Defined Contributory Pension Scheme

For

Employees

of

National Scheduled Castes Finance and Development Corporation, Delhi.

Index

National Scheduled Castes Finance and Development Corporation, Delhi.

Defined Contributory Pension Scheme (Pension Trust) Rules

1. Definitions

1.1 Definitions:

In these rules, where context so admits, references to the singular shall include reference to the plural; references to the male 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:

1.1.1 The **Act** means the Income-Tax Act, 1961 and the Indian Trust Act 1882.

1.1.2 **Appointee** means a person appointed to receive benefits on behalf of a Minor or disabled beneficiary.

1.1.3 **Approved Pension Trust** shall mean "NSFDC's Superannuating Benefit (Pension) Trust for NSFDC employees (hereinafter referred to as the "Pension Trust".

1.1.4 **Beneficiary** shall mean a Member of the Pension Scheme in respect of whom the superannuating benefits (Pension) are payable under these Rules and shall include the Member's spouse or children or any other dependents appointed as his nominee in accordance with these rules and named in the register of Members to receive benefits 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, the decision of the Board of Trustees shall prevail.

1.1.5 **Board** means the Board of Directors of National Scheduled Castes Finance and Development Corporation.

1.1.6 **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 makes such contributions in the Pension fund.

1.1.7 **Commencement Date-**means the Commencement date of the Scheme.

1.1.8 **Commissioner** means the commissioner of Income Tax Delhi, having jurisdiction over the Pension Trust.

1.1.9 Contribution.

1.1.9.1 **Members' Contribution-**means any sum contributed on behalf of any member by the corporation to the trust and shall include any funds transferred to the trust on member's account by any other Pension fund of which the member was a member before joining the Corporation. The present rate of contribution is 10% of basic pay + IDA of each member .The rate may be revised from time to time.

1.1.9.2 **Voluntary Contributions** Contribution/(s) paid by the Member (s) in the form of lump sum payment or otherwise in addition to Percentage salary Contribution made by the corporation on his behalf.

1.1.9.3 **Percentage Salary Contribution-** means a contribution linked to the Salary and wages of the Employees required to be paid as per the rules of the Pension Fund.

1.1.9.4 **Regula**r **Contributions 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.

1.1.9.5 **Initial Contribution** The amount other than Regular Contribution or Voluntary contributions, payable to the insurer as at the Member's effective date in respect of that Member's previous superannuating contributions prior to joining the corporation.

1.1.10 Contributory Service- means continuous service for which member's contribution is paid to the trust by the corporation as per provisions of these Rules.

1.1.11 Employer-shall mean National Scheduled Castes Finance and Development Corporation (hereinafter referred to as "Corporation") and subject to the prior approval of the Commissioner of Income-Tax, shall include any firm, concern, agency or body corporate which may by purchase, amalgamation, or otherwise takeover the whole or substantially the whole of the business of the Employer and which shall enter in to a deed in such a form as the Trustees shall require undertaking to continue the obligations of the Employer under these presents and releasing the Employer from all further liability in respect 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 of the Corporation.

1.1.12 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 carrying more than 5% of Voting rights and

b) Employees whose services are lent to or seconded by the Employer to any other concern under the management of or associated with the Employer or the Central Government or to any state Government or to any Government Company or Corporate.

1.1.13 Effective date of Pension Scheme-The effective date of pension Scheme shall be the day from which the Pension Scheme shall become effective.

1.1.14 Financial Year/Accounting Year means a period of twelve months commencing from 1st April and ending on 31st March of each year.

1.1.15 IRDA means Insurance Regulatory and Development Authority of India and PFR&DA means Pension Fund Regulatory and Development Authority.

1.1.16 **Insurer-IRDA** regulated Life Insurance Company selected by the Trust for management and investment of Pensioner benefit Scheme

1.1.17 **Master Policy-**The Group Superannuation Policy effected by the Master Policy holder with the insurer to provide the pensionery benefits under the scheme.

1.1.18 **Master Policy Holder- means NSFDC's** superannuating Benefit (Pension) Trust for NSFDC's Employees.

1.1.19 **Member**-A Member of the Pension Benefit Scheme Established by the Trust Deed and these Scheme Rules provided that such person meets and continues to meet the Eligibility criteria set forth in Rule-3 of these rules.

1.1.20 **Member's Effective date**-The date on which a person's is entered in the Register of Members.

