

CIL EXECUTIVE DEFINED CONTRIBUTION PENSION SCHEME – 2007

Chapter I

Title, Commencement & Definitions

1.1. Title & Commencement of the Scheme:

The Scheme will be called as "CIL EXECUTIVE DEFINED CONTRIBUTION PENSION SCHEME - 2007".

The Scheme shall come into force with effect from 01.01.2007.

1.2. Definitions

In this Scheme, where the context so admits, masculine shall include feminine, singular shall include plural and vice versa and the following words and expressions shall, unless repugnant to the context, have the following meanings:

- a. “**Act**” shall mean the Income Tax Act, 1961 and the Indian Trust Act, 1982 as the context requires.
- b. “**Accumulated Contribution/ Corpus**” shall mean the aggregate of employer and member contribution, if any, and interest accrued in a member’s account.
- c. “**Age of Superannuation**” shall mean the age of 60 years or any normal age of retirement as decided by the Company from time to time, on attainment of which, an executive shall be entitled to superannuation pension or annuity.
- d. “**Annuity**” shall mean the immediate or deferred annuity or annuities, payable by the Annuity Service Provider to the members and/ or beneficiaries as per these rules.
- e. “**Approved Superannuation Fund**” shall mean the superannuation fund or any part of the superannuation fund which has been and continues to be approved by the Commissioner of Income Tax (CIT) in accordance with the Income Tax Act, 1961.
- f. “**Annuity Service Provider**” shall mean any insurance company approved by Insurance Regulatory and Development Authority (IRDA) for payment of immediate or deferred Annuity, with which the Trust has entered into an agreement for payment of Annuity to the members and/ or beneficiaries as per these rules. There can be more than one Annuity service provider.
- g. “**Annuity Purchase price**” means the cost of annuity.

- h. **“Beneficiary”** shall mean a member of the Pension scheme and in case of death of a member, shall mean his spouse and/ or child or children and/ or dependents of a member, as nominated by the member, in respect of whom, the benefits are payable under this scheme.

Provided that where there is any difference of opinion as to who is the beneficiary in the event of death of a member, it shall be decided based on the legal heir/ succession certificate issued by Court of Law.

- i. **“Board”** shall mean Board of Directors of Coal India Limited.
- j. **“Board of Trustees”** shall mean Board of Trustees of the Coal India Limited Defined Contribution Pension Trust”.
- k. **“Company”** shall mean Coal India Limited or any of its subsidiaries (hereinafter referred to as “the Company” or “CIL”) and its successors or assigns having its registered office at Coal Bhawan, Action Area 1A, New Town, Rajarhat, Kolkata, West Bengal - 7000156.
- l. **“Chairman Trust”** shall mean Chairman of Board of Trustees of Coal India Limited Defined Contribution Pension Trust.
- m. **“Children”** shall mean legitimate children and includes adopted children, if under the Personal law of the member, adoption of a child is legally recognized.
- n. **“Contribution”** shall mean amount payable by the Company and the member as specified in the Scheme.
- o. **“Commissioner”** shall mean the Chief Commissioner/ Commissioner of Income Tax having jurisdiction over the Pension Trust.
- p. **“Contributory Service”** shall mean the period of actual service rendered by a member for which the contributions to the fund have been received or receivable as per the provisions of these rules.
- q. **“CPSE”** means Central Public Sector Enterprise.
- r. **“Cost of Annuity”** means the money deposited with the Annuity Service provider for payment of annuity as per the provisions of these rules.
- s. **“Employee”/ “Executive”** shall mean an employee of CIL & subsidiaries in the Executive cadre of both Board and below Board level including trainees in Managerial cadre and shall also include an Executive whose services are lent or seconded by the Company to another CPSE or any affiliate and associate including a Joint venture in which the Company has a stake.

- t. “**Employer**” shall mean Coal India Limited (referred as “Company”) and every power, authority and discretion vested in the Company, which shall be exercisable by the Chairman cum Managing Director of the Company.
- u. “**Eligible employee**” shall mean an employee who is eligible to join the pension scheme as per these rules.
- v. “**Effective date**” shall mean the date of commencement of the Scheme i.e., 01.01.2007.
- w. “**Entry Date**” in relation to the Executive who joined the Company on regular rolls of the Executive cadre on or before the effective date shall be the effective date (01.01.2007).

In relation to the Executive joined after the effective date, the date of joining the Company in the Executive cadre.

In relation to an Executive who comes on deputation to the Company from any other organization/ CPSE, the entry date shall be the date on which the executive joins the Company on deputation.

In relation to the Executives joining the Company, retaining his lien in other CPSEs, then the entry date shall be the date on which he joins the Company.

- x. “**Financial Year**” shall mean a period of 12 months or part there of beginning from 1st April of the year and ending on 31st March of the following year.
- y. “**Fund**” shall mean CIL Defined Contribution Pension Fund.
- z. “**Family**” shall mean Family as defined in the Coal Mines Provident Fund Scheme.
- aa. “**Permanent Total disablement**” shall mean such disablement of permanent nature as incapacitate an employee for all work which he/ she was capable of performing at the time of disablement, regardless whether such disablement is sustained in the course of employment or otherwise and which result in cessation of employment with the company.
- bb. “**Member**” shall mean an Employee in the Executive cadre, who has been admitted as a member in the scheme in accordance with the provisions of the Scheme but shall not include an Executive who, having been admitted as a member, has subsequently ceased to be eligible for membership as hereinafter prescribed or who has ceased to be in employment of the Company by virtue of removal from service, dismissal, Compulsory retirement (including Deemed) under CDA Rules & resignation.
- cc. “**Master Policy**” shall mean the policy issued by Annuity Service Provider which incorporates the various annuities effected under the scheme for the benefit of the members.

