

**THE AZAD JAMMU AND KASHMIR EMPLOYEES
BENEVOLENT FUND AND GROUP INSURANCE ACT, 1971**

(Act XVI of 1971)

Passed under No. 3916/SL/71 dated 26 August, 1971.

An Act to establish a benevolent fund for the common benefit of the employees of the Government and certain autonomous bodies and to provide for their Group Insurance.

Whereas it is expedient to establish a benevolent fund for the common benefit of the employees of Azad Government of the State of Jammu and Kashmir and certain autonomous bodies and to provide for their Group Insurance;

It is hereby enacted as follows :-

1. **Short title, commencement and application:-** (1) This Act maybe called the Azad Jammu and Kashmir Employees Benevolent Fund and Group Insurance Act, 1971.

(2) It shall come into force on such date as the Government may, by Notification in the Official Gazette, appoint; and different date may be appointed in respect of different provisions of this Act or for different classes or categories of employees.

(3) It shall extend to the whole of Azad Jammu and Kashmir Territory and applies to every employee wherever he may be.
2. **Definitions:-** In this Act, unless there is anything repugnant in the subject or context :
 - (1) 'Benevolent Fund' means the Azad Jammu and Kashmir Employees Benevolent Fund established under Section 11 ;
 - (2) 'Board' means the Board of trustees set up under Section 4;
 - (3) 'Employee' means :
 - (a) any person who holds a civil post in connection with the affairs of the Government ;

any officer or servant of such body corporate, institution, organization or autonomous body as the Government may, by notification in the Official Gazette, specify and includes any such person, officer, servant or member of the staff who is :
 - (i) on extension of service after the age of superannuation;
 - (ii) on deputation elsewhere ;

- (iii) undergoing study or training in or outside Azad Kashmir;
- (iv) under orders of suspension.
- ¹ [(c) "Gazetted" means Government Servants holding Posts in Basic Scale 16 and above; and
- (d) "Non Gazetted" means Government Servants holding posts Basic scales 1 to 15.]
- (4) ²['Family' means: (a) in the case of male employee, the wife or wives, and in the case of a female employee, the husband of employee;
- (b) the natural sons upto the age of twenty-one years, provided that they are not handicapped or mentally retarded; and
- (c) parents, minor brothers, unmarried, divorced or widowed daughters and sisters of the employee wholly depended upon him.]
- (5) 'Government' means the Azad Government of the State of Jammu and Kashmir.
- (6) 'Insurance Fund' means the Azad Jammu and Kashmir Employees Insurance Fund established under Section 17 ;
- (7) 'Pay' includes special pay, personal pay, technical pay, leave salary and subsistence grant ;
- (8) 'Prescribed' means prescribed by rules ;
- (9) 'Rules' means rules made under this Act.
- 3. **This Act, and rules to override other Laws, but not to affect retirement benefit etc:-** The provisions of this Act and the rules shall have effect notwithstanding anything contained in any other law, rules, order, notification, contract or other document or instrument; but nothing herein contained shall affect the right to receive any pension, Provident fund, gratuity or other benefits accruing to the employee on his retirement or invalidation or to his family upon his death, otherwise than under this

¹ Added vide Sec 2 of Act V of 1991.

(a) ² Substituted vide Sec 2 of Act XXIII of 2021. Original text is as: Family means; In the case of male employee, the wife or wives, and in the case of a female employee, the husband of employee; and

(b) the legitimate children, parents, minor brothers, un-married, divorced or widowed sisters of the employee residing with and wholly dependent upon him ;

Act.

CHAPTER II
BOARD OF TRUSTEES

[¹⁴. **Board of Trustees:-** (1) There shall be set up two

¹ Three time Substituted vide sec 3 of Act V of 1991 and Act XXIII of 2001 and Sec 2 of Act VIII of 2002. . Original 1971, was as under and after this original text of 1991, 2001 and 2002 is lateral:

(Act 1991.) Board of Trustees.- **Board of Trustees:-** (1) There shall be set up a board to be known

(a) Chief Secretary to the Azad Government of the State of Jammu and Kashmir, who shall be the Chairman of as the Board of Trustees of Azad Jammu and Kashmir Employees Benevolent Funds which shall consist of the following, namely : the Board;

(b) Finance Secretary, Azad Government of the State of Jammu and Kashmir, (Member).

