

NATIONAL SEEDS CORPORATION LIMITED

(A Government of India Enterprise)

NSC EMPOLYEEES DEFINED CONTRIBUTION SUPERANNUATION

PENSION SCHEME

SECTION -1

1. DEFINITIONS:

1.0 In these rules, where context so admits, references to the singular shall include reference to the plural; reference to the male shall include the female and references to any statutory enactment includes references to amendments to the same. The following words and expressions shall, unless repugnant to the context, have the following meanings: -

- (i) **'The Act'** means the Income Tax Act, 1961 and the Indian Trust Act, 1982.
- (ii) **'Approved Superannuation Fund'** shall mean a Superannuation Fund or any part of a Superannuation Fund, which has been and continues to be approved by the Commissioner of Income Tax (CIT) in accordance with Part 'B' of the Fourth Schedule to the Income Tax Act, 1961.
- (iii) **'Beneficiary'** shall mean the Member of the Pension Scheme himself in respect of whom the superannuation benefit (Pension) is payable under these Rules and shall include the Member's spouse or children and / or parents or any other dependents/blood relations of the Member, appointed as his nominee by the Member in accordance with these rules and named in the register of Members, to receive the benefits under this Scheme in the proportion to be specifically mentioned in the nomination form **Provided** that where there is any difference of opinion as to who is the Beneficiary in the event of death of a Member, the decision of the Board or Trustees shall prevail. In the event, no nomination is submitted by the employee or the nominee(s) having pre-deceased the employees, the benefit shall be paid to the spouse, parents or children (if alive), otherwise shall be distributed among the legal heirs of the Member on the basis of a valid Succession Certificate.
- (iv) **'Board'** shall mean the Board of Directors of the Corporation.
- (v) **'Continuous Service'** The Members of the Pension Scheme shall be said to be in continuous service for a period if he has, for that period, been in uninterrupted service, from the date of joining the service in the Corporation including service which may be interrupted on account of sanctioned leave period of any kind of leave, provided the Member and /or the Corporation make such contributions in the Pension Fund for that period.
- (vi) **'CPSE'** shall mean Central Public Sector Enterprise.

- (vii) **‘Commencement date’** shall mean the date from which the assurances shall be effected from the Insurer.
- (viii) **‘Commissioner’** means the Commissioner of Income Tax, Delhi, having jurisdiction over the Pension Trust to be established.
- (ix) **‘Cost of Annuity/ Capital’** would be the purchase price of Annuity purchased by the Trust for the Member as per the Rules.

(x) **Contribution**

(a) Initial Contributions in respect of past service of the eligible employees with effect from the date of introduction of the scheme would be made by the Corporation @ 10% of Basic Pay + DA for the period commencing with the entry date till the end of the month immediately preceding the date of notification of the Scheme or the month of severance of the employment with the Corporation as the case may be and whichever earlier. However, no initial contribution shall be paid in respect of employees who have ceased to be in service on or before the effective date of the Scheme, due to whatsoever reasons. The initial contribution will also not be paid in respect of the employees who have ceased to be in service on or before the Notification date on account of resignation, termination or due to sudden disappearance.

(b) Monthly Contributions- Monthly Contribution shall be payable by the Corporation @ 10% of the Pay + DA from 01.4.2011 up to the normal date of retirement of a Member, unless otherwise excluded under the provisions of the Scheme. The rate of Monthly Contributions may be reviewed by the Corporation every year w.e.f. the 1st day of the financial year to keep the superannuation benefits within the ceiling prescribed by the Central Govt. from time to time.

The Company’s contribution at the prescribed rate shall be withheld in subsequent year if in a particular financial year profit after tax of the Corporation dips below Rs. 20 Crores, after giving three months notice to the Trust, the Insurer and all the Members. However, the withheld contribution shall be released in a phased manner to the Trust from the financial year subsequent to the year when all the previous accumulated losses are wiped out and the profit after tax becomes more than Rs. 20 Crores, without any interest on such arrears of Monthly Contributions.

(c) Member’s Contribution-means contribution made by the Employee in terms of percentage of his Pay + DA that may be made mandatory by the Corporation from time to time. Presently, the employee opting for the Scheme shall be liable to contribute monthly to the Fund from the effective date of the scheme at the rate of 5% of his Basic Pay + DA from 01.04.2015 or actual date of joining whichever is later. The

arrears on this account can be paid by the employees in 10 or less equal monthly installments, if so requested by them. The Corporation shall have the right to deduct employee's contribution including voluntary contributions if any, towards the Superannuation Fund from the salary payable to him before disbursement. Member's Contribution shall also include any Funds transferred to the Trust on Member's account by any other CPSE approved Pension Fund of which the employee was a member prior to joining the Fund.

- (d) **Voluntary Contributions- Contribution(s)** paid by the Member in addition to the specified own contributions as may be fixed by the Corporation from time to time. Voluntary Contribution shall however be accepted only as percentage of Basic Pay + DA and recovered by the Corporation every month from the salary payable to the member. The employee shall be entitled to change the percentage of such voluntary contribution only on 1st April and 1st September of every year and the option once exercised shall be irrevocable during its validity of six months. The Employer at its sole discretion may allow a member to contribute an additional lump-sum amount as voluntary contribution over and above his normal monthly contribution.
- (e) **Percentage Salary Contribution-** means a contribution linked to the Basic Pay + DA of the employees required to be paid as per the rules to the Pension Fund.
- (f) **Regular Contribution-** means contributions payable by the Master Policy holder (Trust) in regular installments in the amounts, in the manner, at the intervals and in the method specified in the schedule in respect of the base plan.
- (g) **Lump-sum Contribution-** A retiring employee may be allowed to contribute a lump-sum amount at the time of his retirement to the Fund. However such amount shall not exceed the amount of his retirement benefits (i.e PF, gratuity and leave encashment) paid by the Corporation to him at the time of retirement. After superannuation the members /retired employees may continue in the Scheme upto the age of 65 years for the purpose of purchasing annuity. However, there will be no contribution to Pension Fund from the Employees concerned or Corporation beyond the date of retirement.
- (h) **Contributory Service-** means continuous service for which member contribution is paid to the Trust by the Corporation as per provisions of these Rules.
- (xi) **'Effective Date'** in relation to the Scheme shall mean, 01.04.2015, the date from which the Scheme takes effect.

- (xii) **‘Eligible Employee’** shall mean an Employee who is eligible for the benefits under the Scheme as more particularly set forth in Section II (Rule 2) below.
- (xiii) **‘Employee’** shall mean any employee appointed by the Corporation in the regular scale of pay including Probationer and shall be deemed to include
- a) Whole-time bona fide working Directors who do not own a beneficial shareholding in the Employer Corporation carrying more than 5% of voting right; and
 - b) Employees whose services are lent to or seconded by the Employer to any other CPSE under the Management of or associated with the Employer including a joint venture in which the Corporation has a stake, the Central Government or to any State Government or to any Government Company or Corporate and in respect of whom the Employer’s contributions are payable either by NSC or by the Organization to which the employee has been seconded.
- (xiv) **‘Employer-** or the ‘Corporation’ shall mean National Seeds Corporation Ltd., and subject to the prior approval of the Commissioner of Income Tax shall include any person, firm or agency, body corporate, or any other entity who/which may, by purchase, amalgamation or otherwise take over the whole or substantially the whole of the business of the Corporation and who/which shall enter into a Deed in such Form as the Trustees shall require, undertaking to continue the obligations of the Employer Corporation under these presents and releasing the Corporation from all further liability thereof. Provided however that every power, authority and discretion vested in the Corporation shall be exercisable by either the Board of Directors or the Chairman-cum-Managing Director or by any other officer of the Corporation duly authorized by the Board of Directors or the Chairman-cum-Managing Director in this behalf.
- (xv) **‘Entry Date shall mean**
- i) 01.04.2015 in relation to the employees who have joined on or before that date and are on regular rolls of the Corporation on the date of notification of the Scheme and have opted for it; and in relation to employees who had joined prior to effective date and have separated from the Corporation other than by way of resignation / termination / sudden disappearance prior to the date on which Scheme has been notified by the Corporation.
 - ii) In relation to the Employees admitted to the benefits under the Scheme after 01.04.2015, the date on which the Employee joins the Corporation on its regular rolls but does not include an employee who has come on deputation /loan basis from