- dd. “**Notification Date**” shall mean such date on which the Scheme is notified by the Company.
- ee. “**Pension**” shall mean annuities payable under the rules from the Annuity Service Provider.
- ff. “**Pensioner**” means the person who is in receipt of pension under the rules.
- gg. “**Rules**” shall mean the rules of the Pension Scheme as herein set out and any amendments made thereto from time to time.
- hh. “**Salary**” means the Basic Pay including Special Pay and Personal Pay and Stagnation Pay, if any, and Dearness Allowance payable to an employee while on duty in accordance with the terms and conditions of employment, but does not include any bonus, PRP, allowances by whatever name called, etc., payable to the employee.
- ii. “**Scheme**” shall mean CIL Defined Contribution Pension Scheme 2007 as described in these rules and the Trust deed.
- jj. “**Separation**” shall mean cessation of service of the employee with the Company otherwise than by superannuation or permanent total disablement or death or Voluntary/ pre mature retirement.
- kk. “**Superannuation**” in relation to a member means the date on which the member attains the normal retirement age.
- ll. “**Surplus account**” shall mean an account which consists of undistributed balances of employer contribution and interest accrued thereon of members, not eligible for pension benefits under these rules.
- mm. “**Service Rules**” shall mean the rules applicable to the employees of the Company including the Company’s Conduct, Discipline & Appeal Rules and other conditions of Service/ rules framed and implemented by the Company in relation to terms and conditions of service of its employees.
- nn. “**Technical Formality Clause**” – Resignations under “Technical Formality Clause” includes resignations in cases where a Central Public Sector Enterprises (CPSE) employee has applied for a post in the same or other CPSE through proper channel and on selection to the said post, is required to resign the previous post for administrative reasons. Resignation submitted for other reasons or if Competent Authority has not allowed him to forward his application through proper channel is a resignation, which does not come under the ambit of technical formality clause and benefit of past service will not be admissible in such cases.

- oo. **“Trustees”** shall mean the Trustees appointed/ nominated in Trust from time to time for CIL Defined Contribution Pension Scheme 2007.
- pp. **“Trust”** shall mean the Trust under which the Scheme is established to which the employer and the members shall contribute their respective contributions, as defined under the scheme.
- qq. **“Trust Deed”** shall mean the Trust Deed executed by the Company 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.
- rr. **“Years of Service”** shall mean the period of continuous service in the Company commencing from the date of Initial Appointment in case of Employees joining in the Management Cadre. In case of Non Executives promoted/ appointed in the Executive cadre, the year of service would be reckoned from the initial date of appointment in the non-executive cadre, provided they were in the continuous service with the Company. In case of Executives joining from other CPSEs, the service rendered in the other CPSE will be counted as Year of Service, provided they were in the continuous service with the other CPSE.

Chapter II

Applicability & Eligibility

2.1. Applicability:

Subject to other conditions stipulated in the scheme,

- a. The Scheme will cover all the Employees borne on the regular rolls of the Company (both Board level and below Board level), as on the effective date i.e., 01.01.2007 and onwards.
- b. Employees appointed/ promoted as Trainees in the Management cadre will be covered under the Scheme.
- c. The scheme will not be applicable to Executives on deputation to the Company from the Central/ State Govt., those engaged on contract basis as Advisors/ Consultants, etc.
- d. Executives working in other companies on deputation from CIL & subsidiaries will be covered under the scheme.
- e. All Board level & below Board level executives joining the Company on its regular rolls after the effective date of the Scheme shall become member of the Scheme from the date of joining the Company.

2.2. Eligibility Criteria

Subject to other conditions provided in the scheme, the following categories of Executives will be eligible for Pension:

- a. Executives who have superannuated/ who will superannuate/ who have taken/ will take Voluntary Retirement from the services of the Company, after the effective date, after completing a minimum of 15 years of service in continuity in the Company. Service rendered as a Trainee will be counted for the purpose of 15 years of service.
- b. Executives expired/ ceased to be in Service on account of Permanent Total Disablement, after the effective date, while in Service, with or without 15 years of service in continuity in the Company.
- c. Executives whose services are terminated on the grounds of continued ill health by the Company, after the effective date, with or without completion of minimum 15 years' service in continuity in the Company.
- d. Executives, having completed a minimum of 15 years of service in the Company, who are compulsorily retired under the provisions of "Pre mature retirement" by the Company after the effective date.

- e. In respect of Executives (including Board level incumbents) who joined the Company from other CPSEs, the Service rendered by them in continuity in CPSEs (including in CIL) would be reckoned for computing the minimum service requirement of 15 years to avail benefits under the Scheme. However, the service rendered in the Government prior to joining the Company will not be reckoned for the purpose of computing the total service required in the Company for availing benefits under the Scheme.
- f. In respect of Executives joining Board level posts in other CPSEs on PESB selection or Executives joining Central Govt./ Central Govt. Organizations on selection by the Central Govt. Ministries/ Departments to posts equivalent to the Board level in CPSEs, the entire accumulated contribution can be transferred to the other Organization. In case transfer of the amount is not feasible, refund of accumulated contribution to the Executive will be allowed after attaining the age of superannuation as per the Scheme.
- g. Executives who have been removed or dismissed from service under CDA rules would be eligible for Pension based only on the Member's contribution, if any, and interest thereon.
- h. CIL Executives on deputation/ lien to other CPSEs, when their salary payments are made by the borrowing Organization, will be eligible to be covered under the Scheme for the period of such deputation/ lien also, provided they join back CIL and superannuate from CIL.
- i. Subject to the terms and conditions of deputation, all executives joining the company on deputation from other CPSEs will be covered under the Scheme provided they have completed 15 years of continuous service including the period of deputation in the CIL/ subsidiaries.
- j. Admissibility of Pension to Executives against whom Disciplinary Actions are pending at the time of superannuation will be regulated as per the CDA Rules of the Company.

2.3. Enrollment of Executives who have already retired, etc., after the effective date

Executives already retired, etc., after 01.01.2007 need to get themselves enrolled to avail benefits under the Scheme. The Application, in the prescribed format, is to be submitted to the CIL/ subsidiaries in which the ex-Executive served last.

