

RULES OF GROUP GRATUITY-CUM-LIFE ASSURANCE SCHEME

SECTION - 1

DEFINITIONS ELIGIBILITY AND REQUIREMENTS FOR MEMBERSHIP

1. DEFINITIONS :

In these Rules the headings shall not effect the construction and unless repugnant to the subject or context masculine shall include feminine and the following words and expression shall have meanings assigned to them as follows :

- (i) "the company/the Employer" shall mean Rajasthan State Mines & Minerals Limited and shall include any company, firm, corporation or association which may by purchase, amalgamation or otherwise takeover in whole or in part the business, of the company and which shall enter into a Deed in such form as the Trustees shall require undertaking to continue the obligations of the company under these presents and releasing the company from all further liabilities thereof.
- (ii) "the corporation" shall mean the Life Insurance Corporation of India established under Section 3 of the Life Insurance Corporation Act, 1956.
- (iii) "the commissioner of Income-Tax" shall mean the person appointed as such under sub-section (i) of Section 117 the Income-tax Act, 1961 and having jurisdiction over the Fund.
- (iv) "the Trust Deed" shall mean the trust Deed executed by the Company and all amendments made thereto from time to time.
- (v) "the Fund" shall mean the Gratuity Fund as described in the trust deed.
- (vi) "the Scheme" shall mean the Rajasthan State Mines & Minerals Limited Employees Group Gratuity-Cum-Life assurance Scheme described in these Rules.
- (vii) "the Rules" shall mean the Rules of the Scheme as set out below and as amended from time to time.
- (viii) "The Trustees" shall mean the Trustees for the time being of the scheme.
- (ix) "The employees" shall mean the permanent Employees of the Employer other than personal and domestic servants and shall be deemed to include whole time bonafide working directors who do not own beneficially shareholding carrying more than 5% voting, rights in the company.

- (x) "Eligible employees" shall mean the persons who shall be eligible to benefit by these Rules as more particularly set forth in Rule 3 below.
- (xi) "Members" shall mean person who as eligible employee join the Scheme and become entitled to any benefits hereunder.
- (xii) "Original Members" shall mean Eligible employees who become Members of the Scheme on the Effective Date.
- (xiii) "the Beneficiary" shall mean the wife and /or child or children and /or dependants of the Member.
- (xiv) "the Policy" shall mean the Master Policy which incorporates the Assurances effected under these Rules for the benefit of the Members and which policy shall be held by the Trustees.
- (xv) "the Effective Date" in relation to the scheme shall mean the 1st day of March, 1977the date as from which the scheme takes effect.
- (xvi) "Annual Renewal Date" in relation to the Scheme shall mean the 1st day of March 1978 and the 1st day of March in each subsequent year.
- (xvii) "Entry Date" shall mean (a) in relation to the Original Members the Effective Date and (b) in relation to new Members admitted to the Scheme after the Effective Date the Annual Renewal Date which is coincident with or which next follows the date on which they become eligible.
- (xviii) "Renewal Date" shall mean in relation to the Members the relevant Annual Renewal Date subsequent to the Entry date.
- (xiv) "Normal Retirement Date" shall mean in respect of the Member the date on which he attains the age of 55 Years in case of employees belonging to officers cadre, 58 years for workmen belonging to Jhamarkotra Mines, Phosphate Division and staff of Jaipur office, and 60 Years for workmen belonging to Gypsum Division and Staff of Calcutta and Delhi offices.
- (xx) "Service" shall mean continuous service rendered by the member to the employer including periods of authorized leave, For the purpose of the Scheme, a period of 6 months and over shall be reckoned as one year. In the case of a member 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 the Employer during the year for not less than 240 days.
- (xxi) "Salary" shall mean gross monthly salary of the member inclusive of dearness allowance on the Entry Date or the relevant Annual Renewal Date, as the case may be, and shall not include commission, house rent allowance, bonus, overtime or any emoluments of a variable or contingent nature.

2. THE TRUSTEES TO ACT FOR THE EMPLOYER AND MEMBERS

The trustees shall act for and on behalf of the employers and the member and every act done by the trustees in consultation with or on instruction of the employer in matters where the employer has discretion under the Rules or is concerned, shall be binding on the employer and the members. Every act done by agreement made with and notice given to the corporation by Trustees shall be binding on the Employer and the members.

3. (a) Eligibility

The Employees who satisfy the following conditions shall be eligible to participate in the scheme.

