may have been credited to the account opened in his individual account.
17. The Bank shall nevertheless have power, in its sole and uncontrolled discretion to recommend the payment to any member of the whole or such portion of the Bank's contribution and proportionate interest attributable thereto as the Bank shall think proper having regard to the length and value of the services of the retiring member and the Trustees shall be entitled to act upon such recommendation.

18. No deduction shall be made, save as by these rules provided, from the amount standing to the credit of an account in the name of a member unless he is dismissed for misconduct causing financial loss to the Bank and in such case the recovery to be made by the Trustees and to be paid by them to the Bank shall not exceed the amount of such financial loss and shall be made from the contributions made by the Bank credited to individual account of such member and to interest (simple or compound) credited in respect of such contributions and accumulations thereof in accordance with these Rules.
19. On the death of a member, who shall have made a nomination in accordance with rule 14, the amount due to him according to these Rules shall be paid to his nominee and such payment shall be a good discharge to the Trustees and to the Bank against all claims whatsoever in respect of the said Fund by any one whosoever claiming through the said member.
20. On the death of member, who shall not have nominated any person, in accordance with Rule 14, who shall be living at the time of the death of such member, the amount due to him according to these Rules shall be paid to his heirs, executors or administrators and such payment shall be a good discharge to the Trustees and to the Bank against all claims whatsoever claiming, through the said deceased member provided that in any case the Trustees may in their absolute discretion dispense with the production of a succession certificate, probate or letters or legal representation by competent court or authority on production of such other evidence as it may require and upon such terms as to indemnify or otherwise as it may think fit in the manner as prescribed at Annexure hereto. (If the payment is made to the nominee/s, the execution of the indemnity bond will not be necessary).

21. The accumulated balance standing to the credit of a member according to the rules shall be payable on the day he ceases to be a member of the Fund and shall be paid to him within one month from the date he ceases to be a member of the Fund whether on account of death or retirement of such member or the termination of his service and interest on such amount shall cease to be added in the individual account of such member on such payment. In case of deceased member where the claimants are unable to fulfill all the requirements insisted upon by the Trustees of the Fund before payment to them of the Provident Fund dues of such deceased member, the interest shall be added from the date of death of such member upto the date of payment or upto a maximum period of twelve months whichever is earlier; in other cases the interest shall cease to be added on the expiration of three months from the date a member ceases to be a member of the Fund."

Provided however, if any disciplinary proceedings are pending against any member on the due date of his superannuation then the accumulated balance standing to the credit of the member which is forming part of Bank's contributions and payable to such member shall be released by the Trustees based on the recommendations of the Bank, after conclusion of such disciplinary proceedings. **In the event of either exoneration or imposition of any punishment, where the withheld accumulated balance standing to the credit of Bank's contribution to P.F. is payable, the same would be payable with interest from the date of reaching the age of superannuation upto a maximum period of -3- months from the date of the order of the Disciplinary Authority. (Amended w.e.f. 22.02.2005)**

22. The Trustees at their discretion, may pay admissible amount of provident fund to a nominee in case of the member whose whereabouts are not known for a period of over one year on the following terms and conditions:
- i) The date of disappearance of the member will be reckoned from the date of First Information Report with the police.
  - ii) The date for provident fund payment will also be reckoned from the date as mentioned at (i) above.
  - iii) The nominee/dependents of the member (heirs/executors) in the absence of the nominee must lodge a report with the concerned police station and obtain a report that the employee has not been traced after all efforts have been made by the police.
  - (iv) An indemnity bond is obtained for this purpose from the nominee/the dependents of the member in the absence of the nominee, in the form annexed hereto.
23. (a) No member shall have any right in the assets of the Provident Fund or the amount standing to his credit in the Provident Fund save and to the extent herein provided. Accordingly, no member shall be entitled to assign, mortgage or in any way alienate or create an interest in the moneys standing to the credit of his account in the provident fund.