Chapter III

Contribution Structure

3.1. The Contribution shall be duly paid by the Company to the Trustees in respect of each member at the rate mentioned in paras below on relevant dates specified hereinafter.

a. Employer Contribution

- i. Employer will contribute towards the Pension Scheme an amount restricted to 9.84% of the Basic Pay & DA minus the Central Government contribution towards CMPS @ 1.67% of the salary limited to ₹1600/- (₹27/-) subject to the following conditions:
 - a. No Government budgetary support for the operation of the Scheme.
 - b. The affordability to contribute towards pension and superannuation medical benefits is required to be reviewed each year to ensure that the additional expenditure on pay revision, including pension and Superannuation medical benefits, remain within 20% of PBT. In the event of the additionality exceeding 20% of PBT, the contribution towards the pension and superannuation medical benefits will have to be restricted.
 - c. On Government acceptance of the Board of Trustees (CMPF) approved enhancement of Employer's contribution to Coal Mines Pension Scheme to 7%, CIL is required to contribute to Coal Mines Pension Fund the increased amount with effect from the date from which such increase is effected.
 - d. The ceiling of 30% of Basic Pay + DA towards Superannuation Benefits as per DPE guidelines is inclusive of the Central Government contribution to CMPS @ 1.67% of the salary limited to ₹1600/- (₹27/-).

(Note: As per the approval of MoC communicated vide letter dated 28.05.2018.)

- ii. Initial Contribution would be paid by the Company in respect of past services of the eligible employees for the period commencing with the Entry Date till the Notification Date.
- iii. Subject to the provisions of these rules, the monthly contributions payable by the Employer, with effect from the Notification Date, in respect of each Employee on the regular rolls of the Company shall be credited to the individual member's account (as Employer Contribution) through the Trust and shall be payable throughout the period of service of the member upto the date of superannuation of the member or the date of death or the date of permanent total disablement or completion of tenure, in case of Board level appointees or date of separation, whichever is earlier.

b. Member Contribution

A member would also have an option to make voluntary contribution towards pension as per the procedures to be notified by the Company/ Trust. Such Contributions shall be recorded separately in the Member's Pension Account as Member's Voluntary Contribution.

- c. The Contribution payable under these rules shall be calculated on the Basic Pay and Dearness Allowance, actually drawn during the whole month. Each contribution shall be calculated to the nearest rupee, 50 paise or more to be counted as a rupee and less than 50 paise to be ignored.
- d. Notwithstanding any contract to the contrary, the Company shall not be entitled to deduct the Employer's Contribution from the salary of the member or otherwise to recover it from him.
- e. **Employees Right of Lien over the post and his continuity in Membership**

In case of an eligible employee who joins another CPSE but maintains lien over the employment with the Company, the borrowing CPSE/ Government Organization shall pay the Employer Contribution through the Company, to the Fund. In the event such Employee rejoins the Company, the contributions shall become payable by the Company and Employee from the date of rejoining the Company as provided in the scheme.

In the event of not receiving the payment as above, for the deputation/ lien period, such period will be ignored for calculating the Pension Fund for such individuals. However, the period of service on deputation/ lien will be counted towards the 15 years' service towards eligibility for Pension.

- f. **Contribution in respect of lateral recruits**

For lateral entrants to the Company, the amount can be transferred from other CPSEs to CIL, provided the same is agreeable to the concerned Organization. Pension Corpus from CIL will be only for the service rendered in CIL. In case any corpus is transferred from the earlier Organization, the same will also be reckoned.

- g. **Contribution during the period of leave**

In case of any kind of sanctioned leave including study leave with pay as per the Company's Service Rules, the Employer contribution under the scheme shall be payable only up to period he is paid leave salary. In case of study leave, on exhaustion of leave salary, no contribution shall be paid from Employer and the contributions shall recommence from the date the employee rejoins the company.

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

- h. **Contribution during the period of Suspension**

During the period of suspension neither Employer Contribution nor Employee Contribution shall be payable. However, in the event a suspended Employee being

reinstated, the Employer contribution under the Scheme for the period of suspension may be payable, if the suspension period is regularized by the Disciplinary Authority.

i. Payment of Contributions to Trustees

The Company shall pay the Employers Contribution and Members contribution, if any, deducted from the employee to the Trust by 15th of the month following the month of deduction.

j. Members Account

All contribution payable under these rules shall be accounted against the individual members Pension account separately under the heading of Employer Contribution and Members Contribution. Interest accrued shall also be credited to the respective member's pension account. All items of account shall be calculated to the nearest rupee, 50 paise or more shall be counted as a rupee and less than 50 paise shall be ignored.

k. Annual Statement

As soon as possible and latest within six months from the close of the year, every member shall be given a statement of accounts which will contain details of Employer and Members contribution and Interest accrued on such Contribution. Statements shall be made up to date at the interval of one year. Such statement shall be accepted as correct and binding on the Members save that if any manifest error shall be found therein and notified by the member in writing within six months after the date of making such entry, the same may be rectified.

l. Trustees Power to accept Transfer of Contribution from other Superannuation/ Pension Funds

Employee joining the services of the Company from any other CPSEs having similar Pension Scheme shall have the option of transferring their corpus to the Fund. Such corpus transferred from previous CPSEs shall be credited to the Members Pension account which shall be shown separately as Members contribution and Employers Contribution. On credit of such amount, intimation shall be given by the Trust to the concerned Member.

m. Transfer of Members Contribution to other Superannuation/ Pension Fund

In the event of any member resigning from the services of the Company and joining another CPSE having an approved Defined Contribution Pension Scheme, the entire Corpus shall be transferred to such CPSE, on receipt of request from the concerned member. However, employees who resign from CPSE to join another CPSE, not having similar schemes, or any organization not being a CPSE (irrespective of whether such scheme exists in that organization), shall not be allowed the benefit of transferring their accumulated fund under this scheme. However, the employee's contribution along with accrued interest, thereon, shall be refundable to the employees.

n. Bankers of the Fund

Trustees shall open an account of the Fund with any scheduled commercial bank. All money received by the Fund by way of Contribution, Interest, redemption of Investments or otherwise to the fund be deposited in the account so opened or utilized for making payments under a scheme of Insurance or for purchase of annuities referred hereinafter and settlement of pension benefits as per the provisions of these presents.

