

# BSNL EMPLOYEES SUPERANNUATION PENSION TRUST RULES

## RULES

### (SECTION: I)

#### 1. DEFINITIONS

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

- i) **COMPANY** shall mean **BHARAT SANCHAR NIGAM LIMITED**.
- ii) The **EMPLOYER** shall mean, the Company as defined in (i) above and subject to the prior approval of the Commissioner of Income-Tax shall include any firm, concern agency or body corporate which may, by purchase, amalgamation or otherwise take over the whole or substantially the whole of the business of the Company and which shall enter into a Deed in such a form as the Trustees shall require undertaking to continue the obligations of the Firm/Company under these presents and releasing the Firm/ Company under these presents and releasing the Company from all further liability thereof.
- iii) **BOARD OF DIRECTORS** shall mean Board of Directors of the company.
- iv) **CORPORATION** shall mean Fund Manager engaged for the purpose of this scheme.
- v) **CPSE** shall mean Central Public Sector Enterprise.
- vi) **SCHEME** shall mean BSNL Employees Superannuation Pension Scheme, described in the Rules and the Trust Deed;
- vii) **RULES** shall mean the Rules of the Scheme as herein set out and any amendments made thereto from time to time;
- viii) **TRUSTEES** shall mean the Trustees for the time being of the BSNL Employees Superannuation Pension Trust.
- ix) **EMPLOYEES** shall mean regular employees of the Company and shall exclude apprentice, absorbed employees of DOT/DTS/DTO who are already covered by Rule 37-A of CCS (Pension) Rules 1972, the employees who are not on the regular rolls of the company and employees posted on deputation in the company and shall be deemed to include whole time bonafide working Directors who do not own beneficial share holding carrying more than 5% voting rights in the Company and the employees of DOT/DTODTS who have been absorbed in BSNL with the option of pension on pro-rata basis/immediate absorption.
- ix) **MEMBER** shall mean an Employee who has been admitted to the membership of the Scheme and shall include any such person only so long as he continues to be admitted to the benefits hereunder.
- x) **ENTRY DATE** shall mean (a) in relation to the Members the Effective Date and (b) in relation to new Members admitted to the Scheme after the Effective Date, the Annual Renewal Date which is coincident with or which next follows the date on which they become eligible.

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xi) **SALARY** shall mean the monthly sum paid by the company to the employee as basic pay together with any dearness allowance which may for the time being be paid to such employee but shall not include any commission, house rent allowance, bonus, overtime and any other allowance and perquisite which such employee may receive from the company.

xii) **SERVICE** shall mean in relation to a Member the period for which for the purpose of the Scheme, 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 a Member will be the total of :

a) the period of future service with the Employer reckoned from the date of his/her entry into the Scheme up to his Normal Retirement Date or the date of cessation of Service, as the case may be, AND;

b) the period of past service already rendered in the company since his/her joining the company.

xiii) **BENEFICIARY** shall mean the member and in case of his death his widow, his children or dependants of the member.

xiv) **EFFECTIVE DATE** in relation to the Scheme shall mean 05<sup>th</sup> May 2016.

xv) **ANNUAL RENEWAL DATE** in relation to the Scheme shall mean the policy renewal date with the Fund Manager and the same will be updated once the scheme has been approved and notified;

xvi) **NORMAL RETIREMENT DATE** shall mean in respect of each Member the date on which the Member completes the age of superannuation;

xvii) **APPROVED FUND** shall mean a Superannuation Fund which has been and continues to be approved by the Commissioner of Income Tax under Part-'B' of the Fourth Schedule to the Income Tax Act, 1961.

xviii) **TRUST** means the Irrevocable trust under which the Fund is established.

xix) **Superannuation** in relation to an employee means:

a) The attainment by the employee of such age as is fixed in the conditions of services as age on attainment of which the employee shall cease to be employee.

b) In other case, the attainment by the employee at the age of 60 years or as decided by the Company.

xx) **CONTRIBUTION** means any sum credited by an Employer out of his own money to the individual account of an employee but does not include any sum credited as interest.

xxi) **ANNUITY** shall mean the particular Deferred Annuity or Deferred Annuities effected or to be effected in respect of the Members.