- (b) The Trustees, however, may allow a withdrawal on ground and under circumstances and within the limits and subject to all conditions pertaining to the repayment of the loan and rate of interest payable thereon specified by Rules made by the Government of India or any local Government in that behalf and for the time being in force. **(Amended w.e.f.08.08.2008)**
  - (c) If any member shall purport to make any transfer, assignment, mortgage, charge or other disposition or if a member is adjudicated as insolvent in any event happening which requires the Bank or the Trustees to forfeit such member's interest (if any) in the fund shall ipsofacto terminate and all moneys to the credit of or payable to such member shall forthwith be forfeited to the use of the said Fund and shall be dealt with accordingly by the Trustees or as may be deemed fit at the discretion of the Trustees / Bank.
  - (d) The Trustees shall be entitled at their absolute discretion to allow such member to continue or rejoin as a member or to make any ex-gratia payment.
  - (e) The Trustees shall also be at liberty at anytime after such forfeiture, on the written recommendation of the Chairman of the Bank, under the authority of the Board of Directors of the Bank, to give or pay the moneys so forfeited or any part thereof for the benefit of such wife, children and dependents of such member and otherwise deal with such moneys as the Trustees may in their absolute and uncontrolled discretion think fit.
24. All moneys standing to the credit of the Provident Fund received by the Trustees and not immediately required for the purpose of the Fund and held in a bank account shall be invested as for the time being authorised under the Income Tax Act, 1961, the Indian Trust Act, 1882 and the companies Act, 1956 as amended, altered, modified or substituted from time to time. The Trustees may place any uninvested part of the fund in an account to be opened with one or more scheduled banks. If the said account or the accounts require replenishing at any time, the Trustees may in their discretion sell any investment in which the fund was invested.
25. All investments and bank accounts of the fund may be kept by the Trustees in the name of the fund or in the names of the Trustees with power to any two of them to operate the bank accounts and to sell, transfer, vary and transpose such investments. The Trustees shall invest such moneys not later than three calendar months after receipt of the same by the Trustees and any money remaining uninvested from time to time shall be kept by the Trustees in the bank account or accounts above referred to.
26. Any loss or diminution in the value of the investments to the Fund from whatever cause arising shall be borne by the Fund and the Trustees shall incur no responsibility by reason or on account thereof.

27. The Trustees shall cause to be maintained proper accounts relating to the Fund in such form as may from time to time be prescribed by Income Tax Act, 1961 and the rules made thereunder as modified, altered, amended or substituted from time to time. Such modified accounts shall be made up half yearly upto 31<sup>st</sup> March and 30<sup>th</sup> September in each and every year. Separate personal account or accounts shall also be maintained in the name of each member, who shall be furnished annually a statement of account or accounts showing the balance/s for the previous year in respect of and the amount to the credit of such account made up of his subscription and the Bank's contribution, interest earned of the moneys in such account or accounts and the advances, if any and repayments if any, made by him during that year.
28. The Trustees shall open account or accounts in the books of the Fund to be named, called or styled as may be deemed requisite by the Trustees for the management and administration of the Fund including the accounts called respectively 'Interest Account' and "lapse and Forfeiture Account" and shall also be entitled and empowered to operate upon and/or close such account or accounts as deemed fit.
29. The 'Interest Account' shall be kept and maintained for the purpose and in the manner provided by Rule 12 (b).
30. All moneys herein expressed to be forfeited to the Fund shall be credited to the 'Lapse and forfeiture Account' and the balance to the credit of Lapse and Forfeiture Account shall from time to time be invested in accordance with the provisions of Rule 24 and Rule 25 hereof. The Trustees shall also credit or debit, as the case may be, to the 'Lapse and Forfeiture Account', the difference between the realisation or sale price and the book value or cost price of investment.

If at any time, there is such a fall in the market value of the investments of the Fund as in the absolute discretion of the Trustees requires adjustment of the accounts in the name of the members after utilising the balance to the credit of the 'Lapse and Forfeiture Account', the Trustees shall be entitled to debit to the accounts in the names of the individual members rateably in proportion to the respective amount standing to credit of such accounts, such total amount in respect of the depreciation in the investments as the Trustees may fix. In the event of the Trustees debiting such accounts, the Trustees may, when they so deem fit, at any time and from time to time thereafter credit such accounts on a pro-rata basis with such amount or amounts as the Trustees shall fix by utilising :

- (a) Any amounts at the time standing to the credit of the 'Lapse and Forfeiture Account' and
- (b) Any appreciation in the market value of investment of the Fund.

until the total amount or amounts debited to such accounts as aforesaid has been (or have been) restored in full with proportionate interest.