Chapter IV

Pension Benefits

4.1. Benefits on Normal Retirement Age – Superannuation Pension

- a. Upon retirement of a Member from the Company on reaching the Normal Retirement Age, the member would be entitled to receive the pension benefits as per these Rules.
- b. Pension would be payable in the form of Annuity from the Annuity Service Provider. Annuity Purchase Price would be equal to the Accumulated Contribution in the Member Pension account including the amount, if any, transferred from previous employer(s) and interest thereon.

4.2. Benefits on Death while in Service – Family Pension

- a. In the event of death of a Member while in service of the Company, the Family member(s) who has/ have been nominated by the Member as Beneficiary(s), shall be entitled for payment of pension irrespective of whether the Member has completed 15 years in the Company or not.
- b. Pension would be payable in the form of Annuity from the Annuity Service provider. Annuity purchase price would be equal to the Accumulated Contribution in the Member pension account including the amount, if any, transferred from previous employer(s) and interest thereon.
- c. Where the nominee is more than one, the amount of pension will be distributed on the basis of apportionment in the nomination made by the Member.
- d. In the absence of nomination, the amount of pension will be distributed among the legal heirs as per the Succession Certificate to be produced by such legal heir(s), from the appropriate court.

4.3. Benefit in Case of Total Permanent Disablement on Medical Ground

In the event of a Member ceases to be in the service of the company on account of total permanent disablement, he shall be eligible for pension benefits as applicable in case of superannuation irrespective of whether the Member has completed 15 years of service in the Company or not.

4.4. Benefits in case of Voluntary Retirement from Service (VRS)

In the event of the Member, having completed 15 years of service, leaving the services of the Company under Voluntary Retirement Scheme (VRS), pension benefits in such cases shall be regulated in terms of such schemes applicable in respect of employees, as notified by the Company.

4.5. Benefits in Case of Resignation etc., prior to Normal Retirement Age

- a. In cases of resignation (excluding resignation covered under technical formality clause) and in cases of compulsory retirement, removal, dismissal because of disciplinary proceedings, payment of pension benefits shall be computed based only on Members contribution, if any, and interest accrued thereon, as available in the Member's account as on the date of such separation from the service.
- b. Pension would be payable in the form of Annuity from the Annuity Service Provider.
- c. The undistributed amount of Employer's contribution and interest accrued thereon, if any, shall be transferred to the Surplus Account and shall be treated as income to the Trust and will be utilized as decided by the Board of Trustees.

4.6. Pension Benefits in Cases of Disciplinary Proceeding

Pension benefits to the Member against whom disciplinary proceedings are pending at the time of superannuation shall be regulated as per the CDA Rules of the Company.

4.7. Pension benefits for Employees superannuated/ died/ disabled prior to the Notification date

Subject to eligibility conditions provided in the Scheme, Executives who have retired/ disabled prior to the implementation of the Scheme and whose accumulated amount is less than Rs. 1 lakh will have an option to avail the refund of the accumulated contribution in lump sum or to avail the annuity contract as provided in the Rules 4.8. below, as applicable. In case of Executives who have died prior to the implementation of the Scheme, the beneficiaries on behalf of such executives will have the same option.

In all other eligible cases, benefits as admissible in the case of normal superannuation shall be followed.

4.8. Pension/ Annuity Options

- a. On superannuation, death etc., the corpus in the individuals' account will be utilized to purchase Annuity from the Empaneled Annuity Service Provider or any other designated Annuity Service Providers, as per the Scheme. The member/ nominee can choose to buy Annuity from different options which would be available, like the following:
 - (i) **Pension for Life with return of Corpus:** The pensioner will get the pension money till his life. After his life, the corpus would be paid to the nominee in lump sum.
 - (ii) **Pension for Life (without return of Corpus):** The pension money would be paid to the pensioner till his life. After his life, no money would be paid to his nominee.
 - (iii) **Pension guaranteed for 5/10/15/20 years and life thereafter:** There is assured Pension for the agreed 5/10/15/20 years chosen by the Pensioner. In case of premature death of

Pensioner, Pension payable to nominee till the entire term of 5/10/15/20 years, in the same manner as the Pensioner was getting. If the Pensioner survives beyond the agreed period of 5/10/15/20 years, he will get Pension for life, and no amount payable to the nominee.

- (iv) **Joint Pension with 50% of Pension to Spouse:** In this case, pension is paid to the member till his life. On death of the member, 50% of the pension will be extended to the spouse till his/her life. On death of the spouse, nothing is payable to nominee.
 - (v) **Joint Pension with 100% Pension to Spouse:** In this case, pension is paid to the member till his life. On death of the member, same pension will be extended to the spouse till his/her life. On death of the spouse, nothing is payable to nominee.
 - (vi) **Joint Pension with 100% Pension to Spouse and Return of Corpus:** In this case, pension is paid to the member till his life. On death of the member, 100% of the pension will be extended to the spouse till his/her life. Corpus amount is payable to the nominee.
 - (vii) **Pension with fixed yearly increase at a simple rate of 3%:** The pension is paid to the member till his life and every year the rate of pension increases at 3% simple interest of the basic pension.
- b. Subject to the Clause 4.7, in the case of ex-Executives, if he is no more, the Beneficiary will have to choose among the options as provided herein above.
 - c. The Annuity rates will vary, based on the option selected. The Annuity rates are published by the Insurance Companies from time to time.

4.9. Commutation of Pension

The benefits under the scheme shall be payable only in the form of the Annuity. However, if the Member or the beneficiary/ nominee(s) as the case may be, so desires, maximum up to 1/3rd of the Accumulated Corpus for which Annuity is to be purchased, may be commuted for a single payment and for remaining 2/3rd of the amount, Annuity would be purchased.

4.10. General

- i) The pension shall be paid to the Member as per the frequency chosen (monthly, quarterly, half yearly or yearly) and as per the pension option selected by him from the various options as offered by the Annuity Service Provider. Amount of Annuity would depend upon the Annuity purchase price and applicable annuity rates. The duration of pension payable to the Pensioner will be for the life time of the Pensioner or as opted by the Individual Member under the various schemes of the Annuity Service Provider.
- ii) Pension Annuity would be payable from the next month following the month of Superannuation, Death while in Service, Total Permanent Disablement, VRS, Pre-

mature Retirement or separation from the service or from the prospective date after the purchase of annuity, as opted by the Member/Beneficiary.

