



रूरल इलेक्ट्रिफिकेशन कारपोरेशन लिमिटेड

Endless energy. Infinite possibilities.

RURAL ELECTRIFICATION CORPORATION LIMITED

(भारत सरकार का उद्यम) (A Government of India Enterprise)

Regd Office: Core-4, SCOPE Complex, 7 Lodi Road New Delhi 110003
Tele. 24365161 Fax 24360644 Email reccorp@recl.nic.in Gram RECTRIC
Website www.recindia.com & www.recindia.nic.in

Dated: 28.03.2012

OFFICE ORDER PART-III NO - 18 (PB)

Sub:- REC Ltd. Employees Defined Contribution Superannuation Scheme
- Notification.

The Competent Authority has approved REC Ltd. Employees Defined Contribution Superannuation scheme, copy whereof is enclosed as ANNEXURE-A.

The scheme shall come into force w.e.f 01.01.2007.

This is issued with the approval of the Competent Authority.

(Rajesh Raj)
Chief Manager (HR)

Encl.: ANNEXURE-A

Ref. No. : 7 / 01 / 2011 / HR- D (II) / 499

Distribution:

1. DM/AM/Sr. Officer to CMD/Director (Fin.)/Director (Tech.) / CVO, REC Ltd.
2. All Executive Directors, REC Ltd.
3. All General Managers/Company Secretary, REC Ltd.
4. All Zonal Managers / CPMs / Addl. Director, CIRE / Incharge Sub-office, REC Ltd.
5. All AGMs / DGMs / Chief Managers, Corporate Office.
6. DGM (IT) with request to arrange for uploading the office order on the intranet.
7. Chief Manager, Rajbhasha with request to arrange for hindi version of the order.
8. Secretary General, REC Officer's Association.
9. General Secy., REC Employees Union.
10. Master file/ Folder/ Office copy.

Melina
28/3/12

**REC LTD.EMPLOYEES DEFINED CONTRIBUTION
SUPERANNUATION SCHEME**

SECTION - I

DEFINITIONS, ELIBILITY & REQUIREMENTS FOR MEMBERSHIP

1. 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:

- i) **"ANNUAL RENEWAL DATE"** < (Date shall be notified later on) >
- ii) **"ANNUITY"** shall mean the particular Deferred Annuity or Deferred Annuities effected or to be effected in respect of the Members.
- iii) **"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.
- iv) **"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.
- v) **"BOARD OF DIRECTORS"** shall mean the Board of Directors of the Company.
- vi) **"CPSE"** shall mean the Central Public Sector Enterprise.
- vii) **"COMMENCEMENT DATE"** shall mean the date from which the assurances shall be affected from the Insurer.
- viii) **"COMPANY/EMPLOYER"** shall mean RURAL ELECTRIFICATION CORPORATION 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.
- ix) **"CONTRIBUTION"** shall mean the amounts contributed by the Employer and Employee in their respective proportions more specifically defined in clause 6 of the Scheme.
- x) **"EFFECTIVE DATE"** in relation to the Scheme shall mean January 1, 2007, the date from which the Scheme takes effect.
- xi) **"ELIGIBLE EMPLOYEE"** shall mean an Employee who is eligible for the benefits under the Scheme as more particularly set forth in Rule 3 below.
- xii) **"EMPLOYEE"** shall mean:
 - a) Employees on the regular rolls of the Employer other than a personal or domestic servant and shall be deemed to include a whole time bona fide working

- Director who does not own beneficiary shareholding carrying more than 5% voting rights in the Company and
- b) Shall also include an employee whose services are let or seconded by the Company to CPSE or any affiliate and associate including a joint venture in which Company has a stake.
- xiii) "ENTRY DATE" shall mean
- a) **EFFECTIVE DATE:**
- i) 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
- ii) 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 Employee who joins 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, then the Entry Date shall be the date on which he comes on the regular rolls of the Company.
- xiv) "FINANCIAL YEAR" shall be the year beginning from 1st April and ending on 31st March of next following year.
- xv) "INSURER" shall have the meaning given in clause (28BB) of Section 2 of the Income Tax Act, 1961.
- xvi) "MASTER POLICY/POLICY" shall mean the Policy issued by the Insurer which incorporates the various Annuities affected under the Scheme for the benefit of the Members
- xvii) "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 before joining other CPSE and the said CPSE does not have an Approved Superannuation Fund,
- d) 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;
- xviii) "NORMAL RETIREMENT DATE" shall mean in respect of each Member the date on which he completes 60 years or such age as may be declared/ prescribed from time to time as superannuation age and duly approved by the Board of directors of the Company.
- xix) "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 concerned administrative ministry.
- xx) "RULES" shall mean the Rules of the Scheme as herein set out and any amendments made thereto from time to time.