31. The balance, if any, standing to the credit of the account in the name of any member after payment under Rule 15 shall remain in the Provident Fund and be utilised in such manner as may be deemed expedient by the Trustees for the benefit of the Provident Fund or the members for the time being thereof including their families or may be taken to the "Lapse and Forfeiture Account".

32. The amount standing to the credit of the account in the name of a member which may remain unclaimed for a period of three years after the date on which the amount becomes payable shall be forfeited and taken to the "Lapse and Forfeiture Account".
33. The application of sums forfeited shall ensure to the use of the Fund PROVIDED THAT in no case shall any such sum be refunded directly or indirectly to the Bank unless properly recoverable by the Bank in terms of Rule 18 above. The Trustees may in their discretion distribute such forfeited sums, from time to time, rateably amongst the members of the Fund by crediting their respective Provident Fund Accounts with their pro-rata share.
34. For the purpose of making any payment, the Trustees shall be at liberty, in their discretion, either to have recourse to any amount in their Bank Account or to realise the investments or both or call upon the Bank to pay the amount of its contribution then accrued but unpaid or to borrow from any banks or the Bank or any of them or any other person, firm or company as the Trustees may, in their discretion, decide without security or upon the security of the investment of the Fund or any part thereof, with power to the Trustees for that purpose to pledge, charge or hypothecate all or any of such investments.
35. The Trustees shall be entitled to charge to the Fund all expenses of management of the Fund including auditors' fees, clerical salaries and wages, cost of account books and stationery and all other costs, charges and expenses to which the Trustees shall be put in connection with the Fund or any claim thereon for any reason whatsoever.
36. The accounts of the Fund shall be audited once in a financial year and their accuracy certified by the Auditors of the Bank. The Auditors' certificate shall be final and binding upon the Members of the Fund.
37. The Trustees shall, from time to time-elect one of their members to be Chairman of the Trustees. In his absence the Trustees may elect another Trustee to preside at the meeting of the Trustees. Questions arising at a meeting of the Trustees shall be decided by a majority of votes and in case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. Two Trustees shall be a quorum. The Trustees may from time to time by resolution or resolutions under their signature authorise any two of them to sign and endorse for transfer or for conversion or for payment the securities held as investments by the Fund or to sign or endorse cheques, drafts, interest warrants or receipts for interest and other receipts.
38. The receipt of the Trustees for the purchase moneys of any property held by the Trustees and sold by them or other effect shall be a good and sufficient discharge to the persons paying or delivering such moneys or effects which in or by such receipts shall be expressed to be or to have been received and the persons paying or delivering such moneys or effects and taking such receipts as aforesaid shall not be obliged or required to see to the application of the said moneys or effects or be answerable or accountable for the misapplication or non-application thereof.

39. A Trustee or the Trustees shall not, any time, be made liable for any more than shall actually have come into his or their own proper hands or for the loss or variation in price of securities or for the failure of any bank, company or firm or the dishonesty of any clerk or servants, or other person with whom any part of the Trust property may be deposited or be placed in charge or be liable for any other than his own immediate and respective willful acts, deeds and/or defaults and every such Trustee shall be at liberty from and out of all or any part of the Fund in the first place to reimburse himself all sums of moneys, costs, charges, damages, expenses and demands whatsoever which he can, shall or may reasonably bear, sustain or be put to any manner, however by reason or on account of his acceptance or execution of Trust anything herein above mentioned to the contrary thereof in anyways notwithstanding.
40. (a) The Bank shall have power with the consent of all members to close the Fund at any time and in the event of the funds being closed, the Fund shall be divided amongst the members by payment to each member or according to the mandate given by such member (in case a mandate is given by such member) of a sum which shall bear the same proportion to the aggregate market value of the securities and uninvested cash (if any) constituting the Fund on the date of such division as the amount standing to the credit of a member in his individual account, on the date of such division bears to the aggregate to the amounts standing to the credit of the individual accounts of all the members on the same date.
- (b) In the event of the Fund being closed by virtue of the Bank being merged in any other Bank or for any other cause whatsoever, all the moneys in the Fund at the time of such closing shall be distributed among the members proportionately as above provided.
- (c) On the closing and winding up of the Fund after payment of all the accumulated balances due to all the members any surplus to the credit of 'The Lapse and Forfeiture Account' shall remain in the hands of Trustees, the Trustee shall pay to Bank as much of such surplus as may be equivalent to the amounts therein which had been contributed by the Bank and at any time forfeited by a member or members and which were therefore, recoverable by the Bank hereunder or under the provisions of the Indian Income tax Act but which had not been recovered together with any surplus remaining to the credit of the Interest Account. Any surplus in either or such accounts remaining in the hands of the Trustees after such payment as aforesaid, shall be credited to the members of the Fund at the date of its closing or winding up in proportion to the credit of each member's account on such date.
41. In accordance with the provision of Deed of Variation of the Trust dated 22.1.1996, the Trustees on receipt of application from members who have opted for the Pension Scheme in place of Employer's contribution to Provident Fund of the Bank shall transfer within 60 days the accumulated balance standing to the credit of member representing Bank's contribution alongwith accumulated interest on Bank's contribution upto the date of Transfer of Fund to the Pension Fund Trust of the Bank.

