Cir. No. CORP/HR/WR/839/2013                                      Dated 21-01-2013

Sub: Superannuation (Pension) scheme for Executives / Non-Unionised Supervisors - Notification.

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1.0 Management is pleased to introduce Superannuation (Pension) Scheme for the Executives / Non-Unionised Supervisors of the Company. The salient features of Superannuation (Pension) Scheme approved for Executives / Non-Unionised Supervisors of the Company is enclosed in the Annexure.

2.0 As soon as guidelines are issued by Insurance Regulatory Development Authority (IRDA), the same will be circulated so as to enable the eligible members to exercise their choice of Fund Managers.

This issues with the approval of Competent Authority.

DEPUTY GENERAL MANAGER (HR)

To
All Unit Heads
All Unit Heads of HR
  - With a request to give wide publicity to the scheme.
All Accounts Centres
Copy to PS / APS to CVO / FD's / CMD
Copy to Associations (GEA, EA, OA, NGEA)
Copy to host in Intranet
ANNEXURE
(to Cir. No. CORP/HR/WR/839/2012, dt. 21-01-2013)

Salient Features of Superannuation (Pension) Scheme for Executives & Non-Unionised Supervisors of Neyveli Lignite Corporation

1.0 Title of the Scheme:
The scheme will be called “NLC Employees’ (Executives & Non Unionised Supervisors) Superannuation (Pension) Scheme”.

2.0 Coverage:
2.1 The scheme will cover Executives (including those appointed at Board level) and Non-Unionised Supervisors including Trainees appointed on Regular Scale of Pay who were / are on the rolls of the Company as on 01-01-2007 and onwards.
2.2 Executives and NUS including Trainees appointed on Regular Scale of Pay who on the Effective Date of the scheme i.e. 01-01-2007 shall join the scheme as from that date and those who join the company subsequently shall join the Scheme on the first day of the month coincident with or next following the date on which they fulfill the conditions prescribed.
2.3 The company’s decision regarding eligibility shall be final.

3.0 Eligibility for Pension:
Pension shall be payable to the member on his retirement or his cessation of service subject to a condition that he / she has rendered a minimum service of 15 years. Minimum service of 15 years is not applicable in the case of death of a Member whilst in the service of the company or in the case of cessation of service of the member due to permanent total disablement.
Cessation of Service means separation of employee from the company on account of resignation, death, permanent total disablement, voluntary retirement, premature retirement and separation of employee from the company as a result of disciplinary proceedings conducted as per company’s Service Rules.

4.0 Computation of Minimum Service: Service relating to a Member will be the total of
4.1 the period of future service with the Company reckoned from the date of his entry into the Scheme up to his Normal Retirement Date or the date of cessation of Service, as the case may be (and)
4.2 The period of past service with the Company prior to 01-01-2007 (and)
4.3 The service if any rendered with other Central Public Sector Enterprises prior to commencement of his service in the company
While computing minimum service of fifteen years, the service period in excess of six months in the subsequent year will be treated as one year. Thus, if a member has served for fourteen years and six months, it will be treated as fifteen years. For the said period of six months, if the member during the period of six calendar months preceding the date with reference to which computation is to be made, has to actually work for not less than one hundred and twenty days.
5.0 Management / Operation of the Scheme

5.1 The scheme will be operated by an exempted irrevocable Trust appointed by the Company through Fund Manager(s) / Insurer(s)

5.2 The Trustees will act for and on behalf of the Members and the Company in any matter relating to the Scheme.

5.3 For the purpose of providing pension to the Beneficiaries, the Insurer / Insurer(s) will issue a master policy to the Trust.

6.0 Contribution:

6.0.1 The company shall make contribution to the Trust in respect of each Member @ 10% of the Member's monthly Salary comprising of Basic Pay and Dearness Allowance or such other percentage of the Salary as the company may notify to Trustees from time to time.

6.0.2 In the event of a Member's service being lent / deputed / seconded by the company to any other employer as defined in the Scheme / Rules the Members service for the purpose of this Rule will be deemed to continue.

6.0.3 During the period in which the Members' services are lent / deputed / seconded, the Contributions due to the employee shall continue to be paid if the company receives such contribution of the employees', along with the employees' voluntary contribution if any from the other employer to which service are lent / seconded / deputed.

