

U.K SEEDS AND TARAI DEVELOPMENT CORPORATION LIMITED
EMPLOYEES GRATUITY FUND RULES

- 1. Short Title:** These rules shall be called “ U.K Seeds and Tarai Development Corporation Limited Employees Gratuity Fund Rules”.
- 2. Applications :** These rules will be applicable to all employees of the Corporation except those on deputation and shall come into force with effect 29 June 1969.
- Definitions: A,** “Board means the boards of Trustees constituted for administrating the fund.
- A.** “Employees” means any person (other than an apprentice) employed on wages, in U.K Seeds and Tarai Development Corporation Limited, P.O Haldi, Pantnagar, District. Udham Singh Nagar, whether the terms of such employment are express or implied but does not include any such person who holds a civil post under the **Central Government or a State Government, or who is subject to the Air Force Act, 1950(45 of 1950) the Army Act, 1950(46 of 1950) or the Navy Act, 1957 (62 of 1957).**
- Explantation :** In the case of any employee, who having been in employment of the Corporation for a period of not less than five years on whatever wages, the gratuity amount in respect of the period during which such employee was employed on wages, shall be determined as per provisions of **Payment of Gratuity Act, 1972** and its subsequent amendment made from time to time.
- C** “**Financial year** “ *means, the year commencing* on 1st. April, each year.
- D** “**Family**” means, in relation to an employee shall be deemed to consist of:
- (i) In the case of male employee, himself, his wife, his children ,whether married or unmarried, his dependent parents and the widow and children of his predeceased son, if any;
- (ii) In the case of female employee, herself, her husband, her children, whether married or unmarried, her dependent parents and the dependent parents of her husband and the widow and children of her predeceased son, if any;
- Provided** that if a female employee, by a notice in writing to the Controlling Authority expresses her desire to exclude her husband from her family, the husband and his dependent parents shall no longer be deemed, for the purposes of this act, to be included in the family of such female employee, unless the said notice is subsequently withdrawn by such female employee.
- Explanation:** Whether the personal law of an employee permits the adoption by him of a child, any child lawfully adopted by him shall be deemed to be included in his family, and where a child of an employee has been adopted by another person and such adoption is under the personal law of the person making such adoption, lawful, such child shall be deemed to be excluded from the family of the employee.
- E** “**Act**” means, the payment of gratuity Act, 1972 (N0. 39 of 1972) and its subsequent amendments made from time to time.
- F.** “ **Beneficiary**” means, the person or persons appointed by the employee to whom the money of his gratuity is payable in case of his death or disablement.
- G.** “**Employer**” means, in relation to these rules. **U.K Seeds and Tarai Development Corporation Ltd. managed through its Trustees.**
- H.** “**Wages**” means, all emoluments which are earned by an employee while on duty or on leave in accordance with the terms and conditions of his employment and which are paid or are payable to him in cash and includes dearness allowance but does not include any bonus, commission, house rent allowances, over time wages and any other allowance.
- I** “ **Retirement**” means termination of the service of an employee otherwise then on superannuation

J. “ Superannuation” in relation to an employee means:

- (i) The attainment by the employee of such age/ as is fixed in the contract or conditions of service as the age on the attainment of which the employee shall vacate the employment, and
- (ii) In all cases, the attainment by the employee of the **age of sixty years**.

K. “ Completed year of service” means continuous service for one year.

L. “ Continuous service” means uninterrupted service and includes service which is interrupted by sickness, accident, leave, lay off, strike or a lockout or cessation of work not due to any fault of the employee concerned, whether such uninterrupted or interrupted service was rendered before or after the commencement of this Act.

Explanation I: In the case of an employee who is not in uninterrupted service for one year, he shall be deemed to be in continuous service if he has been actually employed by an employer during the twelve months immediately preceding the year for not less than:

- (i) 190 days, if employed below the ground in a mine, or
- (ii) 240 days in any other case, except when he is employed in a seasonal establishment.

Explanation II: An employee of a seasonal establishment shall be deemed to be in continuous service if he has actually worked for not less than seventy five percent of the number of days on which the establishment was in operation during the year.

4. BOARD OF TRUSTEES OF THE FUND

The Gratuity fund shall vest in and be administered by the board of Trustees consisting of the Managing Director/ General Manager and the Chief Financial Officer/ Jt. Chief Financial / Dy. Chief Financial Officer under the terms of a proper instrument in writing adequately safeguarding the interests of the members duly registered under the payment of Gratuity Act, 1972. In the absence of any of the these members, the Chairman of the Board will nominate a person in place of the absentee.

5. MEETING :The Board of trustees shall meet at such place and time as may be appointed by the Chairman of the Board, and at least two meeting of the Board shall be held in a year.

6. MINUTES OF MEETINGS :

The minutes of the Board shall be recorded in a minute book. The records of the minutes of each meeting shall be signed by the Chairman after confirmation with such modification ,if any, as may be considered necessary at the next meeting

7. CONTRIBUTION;

The fund will be a non-contributory group gratuity fund. Certain sums shall be contributed by the Company to the fund from year to year on the valuation by an approved actuary for providing certain benefits to the employees of the company on their termination of service or retirement from service to their beneficiaries or nominees.