1.1.21 **Normal Retirement Date** is the date on which Member has to retire under normal circumstances.

1.1.22 **Payment Event**-The earlier of a Member's retirement, death or termination of service that may give rise to a claim.

1.1.23 **Pensioner-** means the person who is in receipt of Pension benefits under these Rules

1.1.25 **PFRDA** Pension Fund Regulatory and Development Authority.

1.1.26 **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.

1.1.27 **Retirement** means the normal retirement date or retirement before the Normal retirement date due to ill health or incapacitation or due to what so ever reasons.

1.1.28 **Rules**–shall mean the Trust Rules of Pension Scheme as herein set out and any amendments made there to from time to time.

1.1.29 **Cost of Annuity/Capital** would be the purchase price of Annuity purchased by the Trust for the Member as per the Rules.

1.1.30 **Salary-**means the emoluments payable to an Employee while on duty in accordance with the terms and conditions of his employment by way of basic pay (including Personal pay, if any) and dearness allowance and its subsequent revisions, if any, and adhoc/interim relief granted on this count but does not include any bonus (Including incentive, production and attendance bonus), Commission. House rent allowance, over time, any other allowance or perk payable to the employee.

1.1.31 **Service** means the period for which a member has been or deemed to have been in continuous service with the Employer. The decision of the Employer whether a person has been in continuous service and period thereof shall be final and binding on the Employee, Trust as also the Insurer.

1.1.32 **Scheme-**means the Superannuating benefits (Pension) Scheme for NSFDC Employees.

1.1.33 **Scheme Anniversary**–The annual anniversary of the commencement date of the scheme.

1.1.34 **Separation-**shall mean cessation of service with the Corporation otherwise than by Superannuation or Permanent total Incapacity or Death or Dismissal or removal.

1.1.35 **Superannuating-** 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.

1.1.36 **Trustees-**shall means the Board of Trustees for the time being of the Pension Fund and appointed under the Trust Deed executed between the Employer and the Trustees

1.1.37 **Trust**–shall mean "Defined Contributory Pension Scheme (Trust) for Employees of NSFDC."

1.2 **The trustees to Act for Members and the Corporation**-The Trustees will Act for and on behalf of the Members and the Corporation in any matter relating to the Pension Fund within the frame work of the Trust Deed and the Rules hereunder from time to time and the applicable laws.

1.3 **Members not to Withdraw**- No member shall withdraw from the Pension Scheme while he is still an Employee of the Corporation.

2. Administration

2.1 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.

2.2 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

2.3 The 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-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 (2.1) hereof. The Chairman-cum-Managing Director/Managing Director of the Corporation or any other officer duly authorized by the 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.

2.4 A Trustee may retire at any time after giving seven days notice in writing either to the 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-cum-Managing Director/Managing Director NSFDC for appropriate 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-cum-Managing Director/Managing Director of the Corporation or any other officer authorized by Chairman-cum-Managing Director/Managing Director in this regard may also remove a Trustee if it considers that he 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

2.5 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 involving 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.

2.6 If at any meeting the permanent Chairman be not present, the Trustees present may choose one of their Trustees to be the Chairman of the said meeting.

2.7 The Trustees may, subject to the provisions of these Rules, meet for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings, and make such, other regulations for the transaction of the business of the Trust as they think fit and proper.

2.8 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.

2.9 A resolution signed by majority of the Trustees for the time being in India, being not less than 4, shall be as valid and effective as a resolution passed at a meeting of the Trustees duly convened and held.

2.10 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 on the Board of trustees.

2.11 **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.

2.12 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.

2.13 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/HR 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.

2.14 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.

2.15 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 relate to Insurer, these shall be mutually discussed and agreed 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.

2.16 The Board of Trustees shall have power to appointment 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.

2.17 The Board of Trustees shall open with any Nationalized or Schedule Bank or Banks as they may from determine time to time, a 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.

2.18 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 of 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.

2.19 The Board of Trustees may hold the investments of the fund of the Trust in the name of the Trust, or in the name of the nominee(s) whether a Bank, a Financial Institution or a Trust Corporation as the Board of Trustees may determine from time to time. Application for purchase of any, investment of Trust moneys may be made by one or more of the Trustees or by any of their nominees whether a Bank, a Financial

Institutions, IRDA approved Insurance Company/Corporation or a Trust as the Board of Trustees may nominate from time to time.