other CPSE / organizations. When an employee joins the Corporation retaining his lien in the other CPSE, then the entry date shall be the date on which he comes on the regular roll of the Corporation. The pension to such an employee shall however be admissible if his total service in the corporation on the date of normal retirement together with the service in the immediate previous CPSE from where he is joining the Corporation is not less than fifteen years.

iii) In relation to an employee who after formally resigning from the other CPSE and its acceptance thereof, joins the Corporation on the regular rolls of the Corporation after proper release, even though he is entitled to retain a lien in the other CPSE, the entry date for such an employee shall be the date on which he comes on the regular rolls of the Corporation, but Pension to such employees shall be admissible if his total service in the Corporation on the date of normal retirement together with the service rendered in the previous CPSE / CPSEs from where he is joining the Corporation is not less than fifteen years.

iv) In relation to an employee who comes on deputation to NSC from any other CPSE, the entry date shall be the date on which he comes on regular rolls of the Corporation, but Pension to such employees shall be admissible only if his total service in the Corporation on the date of normal retirement together with the service rendered in the previous CPSE/CPSEs from where he is coming on deputation is not less than fifteen years, provided the contribution in respect of his previous employment are transferred to this Scheme if a similar Scheme was in force in his earlier CPSE. However, service rendered in Government / autonomous organizations will not be counted for the purpose.

(xvi) **‘Financial Year’/Accounting Year’** means a period of twelve months commencing from 1st April and ending on 31st March of next following year.

(xvii) **‘IRDA’** means Insurance Regulatory and Development Authority of India.

(xviii) **‘Insurer’** shall mean Life Insurance Corporation of India or any other Insurance Company by Insurance Regulatory Development Authority (IRDA) selected by the Trust for Management and investment of Pension Fund.

- (xix) **‘Master Policy’** means the Group Superannuating Policy effected by the Master Policy holder with the Insure to provide the benefits under the Scheme.
- (xx) **‘Master Policy Holder’** means NSC Employees Superannuation Benefit (Pension) Trust.
- (xxi) **‘Member’** shall mean an Eligible Employee
- a) Who has been admitted to the membership of the Scheme, so long as he continuous to be admitted to the benefits of the Scheme.
 - b) Employee who was an eligible employee and joins any other CPSE, or any of NSC’s Affiliate and Associate including a Joint Venture in which the Corporation has a stake retaining his lien with the Corporation.
- (xxii) **‘Member’s Effective Date’** means the date on which a person is entered in the Register of Members.
- (xxiii) **‘Notification Date’** shall mean such date on which the Scheme is notified by the Corporation to the employees after the same has been approved and adopted by the Board of Directors of the Corporation and or any other Competent Authority from whom such approval is required Govt. guidelines or any other law in force.
- (xxiv) **‘Payment Event’** the earlier of Member’s retirement, death or termination of service that may give rise to a claim.
- (xxv) **‘Pensioner’** means the person who is in receipt of Pension benefits under this Scheme.
- (xxvi) **‘PFRDA’** Pension Fund Regulatory and Development Authority.
- (xxvii) **‘Register of Members’** A register maintained by the Insurer containing details of each Member, including but not limited to Name, Age, Sex, Salary, Rider in Force (if any) and Rider Sum Assured, Member’s effective date, Beneficiary and any special conditions applicable to Member.
- (xxviii) **‘Retirement’** means the normal retirement date as per rules of the Corporation, or retirement granted by the Corporation before the normal retirement date due to medical unfitness or incapacitation or due to any other reasons.
- (xxix) **‘Rules’** shall mean the Rules of the Schemes as herein set out and any amendments made thereto from time to time.

(xxx) **'Scheme'** shall mean 'NSC' Employees Defined Contribution Superannuation Pension Scheme' as described in the Rules and the Trust Deed.

(xxxii) **'Salary'** means the emoluments payable to an Employees while on duty in accordance with the terms and conditions of his employment by way of basic pay (including Stagnation pay, if any) and dearness allowance / dearness pay admissible to him from time to time.

(xxxiii) **'Service'** shall mean in relation to a member, the period for which he has been or deemed to be in continuous service with the Employer Corporation and this will include, inter alia, periods of authorized leave. Such service relating to each Member will be the total of the following:

- a) The period of past service which the Employer has agreed to credit the Members with i.e. period from the date on which he comes on regular rolls of the Corporation till the Effective Date to secure benefits relating to such past service.
- b) The period of future service of the existing Employees with the Corporation shall be reckoned from the Effective Date up to his Normal Retirement Date or the date of cessation of service, as the case may be.
- c) In other cases, the period of service which the Corporation has agreed to credit the Members with, shall be from the date on which the employee comes on the regular rolls of the Corporation upto his Normal Retirement Date or the date of cessation of service, as the case may be.
- d) The period of past service in the CPSE rendered immediately prior to the commencement of his service in the Corporation, subject to the conditions as contained in Rules provided hereunder.

Note: Cessation of service for the purpose of this Rule shall mean separation of Employee from the Corporation on account of his resignation, death, permanent disability, voluntary retirement, pre-mature retirement and separation of Employee from the Corporation as a result of disciplinary proceedings conducted as per the Corporation's Service Rules defined in clause (xxxiii) hereunder and or the terms of appointment of the concerned employee.

(xxxiiii) **'Service Rules'** shall mean the NSC Employees (Conduct, Discipline & Appeal) Rules and Certified Standing Orders, as may be applicable to the concerned employee, as modified from time to time, and shall also include the Conditions of Service Rules or any other Rule framed and Implemented by the Corporation in relation to terms and conditions of service of its employees.

- (xxxiv) **‘Scheme Anniversary’** The annual anniversary of the commencement date of the scheme.
- (xxv) **‘Superannuation’** in relation to a Member means the date on which the Member shall vacate his employment upon attainment by the member of such age as is fixed in the contract of employment or condition of service with the Corporation. In the absence of such contract or agreement, 60 years of age or any subsequent amendment hereto.
- (xxxvi) **‘Surplus Account’** shall mean an account which incorporated the forfeited balances of employees who have not completed the vesting requirements.
- (xxxvii) **‘Trust’** shall mean the Trust under which the Scheme is established to which the Corporation and the employee shall contribute their respective contributions more particularly defined hereinafter.
- (xxxviii) **‘Trustees’** shall mean the Trustees appointed/nominated in Trust of ‘NSC’ Employees Defined Contribution Superannuation Scheme’ from time to time.
- (xxxix) **‘Trust Deed’** shall mean the Trust Deed executed by the Corporation and the Trustees for the purpose of administering the Scheme in accordance with the provisions thereof and shall include any amendments made thereto by appropriate deeds of variation.
- (xxxx) **THE TRUSTEES TO ACT FOR MEMBERS AND THE CORPORATION:** The trustees shall act for and on behalf of the Members and the Corporation in any matter relating to the Pension Fund within the framework of the Trust Deed and the Rules framed hereunder and as amended from time to time and the applicable laws. Every act done by the Trustees in good faith and in accordance to with Rules of the Scheme, shall be binding on the Members and the Corporation.