(c) The Accountant General, Azad Government of the State of Jammu and Kashmir, (Member).

(d) Five persons from amongst the employees whom the President, by notification in the official Gazette appoint to be members of the Board;

Provided that at least two such members shall be from amongst the non-Gazetted employees.

(2) The members appointed by the President shall hold office during his pleasure and may be replaced by him at any time.

(Act 2001.) Board of Trustees.- (1) There shall be set up two boards to be known as:-

(f) Board of Trustees of Azad Jammu and Kashmir (Gazetted) Employees Benevolent Fund; and

(a) Chief Secretary to the Azad Government 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 person from amongst the Gazetted Employees Association whom Government shall by notification in the Official Gazette, appoint.

(3) The Board of Trustee of Azad Jammu and Kashmir (Non-Gazetted) Employees Benevolent Fund shall consist of the following names.

(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);
- (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.

(Act 2002.) Board 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 (NonGazetted) 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 Azad Govt. of the State of Jammu and Kashmir	Chairman
b)	Secretary Law and Parliamentary Affairs Azad Govt. of the State of J &K	Member
c)	Secretary Services	Member
d)	Secretary Finance	Member
e)	Accountant General	Member
f)	Addl. Secretary S&GAD (Gazetted)	Member/ Secretary
g)	Two representative of the Registered Gazetted Association nominated by the Government.	Members

(3) The Board of Trustees of Azad Jammu and Kashmir (Non-Gazetted) Employees Benevolent Fund shall consist of following namely:-

a)	Chief Secretary	Chairman
b)	Secretary Law	Member
c)	Secretary Finance	Member
d)	Accountant General	Member
e)	Addl. Secretary S&GAD, (Regulation)	Member/ Secretary
f)	Two representative of the Registered Non-Gazetted Association nominated by the Government.	Members

5. **Board to be body corporate:-** The Board 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 the aforesaid name sue or be sued.

6. **Head Office:-** The Head Office of the 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 Board:-** The Board shall have power :

- (a) to settle claims for benevolent grants and sums assured under this Act and all matters connected with such claim ;
- (b) to sanction grant from the Benevolent Fund to the employees or their families in accordance with the provisions 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 ;

boards to be known as:-

- a) Board of Trustees of Azad Jammu and Kashmir (Gazetted) Employees Benevolent Funds; and

(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.

¹[(i) to award stipends out of benevolent Fund to the children of in service or retired Government Employees.]

8. **Meetings of the Board.-** (1) The meetings of the Board shall be held at such times and places as may be prescribed, but the chairman may convene the meetings of the Board at any other time and place.

(2) To constitute a quorum at a meeting of the Board, the number of members present shall be four.

(3) Each member of the 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 the 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 decisions of the 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:-** (1) The Board may appoint any of its members to be the Secretary of the Board.

(2) The Secretary of the 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:-** The Board may, for facilitating the discharge of its functions and ensuring efficient operation of the Benevolent Fund and the 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.

- 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)	¹ [Additional Chief Secretary (General)], Azad Govt. of the State of J&K;	(Chairman)
b)	Secretary Finance, Azad Govt. of the State of the State of J&K or nominee of Finance Department;	(Member)
c)	Additional Secretary ² [/Senior Addetional Secretary/Special Secretary], S&GAD;	(Member/ Secretary)
d)	Two representative of the Registered Gazetted Officers Association nominated by the Government.	(Members)

(3) The Board of Trustees of Azad Jammu and Kashmir (Non-Gazetted) Employees Benevolent Fund shall consist of the following, namely:-

a)	³ [Additional Chief Secretary (General)], Azad Govt. of the State of J&K;	(Chairman)
b)	Additional Secretary Law;	(Member)
c)	Additional Secretary Finance;	(Member)
d)	Additional Accountant General;	(Member)
e)	Additional Secretary ⁴ [/Senior Addetional Secretary/Special Secretary], S&GAD;	(Member/ Secretary)
f)	Two representative of the Registered Non-Gazetted Employees Association nominated by the Govt.	(Members)”

⁵[(4) Amendment in Section 4 shall be deemed to have taken effect from 26.11.2013.]