6.1 Employee Contribution:

6.1.1 If the employee who is member of the scheme so desire, he may make additional contribution monthly to the pension fund at any time during employment with the company subject to one month notice to the Trustees and such contribution will start on the ensuing 1\textsuperscript{st} April. Such employee contribution should compulsorily be for minimum duration of one year from 1\textsuperscript{st} April. Any change in sums paid by the employees as his contribution should be communicated in writing to the Trustees subject to one month notice and such change in contribution amount shall be effective from next 1\textsuperscript{st} April onwards.

6.1.2 All such employee contributions will be non refundable during the course of employment. However on cessation of service without becoming eligible for pension, the employee can take back his own contribution with accrued interest after deduction of applicable tax at source or purchase of annuity of his choice from the annuity provider.

7.0 Benefits:

7.1 Benefits on Normal Retirement Date

7.1.1 Pension shall be payable to the Member as per the annuity option exercised under the annuity contract available with the appointed insurers(s) / empanelled annuity provider(s).
7.1.2 Written notice exercising the Annuity/Empanelled Annuity Provider option must be furnished to the appointed insurers(s) / empanelled annuity provider(s) one month prior to the Normal Retirement Date.

7.2 Benefits on Retirement before Normal Retirement Date:

7.2.1 Upon the retirement of a Member who is eligible for pension under rules mentioned above any time during service owing to ill-health or incapacitation or if he retires at any time within a period of 10 years preceding his Normal Retirement Date, the pension as may be elected by him will become payable immediately and the commuted value as provided to the member shall be deemed to be exempted for the purpose of Income Tax.

7.2.2 Alternatively, the Member in above mentioned case may, elect to defer receipt of pension until Normal Retirement Date. If a Member who has opted for a deferred pension dies before receiving the pension, his Nominee shall receive an immediate pension through the purchase of an annuity contract as per options available with any insurer(s) / empanelled annuity provider(s), selected by the beneficiary.

7.3 Benefits on Death:

7.3.1 In the event of death of a Member whilst in the service of the company, pension will become payable to the Beneficiary appointed by the Member by way of the beneficiary’s election to receive it through the purchase of an annuity contract for the accumulation in the member’s account with the appointed insurer(s) / empanelled annuity provider(s). In this case, minimum service of 15 years (eligible service of 15 years) shall not be applicable.

7.3.2 If the Member has not appointed a Nominee or if such Nominee has predeceased the Member and no fresh appointment of Nomination has been made the pension will become payable to the Member’s wife, failing which to his child/children in equal amounts, failing which to his dependants/legal heirs in equal amounts.

7.3.3 If the deceased Member does not leave a wife, child / children or dependants / legal heirs then the benefits shall be realised by the Trust and credited to the 'Surplus Account'. Provided that subsequent to crediting of such amount to 'Surplus Account' if any court order is served upon the Trust for the payment of the same in favour of one or more individuals, the Trust shall appropriate the said sum from the Surplus Account towards such purpose of complying with such orders of the court.

7.3.4 The Trust shall inform the appointed insurers(s) / empanelled annuity provider(s), in writing, the pension option elected by the Nominee within thirty days after the date of death of the Member.
7.3.5 The pension will be payable monthly or otherwise as desired by the Nominee, the first installment being due on one month after death of the Member.

7.4 Benefit on Permanent Total Disablement.
7.4.1 In the event of cessation of the service of the Member due to permanent total disability, minimum service of 15 years is not applicable or the pension payable is not contingent on minimum 15 years service.