- xxi) "SCHEME" shall mean 'Rural Electrification Corporation Limited Employees Defined Contribution Superannuation Scheme' described in the Rules and the Trust Deed.
- xxii) "SALARY" shall mean basic pay and dearness allowance only.
- xxiii) "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:
- The period of past service which the Employer has agreed to credit the Members with i.e. 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.
 - The period of future service of the existing Employees with the Employer from the Effective Date up to his Normal Retirement Date or the date of cessation of service*, as the case may be.
 - The 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 Rules 3(e), 3(f) and 3(g) below.
- *Note: Cessation of service for the purpose of this Rule shall mean separation of Employee from the Company on account of resignation, death, voluntary retirement, pre-mature retirement and as a result of disciplinary proceedings conducted as per the Company's Service Rules defined in clause (xxiv) 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.
- xxiv) "SERVICE RULES" shall mean the Company's Conduct, Discipline & Appeal Rules and other Service Rules framed and implemented by the Company in relation to the terms and conditions of service of its Employees.
- xxv) "SURPLUS ACCOUNT" shall mean an account which incorporates the forfeited balances of Employees who have not completed the vesting requirements.
- xxvi) "TRUST" shall mean the Trust under which the Scheme is established to which the Company and the Employee shall contribute their respective contributions more particularly defined hereinafter.
- xxvii) "TRUSTEES" shall mean the Trustees appointed/ nominated in Trust from time to time of 'Rural Electrification Corporation Limited Employees Defined Contribution Superannuation Scheme'.
- xxviii) "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.
- xxix) "PENSION" means the pension payable under the 'Rural Electrification Corporation Limited Employees Defined Contribution Superannuation Scheme' as described in the Rules hereunder.



2. **TRUSTEES TO ACT FOR MEMBERS AND THE EMPLOYER:**

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.

3. **ELIGIBILITY:**

a) All the Employees aged not less than 18 years and not more than 45 years as on date of joining on the regular rolls of the Company shall be eligible to participate in the Scheme. However, the age limit of 45 years shall not be applicable in respect of the employees in the following cases:

i) Employees who have joined on the regular rolls of the Company prior to 26/11/2008 (Date of Department of Public Enterprises notification for Pay Revision of Executives).

ii) Employees who join on the regular rolls of the Company after resigning from another CPSE provided the total of past service in CPSE and the future service in the company till the date of normal retirement is 15 years or more.

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

b) **TRUSTEES DECISION REGARDING ELIGIBILITY FINAL**

The Trustees decision regarding the eligibility of an Employee for the purpose of the Scheme shall be final and binding on all the parties 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 Employer and Employee 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 Defined Contribution Superannuation Fund.

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



NOTE:

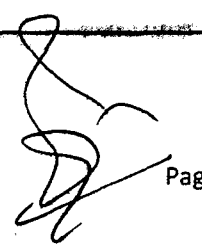
- (a) The transfer to the Scheme by the Trustees as mentioned above shall be made only between Defined Contribution Superannuation Funds approved by the Commissioner of Income Tax.
- (b) Clause 'c' of this Rule shall be applicable only in cases where transfer of equitable interest is from /to a CPSE.
- (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. Transfer of funds from his previous organization to the Scheme shall be regulated as per Rule 6(b)-vi.
- 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 a break in service.
- e) The amount so received from CPSE to Employee's individual account towards the past service period as stated in Rule 3(d) above shall be credited separately under Employer's contribution and Employee'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/ premature retirement and such other cases will be as mentioned in Section III 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 months 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. EVIDENCE OF AGE

Evidence of age satisfactory to the Company and to the Corporation shall be furnished by every Eligible Employee before he is admitted to the membership of the Scheme. If the age of the Member is conclusively proved later on 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 Corporation 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 Corporation in this behalf for the time being in force.

5. MEMBER NOT TO WITHDRAW

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



SECTION - II

CONTRIBUTIONS, ANNUITIES AND SCHEME OF INSURANCE

6. 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 would be paid by the Company in respect of past services of the Employees, for the period commencing with the Entry Date 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. The amount payable by the Company for said period in respect of each Employee shall be @ 9 % of the Employee's Salary.