¹ Substuted vide Sec 2(i) of Act VII of 2011. Original Words were: Secretary Services,

² Added vide Sec 3(i) of Act XXIII of 2021.

³ Substituted vide Sec 2(ii) of Act VII of 2011. Original words were: Secretary Services.

⁴ Added vide Sec 3 (ii) of Act XXIII of 2021.

⁵ Added vide Sec 3(iii) of Act XXIII of 2021.

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 off property both movable and immovable and shall by its name sue and 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 sums 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 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 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 building for purposes of raising rent income, and in their profitable ventures the plans whereof having been previously approved by the Government.
 - (g) to appoint or employ such person 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 purpose 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. **Meeting 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 on 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 decisions of a Board shall be authenticated by signature of the Chairman or of such other member as may have been authorised 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 the 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.]

CHAPTER III

BENEVOLENT FUND

¹[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 Fund; 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 and 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 accruing from the assets belonging to the respective Benevolent Fund or from investment made out the moneys of the Fund; and

(3) The moneys credited to the respective Benevolent Fund shall be kept in such bank as may be prescribed.]

12. **Subscription to be paid by the Employees:-** (1) Every employee shall be liable to pay to the Benevolent Fund a monthly subscription ²[as may be prescribed] and the amount of such

¹ Substituted vide Section IV of Act V of 1991. original text is as :

11. The Azad Jammu and Kashmir Employees Benevolent Fund:- (1) There shall be established a Fund to be called the Azad Jammu and Kashmir Employees Benevolent Fund;

(2) To the credit of the Benevolent Fund shall be placed :

- (a) all sums paid by the employees as subscriptions to the 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 accruing from the assets belonging to the Benevolent Fund or from investment made out of the moneys of the Fund;
- (e) loans raised by the Board with the previous approval of the Government.

(f) The moneys credited to the Benevolent Fund shall be kept in such bank as may be prescribed.

¹³ three time Substituted vide Sec 5 of Act V of 1991 and Sec 3 of Act XXIII of 2001. Original text of 1991 is as: "equal to one percent of his pay or such lesser percentage as may be prescribed or ²[twenty-six] rupees whichever be less" Original text of Act XXIII of 2001 is as: 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 spouse has died, the other members of his family shall be entitled to receive benevolent grant from the Benevolent Fund for period of fifteen years or up to 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 dies after having drawn benevolent grant, the said

subscription shall, as far as possible, be deducted at the source from his pay and credited or remitted to the Benevolent Fund.

(2) Where the amount of subscription cannot for any reason be deducted from the pay of the employee, the employee shall remit to such officer as may be prescribed for the purpose the sum of subscription payable by him and any amount of subscription remaining unpaid due to inadvertence or negligence of the employee or otherwise shall be recoverable from him in such manner as may be prescribed.

(3) Default in the payment of the subscription either for the reason that the pay of the employees was not drawn or due to his inadvertence, negligence or fault or any other reasons whatsoever shall not affect his right or the right of his family to receive the benevolent grant provided for in section 13, but the amount of unpaid subscriptions may be deducted from the benevolent grant.

¹["**13. Benevolent fund grant to be paid from the Benevolent Fund:-** If an employees:-

- 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

period of fifteen years shall be reckoned from the date from which he began drawing such grant.]

¹ Substituted vide Sec 6 of Act V of 1991. Original text is as: **Benevolent grants to be paid from the Benevolent Fund:-** If any 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 removed from service, or

(b) dies during the continuance of his employment or, if he has retired from service, within the prescribed period before attaining the age of *¹[65] years, he or, in the event of his death, his family shall be entitled to receive a benevolent grant from the Benevolent Fund according to the scale specified in the first Schedule, for period of ten years or up to the date on which the employee attains or might have, if he were alive, attained the age of *¹[65] years, whichever is earlier :

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

(Act 2002) Benevolent fund grant 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 remove 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 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 entitled to receive Benevolent grant from the Benevolent Fund a period of fifteen years or up to 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."

AJ&K Revised Volume
Fund as may be prescribed:

Provided that, if the deceased 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 up to the date the deceased employees 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 year shall be reckoned from which he began drawing such grant.”