## 2. THE TRUSTEES TO ACT FOR MEMBERS AND THE EMPLOYER

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

## 3. ELIGIBILITY

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i) All Employees, more specifically covered at Para 1 (ix) above, who are on the regular rolls of the Company on or after effective date shall be eligible to participate in the Scheme provided the employee is not more than 45 years of age as on date of joining the company. However, the age limit of 45 years shall not be applicable in respect of the Employees in the following cases:

a. An officer shall have put in a minimum of 15 years of service rendered in continuity in CPSE's/Company at the time of superannuation and benefits would be allowed by the CPSE from where the incumbent has superannuated.

b. As regards Board level executives who are contractual appointees they too can enjoy the benefits under these schemes provided his/her total period of service rendered in continuity in CPSE(s)/Company including the period at Board level in a CPSE is not less than 15 years at the time of superannuation. Further, provided that such period of service rendered in any CPSE(s)/Company has not already been counted for any pension benefits.

c. In case a regular member of the scheme dies / becomes permanently disabled and incapacitated leading to cessation of his/ her service before putting in 15 years of service in a CPSE prior to superannuation he/she may be given the benefit as admissible under the scheme.

d. The service rendered in Government prior to joining Company would not count for the purpose of computation of total service in Company required for availing the benefit under this scheme

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

iii) Transfer of equitable interest in the Scheme

a) 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 similar Defined Contribution Superannuation Fund and consensus to transfer the sum.

Note: In case officers 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.

b) 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.

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Note: 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. Clause 'iii' of this Rule shall be applicable only in cases where transfer of equitable interest is from/ to a CPSE.

c) 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.

iv. 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.

v. The amount so received from CPSE to Employee's individual account towards the past service period shall be credited separately under Employer's contribution and Employee's contribution

vi. 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.

vii. 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.

viii. 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

Initially the company will provide the details of ages of employees based on Service records.

#### 5. MEMBER NOT TO WITHDRAW

No member shall withdraw from the Scheme while he is still an Employee in the category state above.

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**SECTION : II**  
**CONTRIBUTIONS AND SCHEME OF INSURANCE**

**6. CONTRIBUTIONS:**

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

i. **INITIAL CONTRIBUTION:** Initial contribution @ 3% would be paid by the Company in respect of past services of the Employees, commencing w.e.f 05.05.2016 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 approved by the Company, whichever is earlier.

ii. **MONTHLY CONTRIBUTION:**

- a) The monthly contribution payable by the company in respect of each member shall be @ 3% of Basic Pay plus DA. This contribution shall be credited to the individual account of member as Employer's contribution through the Trust and shall be payable throughout the period of his service up to the normal Superannuation date/date of cessation from service/Death of the member. The rate of Employer's contribution will be subject to review depending upon the financial position of the company.
- b) Employees can make voluntary contribution to the scheme maximum upto Basic Pay provided the take home salary should not be less than 1/4<sup>th</sup> of the Gross Salary.

**NOTE:** The aggregate of contribution paid by the Company for any year for any Member 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.

- c) In the subsequent years, the Employer and Employee contribution for the months of April to March of each financial year shall be payable by the 15th of the immediately succeeding month.
- d) An amount forfeited by the trustee shall be kept separately in surplus account. The money kept in surplus account will be utilized for the purpose of investment in accordance with Rule 85 of Income Tax, 1962.

iii. **Expenses of Scheme to be borne by the Company:** The expenses for administration of the Scheme shall be payable by the Company and shall be paid in addition to the contributions herein mentioned.

iv. **Employer lending Member's services (deputation) & continuity of Membership.**

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a) 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 or Govt. Department or Autonomous Body for the purpose of this Rule, the Member's services shall be deemed to be continuous and uninterrupted.

b) 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.

v. 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 Fund Manager. 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.

vi. In the event an Employee is sanctioned study leave with salary 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, the contributions shall recommence from the date the Employee rejoins the Company.

vii. 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.

viii. 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 per the company rules.

ix. 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.