42. The Principal Deed and the Rules so far as relating to Bank's contribution and interest on Bank's contribution shall not be applicable to:
- (a) Employees opting for pension scheme in place of Bank's contribution to Provident Fund Scheme of the Bank and have applied for transfer of their accumulated balance standing to their credit representing Bank's contribution alongwith accumulated interest on Bank's contribution.
  - (b) Employees below the age of 35 years joining the Bank on or after 29/09/1995.
  - (c) Employees joining the Bank on or after 29/09/1995 at the age of 35 years or more and opting for pension in lieu of Bank's contribution to provident fund.
43. The Rules and Regulations contained herein shall remain in operation for the management and control of the Provident Fund PROVIDED, HOWEVER, that the Trustees shall have full power from time to time to vary, alter or change the Said Rules and Regulations as they may think proper in their absolute discretion with the previous approval of the Commissioner of Income Tax.
44. The Office of the Provident Fund shall be situated at the same place as the Head Office of the Bank and all work in relation to the Provident Fund shall be carried out and/or administered from there.
45. The provisions of the Indian Income-tax Act (or any modification thereof) applicable to Provident Funds and the rules thereunder for the time being, in force shall apply to Provident Fund and these Regulations in respect of any matter not herein specifically provided.

## **CONDITION REGARDING WITHDRAWALS UNDER THE INCOME TAX RULES, 1962**

### **Circumstances in which withdrawals may be permitted.**

68. (1) Withdrawals by employees may be allowed by the 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 dependent 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 specialized 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 marriages, funerals or ceremonies, which by the religion of the employee it is incumbent upon him to perform :

(d) to meet the expenditure on building a house, or purchasing a site or a house and a site and, in the case of an employee whose pay does not exceed rupees Five Thousand per month also on additions, substantial alterations or improvements necessary to a house :

**Provided** that the employee furnishes an undertaking to the trustees not to encumber or alienate such house or site or house and site, as the case may be.

**Explanation** : For the purposes of this clause "pay" shall have the meaning assigned to it in the Explanation to sub rules (2A) and (2B) of rule 69 :

(dd) for repayment of loan previously raised for the purpose of construction or purchase of a house.

(e) to pay premia on policies of insurance on the life of employee or of his wife 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 are from time to time handed over to the trustees for inspection by the Income Tax Officer.

(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 condition of service or penalty imposed on him.

(g) to meet the expenses of the damage caused to the movable or immovable property of the employee as a direct result of flood, cyclone, earthquake or other convulsion of nature or riot.

(2) For the purpose of sub rule (I), "family" means any of the following persons who are wholly dependent on the employee, namely : the employee's wife, legitimate children, step children, parents, sisters and minor brothers.

### **Conditions for withdrawal for various purposes.**

69 (1) The withdrawal (in connection with expenses on illness as specified in clause(a) of sub-rule(1) of rule 68) in connection with expenses on marriage as specified in clause (c) of sub rule 91) of rule 68, by an employee whose pay exceeds Rupees Five thousand per month, shall not exceed six months' pay or the total of the accumulation of exempted contributions and exempted interest lying to the credit of the employee, whichever is less.

