

MISHRA DHATU NIGAM LIMITED

**MIDHANI NON-EXECUTIVES DEFINED CONTRIBUTION
SUPERANNUATION PENSION SCHEME**

(Based on the Memorandum of Settlement dated 26 Nov 2018)

2018-2019

1.0 Reference Documents:

- DPE OM No.W-02/0015/2016-DPE (WC) – GL – XXIV/17 dated 24 Nov 2017
- MOD approval letter No.11(97)/2018/MDN/D(NS) dated 15 Nov 2018
- Memorandum of Settlement dated 26 Nov 2018

2.0 Definitions:

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

2.1 CPSE:

"CPSE" shall mean the Central Public Sector Enterprise.

2.2 COMPANY/EMPLOYER:

"COMPANY/EMPLOYER" shall mean **MISHRA DHATU NIGAM LIMITED** including its subsidiaries and subject to the prior approval of the Commissioner of Income Tax shall include any person, firm or agency, body corporate, or any other entity who/which may, by purchase, amalgamation or otherwise take over the whole or substantially the whole of the business of the Company and who/which shall enter into a deed in such a form as the Trustees shall require, undertaking to continue the obligations of the Company under these presents and releasing the Company from all further liability thereof

2.3 BOARD OF DIRECTORS:

"BOARD OF DIRECTORS" shall mean the Board of Directors of the Company

2.4 EMPLOYEE:

"EMPLOYEE" in relation to this scheme is limited to

- Non-Executives
- Include an employee whose services are lent on lien or deputation by the Company to CPSE or any affiliate and associate including a joint venture in which Company has a stake

2.5 ELIGIBLE EMPLOYEE:

"ELIGIBLE EMPLOYEE" shall mean an Employee who is eligible for the benefits under the Scheme as more particularly set forth in [Para 6.0](#)

2.6 BENEFICIARY:

"BENEFICIARY" shall mean the Member and in case of his death the spouse and/or child or children and/or dependents of the Member or any such person as may be nominated by the Member as per the nomination given under the provisions of EPS 1995.

2.7 CONTRIBUTION:

"CONTRIBUTION" shall mean the amount contributed by the Employer more specifically defined in [Para 4.1](#)

2.8 SERVICE:

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

a) Period from the date on which he joined on regular rolls of the Company till the Effective Date to secure benefits relating to such past service.

b) Period from the Effective Date up to his Normal Superannuation Date or the date of cessation of service', as the case may be

c) Period of past service in a CPSE rendered immediately prior to the commencement of his service on the regular rolls in the Company, subject to the conditions as contained in clause [E, F & G of Para 3.0](#)

Note: Cessation of service for the purpose of this Rule shall mean separation of Employee from the Company on account of his i) resignation, ii) death, iii) voluntary superannuation, iv) pre-mature superannuation on medical ground and v) as a result of disciplinary proceedings conducted as per the Company's Service Rules defined in [Para 2.9](#) hereunder. Further, in case an Employee is reinstated after suspension by virtue of disciplinary proceedings, the period of such suspension shall be reckoned as service as per the said rules

2.9 SERVICE RULES:

"SERVICE RULES" shall mean MIDHANI Standing Orders and other Service Rules framed and implemented by the Company in relation to terms and conditions of service of its Employees

2.10 ANNUAL RENEWAL DATE:

"ANNUAL RENEWAL DATE" is the policy renewal date with the Insurer. This will be updated once the scheme has been approved and notified.

2.11 COMMENCEMENT DATE:

"COMMENCEMENT DATE" shall mean the date from which the assurances from the Insurer shall become effective

2.12 EFFECTIVE DATE:

"EFFECTIVE DATE" in relation to the Scheme shall mean January 1, 2012, the date from which the Scheme takes effect

2.13 ENTRY DATE:

"ENTRY DATE" shall mean

a) Effective Date:

- For Employees who have joined on or before Effective Date and are on regular rolls of the Company on the date of the Notification of the Scheme, and
- For Employees who have joined on or before Effective Date and have separated from the Company other than by way of resignation/termination before the Notification Date

b) Joining Date:

- In relation to Employees who join the company on regular rolls after the Effective Date but does not include an Employee who has come on deputation.

However, when an Employee joins the Company retaining his lien in the other CPSE and having similar scheme, then the Entry Date shall be the date on which he joins the Company.