2.20 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 any thing other than their own negligence, willful acts, deeds and defaults. Notwithstanding any thing 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.

2.21 The money of the trust shall be dealt with in the manner prescribed in rule 85 of the Income-Tax Rules, 1962.

2.22 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 2.21 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.

2.23 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 sale of or obtain advance or advances against the securities held by them.

3. Eligibility and Contributions

3 Eligibility for Membership:

3.1 An employee should have put in a minimum of 15 years service rendered in continuity in CPSE(s) at the time of superannuation, and benefits would be allowed by a CPSE from where the incumbent has superannuated. Further, the service rendered in the Government prior to joining CPSE would not count for the purpose of computation of total service in a CPSE required for availing the benefits of this scheme. As regards Board level executives, who are contractual appointees, they too can enjoy the benefits under the scheme provided their total period of service rendered in continuity in CPSE(s) including the period at Board level in a CPSE is not less than 15 years, at the time of superannuation. Benefits of the scheme should not be extended to employees posted on deputation to CPSE from Central/State Government.

3.1.2 His age at the time of joining the Scheme is not more than 45 years provided that an existing employee above the age of 45 years may become a member of the scheme if he is expected to have put in a minimum of 15 years of service in the NSFDC prior to superannuation.

3.1.3 All the regular Employees joining the corporation after the effective date in the regular scale of pay shall compulsorily become Member of the Pension Scheme from the date on which they join the regular scale of pay in the corporation. 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.

3.1.5 A person shall become Member of the Scheme on satisfying the Eligibility criteria as laid down under Rules 3.1 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.

3.1.6 On becoming a Member, the Member will receive a Certificate of Membership from the Insurer 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.

3.1 A Person shall automatically cease to be Member.

3.2.1 upon ceasing to be an Employee.

3.2.2 upon the occurrence of Payment event.

3.2.3 Upon failing to provide such documentation 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.

3.2.4 Trustee's decision as to whether the Member has ceased to be Member or not shall be final and binding on the Member and the Corporation.

3.3 Contributions by Members to the Trust:

3.3.1 Upon becoming a Member, any contribution already made by the Employee to an earlier Superannuating Scheme under his previous employer 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 in force at the time of proposed payments of initial contribution,

b) Initial Contribution does not exceed 15% of the Total salary (or such other percentage limit as may be specified in this regard by the Income Tax) received by the Member in the Course of such service with the Previous Employer.

c) New Employee is expected to render minimum 15 years service from the date he/she becomes the member of the scheme and till the date of Superannuation from the Corporation.

d) In the event of any employee resigning from the services of CPSE and joining another CPSE having broadly similar schemes, the entire amount of employer's contribution along with interest accrued thereon can be transferred to such CPSE. 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 these schemes. However, the employee's contribution along with accrued interests shall be refundable to the employees.

3.3.5 The contributions to the Trust in respect of a member shall consist of two parts namely:

Fixed Salary Contribution
Voluntary Contribution

a) Fixed Salary Contribution shall be made by the employer on behalf of the employee and this may be equal to 10 % or such other percentage of salary drawn by the employee as the employer may decide from time to time but not exceeding **15%** of the Member's salary (or such other percentage as may be fixed under the Income Tax for tax exemption) and such contribution shall be payable until the happening of payment events.

b) Voluntary Contributions-Members may at their discretion pay contribution more than what has been prescribed under (a). This contribution shall also be salary linked and option for it to gather with the percentage of salary to be contributed shall be exercised by the employee every year before the commencement of the Financial/accounting year and shall be irrevocable till the expiry of the Financial or Accounting year in which the said option has been exercised by the Employee. If a regular employee does not want to contribute to the proposed scheme, he/she should have an option.

3.4 Contribution during the Period of Leave/Suspension.

3.4.1 Corporation is required to make full contribution to the Trust on behalf of its members for the period of any type of leave with or without pay and for the period of suspension

3.4.2 If a Member is seconded to another Company or concern under the Management of or associated with the Employer or to the Central or State Government or Public Sector Undertaking, he shall be deemed to continue as a Member for the Purpose of this Scheme and the Regular Contributions shall continue to be payable by the corporation in respect of that Member where as voluntary contribution shall be payable to the extent that the same is recovered from the Member by the entity to which the said Member is seconded and provided the recoveries so made has been remitted to the trust on the due date.