7.5 Benefits on Leaving Service or on Termination of Service.
7.5.1 A member will be eligible for benefits under the Scheme provided he has completed minimum 15 years of service.
7.5.2 In the event of termination of service of the Member or on leaving the services of the company, of his own free will including voluntary retirement as per the company’s approved scheme or otherwise, the company will discontinue making Contributions in respect of him and a pension will become payable to him either immediately or commencing from the Normal Retirement Date as may be elected by him.
7.5.3 The contributions of such of those members leaving the company before rendering 15 years of service shall be credited to the surplus account. If a Member who has opted for deferred pension dies before receiving the pension, his Nominee shall receive immediate pension.
7.5.4 For the benefits to be realized, the Member shall intimate to the appointed insurers(s) through the Trust the option for drawal of pension through any one of the appointed insurer(s) / empanelled annuity provider(s) elected by him within 30 days from the date of leaving service.
7.5.5 The Member’s employment is terminated on account of any acts of misconduct involving moral turpitude or if the company sustains any pecuniary loss or damages owing to the acts / omission of the Member, the benefits under the scheme shall stand forfeited either in full or in part and the trustees shall realize the benefits in respect of the Member and credit the Members accumulation to the Surplus Account. On conclusion of the disciplinary action / criminal prosecution as the case may be, the Trust shall act as per the direction of the Company.

7.6 Benefits on Sudden Disappearance and Unknown Whereabouts of the Member:
7.6.1 In the event of any member suddenly disappearing while in service and his whereabouts are unknown for a consecutive period of Seven (7) years, the pension benefits shall be payable to his Beneficiary(s) as per the directions of the company.
8.0 Transfer of Member’s accumulation:

8.1 In the event of a Member at any time ceasing to be in the Service or ceasing to be eligible to be a member of this Scheme, the Trustees with the approval of the company may, if the Member so desires, pay to any Approved Fund which has power to accept such a transfer and of which the Employee may become a Member, an amount equivalent to the value of this equitable interest in the Scheme provided he has rendered a minimum service of 15 years.

8.2 In the event of member leaving the service before completing minimum service of 15 years in the company and joins another CPSE, transfer of accumulation shall be allowed only on completion of 15 years of minimum service (the service rendered in the company plus the service rendered in the newly joined CPSE). In such cases, the member shall request the Trust in writing along with proof of continuation of his service in CPSE for 15 years.

9.0 Appointment of Nominee(s)

9.1 Every Member shall appoint at his discretion, his spouse, child / children or in the absence of the spouse and child / children any other person as Nominee(s) under the Rules to receive the benefits hereunder in the event of his death. If a Member dies whilst in service, the Trustees shall hold the benefits of the scheme UPON TRUST for payment to the Nominee(s) as shall have been appointed by the Member accordance with the remaining paragraphs of this Rule.

9.2 Every appointment of Nominee made under this Rule shall be in writing signed by the Member and attested by two witnesses and shall be according to the Form of Appointment of Nominee as given in Appendix (1) attached hereto and shall remain in full force and effect until the death of the Nominee or until the same shall be revoked in writing by the Member and a fresh appointment made.

9.3 A Member may from time to time or at any time without the consent of the Nominee change the Nomination by submitting a written notice of the change to the Trust in the prescribed form satisfactory to the Trust. The new Nomination shall take effect from date of receipt of the change by the Trust without prejudice to the Insurer(s) / Fund Manager(s) or the Trust on account of any payment made before effecting such change.

9.4 If a Nominee shall at the time of his Nomination by the Member be a minor or otherwise under disability to give a legal receipt or discharge to the Trust, the Member must at the time of such Nomination as aforesaid appoint a person who is a major and who is capable of giving a legal receipt or discharge to the Trust and to whom the benefits are to be paid for and on behalf of such Nominee.
9.5 If more than one Nominee is nominated and in such nomination the Member has failed to specify their respective interest, the Nominee(s) so named shall share the benefits equally. If the Nominee(s) predeceases the Member, the interest of such Nominee shall terminate and his share shall be payable equally to such of the remaining Nominee(s) unless the Member has made written request otherwise to the Trust in the prescribed form.

9.6 In the absence of any appointment of any nominee as aforesaid, the nomination submitted by the member to the company in respect of his Employees' Provident Fund (EPF) shall deem to be a valid nomination for the purpose of pension under this scheme.

9.7 If a Nominee is not appointed under this rule or nomination as 6 above, then the benefits shall be paid to the Member's spouse, failing which to his child / children in equal shares, failing which to his dependants / legal heirs in equal shares. If the Member does not leave a spouse, child / children or dependants / legal heirs, then the benefits shall be realised by the Trust and credited to the Surplus Account.

10.0 General

10.1 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(s) / Empanelled Annuity Provider(s).