2.14 NORMAL SUPERANNUATION DATE:

"NORMAL SUPERANNUATION DATE" shall mean in respect of each Member the date on which he completes superannuation age as may be declared / prescribed from time to time as superannuation age.

2.15 NOTIFICATION DATE:

"NOTIFICATION DATE" shall mean such date on which the Scheme is notified by the Company to the Employees, after the same has been approved by the Board of Directors.

2.16 FINANCIAL YEAR:

"FINANCIAL YEAR" shall be the year beginning from 1st April and ending on 31st March of next following year

2.17 SALARY:

"SALARY" shall mean Basic Pay and Dearness Allowance only and it does not include any Personal Pay, Special Pay etc.,

2.18 SCHEME:

"SCHEME" shall mean MIDHANI Non-Executives Defined Contribution Superannuation Pension Scheme

2.19 MASTER POLICY/POLICY:

"MASTER POLICY/POLICY" shall mean the Policy issued by the Insurer which incorporates the various Annuities effective under the Scheme for the benefit of the Members

2.20 INSURER:

"INSURER" shall have the meaning given in clause (28BB) of Section 2 of the Income Tax Act, 1961

2.21 MEMBER:

"MEMBER" shall mean an Eligible Employee

- a) who has been admitted to the membership of the Scheme,
- b) any such person so long as he continues to be admitted to the benefits hereunder,
- c) Employee who was an Eligible Employee and joins another CPSE or any affiliate and associate including a joint venture in which the company has a stake retaining his lien with the Company;

2.22 ANNUITY:

"ANNUITY" shall mean the particular Deferred Annuity or Deferred Annuities effected or to be effected in respect of the Members

2.23 APPROVED SUPERANNUATION FUND:

"APPROVED SUPERANNUATION FUND" shall mean a Superannuation Fund or any part of a Superannuation Fund, which has been and continues to be approved by the Commissioner of Income Tax ("CIT") in accordance with Part "B" of the Fourth Schedule to the Income Tax Act, 1961

2.24 SURPLUS ACCOUNT:

"SURPLUS ACCOUNT" shall mean an account which incorporates the un-utilized balances of Employees who have not completed the vesting requirements

2.25 TRUST:

"TRUST" shall mean the Trust under which the Scheme is established to which the Company shall contribute more particularly defined hereinafter

2.26 TRUST DEED:

"TRUST DEED" shall mean the Trust Deed executed by the Company and the Trustees for the purpose of administering the Scheme in accordance with the provisions thereof and shall include any amendments made thereto by appropriate deeds of variation

2.27 TRUSTEES:

"TRUSTEES" shall mean the Trustees appointed/ nominated in Trust from time to time of MIDHANI Non-Executives Defined Contribution Superannuation Pension Scheme and will be appointed by the management.

3.0 Eligibility:

A) All Employees more specifically covered at [Para 2.4](#) above shall be eligible to participate in the Scheme.

B) The Trustees' decision regarding the eligibility of an Employee for the purpose of the Scheme shall be final and binding on the employee concerned.

C) Transfer of equitable interest in the Scheme

i) In the event any company, firm or association being affiliated to or associated with the Company, ceases to be so affiliated or associated, any Employee of such company, firm or association who was a Member of the Scheme at such date shall, if he so desires subject to the approval of the Trustees and the Company be entitled to transfer to any Approved Superannuation Fund of which the said Member may become a member, an amount equivalent to his equitable interest in the Scheme

ii) If an employee joins another CPSE after resigning from the Company, he may be entitled to transfer the contributions accumulated in his account at the time of such resignation to the other CPSE with concurrence of Company provided that the other CPSE has an Approved similar Defined Contribution Superannuation Fund

Note: In case employee who resign from one 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 or not) shall not be allowed the benefit of transferring their accumulated fund under these schemes.

iii) If, an employee joins the Company after resigning from another CPSE, or on becoming a Member of the Scheme desires to pay, procure or transfer to the Trust a sum to which (as a Member of any Approved Fund) he may be entitled, the Trustees shall be authorized to receive such payment or transfer and the amount so paid or transferred shall be placed to the credit of such Member

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

Note:

a) The transfer to the Scheme by the Trustees as mentioned above shall be made only between Defined Contribution Superannuation Funds approved by the Commissioner of Income Tax.

(b) Clause 'c' of this Rule shall be applicable only in cases where transfer of equitable interest is from/ to a CPSE.

iv) In the case of Employee joining the Company from another organization, which is not a CPSE defined hereinabove, his past service with the previous organization shall not be reckoned for the purpose of this Scheme.

v) Transfer of funds from his previous organization to the Scheme shall be regulated as per Clause G of Para 3.0.