(1A) The withdrawal for the purposes specified in clause (aa) and clause (c) of sub-rule (1) of rule 68, by an employee, whose pay does not exceed Rupees Five thousand per month, shall be subject to the following conditions, namely :-

- (a) the amount of withdrawal shall not exceed one-half of the employee's contributions to the fund with interest thereon ;
- (b) the employee shall have completed seven years of service ;
- (c) the amount of the employee's contributions to the fund with interest thereon is not less than one thousand.

(2) The withdrawal for the purpose specified in clause (d) and clause (dd) of sub rule (1) of rule 68 by any employee whose pay exceeds Rupees Five Thousand per month shall be subject to the following conditions :

- (i) the amount of withdrawal shall not exceed one half of the amount standing to the employee's credit or the actual cost of the house and/or the site, whichever is less.

(ii) the employee shall have completed ten years of service or is due to retire within the next ten years.

(iii) 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 the commencement of the construction.

(iv) 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 ;

(v) if the withdrawal is made for the repayment of loan previously raised for the purpose of construction or purchase of house, the repayment of the loan should be made within three months of the withdrawal ;

(vi) where the withdrawal is for the construction of a house it shall be permitted in two or more equal instalments (not exceeding four), a latter instalment being permitted only after verification by the trustees about the actual utilization 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 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 purchase or construction of the house and/or site, or if the amount is not utilized 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 lump sum together with interest from the month of such withdrawal at the rate prescribed in sub-rule (4) of Rule 71. The amount refunded shall be credited to the employee's account in the Provident Fund.

(2A) The withdrawal for the purpose specified in clause (d) of sub-rule (1) of rule 68 by any employee whose pay does not exceed Rupees Five Thousand per month, shall be subject to the following conditions namely :-

(i) the amount of withdrawal shall not exceed -

(a) one-half of the amount standing to the employee's credit in the fund ; or

(b) the employee's basic wages and dearness allowance for thirty six months ; or

(c) the employee's contribution to the fund together with the specified percentage of the employer's contribution to that fund with interest thereon whichever is less :

**Provided** that the amount of such withdrawal shall in no case exceed the actual cost of the house and/ or site.

**Explanation** : For the purpose of sub-clause (c) , "specified percentage" means:

on  
the  
(1) 75% of the employer's contribution forming part of the accumulations as the date of the authorisation of payment, if the period of membership of employee in the fund is five years or more, but less than 10 years : and

(2) 85% of such contribution , if the period of membership of employee in the fund is ten years or more but less than 15 years :

(ii) the employee shall have completed five years of service or is due to retire within the next ten years :

(iii) the withdrawal shall be permitted only if the house and/or site is free from encumbrances.

(iv) no withdrawal shall be permitted for purchasing a share in a joint property or a building or a house or land whose ownership is divided except where a site is owned jointly with the spouse.

(v) where the withdrawal is for construction of a house , the payment of the withdrawal may be sanctioned in such number of instalments( not exceeding four) as trustees of the fund think fit :

(vi) where the withdrawal is for the construction of a house, the construction of house should be commenced within six months of withdrawal and should be completed within 12 months of the withdrawal of final instalment.

(vii) 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 :

(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 lump sum together with interest from the month of such withdrawal at the rate prescribed in sub-rule (4) of rule 71 and the amount so refunded shall be credited to the employee's account in the fund.

(2B) A withdrawal for additions, substantial alterations or improvements necessary to the house owned by the employee or jointly owned by the employee and the spouse may be granted once and in one instalment only to an employee whose pay does not exceed Rupees Five Thousand per month, up to twelve months basic wages and dearness allowance or the employee's own share of contribution with interest thereon or the amount standing to his credit in the fund, whichever is less :

**Provided** that the said withdrawal shall be admissible only after a period of five years from the date of purchase or completion of a house :

**Provided further** that where the amount withdrawn is not utilized in whole or in part for the purpose for which it was withdrawn, the excess or the whole amount, as the case may be, shall be refunded to the trustees forthwith in one lump sum together with interest from the month of such withdrawal at the rate prescribed in sub-rule(4) of rule 71 and the amount so refunded shall be credited to the employee's account in the fund.