10.2 Every Member shall be provided with statement of account (which would contain the details of the company's contribution and the voluntary employee contribution separately) once a year.

10.3 The Trust shall intimate to the respective insurer(s) / empanelled annuity provider(s) in writing the pension option and the frequency selected by the Beneficiary. The option once chosen cannot be changed and it shall be final and binding on the Beneficiary.

10.4 Annuity shall be purchased for all members otherwise eligible for pension if the total corpus in the members account from 1st January 2007 till cessation of service is Rupee One Lakh or more (and) if the corpus available is less than Rupee One Lakh but more than Rupees Twenty five thousand, option will be sought from such members for annuity purchase or refund of the accumulation after deduction of income tax.

10.5 At the time of cessation of service, if the accumulated corpus in the members account is less than Rs 25000/-, the corpus so accumulated shall be returned to the member after deduction of income tax (and) in case any member as above at the time of cessation of service is willing to contribute over and above the accumulated corpus standing to his credit in the superannuation fund, the same shall be allowed subject to consent of empanelled annuity provider(s).
10.6 In the event of pay revision to the member with retrospective effect, additional pension 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 the company to the Trust which in turn shall utilise the same to buy additional annuity from the Insurer(s) / Empanelled Annuity Provider(s) for such members. The additional pension shall however be payable from the date of purchase of annuity from the Insurer(s) / Empanelled annuity provider(s) and not from the date of purchase of original annuity or date of retirement of the member.

10.7 COMMUTATION OF PENSION: The benefits under the Scheme shall be payable only in the form of pension. However, if the Member, so desires, a part of the pension may be commuted for a single payment, provided that such payment shall not exceed:-

10.7.1 In a case where the Member receives any gratuity benefit, the commuted value of one-third of the pension which he is normally entitled to receive, and

10.7.2 In any other case, the commuted value being one half of such pension.

10.7.3 Written notice by the Member of his having elected to commute part of the pension must be furnished to the Trust one month prior to the Normal Retirement Date.

[Signature]

DEPUTY GENERAL MANAGER (HR)

21-4-13
The Trustees,
NLC Employees’ (Executives and Non Unionised Supervisors) Superannuation (Pension) Scheme

Dear Sirs,

I, __________________________ (CPF No. ________) a Member of
NLC Employees’ (Executives / Non-Unionised Supervisors) Superannuation (Pension) Scheme
hereby agree to abide by the Rules of the said Scheme and do also hereby appoint in terms of Rule 5 under
Section IV of the Rules mentioned above, Nominee/s mentioned hereunder to receive the benefits, payable
under the Scheme, in the event of my death.

I hereby direct that the benefits under the Scheme, payable in respect of me, shall be paid to the said
Beneficiary/ies Nominee/s in proportion indicated against their respective names as given below:

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<th>S. No.</th>
<th>Name of full with full address of Nominee(s)</th>
<th>Relationship with the Member (Employee)</th>
<th>Age of Nominee(s)</th>
<th>Proportion by which Superannuation (Total benefits) will be shared by each Nominee</th>
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Declaration **

I hereby certify that the person(s) mentioned herein above is/are my spouse/children/lawfully
adopted child/dependant parents.

I hereby declare that I have no family and should I acquire family hereafter the appointment of
Beneficiary / Nominee should be deemed as cancelled.

My father / mother / parents / sister(s) / minor brother(s) is / are not dependant on me.

My husband’s father / parents is / are not dependent on me.

I also declare that this appointment of Beneficiary (ies) / Nominee (s) made herein shall have the
effect of my revoking the appointment of Beneficiary (ies) / Nominee (s) made by me earlier.

(** Strike whichever is not applicable)

I give below the particulars about myself:

1. Full Name: ____________________________________________
2. Sex __________________
3. Religion: ___________________________
4. Father’s Name: ________________________________________
5. Husband’s Name: _______________________________________
   (For married woman only)
6. Marital Status: _______________________________________
   (Whether married, unmarried, widow or widower)
7. Date of birth: _________________________________________
8. Address: _____________________________________________
   1. ___________________________________________________
   2. ___________________________________________________
   3. ___________________________________________________
   4. ___________________________________________________