D) In order to be eligible for crediting the past service/ amount received towards the past service period in a CPSE, the previous service in CPSE as well as service in the Company shall be deemed to be continuous without any break, subject to the conditions that there is no intervening service in any concern other than CPSE or the Company. It is clarified that admissible joining time taken by an Employee or leave with prior concurrence of Company on account of movement from one CPSE to another would not be considered as break in service

E) The amount so received from CPSE to Employee's individual account towards the past service period as stated in Clause (D) of Para 3.0 above shall be credited separately under Employer's contribution.

F) The past service of a Member in CPSE shall be reckoned only for the purpose of determining the continuity of service to avail the benefits of the Scheme and amount payable to such Member in the event of superannuation, resignation, death, VRS, pre mature superannuation and such other cases as mentioned in para 3 of the Scheme

G) The amount in the Superannuation Fund due from earlier CPSE should be transferred to the Company within a period of 12 months from the date of joining duty in the Company or the Notification Date, whichever is later. In case of an employee joining the Company while retaining lien with CPSE, the period of 12 month shall be extended to the total period of lien.

H) If the Employee does not bring in the amount within said period of 12 months or the period of lien, as the case may be, transfer of such amount later shall not be allowed

4.0 Contributions and Annuities:

4.1 Contributions:

The contributions shall be duly paid by the Company to the Trustees in respect of each Member in the proportion mentioned in paras (a) & (b) below, on the relevant dates stated hereinafter and the Trustees shall pay the same to the Insurer for the purpose of effecting annuities in the manner prescribed by the Trustees in consultation with the Company from time to time

a) INITIAL CONTRIBUTION: Initial contribution @ 3% would be paid by the Company in respect of past services of the Employees, for the period commencing with the Entry Date till 31 Dec 2016 or till the end of the month immediately preceding the month of severance of the Employment with the Company for reasons other than resignation, termination, disciplinary proceedings, lis pendens or due to sudden disappearance or the month in which the Scheme and the Trust Deed is notified by the Company i.e. the Notification Date, whichever is earlier. Similarly w.e.f. 01 Jan 2017, initial contribution @ 7% would be paid by the Company in respect of the past services of the employees for the period commencing with the Entry Date.

However, no initial contribution shall be paid in respect of the Employees who have ceased to be in Service on or before the Notification Date, on account of resignation, termination, disciplinary proceedings, lis pendens or due to sudden disappearance.

The Initial Contributions of the Employees shall be deposited within 15 days from the date on which initial contributions becomes payable.

b) ORDINARY ANNUAL CONTRIBUTION:

i) W.e.f. 01 Jan 2017, the ordinary annual Contribution payable by the Company in respect of each Member shall be @ 7% of Basic Pay and DA. This 7% contribution shall be credited to the individual account of Member through the Trust and shall be payable throughout the period of his service up to the Normal Superannuation Date subject to affordability. No contribution will be made by a CPSE to the pension scheme for the year in which it incurs loss or earns only marginal profit.

CPSEs contribution to the pension scheme shall not exceed the ceiling of 7% of Basic pay plus DA in a financial year. The actual quantum of contribution to be made by CPSE to the pension scheme of its members within the above ceiling may be decided by the Board of Directors each year after taking into account the factors like affordability, sustainability, capacity to pay, performance of the company.

NOTE: The aggregate of contribution paid by the Company for any year for any Member under Para **4.1(b)(i)** together with the total contribution paid by the Company to any Provident Fund in respect of the said Member shall not at anytime exceed the prescribed percentage of the aggregate Salary paid by the Employer to the Member as per the Income-tax Act, 1961.

iv) The annual Contribution of 7% by the Employer for the period commencing from the financial year 2018-19 shall be payable within 15 days by the end of the month in which the Annual Accounts of the Company is approved by the Board & after AGM.

v) No Contribution shall be payable by the Company in respect of Employees who have ceased to be in Service on or before the Notification Date, on account of resignation, termination, disciplinary proceedings, lis pendens or due to sudden disappearance

c) The expenses for administration of the Scheme shall be payable by the Company and shall be paid in addition to the contributions herein mentioned.

d) Employer lending Member's services (deputation) & continuity of Membership

i) In the event of a Member's service being lent by the Employer to any other company, firm, association or concern under the management or associated with the Employer, or to CPSE, for the purpose of this Rule, the Member's services shall be deemed to be continuous and uninterrupted.