- iii) The Secretary Trust shall intimate to the Annuity Service Provider in writing the pension option and the frequency selected by the Member. The option once chosen cannot be changed and it shall be final and binding on the retired Employee/Beneficiary.
- iv) In the event of any future pay revision in the Company from retrospective effect, an arrear of Annuity shall become payable to the Members who have retired in the intervening period. The Contribution due to the Member on account of the pay revision shall be paid by Company to the Trust which in turn shall utilize the same to buy additional Annuity from the Annuity Service Provider for such members. The additional Annuity shall however, be payable from the prospective date of payment of additional purchase price to the Annuity Service Provider and not from the date of purchase of original Annuity or the date of retirement of the member.

Chapter V

Administration of the Pension Trust

5.1. Fund constituted under an Irrevocable Trust

The Fund shall be constituted under a Trust established in India. This shall be an irrevocable Trust save with the consent of all the beneficiaries and provisions of Income Tax Act, 1961. No moneys belonging to the Fund in the hands of the Trustees shall be recoverable by the Company under any pretext whatsoever nor shall the Company have any lien or charge of any description on the same save as herein provided.

5.2. Management of the Fund

The custody, control and management of the Fund shall be vested in Board of Trustees of the Trust constituted by the Company which only shall be responsible for and accountable to the Members and/or the Company and any statutory authorities for proper accounts of the Fund including receipt and payment of money from the Fund and the money remaining in the custody and for proper investment and accounting of the Fund and payment of pension benefits as per the provisions of these rules to the Beneficiaries.

5.3. Nomination of Trustees

Board of Trustees shall consist of total 11 members including the Chairman of the Board of Trustees duly nominated by the Company.

5.4. Trustees to Act for Members and the Employer

The Trustees shall act for and on behalf of the Beneficiaries and the Employer, in any matter relating to the Scheme and every act done by the Trustees shall be binding on the Beneficiaries and Employer.

a. Chairman of the Board of Trustees

Any Director of the Company authorized by the Chairman and Managing Director of the Company shall be the Chairman of the Board of Trustees.

b. Secretary to the Board of Trustees

Board of Trustees may appoint any person to act as Secretary to Board of Trustees. Secretary shall exercise such powers as delegated to him by the Board of Trustees or specifically provided hereinafter.

c. Term of Office of the Trustees

The term of office of a Trustee shall be five years from the date of nomination/appointment. An outgoing Trustee shall be eligible for re-election or

re-nomination for a further period of three years. A Trustee elected or nominated to fill a casual vacancy shall hold office for the remaining period of the term of the Trustee in whose place he is elected or nominated.

5.5. Change of Trustees

In the event of a Trustee resigning his office or a Trustee being unable to continue in office, consequent to death, retirement, resignation/termination, from the service of the Company or separation from the services of the Company on any other ground or transfer or otherwise, his vacancy shall be filled in the manner laid down in Rules 5.3. above, and on every such appointment the Fund shall vest in the continuing and new Trustees.

5.6. Resignation by a Trustee

A Trustee may resign from his office by giving 15 days' notice in writing addressed to the Chairman, Board of Trustees and his office shall fall vacant from date on which the Chairman accepts his resignation.

5.7. Cessation of Trusteeship

A Trustee ceases to be a Trustee on the Board if he

- a. Ceases to be an Employee or Board member of the Company including the subsidiary companies.
- b. Is a nominee or representative of an Employee representative body and the same body ceases to be representative body any more or is de-recognized by the Employer, or
- c. Is promoted to a different category of Employee other than the one, whose association/unions/body has nominated him as Trustee or
- d. Incurs any of the disqualifications mentioned in the Rule 5.8. below.
- e. Fails to attend three consecutive meetings of the Board without obtaining leave of absence from the Chairman of the Board of Trustee. Provided that the Chairman, Board of Trustees may restore him to Trusteeship, if he is satisfied that there were reasonable grounds for such absence.
- f. Goes out of India for more than six months or permanently or by reason of his illness or infirmity or unsoundness of mind has in the opinion of the Chairman Trust become incompetent or incapable of acting as a Trustee and the Board of Trustees passes an appropriate resolution in their meeting to this effect.

5.8. Disqualifications for Trusteeship

A person shall be disqualified for being a Trustee of the Fund:

- a. If he is declared to be of unsound mind by a competent court; or
- b. If he has been convicted of an offence involving moral turpitude; or
- c. Is an undischarged insolvent; or
- d. He has applied to be adjudicated as an insolvent or
- e. Is found guilty of misappropriating moneys or property of the Company or of the Trust.

5.9. Filling of Casual Vacancies

In the event of any Trustees ceasing to be a Trustee during the tenure of the Board, his successor shall be elected or nominated, as the case may be, in the manner hereinbefore provided for in Rule 5.3. Vacancy in Board of Trustee should be filled within three months. If any vacancy of Trustee has not been filled in, no proceedings or act of Board of Trustees shall be invalid by reason only of the existence of any vacancy or any defect in their appointment.

Provided that the Trustee(s) so elected/ nominated shall hold office for the unexpired term of the Trustees in whose place he has been appointed.

5.10. Removal of Trustee

The Board of Trustee may remove from office any trustee of the board: if in the opinion of Board of Trustees, such Trustee has ceased to represent the interest which he purports to represent on the Board. Provided that no such Trustee shall be removed from office unless reasonable opportunity is given to such Trustee and the Body, whom he represents, for making any representation against the proposed action.

5.11. Alternate Trustee

If a Trustee is unable to attend any meeting of the Board of Trustees, he may, by a written instrument signed by him, addressed to the Chairman of the Board of Trustees and explaining the reasons for his inability to attend the meeting, appoint any representative as his substitute for attending that meeting of the Board of Trustees in his place. The Trustee so appointed shall be called alternate Trustee and such appointment shall be valid only for that meeting.