"Permanent Employees who on the Entry date are aged not less than 18 years and not more than 54 years for employees belonging to officers cadre, 57 year for employees of Jhamar Kotra mines, phosphate division and staff of Jaipur office, and 59 years for employees belonging to Gypsum Division and staff of Calcutta and Delhi office.

Employees of the following categories who are in the service of the employer on the effective date and satisfy the above condition shall join the scheme; as from that date present employees who do not satisfy the above condition on the effective date and employees appointed by the employer after the effective date shall join the scheme on the annual renewal date which is coincident with or which next follows the date on which they satisfy the said condition.

Category 1 : Employees in officers cadre drawing a salary of Rs. 1000/- & above.

Category 2 : All other employees.

It shall be a condition of service for future employees that they must join the scheme on the annual renewal date coincident with or next following the date on which they become eligible.

(b) No member shall withdraw from the scheme while he is still an Eligible employees in the service or the employer.

4. EVIDENCE OF AGE :

Evidence of age of every Eligible Employee satisfactory to the corporation shall be furnished before he is admitted to the membership of the scheme and if the age of the member be conclusively proved later to have been incorrectly stated in the evidence submitted, the member shall not be entitled to any more benefits under the scheme than what he would receive had his correct

age been stated on the Entry Date. The corporation shall have the right to make such adjustment in the benefits it may in its absolute discretion decide having regards to the normal practice in this behalf for the time being in force.

5. EVIDENCE OF INSURABILITY :

For the purpose of effecting assurance under Term Insurance plan in respect of the member, evidence of insurability satisfactory to the corporation will be required prior to each eligible employees entry into the scheme and on each occasion when an increase in sum assured under the assurance is to be granted.

If, in the opinion of the corporation, the evidence submitted is not satisfactory or other special hazards exist, the corporation may vary the terms of acceptance of the risk in respect of the member. In case the evidence submitted makes the life of the member ineligible for insurance on his entry date for initial sum assured or on any subsequent renewal date for increase in sum assured, there shall not be effected any assurance or increase in assurance, as the case may be under this plan on and from the date on which the member is declared to be uninsurable. The corporation's decision about the insurability of the employees shall be final and binding on the member and the trustees.

SECTION II

6. CONTRIBUTIONS :

- (i) **Annual contributions :** There shall be duly paid for each member annually in advance on the Entry date and subsequent annual renewal dates, such contributions as are required to secure the assurances hereinafter described. The contributions shall be paid throughout the future service of the member until his normal retirement date, unless determined earlier under the Rules.

When an increase in assurance is effected consequent upon increase in salary as provided in rules 7 (b), the annual contributions payable for the member shall be appropriately adjusted. The contributions shall be ascertained by the corporation under the appropriate plans of assurance.

- (ii) **Additional contributions :** In addition to the contributions payable under paragraph (i) above, the employer shall pay to the trustees contributions of an amount which shall be determined by the corporation and the corporation shall require the Employer to pay these additional contributions to the trustees for the purpose of the scheme. The said contributions shall however, not be paid to the corporation but shall be held by the trustees in the surplus

account or any other account as the trustees may deem appropriate. The trustees shall have absolute and uncontrolled discretion to utilize out of these contributions or the surplus account any sum which together with the benefits under the scheme, may be required to make up to the whole of the amount of gratuity due to the member under the provisions of Appendix (1) hereto.

PROVIDED HOWEVER THAT if the balance to the credit of surplus account together with the sum payable under the provisions of the rules is insufficient to make up the whole of the amount accrued and payable to the member according to the said Appendix (1) the employer shall pay to the trustees such additional contribution as may be required to make up the deficiency in the gratuity payable to the member.

- (iii) **Special contribution** : Subject always to any general or specific directions given by the commissioner of Income-Tax the employer may pay any sums to the trustees by way of special Lump Sum contributions and upon paying such sums shall give instructions to the trustees as to their allocation for the benefit of all or specified members or their dependants and the dates as of which the said contribution may be appropriated. The contributions shall be paid by the employer to secure the benefits vesting absolutely or contingently in the member in respect of the member's service prior to the date of his admission to the membership of the scheme.

PROVIDED THAT in any case the aggregate of the contribution payable by the employer in respect of any members in terms of paragraphs (i), (ii) and (iii) hereof shall not exceed 8-1 / 3% of the aggregate salary of the member.