SECTION – II

Eligibility and Contributions

2.0 Eligibility for Membership

- 2.1 A person shall be eligible to become a member of the Scheme provided he remains an Employee of the Corporation and is expected to put in a minimum of 15 years of service in the Corporation prior to his superannuation.
- 2.1.2 His age at the time of joining the Service is not less than 18 years and is more than 45 years as on the date on which he comes on the regular rolls of the Corporation provided that a age limit of 45 years shall not be applicable in respect of Presidential appointees, and other employees who are taken on the rolls of the corporation after resigning and released from a CPSE, subject to the condition that the total past service in the CPSE/ CPSEs from which he is joining the Corporation after resigning and future service in the Corporation till the normal date of retirement is expected to be 15 years or more.
- 2.1.3 All the eligible regular Employees joining the Corporation on regular scale of pay on or after the effective date shall compulsorily become Member of the Pension Scheme from the date on which they join the regular scale of pay in Corporation. The existing regular employees will have the option to join the scheme or otherwise. The decision of the Corporation as to the eligibility of a person to qualify to become a Member of the Pension Scheme shall be final and binding.
- 2.1.4 A person shall become Member of the Scheme on satisfying the eligibility criteria as laid down under Rule 2.1 above and on having agreed to become a member undertake to provide such documentation and /or information as the Trustees (whether at the behest of the insurer or otherwise) may request including but not limited to proof of age and after the insurer agreeing to enter the details of such person in the Register of Members.
- 2.1.5 On becoming a Member, the Member will receive a Certificate of Membership from the Insure specifying the benefits to which he will be entitled under this scheme (subject always to Compliance with the terms and conditions of this Scheme Rules) and the Member's effective date. If any change is effected, a further Certificate of Membership shall be issued.
- 2.2 A person shall automatically cease to be Member:
 - 2.2.1. Upon ceasing to be an Employee of the Corporation
 - 2.2.2 Upon the occurrence of Payment event

- 2.2.3. Upon failing to provide such documents and or information as the Trustees (whether at the behest of the Insurer or otherwise) may request, within the time period specified by the Trustees.

Trustees decision as to whether the Member has ceased to be Member or not shall be final and binding on the Member and the Corporation.

Contributions by Members to the Trust

Upon becoming a Member, any contribution already made by the Employee to an earlier Superannuating Scheme under his previous employer (CPSE) may be paid by or on behalf of the Trustees in their sole and absolute discretion, towards the Master Policy (initial Contribution) provided that

- a) This is permitted in terms of amount and otherwise as per insurer's Rules as also the Pension Rules of the Corporation in force at the time of proposed payments of initial contribution.
 - b) Service to be rendered by New Employee in the Corporation together with service rendered with the previous CPSE/ CPSEs from where the contributions were transferred is expected to be minimum 15 years or more.
2. The contributions to the Trust in respect of a member shall consist of three parts namely:

Employer's Contributions

Member's Contributions

Member's Voluntary Contributions

- a) **Employer's Contributions**- Contributions shall be made by the employer on behalf of the employee and this may be equal to 10% of Basic Pay + DA or such other percentage as the employer may decide from time to time and such contribution shall be payable until the happening of payment events. The Company's contribution at the prescribed rate shall be withheld in subsequent year if in a particular financial year profit after tax of the Corporation dips below Rs.20 Crores, after giving three months notice to the Trust, the Insurer and all the Members. However, the withheld contribution shall be released in a phased manner to the Trust from the financial year subsequent to the year when all the previous accumulated losses are wiped out and the profit after tax becomes more than Rs.20 Crores, without any interest on such arrears of monthly contributions.
- b) **Member's Contributions** means any sum contributed by the Employee in terms of Percentage of his salary that may be made mandatory by the Corporation from time to time. Presently, the employees shall be liable to contribute to the fund 5% of their Basic Pay + DA from the month of the effectiveness of the scheme. The Corporation shall have the right to deduct Employee's contribution toward the Superannuation Fund from the salary payable to him before disbursement.

Member's Contribution shall also include any fund transferred to the Trust on Member's account by any other CPSE's Pension Fund of which the employee

member was a member before joining the Corporation provided such a transfer is permissible under these Rules.

- c) Voluntary Contributions-** Contributions/(s) paid by the Member(s) in the Form of lump sum payment or otherwise in addition to percentage salary contribution as may be fixed by the Corporation. Voluntary contribution shall however be accepted as percentage of Basic Pay + DA and recovered by the Corporation every month from the salary payable to the member. The employee shall be entitled to change the percentage of contribution on 1st April and 1st September of every year and option thereof shall be exercised by the employee at least one month prior to 1st April or 1st September. Option once exercised shall be irrevocable during its validity. The Employer at its sole discretion may allow a member to contribute an additional lump-sum amount over and above his monthly contribution.

2.4 **Contribution during the Period of Leave/Suspension**

- 2.4.1 Corporation and the members are required to make contribution at the prescribed rate to the Trust for the period of authorized leave based on the salary drawn by the member during such leave.

In the event, an Employee is sanctioned study leave if permissible under the Corporation's service Rules, the Employee contribution as well as Employer contribution under the Scheme shall be payable only up to the period he is paid leave salary. On exhaustion of leave salary, no contribution shall be paid from the Employee and Employer and the contributions shall recommence from the date the Employee rejoins the Corporation.

In the event, an Employee is sanctioned leave without pay, neither Employer nor Employee contribution shall be payable for the period of such leave without pay.

In the event, a suspended Employee is reinstated, the Employer and Employee contribution under the Scheme for the period of suspension may be regulated, as decided by the Trustees on the specific recommendations of the Disciplinary Authority constituted under the Corporation Service Rules. Further, in case an employee is reinstated after suspension without holding any disciplinary proceedings or if major charges are not proved against him during the Disciplinary proceedings, the period of such suspension shall be reckoned as service and Employer and Employee contribution for the period of suspension shall be payable. In case the reinstatement of employees is as a result of an Order of a Court of Law, or during the termination as illegal and / or absolving the concerned employee of any fault / blame on his part, the Corporation's contribution for the period of absence shall be given accordingly, subject to fulfillment of other conditions of the Scheme. The decision of the Chairman cum Managing Director of the Employer Corporation whether a person has been in continuous service and

period thereof and the payment of Employer / Employee monthly contribution during the period of any suspension, shall be final and binding on the Employee, Trust as also the Insurer.

2.4.2 If a Member is seconded / deputed to another Company or Concern under the Management of or associated with the Employer or to the Central or State Government or Central Public Sector Enterprise, he shall be deemed to continue as a Member for the purpose of this Scheme and the regular contributions shall continue to be payable in respect of such Member either by the Corporation or the organization to which the Member has been seconded as per approved terms of such deputation the Member's mandatory and voluntary contributions shall be payable by the Entity to which the said Member is seconded through recovery from Member's salary and the recoveries so made shall be remitted to the Trust on the due date.