Provided that no such appointment shall be valid unless

- a. The instrument making such appointment has been received by the Chairman of the Board of Trustees at least seven days before the date fixed for meeting and such appointment has been approved by the Chairman of the Board of Trustees and
- b. Alternate Trustee validly appointed under this rule shall have all such rights and powers of Trustee in relation to the meeting of the Board of Trustees, in respect of whom he has been appointed.
- c. A Trustee appointing an alternate for attending any meeting of the Board of Trustee, shall, notwithstanding anything contained in this rule, continue to be liable for the misappropriation or misapplication of the fund by such alternate Trustee and shall also be liable for any act of misfeasance or nonfeasance committed in relation to the Fund by the substitute appointed by him.

5.12. Trustees Power to Employ Fund Manager and Empaneled Annuity Service Provider(s)

The Trust shall select a Fund Manager and Empanel Annuity provider (s), to manage the Pension Fund and to provide benefits to the members/ beneficiaries. The Fund Manager/ Annuity Service Provider can be changed in future, if the need is felt for the same.

5.13. Trustees Power to Employ any Person for Management

The Board of Trustees shall with the consent of the Company in writing have power to appoint any person or persons with requisite qualifications to act as Actuary, Secretary or Secretaries or the Manager or Managers or Registrars of the Trust at 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, financial/investment management, taxation, auditing or any other work, which they may consider necessary or expedient in connection with the management of the Trust or of the assets thereof. Remuneration/compensations payable to such person(s) shall be made by the Trust. The Trustees shall have power at any time to dispense with the services of such person or persons.

5.14 Trustees' Power to Operate Bank Account

Any two persons authorized by the Board of Trustees where one person is either Secretary to the Trust or Trustee, acting jointly, shall on behalf of the Board of Trustees, operate the bank accounts of the Fund and discharge, receive or otherwise dispose off, as may be necessary any investments of the Fund including investment in Government securities, State Development Loans, Interest warrants, scheme of Insurance/Annuity etc. relating to the Fund.

5.15. Meeting of The Board of Trustee

- a. The Board of Trustees shall meet at such place and time as may be appointed by the Secretary with prior approval of the Chairman of Board of Trustees.
- b. Board of Trustees shall meet at least once in every quarter and at least four times in a year.
- c. Maximum duration between two meetings should not be more than 180 days.
- d. The Secretary may with prior approval of the Chairman and within fifteen days of the receipt of a requisition in writing from not less than four Trustees shall call a meeting thereof.

5.16. Notice of Meeting and List of Business

Notice of not less than 15 days from the date of posting, containing the date, time and place of every meeting shall be sent to each Trustee. Provided that when the Secretary, with the prior approval of the Chairman, calls a meeting for considering any matter which in his opinion is urgent, a notice giving such reasonable time as he may consider necessary, shall be deemed sufficient.

5.17. Chairman to Preside at Meeting

The Chairman Trust shall preside at every meeting of the Board of Trustees at which he is present. If the Chairman Trust is absent at any time, the Trustees present shall elect one of them to preside over that meeting and the Trustee so elected shall exercise all the powers of the Chairman Trust at the meeting.

5.18. Quorum for the Meeting

At any meeting of the Board of Trustees, four (4) Trustees, shall form the quorum for the meeting.

If at any meeting the number of Trustees is less than the required quorum, the meeting shall stand adjourned to next week, same day and same time and it shall thereupon be lawful to dispose of the business at such adjourned meeting irrespective of the number of Trustees present.

5.19. Disposal of Business

Every question considered at a meeting of the Board shall be decided by a majority of the votes of the Trustees present and voting. Each Trustee is entitled to one vote. In the event of an equality of votes, the Chairman shall have second and casting vote.

Provided that the Chairman may, if he thinks fit, direct that any question shall be decided by the circulation of necessary papers to Trustees and be securing their opinion of the majority of Trustees received within the time limit allowed and, if the opinion is equally divided, the opinion of Chairman shall prevail.

Provided, further that any Trustee may request that the question referred to Trustees for written opinion be considered at a meeting of the Board of Trustee, and thereupon, the Chairman may and if the request is made by not less than four Trustees, shall direct that it be so considered.

5.20. Minutes of Meeting

- a. The Secretary shall maintain minutes of the meeting of the Board of Trustees showing inter alia the names of the Trustees of the Board present there and after obtaining the approval of the Chairman shall circulate the minutes to all Trustees, present in India. The minutes shall thereafter be recorded in minute's book as a permanent record.

Provided that minutes can also be maintained in any electronic medium such as in computer file, CDs etc.

Provided, further, that minutes shall be circulated to the Trustees at the earliest and in all situation before the next meeting of the Board of Trustees.

- b. The minutes of each meeting shall be put up before the Board of Trustees for confirmation in the next meeting and in case of any modification/ amendments in the minutes it shall be reissued with such modifications/ amendments.
- c. The Secretary shall take necessary steps for carrying out the decision of the Board of Trustees.
- d. Minutes/ resolution in writing signed by the Chairman or Secretary shall be valid and effective as a certified copy of Minutes/ resolution passed at a meeting of the Trustees duly convened and held.

5.21. Delegation of Power of Board of Trustees to Committee/ Sub-Committee:

The Board of Trustees may delegate any or their powers to a Committee or Subcommittee consisting of such Members of their body as they shall think fit. The Committee/Sub-Committee so formed shall in exercise of the Power so delegated, work in accordance to the direction of the Board of Trustees, if any.

5.22. Absence of A Trustee and Power of Remaining Trustees

If any Trustee or Trustees is/are temporarily absent from India, the remaining Trustees who are in India shall during such absence have full powers to act under the Trust as if they were the only Trustees of these present.

- 5.23.** The Trustee shall comply with and carry out all such directions as may be given to them by the Company from time to time in relation to any matter in respect of which the Company has power, under these presents to determine and decide. A certificate issued by the authorized officer of Personnel department of the Company as to the admission of any Member or as to the death of any Member or his Age, retirement/dismissal from the service of the Company shall constitute a good and sufficient authority to the Trustee and shall be conclusive as to all facts stated therein.