8. INVESTMENT;

All money belonging to the fund shall be invested in Government securities and as per the terms of Gratuity Act,1972 and Income Tax Act,1961 rules framed thereunder and provided that all the moneys belonging to the fund, pending investment, be deposited in the Post Office Savings Bank a/c in India or in a current account with any Schedule bank or as per instruction issued by the Central Government in this behalf from time to time.

9. All interest and other income realised and net profit or losses, if any, arising from investment shall be credited or debited as the case may be, to the interest suspense Account.

10. The Accounts of the fund shall at the close of each financial year be audited and their accuracy be certified by the Chartered Accountants appointed by the Trustees and a report of the auditors be submitted to trustees

11. DUTIES OF EMPLOYER;

The Employer shall comply with the direction which may be issued to him from time to time by the Central Government or any controlling authority appointed by the Government under the provisions of payment of Gratuity Act or any other Act.

12. ADMINISTRATIVE EXPENSES:

All expenses incurred in the administrative of the fund including maintenance of Accounts, submission of returns, Audit Fee, staff expenses and payment of inspection charges shall be borne by the employer and shall not be charged to the fund.

13. CIRCUMSTANCES IN WHICH GRATUITY PAYMENT WILL BE MADE:

Gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years.

- a) on his superannuation, or
- b) on his retirement or resignation or
- c) on his death before superannuation or disablement due to accident or disease.

Explanation I : Completion of continuous service of five years shall not be necessary where the termination of employment of any employee is due to death before his age of superannuation or disablement. It is, further provided that in case of death before the age of superannuation of the employee, the entire gratuity amount due on his superannuation shall be payable to the nominee, if no nominee to the heirs of the deceased employee, limits laid down in rule 14&15.

Explanation II: For the purpose of the section disablement means such disablement as incapacitates an employees for the work which he was capable of performing before the accident or disease resulting in such disablement.

14. RATE OF GRATUITY PAYMENT:

The employer shall pay gratuity to an employee at the rate of 15 days based on the rate of wages, last drawn by the employee for every completed year of service or part thereof in excess of six months.

Provided that in the case of piece-rated employee, daily wages shall be computed on the average of the total wages received by him for a period of three months immediately preceding the termination of his employment and for this purpose, the wages paid for an overtime work shall not be taken into account. For the purpose of computing the Gratuity payable to an employee who is employed after his disablement on reduced wages his wages for the period preceding his disablement shall be taken to be the wages received by him during that period and his wages for the period subsequent to his disablement shall be taken to be the wages as so reduced.

Note : The calculation of monthly rated employee for 15 days wages shall be made by dividing monthly rate last drawn by 26 days multiplying the quotient by 15 days.

15 AMOUNT OF GRATUITY PAYABLE :

- (a) The amount of Gratuity payable to an employee shall be calculated according to the provision in on rule 14 or Rs. 10,00,000.00 whichever is less.
- (b) However, the amount and terms of Gratuity can be altered to the benefit of the employee under the provision of clause (5) of sec. 4 of the Act.

16 FORFEITURE OF GRATUITY

- (a) The gratuity of an employee ,whose service have been terminated for any act, wilful omission or negligence causing any damage or loss to or destruction of, property belonging to the employer, shall be forfeited to the extent of the damage or loss so caused,

(b) The gratuity payable to an employee shall be wholly forfeited :

(i) If the services of such employee have been terminated for the riotous or disorderly conduct or any other act of violence on his part,or

(ii) If the services of such employee have been terminated for any act which constituted an offence involving moral turpitude, provided that such offence is committed by him in the course of his employment. But before exercising the power of forfeiture, the Board of Trustees shall give a reasonable opportunity to the employee concerned for his representation against the forfeiture.

17.NOMINATION:

(a) Each employee, who has completed one year of service, shall within six month of his completion of one year's service make nomination for payment of Gratuity in case of his death. An employee may in his nomination, distribute the amount of gratuity payable to him under the act amongst more than one nominee.

(b) If a nominee predeceases the employee, the interest of the nominee shall revert to the employee, who shall make a fresh nomination in respect of such interest.

18. PAYMENT : All benefits granted under the Trust and rules shall be payable only in India.

19.PROTECTION OF GRATUITY:

No gratuity payable under this act to any employee shall be liable to attachment in execution of any decree or order of any civil, revenue or criminal Court.

20. DISCHARGE OF LIABILITY:

Payment of the Gratuity amount to the nominee or nominees of the employee will be sufficient discharge of the liabilities and they have made no claim what-so-ever will be against the trustees of the fund after the payment to the nominee or nominees of the employees.

Note : The employer shall arrange to pay the amount of gratuity to the employee with in 30 days from the date it becomes payable to the person to whom the gratuity is payable, if failed to pay with in time, the employer shall pay simple interest at the rate notified by the Government. If delay is due to the fault of the employee no interest will be payable.

21.WINDING-UP OF BUSUNESS :

In case the business of the employer is wound up or discontinue, the Board of Trustee shall make satisfactory arrangements with the approval of Commissioner of Income Tax for payment of Gratuity to the existing beneficiaries. Similarly any arrangement for its amalgamation with another fund will require approval of Commissioner of Income Tax.