3.5 The group Superannuating plan has the option for life insurance cover. Under this if the Board of trustees desire the insurance cover for each member can be taken for a specified amount on payment of specified charges for each member and this shall entitle the member value of the cover incase of death and double the value of cover incase of death due to accident.

3.6 Voluntary Contributions as mentioned in clause 3.3 .5(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 Seventh day of the month following the month for which the deduction have been effected.

3.7 **Contributions to the Trust by the Corporation**

3.7.1 The Corporation shall contribute to the Trust on behalf of the members of the scheme an amount equal to 10% Pay and DA of each member and such contributions shall be made over to the Trust before the end of 7^{th} working day proceeding the month to which the contributions relate

3.8 Master Policy by the Trust and Contribution to the Insurer

3.8.1 The trust shall take a unit linked 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 asset.

3.8.2 The terms and Conditions of the Contract under which the insure shall issue the Master Policy shall be mutually agreed between the Trustees and the Insurer and these 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.

3.8.3 Initial Contribution, Regular Contribution 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 contribution received from the trust in full to the Group Superannuating Fund of NSFDC and shall also maintain individual Member's accounts for initial, regular and voluntary contribution.

3.8.4 The proceeds in the Superannuating Fund of NSFDC maintained by the Insurer shall be invested as 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.

3.8.5 The present regulations, inter-alia, provides for option of investment in Pension Cash Fund, Pension Debt Fund, Pension Secure Fund, Pension Balance Fund and Pension Growth Fund. Each of these funds has varied percentages of investments in Money Market, Debt and Equity Instruments carrying different perception of Risks and having specific investment objective. The value of benefits thus will depend to a large extent on the future performance of the Fund Chosen.

3.8.6 Since different funds carry different risks, the objective of investment should be to achieve risk-return tradeoff while taking long-term view for dealing with assets and liabilities keeping in mind safety of investment and Liquidity. With this objective, the mix of investments in the presently available five funds i.e. Pension Cash Fund, Pension Debt Fund, Pension Secured Fund, Pension Balanced Fund and Pension Growth Fund 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 Member or their beneficiaries.

3.8.7 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.

3.8.8 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 dependant on market risk and performance of the funds available under the Master Policy.

3.8.9 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 there from.

4. Pension Benefits and Payments

4.1 Pensions on Superannuating of Member

4.1.1 **No** payment will be made 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 Member shall at least three months before his retirement inform the Trustees to apply the proceeds available to him under the scheme either:

4.1.4 100% towards the purchase of an annuity from Life Insurance Corporation of India or any other IRDA regulated Life Insurance Company or PFR&DA or

4.1.5 There should be no provision of 'commutation', since provision of pension in 2007 pay revision guidelines was introduced so that employees have a social security and would get a substantial monthly pension after superannuation.

4.1.6 In such other manner as may be lawfully permitted under the statutory framework in force at the time of the Member's retirement.

4.1.7 If the Member does not give at least three month's notice of his option, then the Member shall be deemed to have exercised the option under the Rule 4.1.4

4.2 Pension on death of a Member while in Service

4.2.1 If the Payment event arises because of Member's death, either the Trustees shall pay to the beneficiary (If none then to Member's estate) the sum received from the insurer and if stated in the certificate of Membership to be in force, the amount paid by the insurer under the group term insurance Rider or

4.2.1 The sum received from the insurer will be used to purchase the annuity from Life Insurance corporation of India or any other IRDA/PFR&DA regulated Insurance Company to the spouse of the Member provided that the spouse is living and the Member has nominated the Spouse to receive the annuity

4.3 Pension on Permanent Disablement/Incapacity of Member:

4.3.1 On discharge of a Member from the service of the Corporation due to his Total Permanent disablement/Incapacity while in service or due to any other reasons what so ever, the Member will be entitled to the full accumulated fund value and he shall have the same options as would have been available to the Member on superannuating under Rules 4.1.

4.4 **Separation of Member before Superannuation:**

4.4.1 If the payment event arises because of the termination of a Member's service due to resignation, Dismissal, or otherwise the Member can exercise one of the following three options provided he has rendered minimum 15 years of service in the corporation and on the basis of such option exercised, the Trustees shall exercise one of the following options to pay the benefits under the scheme to the Member.

4.4.2 Transfer the funds received from the insurer pertaining to the Member to another approved superannuating fund as per the request of the Member immediately on leaving employment.