- (iv) The expenses of administration of the Fund and the Scheme incurred by the trustees shall be borne by the employer. The employer, shall not claim such expenses as deductible expenses in computing his business profits or losses for the purpose of Income-Tax assessment.

SECTION III

ASSURANCE :

7. (a) **Assurance** : Subject to the provision of Rules 5, Appropriate assurance on the life of each member under a plan suitably combining one-year renewable term insurance with pure endowment (with return of premiums) will be effected to secure the benefits as described in section V below. All assurance necessary to provide the benefits shall be effected only with the corporation.

(b) **Changes in assurance** : Subject to the provisions of rule 5 when the member's salary is changed, the assurance effected in respect of him will be

appropriately adjusted. Such adjustment in assurance shall be effected on the annual renewal date which is coincident with or which next follows the date on which the increase in salary becomes effective.

(c) Limitation of Assurance : If the contributions payable in respect of the member under rule 6 are not sufficient to secure the benefits as described in section IV below, the benefits in respect of the member shall be reduced to an amount as can be secured by the contributions.

SECTION IV

8. BENEFITS ON SURVIVAL TO NORMAL RETIREMENT DATE :

Upon a member's retirement at normal retirement date, there shall become payable to the trustees for the benefit of member, an amount equal to half a month's Salary as on the Annual Renewal dates last preceding the normal retirement date multiplied by the total number of years of service completed by the member, subject to a maximum of 20 months salary for the employees in category II and for the members in Employees Category I the benefits shall be limited to maximum of 15 months salary. The trustees shall pay the benefits to the member in accordance with the provisions of Appendix (1)

9. BENEFITS ON DEATH WHILST IN SERVICE BEFORE NORMAL RETIREMENT DATE :

In the event of death of Member before Normal retirement Date whilst in the service of Employer, there shall be paid to the Trustees a sum which shall be the total of :

- i) the sum ,if any ,for which the member's life was insured under Term Insurance on the date of death, and
 - ii) the value of Assurance under pure Endowment.
- The Trustees shall pay to the Beneficiary the benefits in accordance with the provisions of Appendix (1)

10. BENEFITS ON RETIREMENT AFTER NORMAL RETIREMENT DATE OR DEATH WHILST IN EXTENDED SERVICE:

If, with the consent of the Employer, a Member remains in the service after Normal Retirement Date ,no further contribution will be payable in respect of him. The payment of the benefits will be deferred until his actual retirement or death during such extended service upon the member's actual retirement or death, there shall be paid to the trustees the sum that would have become payable had the member retired at normal retirement date, together with interest thereon at the rate to be determined by the Corporation on the said date calculated upto the date of his actual retirement or upto the date of

death, as the case may be, and the trustees shall pay to the member or the beneficiary as the case may be, the benefits in accordance with provisions of Appendix (1)

11. 1. EARLY RETIREMENT DUE TO ILL HEALTH OR TOTAL AND PERMANENT DISABILITY OR WITHDRAWAL FROM SERVICE :

If before the normal retirement date, the member leave the service of the employer of his own free will or otherwise or retires from the service with the consent of the employers on grounds of ill health or total and permanent disability, the surrender value of the Pure Endowment effected in respect of him shall become payable to the trustees and the trustees shall pay to the member the benefits in accordance with the provisions of Appendix (1).

Terms Insurance cover shall cease as from the date the member ceases to be in service.

12. ADJUSTMENT IN THE BENEFITS ON CESSATION OF SERVICE:

- (a) Any balance of the value of assurance remaining over after payment of the Gratuity as ascertained according to provisions of appendix (1) hereto having regard to the total service completed by the member and the circumstance in which he ceases to be in the service shall be transferred by the trustees to the surplus account.
- (b) If the amount of Gratuity payable to the member according to the provision of appendix (1) hereto exceeds the value of the benefits payable to the trustees under the assurance effected the trustees shall be entitled to pay the excess due to the member out of the surplus account.
- (c) If the funds in the hands of the trustees in the surplus account and the value of the assurance hereunder are not sufficient to pay the whole of the Gratuity payable to the member under Appendix (1) the trustees shall utilize the additional contributions payable in respect of the member to make up the difference in the amount o Gratuity.
- (d) If a member is not entitled to any benefits under the provisions of Appendix (1) hereto, the trustees shall surrender the assurance effected on his life for immediate cash value and the surrender value so realized shall be transferred to the surplus account.

