

**AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR  
LAW AND PARLIAMENTARY AFFAIRS SECRETARIAT,  
MUZAFFARABAD**

Dated the 30th March, 1989.

No. 221-25/89. The following Ordinance made by the President on the 30th day of March, 1989, is hereby published for general information:--

**(ORDINANCE XIX OF 1989)**

**AN**

**ORDINANCE**

to amend the Azad Jammu and Kashmir Benevolent Fund and Group Insurance Act, 1971.

WHEREAS it is necessary to amend the Azad Jammu and Kashmir Benevolent Fund and Group Insurance Act, 1971;

AND WHEREAS, the Legislative Assembly is not in session and the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by Section 41 (1) of the Azad Jammu and Kashmir Interim Constitution Act, 1974, the President Azad Jammu and Kashmir is pleased to make and promulgate the following Ordinance:-

1. **Short title, Extent and Commencement.**- (1) This Ordinance may be called the Azad Jammu and Kashmir Employees Benevolent Fund and Group Insurance (Amendment) Ordinance, 1989.
  - (2) It shall come into force at once.
  - (3) It shall extend to the whole of Azad Jammu and Kashmir.
2. **Amendment of Section 2 of Act XVI of 1971.**- In the Azad Jammu and Kashmir Employees Benevolent Fund and Group Insurance Act, 1971 (Act XVI of 1971) hereinafter referred to as the said Act, in sub-section (3) of Section 2 after clause (b) new clauses (c) and (d) shall be added as under:--
  - “(c) “Gazetted” means Government Servants holding Posts in Basic scale 16 and above; and
  - (b) “Non Gazetted” means Government Servants holding posts in Basic scales 1 to 15.”

3. **Substitution of Chapter II Act XVI of 1971.**- In the said Act, Chapter II shall be substituted as under:--

**“Chapter II Boards of Trustees**

- “4. **“Boards of Trustees.** -- (1) There shall be set up two boards to be known as.--
- (a) Board of Trustees of Azad Jammu and Kashmir (Gazetted) Employees Benevolent Fund; and
  - (b) Board of Trustees of Azad Jammu and Kashmir (Non-Gazetted) employees Benevolent Fund.
- (2) The Board of Trustees of Azad Jammu and Kashmir (Gazetted) Employees Benevolent Fund shall consist of the following namely:--
- (a) Chief Secretary to the Azad Jammu of the State of Jammu and Kashmir (Chairman);
  - (b) Finance Secretary, Azad Government of the State of Jammu and Kashmir (Member);
  - (c) Accountant General, Azad Jammu and Kashmir (Member);
  - (d) Deputy Secretary Services and General Administration Department, Azad Government of the State of Jammu and Kashmir (Member/Secretary); and
  - (e) Two persons from amongst the Gazetted Employees Association, whom the Government shall by notification in Official Gazette, appoint.
- (3) The Board of Trustees of Azad Jammu and Kashmir (non-Gazetted) employees Benevolent Fund shall consist of the following namely:--
- (a) Additional Chief Secretary Services (General) to the Azad Government of the State of Jammu and Kashmir (Chairman);
  - (b) Deputy Secretary, Services and General Administration Department (Member);
  - (c) Deputy Secretary Finance, Azad Government of the State of Jammu and Kashmir (Member/Secretary);
  - (d) Deputy Accountant General, Azad Jammu and Kashmir (Member); and
  - (e) Two persons from amongst the Non-Gazetted employees

whom the Government shall by notification in the Official Gazette, appoint.

- (4) The members appointed by Government shall hold office during its pleasure and may be replaced by it at any time.
5. **Boards to be bodies corporate.**- Each of the Boards shall be a body corporate having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire hold and dispose of property both movable and immovable and shall by its name sue or be sued.
6. **Head Office.**- The Head Office of each Board shall be at Muzaffarabad or at such other place as the Government may, by notification in the Official Gazette, appoint.
7. **Powers of the Boards.**- Each of the Boards shall, within its respective jurisdiction, have power:-
- (a) to settle claims for benevolent grants and sum assured under this Act and all matters connected with such claims;
  - (b) to sanction grant from the Benevolent Fund to the employees or their families in accordance with the provision of this Act and the rules made thereunder;
  - (c) to do or cause to be done all acts and things necessary for the proper administration and management of the money or properties in the Benevolent Fund and the Insurance Fund;
  - (d) to sanction expenditure connected with the administration and management of the Benevolent Fund and the insurance fund;
  - (e) to make arrangement for the insurance of the life of the employees to give effect to the provisions of this Act;
  - (f) to invest moneys held in the Benevolent Fund in Government securities, in the construction of buildings for purposes of raising rent income, and in other profitable ventures the plans whereof having been previously approved by the Government;
  - (g) to appoint or employ such persons including a Managing Director if any, as it considers necessary for the efficient performance of its operations on such terms and conditions as it may, subject to rules, determine;