2.5 **Employee's right of lien over the Post and his continuity in Membership.**

In case of an Employee who joins another CPSE but maintain lien over the employment with the Corporation, the contribution for the lien period by the Employer and the Employee shall not be payable and his accumulated contributions up to the date of his release from the Corporation, shall be maintained with the Insurer. However, such Employee may, if he so desires, continue making his contribution under the Scheme through the Trust. In the event, such Employee rejoins the Corporation, the contributions shall become payable by Corporation and the Employee from the date of his rejoining the Corporation.

2.6 Member's contributions and voluntary contributions as mentioned in clause 2.3.2(b) shall be deducted monthly by the Employer from the salary of the employees and paid to the Trust along with the necessary details by 10th working day of the month following the month for which the deduction have been effected.

2.7 The Corporation's contribution on behalf of the Members of the Scheme, as mentioned in clause 2.3.2(a), shall be made over to the trust before the end of 10th working day of the month following the month for which the contributions relate.

2.8 **Master Policy by the trust and Contribution to the Insurer**

2.8.1 The Trust shall take a Master Insurance Policy with the insurer for the Members and their beneficiaries. No member or beneficiary shall have any right or claim against the Insurer against its business or profits or assets.

2.8.2 The terms and conditions of the Contract under which the insurer shall issue Master Policy shall be mutually agreed between the Trustees and the Insurer and the terms and conditions once agreed may be changed after

mutual discussion and the changes if any shall be effected prospectively from the next anniversary of the scheme.

- 2.8.3 Initial contribution, Regular contribution, Member's contributions and Voluntary contributions received in accordance with these Rules shall be applied by the Trustees to the Master Policy in accordance with the terms and conditions of the policy. The Insurer who shall give the Master Policy shall transfer all contributions received from the Trust in full to the Group Superannuating Pension Fund of NSC and shall also maintain individual Member's accounts for Initial & Regular Employer's Contribution, Member's monthly, voluntary and lump-sum Contributions, including pension funds transferred from the previous Employers of the Members, as per the provisions of the Scheme.
- 2.8.4 The proceeds in the Group Superannuating Pension Fund of NSC maintained by the Insurer shall be invested in consultation with the Trust per the regulations issued by the Pension Fund Regulatory and Development Authority or Insurance Regulatory and Development Authority or any other statutory Authority appointed by the Government for regulation of such investment.
- 2.8.5 Every year, the Insurer will allow interest on the balance standing to the credit of the running account at the rate to be determined by the Insurer as at the close of each financial year.
- 2.8.6 Since different funds carry different risks, the objective of investment should be to achieve risk-return tradeoff while taking long-term view of dealing with assets and liabilities keeping in mind safety of investment and Liquidity. With this objective, the mix of investments in the presently available Funds shall be judiciously decided periodically by the Trustees in consultation with the Insurer. The decision of the Trustees in this regard shall be final and binding and not open for question either by the Corporation or the Members or their beneficiaries.
- 2.8.7 The Scheme of Master Policy as set out in the Master Policy Documents, as therein defined, shall be made available by the Trustees to any Member upon the Member's written request.
- 2.8.8 The amount of any benefit payable under the Scheme shall be determined by reference to the amount recovered by the Trustees from the Insurer. Neither the Trustees nor the Employer nor the Insurer guarantees or assumes any liability for the returns under the Master Policy (save to the extent set out in the Master Policy Document as defined in Master Policy) which are dependent on market risk and performance of the Funds available under the Master Policy.
- 2.8.9 The Funds and assets to which the Master Policy is referenced and any Income arising from these assets shall remain the property of the Insurer at all times. Accordingly, neither this Scheme nor the Master Policy confers

any title to or any beneficial interest in the business or any profits or assets of the Insurer, or to any income from these assets including but not limited to any assets to which any Fund available under the Master Policy is referenced or any income therefrom.

- 2.8.10 If the Insurer with the sole intention of granting relief to the Members / Beneficiaries who are already drawing pension, decides to grant increase in the quantum of pension, such Members / Beneficiaries shall be eligible for the said increase in the pension from such date and in such form as may be allowed by the Insurer.

2.9 Transfer of equitable interest in the Scheme.

- 2.9.1 In the event any Company, Firm or Association being affiliated to or associated with the Corporation, ceases to be so affiliated or associated, any employee of such company, firm or association who was a Member of the Scheme at such date shall, if he so desires subject to the approval of the Trustees and the Corporation be entitled to transfer of an amount equivalent to his equitable interest in the Scheme to any other Approved Superannuation Fund of CPSE of which the said Member may become a Member in future.
- 2.9.2 If an employee joins another CPSE after resigning from the Corporation, he shall be entitled to transfer the Employer and Employee contributions along with interest accumulated in his account at the time of such resignation to the other CPSE provided that the other CPSE has an Approved Defined Contribution Superannuation Fund.
- 2.9.3 In the event, of Employee resigning from the Corporation and joining a CPSE, which does not have an approved defined contribution superannuation Scheme, such Employee may, if he so desire continue making his own contribution under the Scheme through the Trust. He shall be eligible for pension benefits to be calculated on the accumulated sum comprising of Employer's contribution as on the date of separation from the Corporation and Employee's contribution and the interest earned in his account till the date of his normal retirement, provided the Employee superannuates from the CPSE. However, if such an Employee resigns from said CPSE at any time before superannuation and joins an organization other than a CPSE, only the Employee contribution including any additional contribution made by the Employee, along with accrued interest will be refunded to him after deduction, if any, and the Employer's (NSC) contribution up to the date of his resignation from the company along with interest accrued thereon up to the date of his resignation from CPSE will be transferred back to the NSC's Superannuation Trust.
- 2.9.4 If an employee joins the Corporation after resigning from other CPSE having a similar Scheme, desires transfer to the Trust the accumulated sum to which as a Member of similar scheme operating in that CPSE he may be entitled, the Trustees with the approval of the Competent Authority

of the Corporation shall be authorized to receive such amount and the amount so transferred shall be placed to the credit of such Member. On retiring from service at Normal Retirement Date or on early retirement or on death or on leaving service, such Member or his Beneficiary, as the case may be, shall be entitled to such additional pensions as are attributable to the value as at the date of retirement or death of the total amount so paid or transferred in accordance with conditions, if any, stipulated by the Approved Fund from which the amount has been transferred.

- 2.9.5 In order to be eligible for transferring the amount accumulated in his Fund in the previous CPSE, the service in that CPSE as well as service in the Corporation shall be deemed to be continuous without any break, subject to the condition that there is no intervening service in any other organization. It is clarified that admissible joining time, if any, availed by such employee or leave with prior concurrence of Company on account of movement from one CPSE to the Corporation would not be considered a break in service.
- 2.9.6 The amount so received from another CPSE to Employee's individual account shall be credited separately under Employer's contribution and Employee's contribution respectively.
- 2.9.7 The amount in the Superannuation Fund due from earlier CPSE should be got transferred to the Corporation within a period of 12 months from the date of joining duty in the Corporation or the Notification Date, whichever is later. In case of an employee joining the Corporation while retaining lien with earlier CPSE, the period of 12 month shall be extended to the total period of lien.
- 2.9.8 If the Employee does not get the amount transferred within the said period of 12 months or the period of lien, as the case may be, transfer of such amount later shall not be allowed.
- 2.9.9 The past service of a Member in CPSE shall be reckoned only for the purpose of determining the continuity of service to avail the benefits of the Scheme and amount payable to such Member in the event of superannuation, resignation, death, VRS /pre mature retirement and such other cases as mentioned in Section III of the Scheme and for no other purpose.
- Note:** (a) The transfer to the Scheme by the Trustees as mentioned above shall be made only between Defined Contribution Superannuation funds approved by the Commissioner of Income Tax.
- (b) This Rule (2.9) shall be applicable only in case where transfer of equitable interest is from / to a CPSE.
- 2.9.10 In the case of Employee joining the Corporation from another organization, which is not a CPSE defined herein above, his past service with the

previous organization shall not be reckoned for the purpose of this Scheme. Transfer of funds from his previous organization to the Scheme shall be regulated as per Rule 1(x) (d).