Chapter VI

Investment of Trust Fund

- 6.1**
- a. All money received by the Trust shall vest in the Trustees and Trustees shall have power to utilize such money received by way of Contribution, interest, and redemption of Investments, or otherwise to the Fund, as per the provisions of the Rule 85 of the Income Tax Rules. All moneys received by the Fund may be deposited in the Bank account of the Fund or utilized for making payments under a scheme of insurance as per the provisions of these presents and Rule 89 of Income Tax Rules or for purchase of annuities referred hereinafter and settlement of pension benefits as per the provisions of these presents and to the extent such moneys as are not so deposited or utilized shall be invested in the manner specified in Rule 87 of the Income Tax Rules and/or any other applicable government guidelines.
 - b. In case of investment of fund as per Rule 67 of the Income Tax Rules, the securities shall be obtained in the name of Trust. The securities so obtained should be in dematerialized (DEMAT/CSGL) form, if available. The Board of Trustees shall maintain a security-wise register and ensure timely realization of interest and maturity value of investments.
 - c. The DEMAT/CSGL Account shall be opened through depository participants approved by the Reserve Bank of India and Central Government in accordance with the instructions issued by the RBI/Central Government in this regard. All such investments made, like purchase of securities, bonds etc. shall be lodged in the safe custody of the depository participants approved by the Reserve Bank of India and/or Central Government, who shall be the custodian of the same. The cost of maintaining DEMAT/CSGL account shall be borne by the Fund.
 - d. Any commissions, incentive, bonus, or other pecuniary rewards given by any financial or other institutions for the investments made by the Trust should be credited to the Fund account.

6.2. Power of Trustees for Sale and Hypothecation etc. of the Investments

The Board of Trustees may from time to time, as and when necessary, raise such sum or sums as may be required for the purpose of the Fund by sale, hypothecation or pledge of the investments held by them or of a sufficient part thereof for the purpose of payment of pension benefits to the Members as per the provisions of this Scheme.

6.3. Receipts for Money Received by Board of Trustees

Receipt for moneys received by the Trustees and endorsement on cheques, drafts and other documents, received by the Trustees shall be made by the Secretary for and on behalf of the Board of Trustees.

6.4. CONTROL OF FUND

The Board of Trustees shall have entire control of the Fund and may delegate any of its powers to the Committee of Trustees or any Trustee or to any officials of the Company for performance of various functions on its behalf under these rules.

Chapter VII

Audit and Accounts

7.1. Maintenance of Books of Account

- a. Books of account of the Fund shall be maintained in India by the Board of Trustees. It shall contain details of all money received by the Trust and payment made by the Trustee, details of all investments, member's contributions, interest earned by the Trust, interest paid by the Trust to Members account and such other particulars as may be required to give true and fair view of the financial position of the Fund and surplus/ deficit for the year. Accounting records shall be maintained and financial statements shall be prepared as per the applicable law and accounting standards.
- b. As soon as possible after the close of every Financial year, the Trustees shall prepare Income and Expenditure Account/ Revenue Account for the year ended, Receipt and Payments Account and a Balance Sheet/ Statement of Affairs as on the last day of the Financial Year.
- c. Based on the Income of the Trust (excess of income over expenditure), Board of Trustees shall decide the rate of interest at which the interest would be credited to the members account in proportion to the contribution in the respective members account on monthly running balance.
- d. The Board of Trustees may review the availability of money in the Fund at periodic interval as may be deemed fit to decide any revision in the benefits payable under the Pension Scheme.

Audit:

- e. Accounts of the Trust shall be audited by a Chartered Accountant or a firm of Chartered Accountants in practice, to be appointed by the Board of Trustees. Auditors shall have access to all books, papers, vouchers; documents connected with the Trust and shall submit their report in writing to the Board of Trustees. The same auditors shall not be appointed for two consecutive years and for not more than two years in a block of six years.
- f. A copy of audit report, annual account and annual report by the Board of Trustees shall be placed in the meeting of the Board of Trustees for adoption every year within six months of close of the Financial Year. A copy of the audited accounts of the Fund shall be furnished to the Company and other prescribed authorities.

Chapter VIII

Miscellaneous Provisions

8.1. Member not to Withdraw

No Member shall be allowed to withdraw from the Pension scheme while he is still an Employee of the company.

8.2. Member to have no Interest in the Master Policy / Scheme of Insurance and Employer not to have any Interest in Fund's Money.

- (a) No Member/ Beneficiary shall have any interest in the Master Policy taken out by the Trustees under the rules of a fund or in 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.
- (b) No money belonging to the fund shall be receivable by the Employer under any circumstance nor shall the employer have any lien or charge on the fund.

Provided always that the Trustees shall administer the Scheme for the benefit of the Members and their Beneficiaries in accordance with the provisions of these Rules.

8.3. Restraint on Assignment or Encumbrance

Subject to other conditions stipulated in the Scheme, the Benefits under the Scheme are strictly personal and cannot be assigned, charged, or alienated in any manner whatsoever.

8.4. Trust Deed to Prevail

Should anything contained in these Rules or in any alteration or amendment thereof be inconsistent with the objects of provisions of the Trust Deed, the provision of the Trust Deed shall prevail. On any such discrepancy coming to notice of the trustees, the trustees shall with the prior approval of the commissioner of Income Tax takes steps to amend the said rules as soon as may reasonably be possible, so as to bring them in conformity with the provisions of the Trust Deed.

8.5. Jurisdiction

The Master Policy issued under the scheme shall be under the Indian Contracts Act. The scheme will be subject to the laws of India including the Indian Insurance Act, 1983 as amended, the Income Tax Act, 1961 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 thereof be repugnant to any provision or provision of the Income Tax Act, 1981 or the Income Tax Rules, 1962 or any amendments thereof

the same shall be ineffective to the extent of repugnancy. The trustees shall remove any such repugnance, if so directed by the Commissioner of Income Tax.