## 7. ANNUITIES

i. The Trustees shall maintain with the Fund Manager 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 Fund Manager

ii. The Trustees shall effect "Annuities" with the Fund Manager 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 Section III of the Rules. The Annuities will not be entitled to participate in the profits of the Fund Manager

## 8. SCHEME OF INSURANCE

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i. For the purpose of providing pensions to the Members, the Trustees shall enter into a Scheme of Insurance with the Corporation where the Corporation will issue a Master Policy. In terms of the Master Policy, the Corporation will maintain a running account in favour of the Trustees to which will be credited the contributions paid by the Trustees in respect of all the Members. Every year, the Corporation will allow interest on the balance standing to the credit of the running account at a rate to be determined by the Corporation as at the close of each financial year. When a pension becomes payable to the Member on his retirement or cessation of service or to his Beneficiary in the event of his death, the Corporation 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 if a part of the pension is to be commuted, the commuted value will become payable in one lump sum, in which case only the balance of the pension will become payable.

ii. If the Corporation with the sole intention of granting relief to the Members/Beneficiaries who are already drawing the pension decides to grant increases 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 Corporation.

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## SECTION: III

### 9. BENEFITS

#### 9.1. BENEFITS ON NORMAL SUPERANNUATION AGE

i. Upon superannuation of a Member on the Normal Superannuation Date, the pension shall become payable to him if he has completed not less than 15 years Service and his balance, which shall be utilized to provide him appropriate pension, would be equal to the following:

- a) Total contributions to his account, comprising contributions by the Company and Employee including the additional contributions made by the Employee towards the Fund, if any, and interest earned thereon; and
- b) Any other amount transferred from previous employers or CPSE and interest thereon.

ii. Upon superannuation of a Member on the Normal Superannuation Date and subject to the condition that the Member has put in a minimum 15 years of Service, 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 Fund Manager. Pension benefits would depend upon the accumulated corpus available in his individual account (both Employer and Employee contributions along with accrued interest)

iii. The condition that a Member has to complete minimum 15 years Service in order to be entitled to superannuation benefits as contemplated in the Scheme shall not be applicable in the circumstances enumerated in Paras 9.2 & 9.3 below.

#### 9.2. BENEFITS ON VOLUNTARY SUPERANNUATION OR PREMATURE SUPERANNUATION ON MEDICAL GROUNDS

i. In the event of a Member opting for voluntary superannuation as per Company's rules, such Cases of VRS for which specific schemes has been framed would be examined in terms of such specific schemes of VRS of the Government Company applicable in respect of employees of Company. Benefits under these schemes would not accrue to VRS/VSS optees automatically.

ii. 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 irrespective of whether the Member has completed 15 years Service or not (similar to PF). The amount payable shall be calculated in the manner as prescribed under Para 9.1 and an appropriate pension will become payable to him.

#### 9.3. BENEFITS ON DEATH

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 installment of the pension being due in the month subsequent to the month of death of the Member.

#### 9.4. BENEFITS ON RESIGNATION PRIOR TO NORMAL SUPERANNUATION DATE

i. In the event of the employee leaving the services of the Company on his own free will or otherwise before becoming eligible for the benefit i.e. before completing 15 years continuous service in the Company, the Employer will discontinue making contributions in respect of such employee and the amount accumulated by way of Employee contribution

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including any additional contribution, if any, by the Employee only 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) along with interest lying in his individual account may be transferred at the request of the employee to the said Approved Defined Contribution Superannuation Scheme of which he may become member in future, if the amount is not transferred on account of the CPSE not having any Approved Defined Contribution Superannuation Scheme, then both employees' and employers' contribution, if any, along with interest thereon shall be refunded to him/or annuity allowed at the option of the beneficiary provided he completes 15 years of continuous service in different CPSEs.

iii. The undistributed Employer's contribution shall be transferred to the Surplus Account and may be adjusted against the future contributions by Employer. However in this regard DPE guidelines from time to time shall prevail.

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

#### 9.6. 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, only the Employee's Contribution, if any, along with interest thereon shall be refunded to him, after settling all the dues payable by him to the Company and deduction of charges, if any.