Section-III

3.0 Administration of the Scheme

- 3.1 The Trustees will Act for and on behalf of the Members and the Employer in any matter relating to the Scheme and every act done and agreement made by the Trustees shall be binding on the members and the Employer.
- 3.2 The number of Trustees shall not be less than 3 (Three) or more than 7 (Seven). Including Chairman of the Board of Trustees. A company so defined in Clause (I) of subsection (i) of Section 3 of the Companies Act 1956, shall not be appointed as Trustee without the prior approval of the Commissioner. At any meeting of the Trustees, three Members with at least one Trustee representing the employees and another representing the Employer shall form the quorum.
- 3.3 The Chairman / Chairman-cum-Managing Director / Managing Director of the Corporation shall appoint the First Trustees. The power of appointing a Trustee or Trustees subsequently shall also be vested in the Chairman / Chairman-cum-Managing Director / Managing Director of the Corporation from amongst the members of the Pension Scheme, including the Chairman of the Board of Trustees, subject to the Provisions of sub rule (3.2) hereof. The Chairman / Chairman-cum-Managing Director / Managing Director of the Corporation or any other officer duly authorized by the Chairman / Chairman-cum-Managing Director/ Managing Director in this regard shall be entitled to appoint new Trustees either in addition to the existing Trustees or in place of Trustees, who have died, vacated office or retired, for the purpose of facilitating the administration of the Trust. On every such appointment of a new Trustee or Trustees, the moneys of the Trust shall ipso facto vest in the new Trustee or Trustees.
- 3.4 A Trustee may retire at any time after giving seven days notice in writing either to the Chairman / Chairman-cum-Managing Director / Managing Director of the Corporation or the Chairman of the Board of Trustees, of his intention to do so and the Chairman of the Board of Trustees shall forward the said notice to the Chairman / Chairman-cum-Managing Director / Managing Director NSC for appropriated action. The office of the Trustee shall be vacated if a trustee shall permanently leave India or by reason of his illness or infirmity or unsound mind shall, in the opinion of other Trustees become incompetent or incapable of acting as Trustee and the Board of Trustees passed appropriate resolution in their meeting to this effect. The Chairman / Chairman-cum-Managing Director / Managing Director of the Corporation or any other officer authorized by Chairman / Chairman-cum-Managing Director / Managing Director in this regard may also remove a Trustee if he considers that the said trustee is not competent

to discharge his duties as trustee. The Trusteeship of a Trustee will automatically cease on the cessation of his services from the Corporation.

- 3.5 A person shall not qualify for appointment as a trustee and shall cease to hold such office ipso facto if:
- i) He is an un-discharged insolvent
 - ii) He has applied to be adjudicated as an insolvent
 - iii) He has been convicted by a court for an offence moral turpitude
 - iv) He is found guilty of misappropriating money or property of the Corporation or of the Pension Trust
 - v) He is not a Member of the Pension Fund/Scheme
- 3.6 If at any meeting, the permanent Chairman being not present, the Trustees present may choose one of their Trustees to be the Chairman of the said meeting.
- 3.7 The Trustees may, subject to the provisions of these Rules, meet for the dispatch of business, adjourn and otherwise regulated their meetings and proceedings, and make such, other regulations for the transaction of the business of the Trust as they think fit and proper
- 3.8 Questions arising at any meeting shall be determined by a majority of votes, each Trustee present being entitled to one vote and, in case of equality of votes, the Chairman shall have a second or casting vote
- 3.9 A resolution signed by majority of the Trustees for the time being in India, being not less than 3, shall be as valid and effective as a resolution passed at a meeting of the trustees duly convened and held
- 3.10 The Board of Trustees may delegate any of their powers to a committee/ Sub Committee consisting of such members of their body, as they shall think fit. The Committee/Sub-Committee so formed shall, in the exercise of the power so delegated, work in accordance with all the directions of the Board of Trustees
- 3.11 **Absence of a Trustee and power of Remaining Trustees-** If any of the Trustee or Trustees shall be temporarily absent from India, the Trustees who shall remain in India shall during such absence have full powers to act under the Trust as if they were the only trustees of these presents.
- 3.12 Vacancy in the Board of trustees to be filled within three months. However, if any vacancy has not been filled in within this period, no proceedings or act of the Trustee shall be invalid by reasons only of the existence of any vacancy or any defect in their appointment
- 3.13 The Trustees shall comply and carry out all such directions as may be given to them by the Corporation from time to time in relation to any matter in respect of

Which the Corporation has powers under these presents to determine and decide. A certificate issued by the authorized officer of the Personnel Department of the Corporation as to the admission of any or as to the death of any member or his retirement or dismissal from the service of the Corporation shall constitute a good and sufficient authority to the trustees and shall be conclusive as to all facts stated therein.

- 3.14 Proper minutes of the meetings of the Board of Trustees held shall be kept duly signed by the trustees present in the meetings and approved by the Chairman of the Board of Trustees.
- 3.15 The Board of Trustees shall decide all differences or disputes which may arise either as to the interpretation of these Rules or as to the rights and obligations of the Corporation and of the beneficiaries / members, and the decisions of the Board of trustees shall, in all cases, be final and binding on all parties concerned provided always that where such differences or dispute related to Insurer, these shall be mutually discussed and agreed upon as per terms of the contract and where these relate to Income-Tax matters, it shall be referred to the Commissioner and his decision shall be final and binding.
- 3.16 The Board of trustees shall have power to appoint any person or persons with requisite qualification to act as the Secretary or Secretaries or the Fund Manager or Managers or Registrars of the Trust at such remuneration and on such terms and conditions and with such powers as the Board of Trustees may think fit. The Board of Trustees may also employ any person or persons to do any legal, accounting, actuarial or other work which they may consider necessary or expedient in connection with the management of the Trust or of the assets thereof.
- 3.17 The Board of Trustees shall open with any Nationalized or Scheduled Bank or Banks as they may from time to time determine, current Account or Saving Account or with a Post Office Saving Bank Account and place to the credit of such Account or Accounts all moneys from time to time received by the Trustees for the purpose of the Trust. The Trustees shall have the full power and authority to choose any such bank Account if deem fit and necessary.
- 3.18 All cheques and other negotiable and transferable instruments and all receipts for money paid to the Trust shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Board or Trustees shall from time to time by resolution determine Provided that there should be at least two signatories for executing such instruments for and on behalf of the Trust.
- 3.19 Board of trustees may hold the investments of the moneys of the Trust in the name of the Trust, or in the name of nominee(s) whether a Bank, a Financial Institution or a Trust Corporation, as the Board of Trustees may determine form time to time. Application for purchase or any investment of

Trust money may be made in the advice of the Fund Manager by one or more of the trustees or by any of their nominees whether a Bank, a Financial Institution, IRADA approved Insurance Company / Corporation or a Trust as the Board of Trustees may nominate from time to time.