- (h) to do or cause to be done all things ancillary or incidental to any of the aforesaid powers or to the purposes of the Benevolent Fund and the Insurance Fund; and
  - (i) to award stipends out of benevolent fund to the children of in service or retired Government Employees.
8. **Meetings of the Boards.**- (1) The meetings of each Board shall be held at such time and places as may be prescribed but the Chairman of the concerned Board may convene the meetings of the Board at any other time and place.
- (2) To constitute a quorum at a meeting of a Board, the number of members present shall be four.
- (3) Each member of a Board shall have one vote and in the event of equality of votes the Chairman shall have a second and casting vote.
- (4) The meetings of a Board shall be presided over by the Chairman and in the absence of the Chairman by the person elected for the purpose by the members present from amongst themselves.
- (5) All orders and decision of a Board shall be authenticated by the signature of the Chairman or of such other member as may have been authorized by the Board by a resolution.
9. **Secretary and his powers and functions.**- The Secretary of a Board shall exercise such powers and perform such functions as may be prescribed or as may, subject to rules, be assigned to him by the Board.
10. **Delegation of powers.**- A Board may, for facilitating the discharge of its functions and ensuring efficient operation of the Benevolent Fund and Insurance Fund, by a resolution published in the Official Gazette, delegate to the Secretary or to the Managing Director, if any, or any other officer of the Board, subject to such conditions and limitations, if any, as may be specified therein, such of its powers and duties under this Act as it may deem necessary.
4. **Substitution of Section 11, of Chapter III Act XVI of 1971.**--  
In the said Act, Section 11 shall be substituted as under:-
- “11. **Azad Jammu and Kashmir Government Servants Benevolent Funds.** -- (1) There shall be established two Funds to be called:-

- (a) The Azad Jammu and Kashmir Gazetted Employees Benevolent Funds; and
  - (b) The Azad Jammu and Kashmir Non-Gazetted Employees Benevolent Fund.
- (2) To the credit of the Benevolent Funds shall be placed:--
- (a) All sums paid by the Gazetted & Non-gazetted employees as subscriptions to the respective Benevolent Fund;
  - (b) All grants made by the Government, autonomous Bodies, organizations, institutions or other authorities;
  - (c) donations made by private individuals or institutions;
  - (d) all income, profits or interest incurring from the assets belonging to the respective Benevolent Fund or from investment made out of the moneys of the Fund; and
  - (e) loans raised by the Board with the previous approval of the Government.
- (3) The moneys credited to the respective Benevolent Fund shall be kept in such bank as may be prescribed.”

5. **Amendment of Section 12 of Act XVI of 1971.**- In the said Act, in Section 12, in sub-section (1) for the words “equal to one percent of his pay or such lesser percentage as may be prescribed or twenty-six rupees which-ever to be less” the words “as may be prescribed” shall be substituted.

6. **Substitution of Section 13 Act XVI of 1971.**- In the said Act, Section 13 shall be substituted as under:--

“13. **Benevolent grants to be paid from the Benevolent Fund.** -- If an employee.—

- (a) is declared by the prescribed medical authority to have been completely incapacitated physically or mentally to discharge the duties of his employment and is for that reason retired or removed from service, he shall be entitled to receive for life such benevolent grant from the Benevolent Fund as may be prescribed; or
- (b) dies during the continuance of his employment, or during retirement before attaining the age of seventy years, his spouse shall be entitled to receive for life such benevolent grant from the Benevolent Fund as

may be prescribed:

Provided that, if the deceased employee has no spouse or his spouse has died, the other members of his family shall be entitled to receive benevolent grant from the Benevolent Fund for a period of fifteen years or upto the date the deceased employee would have attained the age of seventy years, whichever is earlier:

Provided further that, in the case of an employee who dies after having drawn benevolent grant, the said period of fifteen years shall be reckoned from the date from which he began drawing such grant.”

7. **Amendment of Section 15 Act XVI of 1971.**- In the said Act in Section 15, for the words “specified in the second Schedule” the words “as may be prescribed” shall be substituted.
8. **Amendment of Section 16 Act XVI of 1971.**- In the said Act, in Section 16, for the words “Specified in the second Schedule” the words “as may be prescribed” shall be substituted.
9. **Substitution of Section 17, Act XVI of 1971.**- In the said Act, sub-section (1) of Section 17 shall be substituted as under:--

“(1) There shall be established two Funds to be called the Azad Jammu and Kashmir (Gazetted) Employees Insurance Fund and the Azad Jammu and Kashmir (Non-Gazetted) Employees Insurance Fund which shall vest in and be held and administered by the concerned Board.”
10. **Deletion of 1st and the 2nd schedule, Act XVI of 1971.**-In the said Act, the First Schedule and the Second Schedule shall be deleted.

Sd/-

(Sardar Mohammad Abdul Qayyum Khan)  
President  
Azad Jammu and Kashmir

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Sd/-

Section Officer Law  
Azad Govt. of the State of J&K  
Muzaffarabad.