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 Contribution shall be payable at the end of the month in which the Scheme and the Trust Deed is notified by the Company.

The initial contribution so payable by the Company shall be deposited in respect of the Employees in the manner mentioned herein below:

- i) In respect of the Employees who are on the rolls of the Company, 15 days from the date on which initial contribution becomes payable.
- ii) In respect of the Employees who have been admitted to the benefits of the Scheme and have superannuated from the Company on or before the Notification Date, 15 days from the date on which the tax deducted at source (TDS) in respect of initial Contribution is received from such Employees.

b) ORDINARY MONTHLY CONTRIBUTION

- (i) Subject to Rule 15 of the Scheme, the ordinary monthly Contribution payable by the Company in respect of each Member shall be @ 9 % of his Salary. It shall be credited to the individual account of Member (as part of Employer contribution) through the Trust and shall be payable throughout the period of his service up to the Normal Retirement Date.

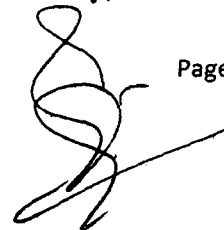
NOTE: The aggregate of contribution paid by the Company for any year for any Member under Clause 6(b)(i) together with the total contribution paid by the Company to any Provident Fund in respect of the said Member shall not at anytime exceed the prescribed percentage of the aggregate Salary paid by the Employer to the Member as per the Income-tax Act, 1961.

- (ii) The Employee shall also be liable to contribute to the Superannuation Fund in accordance with Rules provided in clause (iii) and (iv) below.
- (iii) The Employees shall be liable to contribute to the Superannuation Fund from the date of notification. The Company shall have the right to deduct Employees'



contribution towards Superannuation Fund from the salary payable before such disbursement.

- (iv) The ordinary monthly ~~mandatory~~ Contribution payable by an Employee shall 5 % of his salary.
 - (v) The aforesaid contributions by the Employee shall be payable on monthly basis throughout the period of his ~~future~~ service up to the Normal Retirement Date unless otherwise specified under the ~~Rules~~. The Employee's contribution shall be deducted by the Company from his Salary every month and paid to the Trust.
 - (vi) The Employer at its sole ~~discretion~~ may allow a Member to contribute an additional sum over and above the ordinary monthly contribution by the Employee.
 - (vii) The monthly Contribution by the Employer for the period commencing from the month in which the Scheme is Notified by the Company shall be payable by the end of the month in which the Scheme is so notified. The monthly contribution so payable shall be deposited within 15 days of the same becoming payable.
 - (viii) No monthly Contribution shall be payable 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.
 - (ix) For the months following the month in which the Scheme is notified, the Employer and Employee Contribution shall be payable by end of respective months to which they relate and shall be deposited by the 15th of the following month.
- c) **EXPENSES OF SCHEME TO BE PAID OUT OF THE PENSION FUND**
The expenses for administration of the Scheme shall be borne out of the fund itself.
- 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 a 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/Employee shall continue to be paid to the Trust. The Employer may recover such Employee's contributions from the company, firm, association, concern or CPSE to which the Member's services are lent and the Employee's contribution shall be deducted from his Salary.
- 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 and the Employee shall not be payable and his accumulated contributions shall be maintained with the Insurer. However, such Employee may, if he so desires, continue making his contribution under the Scheme through the Trust. In the event such Employee rejoins the Company, the Contributions shall become payable by the Company and employee from the date of rejoining the Company.
- f) In the event an Employee is sanctioned study leave as per the Company's Service Rules, the Employee contribution as well as Employer contribution under the Scheme shall be payable only up to period he is paid leave salary. On exhaustion of leave salary, no contribution



shall be paid from the ~~Employee and Employer and the contributions~~ shall recommence from the date the Employee rejoins the Company.

- g) In the event an Employee is sanctioned leave without pay, neither Employer nor Employee contribution shall be payable for the period of leave without pay.
- h) In the event a suspended Employee is reinstated, the Employer and Employee contribution under the Scheme for the period of suspension may be payable as decided by the Trustees on the recommendations of the disciplinary authority constituted under the Company's Service Rules.
- i) In the event of Employee resigning from Company and joining a CPSE or any other organization which does not have an Approved Defined Contribution Superannuation Scheme, benefits from the Scheme to such an Employee shall be regulated as per Rule (10(e) (i).