- 3.20 The Board of Trustees shall not, at any time, be made liable for any other money than what actually come in to their hands or for the failure of any Bank, any of the Companies or for the dishonesty of any clerk, servant or Attorney or other person with whom any part of the Trust property may be deposited or be placed in charge or for anything other than their own negligence, will full acts, deeds and defaults. Notwithstanding anything contained in these presents. The Board of Trustees shall be at liberty to utilize any part of the total corpus of the Trust money, any part of total interest received by the Trust, total contribution received in respect of members who cease to be members and the total net appreciation (if any) of the assets of the Trust in reimbursing themselves for all sums of money, costs, charges or damages suffered or borne by them in connection with the administration of the Trust and in meeting their obligation as Trustees regardless of the insufficiency of the total moneys for the purpose of meeting all obligations of the Trustees and the Trustees shall be entitled to be indemnified by the Corporation against all proceedings, costs and expenses occasioned by any claim in connection with the Trust not arising from their willful negligence or dishonesty or fraud or default.
- 3.21 The moneys of the Trust shall be dealt with in the manner prescribed in Rule 85 of the Income-Tax Rules, 1962.
- 3.22 The Board of Trustees shall have power at any time and from time to time to vary or transpose the investments for the time being of the Trust to others of the nature authorized in Rule 3.21 hereof expressly including the power to surrender any policy of insurance or annuity on such terms and conditions as the trustees may think fit and to accept the surrender value of such policy which shall be dealt with in accordance with the Rules.
- 3.23 The Board of Trustees may, when necessary, raise such sum or sums of money as may be required for the purpose of the Trust by a scale of or obtain advance or advances against the securities held by them.

Section-IV

4.0 Pension Benefits and Payments

4.1 Pension on Superannuating of Member

- 4.1.1 No payment will be mad under the Scheme until the happening of payment event in respect of a Member and no payment will be made under the Scheme if no corresponding sum is payable to the Master Policy Holder under the terms of the Master Policy.
- 4.1.2 The benefits to the Member on the happening of payment event shall depend on value of the units allocated to the member plan and cost of providing pension on that date.
- 4.1.3 If the payment event arises because of member's retirement, then the pension shall become payable to him only if he has completed not less than 15 years of continuous service unless otherwise provided in these rules.
- 4.1.4 Upon retirement of the member on the normal retirement date and subject to the pension being admissible to him, the pension shall be payable to the member as per the frequency chosen by him (monthly, quarterly, half yearly or yearly) and as per the pension option selected by the member from the various options as offered by the Insurer. Pension benefits will depend upon the accumulated corpus available in the employees' individual account. Such a member shall at least three months before his retirement inform the Trustees to apply the proceeds available to him under the Scheme either.
- 4.1.5 100% towards the purchase of an annuity offered by the Life Insurance Corporation of India or any other IRDA regulated Life Insurance Company; or
- 4.1.6 Cash lump sum of commuted value of benefits equivalent to maximum of 1/3 (one third) of the accumulated value of funds, (or such other amounts as permitted under the Income Tax Act / Rule, in force at the relevant time) and the balance accumulated Fund shall be utilized to purchase an annuity from Life Insurance Corporation of India or any other IRDA regulated Life Insurance Company which will provide for pension for lifetime of the employee and his or her spouse as also for his dependents depending on the pension arrangement chosen by him from amongst these or other options available at the time of purchasing the purchase of an annuity from Life Insurance Corporation of India or any other IRADA regulated Indian Life Insurance Company.
- 4.1.7 In such manner as may be lawfully permitted under the statutory framework in force at the time of the member's retirement.

4.1.8 If the member does not give at least three months notice of his option, then the member shall be deemed to have exercised the option under the Rule 4.1.5

4.2 Pension on death of a Member while in Service

4.2.1 In the event of death of a Member, while in service of the Corporation, the Beneficiary(s) of the Member shall be entitled to an immediate pension, irrespective of whether the Member had completed 15 years of service or not. If the payment event arises because of Member's death, wither the trustees shall pay to the beneficiary(s) the sum received from the Insurer and as stated in the certificate of membership to be in force; the amount paid by the Insurer under the Group Term Insurance Rider (if applicable) in Lump-sum, if so opted by them, subject to the prevalent Income-tax Law and deduction of charges if any; or

4.2.2 The sum received from the Insurer will be used to purchase the annuity from Life Insurance Corporation of India or any other IRDA regulated Life Insurance Company to the nominated beneficiary(s) of the Member, on the basis of percentage, if any prescribed in the Nomination Form by the Member.

4.2.3 In the absence of nomination, the benefit received from the Insurer will be paid to the spouse, parent, children (if Living), or otherwise distributed among the legal heirs as per the valid Succession Certificate to be produced by the legal heirs.

4.2.4 The benefit under this Scheme shall not be available to a nominated beneficiary / legal heirs who has charged by the Police Authorities for Murder / Abetment to Suicide of the Member. Such cases shall be considered for a final settlement by the Trustees depending upon the circumstances of each case, in consultation with the Employer.

4.3 Pension on permanent disablement / incapacity of member

4.3.1 On discharge of Member from the service of the Corporation due to his Total Permanent Disablement / incapacity while in service, the Member will be entitled to the full accumulated fund value irrespective of whether he has put in 15 years of service or not and he shall have the same options as would have been available to the Member on superannuation under Rules 4.1

4.4 Separation of Member before Superannuation

4.4.1 In case of resignation (excluding resignation covered under "technical formality clause") and compulsory retirement, premature retirement on account of inefficiency / doubtful integrity, removal, dismissal because of disciplinary proceedings, or judgment of Court of law on account of any criminal / judicial proceedings, Member's own contributions, if

any, and interest thereon, shall be refunded to such Member, after deduction of charges, if any, and subject to Income Tax Rules in force. The concerned Employee at his option will be allowed to retain his own contribution along with Interest accrued thereon, with the Insurer. The Employer contribution with interest accrued thereon shall be forfeited, as per Rules and shall be transferred to surplus Account of the Fund.

4.4.2 In the event of a Member opting for voluntary retirement as per Company's approved Scheme if otherwise meeting the eligibility criteria of 5 years service as on that date he will be entitled for pension benefits from the date of cessation of his service, in case Employee opts for and / or granted premature retirement on medical grounds, pension shall be payable irrespective whether the Member has completed 15 years Service or not. The benefits under the Scheme shall become payable on the option of the Member either from date of voluntary retirement / premature retirement on medical grounds or from the date on which the Member attains superannuation age.

4.4.3 In case a Member resigns and joins another CPSE, he may exercise one of the following two options and on the basis of such option exercises, the Trustees shall exercise one of the following options to pay the benefits under the scheme to the Member.

- i) Transfer the funds received from the Insurer pertaining to the Member to the approved Defined Contribution Superannuation Scheme of the CPSE of which he may become a member within a period of 12 months or applicable period of lien.
- ii) If the amount due is not transferred within the stipulated period or on account of CPSE not having an approved Defined Contribution Superannuation Scheme or the member joining service of another organization then the member's own contributions including voluntary contributions and growth thereon may be refunded to him after deduction of charges, if any, and subject to income tax rules as prevalent at that time. The Employer contribution with interest accrued thereon shall be forfeited as per rules and shall be transferred to the Surplus Account of the Trust.

4.4.4 In the event of death of the member before normal date of retirement, the nominated beneficiary spouse / dependent may either take lump sum cash equal to find value of the member with such deductions as may be applicable or opt for purchase of annuity form Life Insurance Corporation of India or any other IRDA approved Insurance Company on the life of the nominated spouse/ dependent.

4.4.5 In other case if the Member separates from the corporation before the normal date of retirement, the funds received from the Insurer pertaining to the Member (other than the funds representing the

Member's own contribution including voluntary contributions, and growth thereon, shall be paid to the Surplus Account of the Trust to be utilized in the manner decided by the Trust.