13. SURRENDER VALUE -

Pure Endowment effected under the Scheme will acquire surrender value immediately upon payment of the first year's premium in full. The surrender

value will be calculated in accordance with the Rules of the corporation. One year renewable terms assurance are not entitled to any surrender value.

SECTION V

MISCELLANEOUS PROVISIONS

14. RESTRAINT ON ANTICIPATION OR ENCUMBRANCE

The benefits assured under the scheme are strictly personal and cannot be assigned charged or alienated in any way.

If a restraint or a prohibitory order is served on the trustees in respect of any benefits secured for vesting in the member, or if the member, or his beneficiary shall become bankrupt or attempt to assign, charge or in any way encumber the assurance or any benefits there under, the member or the Beneficiary as the case may be, shall forfeit all rights and claims there to and the same shall lapse to the trustees but without prejudice to the power of the trustees at their absolute discretion to maintain or continue the same if they think fit, either immediately or after an interval or otherwise to make payments for the support or benefit of the member or his Beneficiary.

15. SURPLUS ACCOUNT :

Any additional contributions paid by the employer under rule 6 and the value of any of the assurance in respect of member, which do not vest in him for any reason and lapse to the Fund shall be transferred to an account which shall be called the "surplus account".

The trustees may at their discretion utilize the amount lying to the credit of the surplus account in part or full for payment of the contributions payable in any year in respect of all or any of the then current assurance or to provide additional benefits to all the members or their beneficiary.

16. DISCONTINUANCE OF THE CONTRIBUTIONS AND WINDING OF FUND :

- (a) In the event of the discontinuance of the contribution by the employer, the trust hereunder shall however continue until the assets of the scheme have been distributed as provided hereinafter.
- (b) The trustees shall first ascertain the amount of Gratuity accruing and due to all the member of the fund according to the provision of the Appendix (1) hereto by reference to the salary of the member on the

date of termination of the scheme and the length of service completed by each one of them to that date.

- (c) If the members remain in the service of the employer after discontinuance of the scheme they shall not be paid the gratuity so long as they continue in the service of the Employees.
- (d) The trustees shall realize the value of the assets of the fund including the value of the assurance and the amount so realized shall be allocated to the member described
 - i) if the total amount realized exceeds the total liability in respect of gratuity as contained in paragraph (b) above, the Trustees shall earmark for each Member the amount of Gratuity accrued and due to him under the said Appendix (1) out of the money realized and utilize the excess to provide additional benefits to the members in proportion to their accrued benefits.
 - ii) If the amount so realized is less than the said gratuity accruing to the members as aforesaid the total amount shall be allocated to each member in proportion to his accrued gratuity.
- e) Nothing stated in paragraph (d) of this rule shall prejudice the trustees uncontrolled and absolute discretion to consult an Actuary and adopt any other method or principle for the winding up of the scheme which they consider equitable or expedient.

PROVIDED HOWEVER THAT the trustees shall obtain the prior approval of the Corporation and the commissioner of Income-tax before giving effect to any method or principle that may have been drawn up for the purpose of winding up of the scheme of the distribution of assets of the fund and if the corporation or the commissioner of Income-tax so require, the trustees shall review the said method or the principle of winding up of the scheme or the fund.

17. JURISDICTION :

All assurance issued under the scheme shall be Indian contracts. They will be subject to the laws of India including the Indian Insurance Act, 1938, as amended, the Estate Duty Act, 1953, as amended, the Life Insurance Corporation Act, 1956 the Income-tax Act, 1961, the payment of Gratuity Act, 1972 and to any legislation subsequently introduced. All benefits under the scheme shall be payable only in India. Should anything contained in these Rules, or in any amendment made there of be repugnant to any provision or provisions of the Income-tax Act, 1961, or the Income-tax Rules, 1962, it shall

be ineffective to the extent of such repugnance. Any such repugnance shall be removed by the Trustees if so directed by the Commissioner of Income-tax.

If anything contained in those Rules is in contravention of the Rules as prescribed under the payment of gratuity act 1972, the provisions of the Act shall prevail.