ii) During such period the contributions payable by the Employer shall continue to be paid to the Trust. The Employer may recover such contributions from the company, firm, association, concern or CPSE to which the Member's services are lent.

e) Employees right of lien over the post and his continuity in membership

In case of an Employee who joins another CPSE but maintains lien over the employment with the Company, the Contribution for the lien period by the Employer shall not be payable and his accumulated contributions shall be maintained with the Insurer. In the event such Employee rejoins the Company, the Contributions shall become payable by the Company from the date of rejoining the Company.

f) In the event an Employee is on sanctioned study leave 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. On exhaustion of leave salary, the contributions shall recommence from the date the Employee rejoins the Company.

g) In the event an Employee is on sanctioned leave without pay, contribution shall not be payable for the period of leave without pay.

h) In the event a suspended Employee is reinstated, the Employer contribution under the Scheme for the period of suspension may be payable as per the company rules.

i) In the event of Employee resigning from Company and joining a CPSE which does not have an Approved Defined Contribution Superannuation Scheme, the treatment of accumulation in respect of such Employees shall be as per DPE guidelines in this regard from time to time. Benefits from the Scheme to such an employee shall be regulated as per [Clause \(c & d\) of Para 6.4](#).

4.2 Annuities:

a. The Trustees shall monitor with the Insurer a Consolidated Fund and also monitor the contributions made in respect of all the Members into such Fund as per the terms agreed with the Insurer

b. The Trustees shall effect "Annuities" with the Insurer in respect of each Member in terms of the Rules of this Scheme at the time of the Normal Superannuation Date or death, as the case may be, in accordance and consistent with the Rules of the Scheme. The amount for which such Annuities shall be

taken should be in accordance with the provisions stated under **Para 6** of the Rules. The Annuities will not be entitled to participate in the profits of the Insurer.

4.3 Increase in Contributions:

Subject to the provisions of **Para 4.1**, the actual sum contributed by the Employer may increase depending upon increase in the Salary of the Members in general. Such increase in contributions may take effect retrospectively, i.e. from the effective date of the increase in pay.

5.0 Scheme of Insurance:

a. For the purpose of providing pension to the Members, the Trustees shall enter into a Scheme of Insurance with the Insurer where under the Insurer will issue a Master Policy. In terms of the Master Policy, the Insurer 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 Insurer will allow interest on the balance standing to the credit of the running account at a rate to be determined by the Insurer as at the close of each financial year.

Ideally, there should be no provision of "commutation", so that employees have a social security and would get a substantial monthly pension after superannuation. When pension becomes payable to the Member on his superannuation or cessation of service or to his Beneficiary in the event of his death, the Insurer shall, on the advice of the Trustees, appropriate the accumulation of concerned Members to provide for payment of the pension according to the option selected by the Member or his Beneficiary as the case may be, provided that in case a part 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 pension. However, if Member so desires, a maximum of 1/3rd of the Annuity may be commuted for a single payment, and for remaining 2/3rd of the amount the annuity would be purchased.

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

6.0 Benefits:

6.1 BENEFITS ON NORMAL SUPERANNUATION AGE:

a. Upon superannuation of a Member on the Normal Superannuation Date, the pension shall become payable to him and his balance, which shall be utilized to provide him appropriate pension, would be equal to the following:

- (i) Total contributions to his account by the Company and interest earned thereon,
- (ii) Any other amount transferred from previous employers or CPSE and interest thereon,

b. Upon superannuation of a Member on the Normal Superannuation Date, 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 concerned Insurer. Pension benefits would depend upon the accumulated corpus available in his individual account (Employer contribution along with accrued interest)

6.2 BENEFITS ON VOLUNTARY SUPERANNUATION OR PREMATURE SUPERANNUATION ON MEDICAL GROUNDS

In the event of a Member opting for voluntary superannuation as per Company's rules or the employee has retired under the scheme of pre-mature superannuation on medical ground as per Company's rules, such Cases of VRS/VSS for which specific schemes have been framed would be examined in terms of such specific schemes of VRS/VSS of the Government applicable in respect of employees of CPSE. Benefits under these schemes would not accrue to VRS/VSS optees automatically.