4.4.3 Funds pertaining to the Member remain with the scheme and.

4.4.4 Member may take up to one-third of fund value on normal retirement date and the balance amount of the fund shall be used to purchase annuity from Life Insurance Corporation of India or any other IRDA regulated Indian Insurance Company commencing on the normal retirement date.

4.4.5 In the event of death of the Member before normal date of retirement date, the nominated beneficiary spouse/dependant may either take lump sum cash equal to fund value of the Member or opt for purchase of annuity from Life Insurance Corporation of India or any other IRDA approved Insurance Company on the life of the nominated spouse/Dependent.

4.4.6 Pay the sum received from the Insurer to the Member after deducting applicable tax at source He may opt to take away the fund in respect of his account on a later date after deduction of applicable tax at source and with no annuity payable.

4.4.7 Incase the member separates from the corporation before rendering 15 years of service in the corporation the funds received from the insurer pertaining to the member other than the funds representing the initial and voluntary contribution shall be paid to the trust to be utilized in the manner decided by the trust.

4.4.8 Cases of Voluntary Retirement Scheme (VRS)/Voluntary Separation Scheme (VSS) for which specific scheme have been framed would be examined in terms of such specific schemes of VRS/VSS of the Government applicable in respect of employees of CPSEs. Benefits under these schemes would not accrue to VRS/VSS optees automatically.

4.4.9 The admissibility of benefits under these schemes to the employees against whom disciplinary proceedings are pending at the time of superannuation is to be regulated as per the Conduct, Discipline & Appeal Rules of NSFDC. In cases of resignation (excluding resignation covered under 'technical formality clause') and compulsory retirement, removal, dismissal because of disciplinary proceedings, the annuity would be based only on member's contributions, if any, and interest thereon.

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 incase of death of the Member the beneficiary/beneficiaries shall be entitled to at their own expense:

4.5.2 Immediately, and in any event with in 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 on Insurer's liability in respect of it, and

4.5.4 Co-operate with and Assist the Trustees in any 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 trustee or to the insurer as may be required.

5. 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, 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 of Trustees. The Board of 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 polices of assurance or annuities, all interest accrued or received will be credited or debited as the case may be, in the revenue Account and the Management and Administrative expenses shall be claimed from the Corporation

5.2 The Members' contribution shall be credited to the Single Account styled "Members' Contribution Account" showing distinctly the initial contributions, Regular contribution and voluntary contributions

5.3 The balance of the Revenue Account, the Members' Contribution 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 shall in writing report to the Board of Trustees on the annual accounts. A copy of the audited accounts shall be furnished to the Corporation and to the prescribed authorities

6. 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 continue Provided the corporation makes the regular contribution on behalf of the member and voluntary contributions if any are duly deducted from the members salary by the lending organization and are 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 member 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 from the Trustees taking further action as deemed appropriate.

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 Restrain 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 restrain 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 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 the 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 inconformity 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 any thing 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, 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/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 never the less 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 4^{th} Schedule to the income tax 1961.

6.8 Nomination of Beneficiary:

6.8.1 Every Member shall appoint one or more of his spouse, or child/children or dependents 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 does not have a spouse or child/children or dependants the benefits shall be paid to the Member’s estate.

6.8.2 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 be revoked in writing by the Member by whom the same was made and fresh nomination is made in the manner afore said.

6.8.3 A member may from time to time or at any time without the consent of the beneficiary if any, revoke 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 after 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 of fresh Certificate of Registration whether or not the Member is living on that date and without prejudice to the Corporation or the Trustees or the Insurer on account of any payment made before the acknowledgement of the change.

6.8.4 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 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.

6.8.5 If more than one beneficiary is appointed and in such appointment the member has failed to specify their respective interests, the beneficiaries so named shall share the benefits equally. If 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 beneficiaries.

6.9 **Payments on Members' Infirmity:**

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 beneficiary 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 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 or for computing the benefits for the Members.

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

6.10.3 Incase of a Member retiring 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 used as a ground for or increasing damages in any action brought by such Member against the Corporation in respect of 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.

6.11.2 The scheme would be subject to the factor like affordability, capacity to pay and sustainability of the Corporation. Government budgetary support would not be provided to operate this scheme.

6.12 Interpretation of Rules:

6.12.1 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 shall be final. If the 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 forth with reported to the commissioner of Income –Tax so requires, the Board of trustees shall review the decision

* * * * *