18. RATES OF PREMIUM AND CONDITIONS OF ASSURANCE :

The rates of premium and conditions under which the corporation is prepared to arrange the scheme shall be subject to an agreement between the trustees and the corporation by giving three months written notice taking effect on and from the next following annual renewal date the condition of Assurance and rates of premium may be amended from time to time in respect of all Assurances on the lives of new entrants to the scheme and additions to Assurances of exiting members to be effected on and from the date of expiry of such notice. Assurances existing at the time of such alteration or alterations shall not be affected in any way.

By giving three months notice in writing effect on the next following annual renewal date, the Corporation has the right to terminate the term Insurance and reissue them on such terms and conditions as the corporation shall decide.

19. MASTER POLICY :

The corporation will issue a single master policy incorporating all the Assurances effected by the Trustees for the benefit of the existing and new Members of the scheme.

20. EMPLOYER'S LIABILITY LIMITED TO BENEFITS UNDER ASSURANCE:

The Employer or the Trustees are neither the insurer nor the guarantor of any policy of Assurance purchased under these Rules and in the event of the Corporation withholds any benefits owing to circumstances beyond the control of the trustees or Employer or otherwise, in respect of any of the contracts under such Assurances that may be issued, the Employer or the Trustees shall be under no liability whatsoever to any member entitled to the benefit secured by such assurance or assurances.

21. INCOME TAX AND OTHER TAXES :

- a) In any case where the Trustees or the Corporation are liable to account to the Income-tax authorities for income-tax on any payment made

under the Rules, the corporation or the trustees shall deduct a sum equivalent to such tax from any such payment made and the corporation or the Trustees shall not be liable to the members for the sum so deducted.

- b) Estate Duty : Where any liability to Estate Duty arises in respect of any benefits, the Trustees shall apply the benefit or part of it in payment of such duty including any interest thereon and deduct, the amount so paid from the benefits or may postpone the payment of the benefits until the liability has been provided for to their satisfaction.

PROVIDED THAT if the Beneficiary satisfies the Trustees that duty has been paid or shall be paid or that no duty is due, the Trustees shall have the discretion to pay the benefits subject to the Beneficiary furnishing indemnity or indemnities in the form and manner prescribed by them.

- c) If the Gratuity Fund and Scheme for any reason cease to be approved by the commissioner of income tax, the Trustees shall nevertheless remain liable to tax on any benefits paid to any Member or his beneficiary.

22. APPOINTMENT OF BENEFICIARY :

- a) Every Member shall appoint one or more of his wife, child/children or dependants as beneficiary or beneficiaries under the Rules to receive the benefits hereunder in the event of his death. If a Member dies whilst in service, the Trustees shall hold the Benefits in force under the Assurance on his life upon Trust for payment to the Beneficiary or Beneficiaries as shall have been appointed by the Member in accordance with the remaining paragraphs of this Rules.
- b) Every appointment made under this Rules shall be in writing signed by the Member and attested by two witnesses and shall be according to the form of Nomination as prescribed under the payment of Gratuity Act, 1972 and shall remain in full force and effect until the death of the Beneficiary or until the same shall be revoked in writing by the member and a fresh appointment made in the manner aforesaid.
- c) A member may from time to time or at any time without the consent of the Beneficiary change the Beneficiary by filing a written notice of the change to the Trustees in the prescribed form satisfactory to the Trustees whereupon an acknowledgment of the change and the registration of the name of the new Beneficiary will be given to the member by the Trustees for attachment to the certificate. The new appointment shall take effect on the date the notice was signed

whether or not the Member is living on the date of acknowledgment of the change without prejudice to the corporation or the Trustees on account of any payment made before the acknowledgement of the change.

- d) If a beneficiary shall at the time of his appointment be a minor or otherwise under disability to give a legal receipt or discharge to the trustees, the member must at the time of such appointment as aforesaid, appoint a person of full age who is capable of giving a legal receipt or discharge to the trustees and to whom the benefits are to be paid for and on behalf of such beneficiary.
- e) If more than one beneficiary is appointed and in such appointment the member has failed to specify their respective interests, the beneficiaries so named shall share the benefits equally if the beneficiary predeceases the member, the interest of such beneficiary shall terminate and his share shall be payable equally to such of the remaining beneficiaries as survive the member unless the member has made written request otherwise to the trustees in the prescribed form.
- f) If a beneficiary is not appointed the benefits shall be paid to the Member's wife, failing which to his child/children in equal shares, failing which to his dependants, in equal shares. If the Member does not leave a wife, child/children or dependants, then the benefits shall be realized by the trustees and credited to the surplus account.