In case, the Employee opts for premature superannuation on medical grounds, which shall be applicable only in cases involving Total Permanent Disablement / becoming incapacitated, pension shall be payable. The amount payable shall be calculated in the manner as prescribed under [Para 6.1](#) and an appropriate pension will become payable to him. The benefits under the Scheme shall become payable on the option of the Member either from date of voluntary superannuation/ the date of premature superannuation on medical grounds or on the date on which the Member attains superannuation age.

6.3 BENEFITS ON DEATH

a. In the event of death of a Member while in service of the Company, the Beneficiary(s) of the Member shall be entitled to an immediate pension, the first installment of the pension being due in the month after the date of death of the Member. The amount shall be calculated in the manner laid down in Rule [Para 6.1](#) above.

b. Where the nominee is more than one, the amount of pension will be distributed on the basis prescribed in the nomination form by the Member.

c. 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.

6.4 BENEFITS ON RESIGNATION PRIOR TO NORMAL SUPERANNUATION DATE

a. In the event of the Member leaving the services of the Employer on his own free will or otherwise, the Employer will discontinue making the Contributions in respect of such Member and Member will not be entitled to draw the accumulated amount.

b. In case an Employee resigns and joins another CPSE having an Approved Defined Superannuation Scheme, the accumulated amount lying in his individual account shall be transferred immediately to the said Approved Defined Contribution Superannuation Scheme of which he may become member.

c. Further, if such an employee resigns from the said CPSE at any time before superannuation and joins an organization other than a CPSE, the Employer's (MIDHANI) contribution upto the date of his resignation will be transferred back to the MIDHANI's Superannuation Trust. However in this regard DPE guidelines from time to time shall prevail.

d. The undistributed Employer's contribution shall be transferred to the Surplus Account and may be adjusted against the future contributions by Employer or utilized in any other way which may be beneficial to the Members. However in this regard DPE guidelines from time to time shall prevail.

6.5 BENEFITS ON CESSATION OF SERVICE ON ACCOUNT OF DISCIPLINARY PROCEEDING:

If the Member ceases to be in Service as a result of Disciplinary Proceedings initiated against him as per the Service Rules, such employee will not be entitled for any benefit under the scheme.

6.6 BENEFITS LIS PENDENS:

In the event a Member, against whom judicial proceedings are instituted or disciplinary proceedings are contemplated /instituted before the Normal Superannuation Date, attains the age of normal superannuation and becomes eligible for grant of pension under the Scheme, the benefits of pension to such Member shall be kept in abeyance till the outcome of such proceeding. If such Member is found guilty of offence pursuant to the judicial proceeding and/or disciplinary proceedings, as the case may be, warranting cessation of his service had he continued in the service, he will not be entitled for any benefit under the scheme. The admissibility of benefits under this scheme to the members against whom disciplinary proceedings are pending at the time of superannuation will be regulated as service rules of the CPSE.

6.7 BENEFITS ON SUDDEN DISAPPEARANCE AND UNKNOWN WHEREABOUTS OF MEMBER:

In the event if any Member while in Service suddenly disappears and his whereabouts are unknown, the pension benefits shall be payable to his Beneficiary(s) after a lapse of a period of one year from the date of filing of FIR with the concerned police station and observing other formalities as prescribed by the Trustees. The benefits shall be payable as per [Para 6.1](#) above.

6.8 GENERAL BENEFITS:

a. 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 Insurer. Pension benefits would depend upon the accumulated corpus available in his individual account.

b. Every Employee or Member shall be provided with statement of account (which would contain the details of the Employer's contribution) once a year.

c. The Trustees shall intimate to the respective Insurer 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.

d. In the event of any future wage revision in the Company with retrospective effect, an arrears 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 wage revision shall be paid by Company to the Trust which in turn shall utilize the same to buy additional Annuity from the Insurer for such Members. The additional Annuity shall however, be payable from the prospective date of payment of additional purchase price to the insurer and not from the date of purchase of original Annuity or the date of superannuation of the Member.

6.9 COMMUTATION OF BENEFITS

Ideally, there should be no provision of "commutation", so that employees have a social security and would get a substantial monthly pension after superannuation. The benefits under the Scheme shall be payable only in the form of the Annuity except for the benefits paid under Clauses [Para 6.3 \(a & b\)](#), [Para 6.6](#) & [Para 6.7](#). However, if the Member or the beneficiary/ nominee(s) (in the event of the death of the Employee while in service) as the case may be, so desires, a maximum of 1/3rd of the Annuity may be commuted for a single payment, and for remaining 2/3rd of the amount the annuity would be purchased. The commutation and the pension benefit would depend upon the corpus available in the individual account of the Employee.