¹13-A. Saving:- Notwithstanding anything contained in this Act, all actions taken, notifications issued, orders made under the Azad Jammu and Kashmir Employees Benevolent Fund and Group Insurance Ordinance, 2001 or its succeeding Ordinance or Act, shall be deemed to have been validly done, issued and made under this Act.”

14. Payment of benevolent grant:- (1) On the death of an employee, the amount of benevolent grant payable under section 13 shall be paid to such member or members of his family as he might have nominated in accordance with the rule in full or in the share specified by him at the time of making of nomination.

(2) Where no valid nomination made by the employee subsists at the time of his death, the amount of benevolent grant shall be paid to such member, or members of his family, subject to such conditions imposed with a view to ensuring that the amount is justly and equitably utilized for the maintenance and benefit of all the members of family, as may be prescribed or may, consistently with the rules, be determined by the Board or an officer authorised by the Board in that behalf.

²[14-A. Utilization of Fund.- The fund shall be utilized for,-

(a) the relief of Government servants and their families by-

- (i) giving financial assistance to the families of deceased Government servants;
- (ii) giving financial assistance to Government servants invalided out of service; and
- (iii) making special grants to Government servants in exceptional cases;

(b) defraying expenditure incurred in respect of management of the Fund. The benefits admissible under this Section shall be in addition to the pensions, family pension or gratuities awarded under the rules regulating the conditions of service of Government servants; and

(c) the Board may, where it considers expedient and keeping in view the availability of funds after discharging its liability under this Act, make schemes for disbursement of any amount for the benefit of

¹ Added vide Sec 4 of Act VIII of 2002.

² Added vide Sec 4 of Act XXIII of 2021.

CHAPTER IV GROUP INSURANCE.

15. ¹**[Insurance of Employees.-** Subject to the provisions of this Act and the rules made thereunder, the Board shall pay a sum as may be prescribed, on attaining the age of superannuation or on completion of qualifying service or in the case of death, to the retired employee or family of the deceased employee, as the case may be:
- Provided that only such employees will be entitled to receive/ refund sum assured who are contributors or subscriber of this fund.]
16. **Arrangements with Insurance Company etc:-** The Board may from time to time arrange for the insurance of the life of the employees in sums ²[as may be prescribed] with such insurance company or other insurer and for such period as it deems fit, and where any such arrangement subsists, the liability to pay the said specified sums shall directly devolve upon the insurance company or other insurer.
17. **The Azad Jammu and Kashmir Employees Insurance Fund:-**
- (1). ³[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.]
- (2) All sums received from the employees as premia for the group insurance of the employees and any interest or profit accruing thereon shall be credited to the Insurance Fund.
- (3) The moneys credited to the Insurance Fund shall be kept in such bank as may be prescribed.
- (4) All expenses on any arrangement entered into by, the Government with any insurance company or other insurer as provided for in section 36 and all expenses on the administration of the Insurance Fund shall be defrayed from the Insurance Fund.
- (5) Any sums remaining in the Insurance Fund after defraying the expenses referred to in sub-section (4) may be utilized for such purposes connected with the benefit of the families of the employees as the Board may direct.
18. **Payment of premia:-** (1) Every employee shall be liable to pay to the Insurance Fund such sum of money as may be prescribed as premium for the insurance of his life as provided for in this Chapter and the amount of such

¹ Substituted vide Sec 2 of Act XXXII of 2020. Original text was: 15. **Insurance of employees:-** Subject to the provisions of this Act and the rules, in the event of the death of an employee, occurring by whatsoever cause, during the continuance of his employment, the Board shall pay to the family of the deceased employee a sum ¹[as may be prescribed.].

²Substituted vide section 8 of Act V of 1991. Original words were: "specified in the Second Schedule".

³ substituted vide section 8 of Act V of 1991. Original words were: "(1) There shall be established a fund to be called the Azad Jammu and Kashmir Employees Insurance Fund which shall vest in and be held and administered by the Board.

premium shall as far as possible be deducted at the source from his pay and credited or remitted to the Insurance Fund.

(2) Where the amount of premium cannot for any reason be deducted from the pay of the employee, the employee shall remit to the prescribed officer the sum of premium payable by him, and any premia remaining unpaid due to inadvertence or negligence of the employee or otherwise shall be recoverable from him in such manner as may be prescribed.