4.4.6 In the event if any Member, while in service, suddenly disappears and his whereabouts are unknown, the pension benefits shall be payable to his beneficiary(s) after a lapse of a period of one year from the date of filing of FIR with the concerned Police Station and bringing a 'no trace report' from the Police Authorities and observing other formalities as may be prescribed in this regard by the Trustees. However, the benefits shall be payable only if he had completed minimum fifteen year services as on date of disappearance and was otherwise eligible for payment of pension under this Scheme.

4.4.7 The undistributed Employer contribution along with interest shall be transferred to the Surplus Account of the Trust and may be adjusted against the future contributions by Employer or utilized in any other way which may be beneficial to the Member.

4.5 Conditions precedent for entertaining Claims by Trust

4.5.1 It is a condition precedent to the Trustee's liability to make any payment of benefit under this Scheme that the Member, or in case of death of the member, the beneficiary / beneficiaries shall be entitled to such benefits at their own expense.

4.5.2 Immediately, and in any event within thirty days, provide the Trustees with written notice of the happening of any event; and

4.5.3 Provide the Trustees with such information and / or documentation that the Trustees may request (or may request at the behest of the Insurer) in order to establish the facts of, date of, circumstances relating to and cause of the event and / or the Trustee's or Insurer's liability in respect of it; and

4.5.4 Co-operate with and assist the Trustees in an investigation that the Trustees or the Insurer may decide to undertake in respect of any event; and

4.5.5 At the request of the Trustees (whether at the behest of the Insurer or otherwise) the member shall provide such evidence in support of the claim to the Insurer or to the Insurer as may be required.

Section-V

5.0 Accounts

- 5.1 The Accounts of the Trust shall be maintained in India and shall contain such particulars as the Board of Trustees may think proper, and as are required by applicable laws. As soon as possible after the thirty first day of March in each year but not later than 6 months there from, the Board of Trustees shall take a general account of the Assets and liabilities of the Fund, and shall prepare a Balance Sheet and a Revenue Account showing the income and expenditure, dealings and transactions, during the year ending on thirty first day of March in such form as may be considered suitable by the Board or Trustees. The Board or Trustee will ascertain and record the Net Asset Value of the units held in the Account of each member as also the market value of other investments or securities of the Trust. In case of any investment or security not being a dated security or investment or security or insurance or any annuity policy for which the market value is not available, the Board of Trustees shall incorporate these in the accounts in such manner and at such value as they shall, at their absolute discretion, consider proper and equitable. The total appreciation and depreciation of the securities so ascertained and profits and loss incurred on the sale of securities including surrender or enhancement of policies of assurance or annuities, all interest accrued or received will be credited or debited as the case may be, in the revenue account.
- 5.2 The members' contribution shall be credited to the Single Account styled "Members' Contribution Account" showing distinctly the initial contributions, employer's contribution and member's contribution and voluntary contributions.
- 5.3 The balance of the revenue account, the members' Contributions account shall be credited to the Special Account, herein after referred to as the "Pension Benefit Account". All benefits paid being the purchase price paid to Insurance Company, refund of contribution shall be debited to the said "Pension Benefit Account".
- 5.4 The accounts of the Trust shall be audited yearly by a Chartered Accountant or a firm of Chartered Accountants appointed by the Board of Trustees, who shall have access to all the books, Papers, Vouchers and other documents connected with the trust, and who audited accounts shall be furnished to the Corporation and to the prescribed authorities.
- 5.5 The management and administrative expenses of the Scheme shall be met from the amounts available in the Trust's Surplus Account out of the forfeited funds in respect of employer's contributions for employees who have left corporation's services before completing 15 years service

or those who have not completed the vesting requirement of the Scheme, and if no such amount is available in this Account then these expenses shall be claimed from the Corporation.

5.6 Every Member shall be Provided with a Statement of Account (which would contain the details and value of Employer contribution and the Employee's contributions separately) once a year.

5.7 The Insurer shall issue to the Trustees within one month from the Annual Renewal Date, a certificate indicating the total amount of consolidated fund as on the previous Annual Renewal Date the annuities effected in between the above two Annual Renewal Date and the final balance as at the last Annual Renewal Date. The Insurer shall also issue to the Trustees within two months from the closing of the financial year a consolidated certificate indicating the total corpus amount available including the interest as on 31st March along with consolidated statement of account of all the Members indicating the Employer / Employee contribution along with the accrued interest. The Trustees shall also issue a certificate indicating the opening balance, current year contribution and interest on the Employer and the Employee contribution as on 31st March of every year.

Section-VI

6.0 Miscellaneous Provisions

6.1 Employees' Service lent to Government /Public Sector Undertaking.

In the Event of Member's services being lent by the corporation to an organization under the management of or associated with the corporation or to Government / Public Sector undertaking, and permitted to continue as member of the Pension Scheme, the Member's service for the purpose of this rule shall be deemed to be continuous provided that either the corporation or the organization to which member's services have been lent or the Member himself makes the regular contribution on behalf of the employer plus the Member make his contributions including voluntary contributions if any. In the event the employer's contribution are either payable by the corporation or the borrowing organization, the contribution should be remitted to the Trust on due dates as per these rules. However, if employer's contributions are to be paid by the Member himself, then this contribution along with his own contribution including voluntary contribution should be duly deducted from the Member's salary by the borrowing organization and remitted to Trust on the due dates as per these rules. Delay in remittance of these contributions is liable to interest being charged from the Corporation or the borrowing organization or the Member himself, as the case may be at such rates as may be fixed by the Trustees from time to time. Besides, the trustees may be entitled to take such other action as they may deem fit.

6.2 Members to have no legal rights: A member or his beneficiary shall have no interest in the master policy taken out in respect of the members or any investment otherwise made by the Trustees in accordance with the Rules of the Trust but shall be entitled to receive pension benefits in accordance with the Rules provided always that the Trustees shall administer the Pension Scheme for the benefit of the Members and their beneficiaries in accordance with the provisions of these Rules.

6.3 Restraint on anticipation or encumbrance: The benefits available under the Pension Scheme are strictly personal to the Member and cannot be assigned, charged or alienated in any manner whatsoever. If any restraint or prohibitory order is served on the Trustees in respect of any benefit payable to a Member or his beneficiary or if the Member or the beneficiary shall become bankrupt or attempts to assign, charge or in any manner encumber any benefits hereunder, all rights and claims of that member or his beneficiary shall be forfeited and the same shall lapse to trustees but without prejudice to the powers of the Trustees to maintain or continue the same if they think fit, in their sole and absolute discretion, either immediately or after an interval or otherwise to make payments for the support of the Member or his beneficiary.

6.4 Trust Deed to prevail

6.4.1 Should anything contained in these rules or in any alteration or amendment hereto be inconsistent or repugnant with the objects or provisions of the trust deed, the provisions of the Trust Deed shall prevail.

6.4.2 On any such discrepancy coming to the notice of the Board of Trustees, the Trustees shall, with the prior approval of the commissioner of Income-Tax take effective steps to amend the said rules to bring them in conformity with the provisions of the Trust deed.

6.5 Governing Law and Jurisdiction

6.5.1 All benefits under the pension Scheme shall be payable only in India.

6.5.2 The Scheme is subject to Indian Law and any dispute or difference between / among the Trustees, Corporation, Insurer or the Member in relation to this Scheme other than Master Policy or any benefits payable under it shall be determined in accordance with Indian Law and the courts of Delhi shall have the exclusive jurisdiction in relation to such disputes or differences in all matters arising out of the Trust Deed and Rules.