7. ANNUITIES

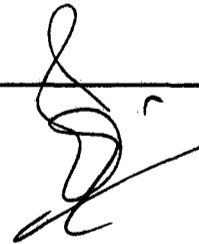
- a) The Trustees shall maintain with the Insurer a Consolidated Fund and invest the contributions made in respect of all the Members into such Fund on as per the terms agreed with the Insurer.
- b) The Trustees shall effect "Annuities" with the Insurer in respect of each Member in terms of the Rules of this Scheme at the time of the Normal Retirement 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 be in accordance with the provisions stated under Section III of the Rules. The Annuities will not be entitled to participate in the profits of the Insurer.

8. INCREASE IN CONTRIBUTIONS

Subject to the provisions of Rule 6, the actual sum contributed as Contributions by the Employer and the Employee will increase depending upon increase in the Salary of the Members in general. Such increase in contributions shall take effect retrospectively, i.e. from the date the increase in pay is affected.

9. 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. When pension becomes payable to the Member on his retirement or cessation of service or to his Beneficiary in the event of his death, the 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 elected 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.
- 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 said increase in the Pension from such date and in such form as may be allowed by the Insurer.



contribution towards Superannuation Fund from the salary payable before such disbursement.

- (iv) The ordinary monthly ~~mandatory~~ Contribution payable by an Employee shall 5 % of his salary.
- (v) The aforesaid contributions ~~by the~~ Employee shall be payable on monthly basis throughout the period of his ~~future~~ service up to the Normal Retirement Date unless otherwise specified under the Rules. The Employee's contribution shall be deducted by the Company from his Salary every month and paid to the Trust.
- (vi) The Employer at its sole ~~discretion~~ may allow a Member to contribute an additional sum over and above the ordinary monthly contribution by the Employee.
- (vii) The monthly Contribution ~~by the~~ Employer for the period commencing from the month in which the Scheme is Notified by the Company shall be payable by the end of the month in which the Scheme is so notified. The monthly contribution so payable shall be deposited within 15 days of the same becoming payable.
- (viii) No monthly Contribution shall be payable 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.
- (ix) For the months following the month in which the Scheme is notified, the Employer and Employee Contribution shall be payable by end of respective months to which they relate and shall be deposited by the 15th of the following month.

c) **EXPENSES OF SCHEME TO BE PAID OUT OF THE PENSION FUND**

The expenses for administration of the Scheme shall be borne out of the fund itself.

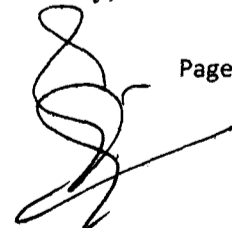
d) **EMPLOYER LENDING MEMBER'S SERVICES (DEPUTATION) & CONTINUITY OF MEMBERSHIP**

- 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 a 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/Employee shall continue to be paid to the Trust. The Employer may recover such Employee's contributions from the company, firm, association, concern or CPSE to which the Member's services are lent and the Employee's contribution shall be deducted from his Salary.

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 and the Employee shall not be payable and his accumulated contributions shall be maintained with the Insurer. However, such Employee may, if he so desires, continue making his contribution under the Scheme through the Trust. In the event such Employee rejoins the Company, the Contributions shall become payable by the Company and employee from the date of rejoining the Company.

- f) In the event an Employee is sanctioned study leave as per the Company's Service Rules, the Employee contribution as well as Employer contribution under the Scheme shall be payable only up to period he is paid leave salary. On exhaustion of leave salary, no contribution



premature retirement on medical grounds or on the date on which the Member attains superannuation age.

d) **BENEFITS ON DEATH**

- i) 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, irrespective of whether the Member has completed 15 years of Service or not, the first instalment 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 10(a).
- ii) 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.
- iii) 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.

e) **BENEFITS ON RESIGNATION PRIOR TO NORMAL RETIREMENT DATE**

- i) In the event of the Member leaving the services of the Employer on his own free will or otherwise and joining another CPSE or organization not having an approved Defined Superannuation Scheme, the amount accumulated by way of Employee contribution including additional contribution, if any, along with interest accrued on the same on the date of separation shall be refunded after deduction of charges, if any, and subject to Income Tax Rules, 1962 as applicable.
- ii) In case an Employee resigns and joins another CPSE having an Approved Defined Superannuation Scheme, the accumulated amount (both Employer and Employee contribution) lying in his individual account shall be transferred to the said Approved Defined Contribution Superannuation Scheme of which he may become member immediately.
- iii) In case of premature retirement on account of Employee's inefficiency and doubtful integrity, the Employee shall be treated as if he has resigned from the Company and shall be entitled to the same benefits as in case of Resignation.
- iv) 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.