(3) Default in the payment of premia either for the reason that the pay of the employee was not drawn or due to his negligence or fault or for any other reason whatsoever shall not affect the right of his family to receive the sum assured in the event of the death of the employee, but the premium remaining unpaid at the time of his death may be recovered from the assured amount.

19. **Payment of the sum assured:-** (1) On the death of an employee, the sum assured shall be paid to such member or members of his family as he might have nominated in accordance with the rules in full or in the shares specified by him at the time of making the nomination.

(2) where no valid nomination made by the employee subsists at the time of his death, the sum assured shall be paid to such member or members of his family subject to such conditions imposed with a view to ensuring that the sum is justly and equitably utilized for the maintenance and benefit of all the members of the family as may be prescribed or may consistently with the rules be determined by the Board or any officer authorised by the Board in the behalf.

CHAPTER V GENERAL

20. **Audit and accounts:-** (1) The accounts of the Benevolent Fund and of the Insurance Fund shall be maintained in such manner and form as the Accountant General of Azad Kashmir may, from time to time, direct, by such officer or authority as the Board may appoint.

(2) The accounts of the Benevolent Fund and of the Insurance Fund shall be audited by such authority or agency as the Government may, after consulting the Accountant-General of Azad Kashmir appoint.

21. **Protection of action taken in good faith:-** No suit, prosecution or other proceedings shall lie against the Government, the Board or any officer or other authorised person for ..anything in good faith done or purporting to have been done in pursuance of this Act or the rules,

22. **Exemption from taxes:-** The Government may by order in writing.

(a) exempt the Benevolent Fund and the Insurance Fund from any tax, rate or duty leviable by such Government or by a local authority under the control of such Government;

(b) exclude the amount of premium or subscription paid by an employee from his assessable income under the Income Tax Act, 1922 (XI of 1922) as in force in the Azad Jammu and Kashmir Territory.

23. **Power to make rules:-** The Government may make rules for the purpose of giving effect to all or any of the

AJ&K Revised Volume
provisions of this Act.

¹[Deletion of First and Second Schedule]:-

**THE AZAD JAMMU AND KASHMIR MINERAL AND
INDUSTRIAL DEVELOPMENT CORPORATION ACT, 1971
(ACT XVII OF 1971)**

An Act regarding Mineral and Industrial Development
Corporation for Azad Jammu and Kashmir ;

It is hereby enacted as follows :-

CHAPTER I - PRELIMINARY

1. **Short title, extent and commencement:-** (1) This Act shall be called the Azad Jammu and Kashmir Mineral and Industrial Development Corporation Act, 1971.
(2) It shall extend to the whole of Azad Jammu and Kashmir Territory.
(3) It shall come into force at once.
2. **Definitions:-** In this Act, unless there is anything

¹ delete vide sec 10 of Act V of 1991. Original schedules are as:
THE FIRST SCHEDULE

The amount of benevolent grant payable under Section 13 shall be as follows :-

<u>¹[Pay range.</u>	<u>Rate of monthly Benevolent Grant</u>
	In the case of an employee whose pay last drawn was between:-
Rs.	Rs.
250 and 300	150
301 and 400	175
401 and 500	200
501 and 600	225
601 and 700	250
701 and 800	275
801 and 900	300
901 and 1000	325
1001 and 1100	350
1101 and 1200	375
1201 and 1300	400
1301 and 1400	425
1401 and 1500	450
1501 and 1600	475
1601 and 1700	500
1701 and 1800	525

THE SECOND SCHEDULE

The sum assured to be paid to the family of a deceased employee
under Section 15.

In the case of an employee receiving not more than one hundred and fifty rupees per mensem.	sum assured
more than one hundred and fifty rupees but not more than five hundred rupees.	Two thousand rupees
more than five hundred rupees but not more than seven hundred and fifty rupees.	Five thousand rupees
more than seven hundred and fifty rupees but not more than one thousand rupees.	Ten thousand rupees
more than one thousand rupees but not more than one thousand and five hundred rupees.	fifteen thousand rupees.
more than one thousand and five hundred rupees.	twenty thousand
more than one thousand and five hundred rupees.	Thirty thousand rupees.