6.6 Rules not to be repugnant to Income-Tax Act- Should anything contained in these rules or in any amendment made thereof be repugnant to any provisions of the Income-Tax Act, 1961 or Income –Tax Rules 1962, or any amendment therein, it shall be ineffective to the extent of such repugnancy. Any such repugnancy shall be removed by the Trustees if so directed by the Commissioner of Income-Tax.

6.7 Deduction of Sums Due to Income Tax

6.7.1 In any case where the Trustees or the Corporation or the Insurer appointed by the Trust is liable to deduct tax and subsequently remit the accounts to the Income Tax authorities for income tax payable on any benefits due under the Scheme or any payment due under the Pension Scheme, the Trustees or the Corporation or the said Insurer may deduct a sum equal to the appropriate tax as applicable from time to time, from the benefits here under and they shall not be liable to the Member / his beneficiary for the sums so deducted. The Trustees or the Corporation or the said Insurer shall issue certificate of such deduction at source to the members in the prescribed form.

6.7.2 If the Trust / Scheme for any reasons ceases to be approved by the Commissioner of Income –Tax the trustees shall nevertheless remain liable to tax on benefits paid out under the Scheme in so far as such benefits are secured by the contributions made before the Scheme ceased to be so approved under the provisions of Part B of the 4th Schedule to the Income Tax, Act 1961.

6.8 Nomination of Beneficiary

- 6.8.1 Every Member shall appoint one or more beneficiary (ies) under the Rules to receive the benefits hereunder in the event of the death of the Member.
- 6.8.2 Every Member shall appoint his legally wedded wife / spouse, or child / children or parents or any other dependents / blood relations of the member to be a beneficiary or beneficiaries under the Pension Scheme to receive the benefits hereunder in the event of death of the Member. If the Member dies while in service or before he has commenced to draw the Pension benefits or after the Member has commenced to draw the Pension benefits but before he has received all the guaranteed installments under the Pension benefit option elected by him, the Trustees shall hold the benefits in respect of such Member upon Trust for payment to the beneficiary or beneficiaries as shall have been nominated by the Member in accordance with these Rules. If the Member has not submitted any nomination or the nominee(s) having pre-deceased the Member-Employee or does not have spouse of child / children or parents, the benefit shall be extended to such legal heirs on the basis of valid Succession Certificate.
- 6.8.3 Every appointment of a beneficiary made under these rules shall be in writing signed by the member, attested by two witnesses and shall be according to the Form as may be prescribed by the Trustees from time to time and shall remain in full force and effect until the death of the beneficiary or until the same shall revoked in writing by the Member by whom the same was made and fresh nomination is made in the manner aforesaid.
- 6.8.4 A Member may from time to time or at any time without the consent of the beneficiary if any, revoked or change the beneficiary / beneficiaries or their share of the benefits payable hereunder by filing written notice of the change with the Trustees in the form, satisfactory to the Trustees, where upon an acknowledgement of the change and a fresh Certificate of Registration incorporating the name of the new beneficiary will be given to the Member by the Trustees. 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, and without prejudice to the Corporation or the Trustees or the Insurer on account of any payment made before the acknowledgement of the change.
- 6.8.5 If a beneficiary shall at the time of his nomination, be a minor or otherwise under disability and therefore unable to give a legal receipt or discharge to the Trustees, the Member must at the time of such appointment as aforesaid shall also appoint a person of full age (called Appointee) 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 so long as such minority or disability continues.
- 6.8.6 If more than one beneficiary is appointed and in such appointment the Member has failed to specify their respective interests, the beneficiaries so

name shall share the benefits equally. If any designed beneficiary predeceases the member the interest of such beneficiary shall terminate and his share shall be payable equally to such of the remaining beneficiaries.

6.9 Payments on Member's Infirmary

6.9.1 If any Member or his beneficiary under the Scheme shall, in the opinion of the Board of trustees be unable by reason of mental incapacity or other causes to manage his affairs, the Board of Trustees may at their discretion arrange that the Pension benefits payable to such member or his beneficiary shall be paid to the person in whose custody of charge such member or beneficiary shall be as long as the infirmity lasts, and such payments shall be a good sufficient and complete discharge to the Trustees.

6.10 Information to Trust

6.10.1 Corporation agrees to promptly furnish to the Trust all such information / particulars regarding the Members and such other as may be in its possession and as the trust may either at its own or at the behest of Insurer require for the purpose of calculating the contributions required to be made by the member / Corporation of for computing the benefits for the members.

6.10.2 Corporation shall have a list prepared every three months, i.e. on first day or January, April, July and October each year of all members who are due to retire within the next three months of that date and the same should be promptly furnished to the Trustees.

6.10.3 In case of a Member retiring or leaving the service for reasons other than by way of superannuating, the Corporation shall promptly inform the Trust concerned, as soon as the fact of such retirement becomes known

6.11 Corporations' Right to Terminate Members' Employment unprejudiced.

6.11.1 Nothing in these rules shall be deemed to restrict in any way the rights of the Corporation to terminate the employment of Member nor shall being a member be use as a ground for or increasing damages in any action brought by such member against the Corporation in respect or termination of his employment and no expression of intention on the part of the Corporation herein contained shall create for the benefits of the Member any legal obligation or impose any legal liability on the Corporation.

7.0 Variance/Discontinuance of contribution and amendment of the Rules.

- a) The company reserves the right to discontinue making Contributions to the Scheme at any time, after giving three months notice in writing to the Trustees, the Insurer and to all the Members of the Scheme.
- b) The Company also reserves the right to vary the Contribution to be made under the Scheme at any time, after giving three months notice in writing to the Trustees, the Insurer and to all the Members of the Scheme.
- c) The total contributions made by the Corporation towards superannuation benefits including Provident Fund, Gratuity, Post Retirement Medical Benefit and Pension under this Scheme, shall not exceed 30% of basic pay plus dearness allowance of an Employee. The Corporation shall periodically review the contributions made by it and may, keeping in view the financial health of the Company and / or total contributions towards superannuation benefits, vary the ordinary monthly contribution under the Scheme.
- d) The Corporation may also at any time give three months notice in writing to the Trustees, the Insurer and to all the Members of the Scheme, of its intention to amend the Rules of the Scheme. Such amendment shall always have effect from the date on which the notices have been served provided however that any amendment to the Rules of the Scheme shall be made only with the prior approval of the Commissioner of Income-Tax.
- e) No such amendment shall affect in any way (i) pensions paid by the Insurer and (ii) benefits already secured as per the Scheme.
- f) In the event of discontinuance of the Contributions by the Employer, the benefits under the Annuities shall vest in the Member and the Member shall be entitled to exercise in respect of his benefits, the same discretions as the Trustees had under the Rules. The Member shall be deemed to have left service on the date of discontinuance and each Member shall be entitled to benefits as envisaged in Rule 4 above.

8.0 Interpretation of Rules

8.1 It shall be a condition of the membership of the Pension Scheme that any question arising on any point of interpretation of these rules or any point relating to cessation of the membership, the decision of the Board of Trustees, in consultation with Chairman cum Managing Director, wherever considered necessary, shall be final. If such decision has any bearing on the provisions of part B of the Fourth Schedule to the Income-Tax Act 1961 or the Income Tax Rules 1962, it shall be forthwith reported to the Commissioner of Income Tax and if the Commissioner of Income Tax so requires, the Board of Trustees shall review the decision.