f) **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, the Employee's Contribution including additional voluntary contribution, if any, along with accrued interest shall, subject to Income Tax Rules, 1962, as may be applicable, be refunded to the Employee after settling all his dues payable to the Company and after deduction of charges, if any.

g) **BENEFITS LIS PENDENS**

In the event a Member, against whom judicial proceedings are instituted or disciplinary proceedings are contemplated /instituted before the Normal Retirement Date, attains the age of normal retirement 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, only the Employee's Contribution including additional

contribution by the Employee, if any, along with interest shall be refunded to him, after settling all the dues payable by him to the Company and deduction of charges, if any.

h) **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 clause 10(a).

i) **GENERAL**

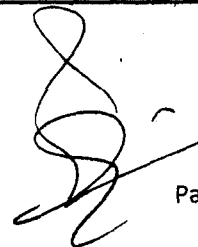
- i) The pension shall be paid to the Member as per the frequency chosen (monthly, quarterly, half yearly or yearly) and as per the pension option selected by him from the various options as offered by the Insurer. Pension benefits would depend upon the accumulated corpus available in his individual account (both Employer and Employee contribution along with accrued interest).
- ii) Every Employee or Member shall be provided with statement of account (which would contain the details of the Employer's contribution and the Employee contribution separately) once a year.
- iii) 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.
- iv) In the event of any future wage revision in the Company from retrospective effect, an arrear of Annuity shall become payable to the Members who have retired in the intervening period. The Contribution due to the Member on account of the 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 retirement of the Member.

11. **COMMUTATION OF BENEFITS**

The benefits under the Scheme shall be payable only in the form of the Annuity except for the benefits paid under Clauses 10 (e) (i) & (ii), 10 (f) and 10 (g). 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 and the Trustees agree, 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.

12. **WITHDRAWAL BENEFITS**

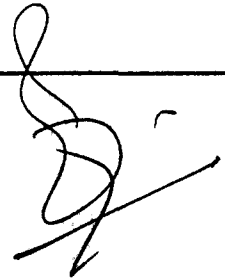
Employees having retired/retiring upto 31.12.2012 for the reason that the accumulations may not be adequate to purchase any meaningful pension, may be permitted to withdraw the entire accumulations as mentioned under Para 10(a) subject to deduction of all applicable taxes as on the date of exit.



SECTION IV

13. ACCOUNTS

- i) The account of the Scheme shall be maintained in India 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.
- ii) 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.



SECTION -V

MISCELLANEOUS PROVISIONS

14. **MEMBER TO HAVE NO LEGAL RIGHT IN THE MASTER POLICY:**

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.

15. **RESTRAINT ON ANTICIPATION OR ENCUMBERANCE**

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

16. **VARIANCE/ DISCONTINUANCE OF CONTRIBUTIONS AND AMENDMENT OF THE RULES**

- a) The Company reserves the right to discontinue making Contributions to 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 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.
- c) The total contributions made by the Company towards superannuation benefits including Provident Fund, Post Retirement Benefit 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 monthly contribution under the Scheme.
- d) 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 provided however that, any amendment to the Rules of the Scheme shall be made only with the prior approval of the Commissioner of Income Tax.
- e) No such amendment shall affect in any way (i) pensions already paid by the Insurer and (ii) benefits already secured as per the Scheme.
- f) In the event of discontinuance of the Contributions by the Employer, the benefits under the Annuities shall vest in the Member and the Member shall be entitled to exercise in respect of his benefits, the same discretions as the Trustees had under the Rules. The Member shall be deemed to have left service on the date of discontinuance and each Member shall be entitled to benefits as envisaged in Rule 10 above.

17. **TRUST DEED TO PREVAIL**

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.

18. **JURISDICTION**

The Master Policy issued under the Scheme shall be under the Indian Contracts Act. The Scheme will be subject to the laws of India including the Indian Insurance Act, 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.

19. **MASTER POLICY**

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

20. **CONSOLIDATED CERTIFICATE AND STATEMENT OF ACCOUNT BY INSURER**

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 at the last Annual Renewal Date.

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

21. **EMPLOYER'S LIABILITY LIMITED TO THE BENEFITS UNDER ANNUITIES**

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 they may be issued owing to circumstances beyond the Employer's control or otherwise the Employer shall be under no liability whatsoever to any Member entitled to the benefits secured by such Annuity or Annuities.