7 Accounts:

a. The account of the Scheme shall be maintained by the Trust and shall contain such particulars as the Trustees may think proper as required by law and accurate accounts shall be kept and maintained by the Trustees.

b. As soon as may be after the 1st day of April every year, the Trustees shall take a general account of the assets of the Trust and shall prepare receipts and payments account showing the receipts and payments, credits and debits, dealings and transactions during the year terminating on 31st day of March in such form as may be considered suitable by the Trustees. For the purposes aforesaid, the Trustees shall appoint Auditors who shall have access to all books, papers, vouchers, accounts and documents connected with the trust and who shall in writing report to the Trustees on the annual Receipts and Payment Accounts. These Accounts shall be adopted at a meeting of the Trustees every year within six months of close of the annual accounts.

c. The Insurer shall issue to the Trustees within one month from the Annual Renewal Date, a certificate indicating the total amount of consolidated fund as on the previous Annual Renewal Date, the annuities effected in between the above two Annual Renewal Dates and the final balance as on the last Annual Renewal Date.

d. The Insurer shall also issue to the Trustees 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 contribution along with the accrued interest. The Trustees shall also issue a certificate indicating the opening balance, current year contribution and interest on the contribution as on 31st March of every year.

8 Amendment of the Rules:

a. The Company also reserves the right to vary the Contributions to be made under the Scheme at anytime, after giving three months notice in writing to the Trustees, the Insurer and to all the Members of the Scheme.

b. The total contributions made by the Company towards superannuation benefits including Provident Fund, Gratuity, Retired Employees Medical Scheme and Pension shall not exceed 30% of basic pay plus dearness allowance of an Employee. The Company shall periodically review the contributions made by it and may, keeping in view the financial health of the Company and or total contribution towards superannuation benefits, vary the ordinary annual contribution under the Scheme subject to maximum limit of 7%.

c. The Company may also at anytime give three months' notice in writing to the Trustees, the Insurer and to all the Members of the Scheme, of its intention to amend the Rules of the Scheme. Such amendment shall always have effect from the date on which the notices have been served.

d. No such amendment shall affect in anyway (i) pensions already paid by the Insurer and (ii) benefits already secured as per the Scheme

e. In the event of discontinuance of the Contributions by the Employer, the benefits under the Annuities shall vest in the Member and the Member shall be entitled to exercise in respect of his benefits, the same discretions as the Trustees had under the Rules.

9 General:

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

b) Every employee who is eligible for membership of the Scheme shall become mandatorily Member of the Scheme from the relevant Entry Date

c) If the age of the Member is conclusively proved to have been incorrectly stated, the Member shall not be entitled to the benefits under the Scheme that he would have received had his correct age been stated on the Entry Date. The Company shall have the right to make such adjustment in the benefits as it may in its absolute discretion decide, having regard to the normal practice of Company in this behalf for the time being in force.

d) The membership in the Scheme shall be co-terminus with the employment of the Member with the Employer.

e) A Member or his Beneficiary shall have no interest and/or right in the Master Policy taken out in respect of the Members or any investment otherwise made by the Trustees in accordance with the Rule of the Scheme but shall be entitled to receive pension in accordance with the Rules. 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.

f) The benefits assured under the Scheme are strictly personal and cannot be assigned, charged or alienated in any way.

g) Should anything contained in these Rules or in any alteration or amendment thereof be inconsistent with the objects or provisions of the Trust Deed, the provisions of the Trust Deed shall prevail. On any such discrepancy coming to the notice of the Trustees, the Trustees shall with the prior approval of the Commissioner of Income Tax take 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.

h) 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, 1938, 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 provisions of the Income Tax Act, 1961 or the Income Tax Rules, 1962, or any amendments thereto, 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.

i) The Insurer will issue a single Master Policy to the Trustees to provide for the benefit of the Members under the Scheme.

j) The Employer is neither the insurer nor the guarantor of any Annuities purchased under these Rules and in the event of the Insurer withholding any benefits in respect of any of the contracts under such Annuities that 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.

k) This Scheme will be under a Defined Contribution Scheme and not under a Defined Benefit Scheme subject to the contribution made by the CPSE within the prescribed ceiling and based on affordability, the benefit to the members would be determined based on the accumulated amount.

l) Contribution by CPSE for Pension Scheme is not guaranteed and can be reduced or even refused on the ground of affordability, sustainability and capacity to pay.