8.6. Scheme of Insurance

- a) For the purpose of providing pension to the members, the Trustees may subject to the provision of Rule – 8.6 (b) enter into a scheme of insurance with the Annuity Service Provider as per the provisions of Income Tax Rules – 1962. Annuity Service Provider will issue a Master Policy to the Trust. In terms of the Master Policy, the Annuity Service provider will maintain a running account in favour of the Trustees to which the contributions paid by the Trustees in respect of all the members will be credited. Every year, the Annuity Service Provider will allow interest on the balance standing to the credit of the running account at a rate to be determined by the Annuity Service Provider as at the close of each Financial year. When pension becomes payable to the member on his retirement or cessation of service or to his beneficiary in the event of his death, the Annuity Service Provider shall, on the advice of the Trust, appropriate the accumulation of the concerned members to provide payment of pension according to the option elected by the member or his beneficiary as the case may be, provided that in case of the pension is to be commuted, the commuted value will become payable in one lump sum and balance accumulated contribution shall become payable in the form of annuities.
- b) Alternatively, instead of entering into a scheme of insurance with the Annuity Service Provider, the trustee may accumulate the contribution in respect of each beneficiary and purchase an Annuity from the said Annuity Service Provider for payment of pension benefits as per the provisions of these rules.
- c) If the Annuity Service Provider 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 Annuity Service provider.

8.7. Consolidated Certificate and Statement of Account by Annuity Service Provider

In case a scheme of insurance is entered by the Trustee as per the provision of Rule 8.6, the Annuity Service Provider shall issue to the Trustees within one month from 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 renewal dates and the final balance as at the last annual renewal date.

The Annuity Service Provider shall also issue to the Trustee within 2 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 Trustee 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.

8.8. Employer's Liability limited to the Benefits under Annuities

The Employer is neither the Annuity Service Provider nor the guarantor of any Annuities purchased under these Rules and in the event of the Annuity Service Provider withholding any benefits in respect of any of the contracts under such Annuities that they may be issued owing to circumstances beyond the Employer's control or otherwise, the Employer shall be under no liability whatsoever to any Member entitled to the benefits secured by such Annuity or Annuities.

8.9. Deduction of Sums due to Income Tax Authorities

In any case, where the Trustees or the Annuity Service Provider is liable to account to the Income Tax authorities for income tax on any payment due under the Scheme, the Trustees or the Annuity Service Provider shall deduct a sum equivalent to such tax from such payment and the Annuity Service Provider or the Trustees shall not be liable to the Employer or Members for the sum so deducted.

8.10. Appointment of Beneficiary/ Nominee

- a. Every Member shall appoint his/ her spouse, child/ children or dependents as Beneficiary or Beneficiaries under the Rules to receive the benefits under the Scheme in the event of death of the Member. If a Member dies while in service or before he has commenced to draw the pension or after he has commenced to draw the pension, the Trustees shall hold the benefits in force under the Annuities on the life of the Member for payment to the Beneficiary or Beneficiaries as shall have been appointed by the Member in accordance with the remaining paragraphs of this Rule.
- b. Every appointment made under this Rule shall be in writing, signed by the Member and attested by two witnesses and shall be according to the prescribed form and shall remain in full force and effect until the death of the Beneficiary or until the same has been revoked in writing by the Member by whom the same was made and a fresh appointment made in the manner aforesaid. If a Member has a Family at the time of making a nomination, the nomination shall be in favour of one or more persons belonging to his Family. Any nomination made by such Member in favour of a person not belonging to his Family shall be invalid.

Provided that a fresh nomination shall be made by the Member on his marriage and any nomination made before such marriage shall be deemed to be invalid.

- c. A Member may from time to time or at any time without the consent of the Beneficiary, if any, revoke or change the Beneficiary by filing a written notice of the change to the Trustees in the prescribed form satisfactory to the Trustees whereupon an acknowledgement of the change and the registration of 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 acknowledgement of the change, without prejudice to the Annuity Service Provider 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 who has attained majority and who is capable of giving a legal receipt or discharge to the Trust as and to whom the benefits are to be paid for and on behalf of such Beneficiary so long as such minority or disability continues.
- 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 equally. If any designated Beneficiary predeceases the Member, the interest of such Beneficiary shall terminate and his share shall be payable equally to such of the remaining of the Beneficiaries surviving the Member unless the Member has made written request otherwise to the Trustees in the prescribed form.

8.11. Payment on Member's Infirmary

If any Member or his Beneficiaries 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 Beneficiaries shall be paid to the person in whose custody or charge such Member or Beneficiary shall be as long as the infirmity lasts, and such payment shall be a good sufficient and complete discharge to the Trustees.

8.12. Information to Trust

Company 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 require for the purpose of calculating of the Contribution required to be made by the Member/ Company, or for computing the Benefits for the Member.

Company shall have a list prepared every six months i.e. on the first day of January and first day of July each year of all Members who are due to retire within the next twelve months of that date and the same should be promptly furnished to the Board of Trustees.

In case of a Member separating for reasons other than by way of Superannuation, the Company shall promptly inform the Trust concerned, as soon as the fact of such separation becomes known.

8.13. Company's Right to Terminate Members' Employment Unprejudiced

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

8.14. Adherence of DPE guidelines

All the terms and conditions prescribed by Department of Public Enterprises (DPE) in the matter of Superannuation Pension Scheme are to be adhered.

(Note: As per the approval of MoC communicated vide letter dated 28.05.2018.)

8.15. Interpretation of Rules

It shall be a condition of the Membership of the Scheme that on any question arising on any point of interpretation of these Rules or any point relating to cessation of Membership, the decision of the Board of Trustees shall be final and binding. If the decision has any bearing on the provisions of the Income Tax Act, 1961 or the Income Tax Rules, 1962 or any amendments thereto, it has to be forthwith reported to the Commissioner of Income Tax and if the Commissioner of Income Tax so requires, the Trustees shall review the decision.

8.16. Amendment of Rules

The Board of Trustees shall have power to make any amendments in the Scheme/ Rules. However, no alternation in the rules, constitution, objects or conditions of the Fund shall be made without the prior approval of the concerned Commissioner of Income Tax. No such amendment shall affect in anyway (i) Pensions already paid by the Annuity Service Provider, and (ii) benefits already secured as per the Scheme.