22. **DEDUCTION OF SUMS DUE TO INCOME TAX AUTHORITIES**

a) **INCOME TAX**

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

b) If the Scheme for any reason ceases to be approved by the Commissioner of Income Tax, the Trustees shall nevertheless remain liable to tax on benefits paid out of the Scheme in so far as such benefits are secured by the Contributions made before the Scheme ceased to be approved by the Commissioner of Income Tax under the provisions of "Part B" of the Fourth Schedule to the Income Tax Act 1961.

23. **APPOINTMENT OF BENEFICIARY/NOMINEE**

a) Every Member shall appoint one or more of his wife, child / children or dependants as Beneficiary or Beneficiaries under the Rules to receive the benefits hereunder in the event of the death of the Member. If a Member dies while in service or before he has commenced to draw the pension or after he has commenced to draw the pension, the Trustees shall hold the benefits in force under the Annuities on the life of the Member



upon trust for payment to the Beneficiary or Beneficiaries as shall have been appointed by the Member in accordance with the remaining paragraphs of this Rule.

- b) Every appointment made under this Rule shall be in writing, signed by the Member and attested by two witnesses and shall be according to the prescribed form and shall remain in full force and effect until the death of the Beneficiary or until the same has been revoked in writing by the Member by whom the same was made and a fresh appointment made in the manner aforesaid.
- c) A Member may from time to time or at any time without the consent of the Beneficiary, if any, revoke or change the Beneficiary by filing a written notice of the change to the Trustees in the prescribed form satisfactory to the Trustees whereupon an acknowledgement of the change and the registration of the name of the new Beneficiary will be given to the Member by the Trustees for attachment to the certificate. The new appointment shall take effect on the date the notice was signed whether or not the Member is living on the date of acknowledgement of the change, without prejudice to the Insurer or the Trustees on account of any payment made before the acknowledgement of the change.
- d) If a Beneficiary shall at the time of his appointment be a minor or otherwise under disability to give a legal receipt or discharge to the Trustees, the Member must at the time of such appointment as aforesaid, appoint a person who has attained majority and who is capable of giving a legal receipt or discharge to the Trust as and to whom the benefits are to be paid for and on behalf of such Beneficiary so long as such minority or disability continues.
- e) If more than one Beneficiary is appointed and in such appointment the Member has failed to specify their respective interests, the Beneficiaries so named shall share equally. If any designated Beneficiary predeceases the Member, the interest of such Beneficiary shall terminate and his share shall be payable equally to such of the remaining of the Beneficiaries surviving the Member unless the Member has made written request otherwise, to the Trustees in the prescribed form.

24. INTERPRETATION OF RULES

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



Rural Electrification Corporation Limited

NOMINATION AND DECLARATION FORM

DECLARATION AND NOMINATION FORM UNDER THE RURAL ELECTRIFICATION CORPORATION LIMITED EMPLOYEES DEFINED CONTRIBUTION SUPERANNUATION SCHEME

1. Name (In Block Letters) : _____
2. Fathers/Husbands Name : _____
3. Date of Birth : _____
4. Sex : _____
5. Marital Status : _____
6. Account No. : _____
7. Permanent Address : _____
8. Temporary Address : _____

Part-A

I hereby nominate the Person(s) / cancel the nomination made by me previously and nominate the person(s) mentioned below to receive the amount standing to my credit in the RURAL ELECTRIFICATION CORPORATION LIMITED EMPLOYEES DEFINED CONTRIBUTION SUPERANNUATION SCHEME in the event of my death.

Name of the nominee/nominees	Address	Nominees relationship with the member	Date of Birth	If the nominee is a minor, name & relationship & address of the guardian who may receive the amount during the minority of nominee.
1	2	3	4	5

(Signature or thumb impression of the subscriber)



(PART-B)

**THE REC LTD. EMPLOYEES DEFINED CONTRIBUTION SUPERANNUATION
SCHEME**

CERTIFIED BY EMPLOYER

Certified that the above declaration and nomination has been signed/thumb impressed before me by Shri / Smt. / Kum. _____ employed in my establishment after he / she has read the entries/entries have been read over to him / her by me and got confirmed by him / her.

Signature of the employer or other officers authorized of the establishment.
(HoD / Addl. Director, CIRE / ZM/CPM)

Designation _____

Name & Address of the Establishment or Rubber Stamp thereof.

Place : _____

Date : _____

A handwritten signature in black ink, consisting of a large loop at the top and a vertical stroke extending downwards.