**Explanation** : For the purpose of sub rule (2A) and (2B) "pay" includes basic wages with dearness allowance retaining allowance (if any) , and cash value of food concession admissible thereon to which the employee is entitled at the time when the withdrawal is granted or in the case of an employee referred to in sub-rule (2) of rule 5 of Part A of the fourth schedule, the pay (including increments, if any) which he would have received had he not entered the armed forces of the Union or being taken into or employed in the national service.

(3) The withdrawal for the purpose specified in clause (f) of sub-rule (1) of rule 68 shall not exceed three month's pay or Rs.500/-, whichever is greater, but shall in no case exceed half the amount to the credit of the employee.

(4) The withdrawal for any other purpose referred to in sub-rule (1) of rule 68 shall not exceed three months' pay or the total of the accumulation of exempted contributions and exempted interest lying to the credit of the employee, whichever is less.

(5) For the purpose of this rule (except sub-rules (2A) and (2B) "pay" means the pay to which the employee is entitled at the time when the withdrawal is granted or, in the case of an employee referred to in sub-rule (2) of rule 5 of Part A of the Fourth Schedule, 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.

**Second Withdrawal :**

70. (I) 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 -

(a) for any purpose specified in clause (d) or clause (e) of sub-rule (1) of rule 68 notwithstanding that the sum withdrawn earlier for any purpose has not been repaid.

(b) For any other purpose specified in sub-rule (1) of rule 68 notwithstanding that any sum withdrawn earlier for any purpose specified in clause (d) or clause (e) of the said sub rule (I) has not been repaid.

**Repayment of amounts withdrawn.**

71. (1) Subject to the provision of clause (viii) of sub rule (2) or clause (viii) of sub-rule (2A) or the second proviso to sub-rule (2B) of rule 69 where a withdrawal is allowed for a purpose specified in clause (d) or clause (dd) or clause (e) of sub rule (1) of rule 68, the amount withdrawn need not be repaid.

(2) Where a withdrawal is allowed in connection with marriages as specified in clause(c ) of sub rule (1) of rule 68, the amount withdrawn shall be repaid in not more than forty eight equal monthly instalments.

(3) Where a withdrawal is allowed for any other purpose, the amount withdrawn shall be repaid in not more than twenty four equal monthly instalments.

(4) In respect of withdrawals referred to in sub rule (2) and (3) and of the amount referred to in clause (viii) of sub rule (2) or clause (viii)of sub rule (2A) or the second proviso to sub rule (2B) of rule 69, interest shall be paid in accordance with the following table.

**TABLE**

<b>1</b>	<b>2</b>
Where the amount is repaid in not more than 12 monthly instalments	One additional instalment of 4% on the amount withdrawn.
Where the amount is repaid in more than 12 monthly instalments but not more than 24 monthly instalments	Two additional instalments of 4% on the amount withdrawn.

Where the amount is repaid in more than 24 monthly instalments but not more than 36 monthly instalments	Three additional instalments of 4% on the amount withdrawn.
Where the amount is repaid in more than 36 monthly instalments but not more than 48 monthly instalments	Four additional instalments of 4% on the amount withdrawn.
Where the amount is refunded under clause (viii) of sub rule (2) of the rule 69	4% of the amount which is refundable

**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 per cent above the rate which is payable for the time being on the balance in the fund at the credit of the employee.

(5) The employer shall deduct the instalments 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. Amount withdrawn but not repaid may be deemed as income.

72. In case of default of repayment of instalments due under sub rule (2) or sub rule (3) or sub rule (4) of rule 71 or where the amount withdrawn is not utilized for the purpose for which it is withdrawn , the Commissioner may at his discretion order that the amount of the 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 utilized for the purpose for which it is withdrawn, and the Income-Tax Officer shall assess the employee accordingly.

**Withdrawal within twelve months before retirement.**

73. Notwithstanding anything contained in rule 68 to 72, it shall be open to the trustees of a provident fund to permit at any time within twelve months before the date of retirement on superannuation of an employee, the withdrawal of up to 90% of the amount standing at the credit of the employee.