23. INTERPRETATION OF RULES :

It shall be a condition of membership of the scheme that on any question arising on any point of interpretation of these rules or any point relating to admission of new member and cessation of membership, the decision of the trustees shall be final. If the decision has any bearing on the provisions of part C of the fourth schedule of the income tax Act, 1961 or the rules made there under it shall be forthwith reported to the commissioner of income-tax and if the commissioner of Income-tax so requires, the trustees shall review the decision.

APPENDIX (1)

CONTINGENCY ON THE HAPPENING OF WHICH BENEFITS BECOME PAYABLE	BENEFITS
<p>1. Upon retirement of the member on or after Normal retirement date or upon death whilst in service after normal retirement date or in the event of the member becoming incapable of further service by reasons of total and permanent disability (certified to the employer's satisfaction):</p>	<p>For the employees in category II. Half a month's salary of the Member as on the date of retirement or death, as the case may be, for each year of service subject to a maximum of 20 months salary.</p> <p>For the employees in category I half a months salary of the member as on the date of retirement or death, as the case may be, for each year of service subject to a maximum of 15 months salary.</p>
<p>2. In the event of the death of the member before retirement date whilst in the service of the Employer.</p>	<p>a) In respect of a member who is declared to be insurable and for whom life cover has been granted :</p> <p>For the employees in category II. Half a month's salary of the member as on the Annual renewal date last preceding the date of death for each year of his anticipated service upto the Normal retirement date but for his earlier death subject to a maximum of 20 months salary.</p> <p>For the Employees in category I half a month's salary of the member as on the date of retirement or death as the case may be for each year of service subject to a maximum of 15 month salary.</p> <p>PROVIDED THAT the benefits payable hereunder shall not be less than the benefits in paragraph (c) below.</p> <p>NOTE : "Anticipated Service" shall mean the Service which the</p>

	<p>Member would have completed had he lived upto his normal retirement date.</p> <p>b) In respect of a member who is declared to be insurable on the entry date and/or Annual Renewal date but uninsurable on subsequent Annual renewal dates.</p> <p>i) Sum for which the member's life was assured by the corporation under Term Insurance on the date of death of the Member, and</p> <p>ii) The value of Assurance under pure Endowment.</p> <p>PROVIDED THAT the total benefit payable vide (i) and (ii) above shall not be less than the benefits in paragraph (c) below :</p> <p>c) In respect of a member who is declared to be uninsurable on the entry date and annual renewal dates.</p> <p>For the employees in category II half a months salary of the member as on the date of death for each year of service upto the date of death subject to maximum of 20 months salary.</p> <p>For the employees in category I half month's salary of the member as on the date of death for each year of service upto the date of death subject to maximum of 15 months salary.</p>
<p>3. Upon the member leaving the service of the employer of his own free will prior to normal retirement date.</p> <p>a) Before completion of 5 years.</p>	<p>1) NIL</p>

b) On or after completion of 5 Years:	<p>2) For the Employees in category II.</p> <p>Half a months salary of the member as on the date of leaving service subject to a maximum of 20 months salary.</p> <p>For the employees in category I. Half a months salary of the member as on the date of leaving service for each year of service subject to a maximum of 15 months salary.</p>
<p>4. On the termination of service by the employer before normal retirement date for reasons other than those stated in Note 1 below :-</p> <p>a) Before completion of 5 years :</p> <p>b) On or after completion of 5 years :</p>	<p>a) NIL.</p> <p>b) For the Employees in category II .</p> <p>Half a month's salary of the member as on the date of termination for each year of service subject to a maximum of 20 month's salary.</p> <p>For the Employees in Category I half a month's salary of the member as on date of termination for each year of service subject to a maximum of 15 month's salary.</p>

NOTES :

1. Gratuity shall be wholly forfeited in case of termination of service of the member (a) for riotous or disorderly conduct or any other act of violence on his part or (b) for any act which constitutes an offence involving moral turpitude provided such offence is committed by him in the course of his employment.
2. In case of any act, willful omission, or negligence by the member causing any damage or loss to or destruction of property belonging to the employer, gratuity at the rate shown in item 4 above shall be forfeited to the extent of the damage or loss so caused.
3. Salary for the purpose of items 1, 2 (c), 3 and 4 above shall be the Salary last drawn by the member.

4. All gratuity benefits payable in respect of any member under the scheme shall be paid only in a lump sum.