#### 9.7. 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 9.1 above.

### 10. COMMUTATION OF PENSION

A maximum of 1/3rd of the Corpus in the account of member may be commuted for a single payment, and for remaining 2/3rd of the amount the annuity would be purchased.

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## 11. ACCOUNTS

i. 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.

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.

iii. The Trustees shall appoint Auditors on yearly basis 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 Balance Sheet, Receipts and Payments Account, Income and Expenditure Account. These Accounts shall be adopted at a meeting of the Trustees every year within six months of close of the annual accounts.

iv. The Fund Manager 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.

v. The Fund Manager 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.

## 12. AMENDMENT OF THE RULES

i. The Company reserves the right to vary the Contributions to be made under the Scheme at anytime and/or amend the Rules of the Scheme, after giving three months notice in writing to the Trustees, the Fund Manager and to all the Members of the Scheme.

ii. 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.

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

iv. 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.

## 13. GENERAL

i. 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

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

ii. 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.

iii. 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.

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

v. 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

vi. 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.

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

viii. The Employer is neither the Fund Manager nor the guarantor of any Annuities purchased under these Rules and in the event of the Fund Manager 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.

ix. 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.

x. 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.

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**SECTION : IV  
MISCELLANEOUS PROVISIONS**

**14. MEMBER TO HAVE NO LEGAL RIGHT**

A member or his Beneficiary shall have no interest in the Master Policy taken out in respect of the Members or any investment otherwise made by the Trustees in accordance with the Rule of the Scheme but shall be entitled to receive a 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 ENCUMBRANCE**

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

If any restraint or prohibitory order is served on the Trustees in respect of any benefit payable to a Member or his Beneficiary or if the Member or the Beneficiary shall become bankrupt or attempt to assign, charge or in any way encumber the pension or any benefit there under, he shall forfeit all rights and claim thereto and the same shall lapse to the Trustees but without prejudice to the powers of the Trustees at their discretion to maintain or continue the same, if they think fit, either immediately or after an interval or otherwise to make payments for the support of the Member or his Beneficiaries. The value of any or all benefits forfeited shall be transferred to the 'Surplus Account'.

**16. TRUST DEED TO PREVAIL**

Should anything contained in these Rules or in any alternation or amendment thereof be inconsistent with the object 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 to bring them in conformity with the provisions of the Trust Deed.

**17. JURISDICTION**

The Master Policy to be effected under the Scheme shall be an Indian contract, subject to the laws of Indian including the Indian Insurance Act, 1938, as amended, the Life Insurance Corporation Act, 1956, 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 provisions of the Income Tax Act, 1961 or the Income Tax Rules, 1962 and the trust act it shall be ineffective to the extent of Such repugnance, any such repugnance in so far as it relates to Income Tax Act 1961 and the Rules there under shall be removed by the Trustees if so directed by the Commissioner of Income Tax.

**18. MASTER POLICY**

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

## 19. SURPLUS ACCOUNT

Any sum forfeited to the Trustees under the Rules shall be credited to a separate Account called the 'Surplus Account' and will be utilized for the purpose of investment in accordance with Rule 85 of Income Tax Rule, 1962.

## 20. DEDUCTION OF SUMS DUE TO INCOME TAX AUTHORITIES

i. Income Tax : In any case where the Trustees or the Corporation is liable to account to the Income Tax Authorities for Income Tax on any payments due under the Scheme, the Trustees or the Corporation shall deduct a sum equal to the tax from such payment and shall not be liable to the Members for the sum so deducted.

ii. 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 contribution made before the Scheme ceased to be approved by the Commissioner of Income Tax under the provisions of PART 'B' of the 4th Schedule to the Income Tax Act, 1961.

## 21. APPOINTMENT OF BENEFICIARY

i. Every Member shall appoint one or more of his wife/ child/ children or dependants as Beneficiary or Beneficiaries under the Scheme to receive the benefits hereunder in the event of the death of the Member. If a Member dies whilst in Service or before he has commenced to draw the pension or after he has commenced to draw the pension but before he has received all the guaranteed installment under the pension option elected by him, the Trustees shall hold the benefits in respect 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 paragraph of this Rule.

ii. Every appointment to be made under this Rule shall be in writing signed by the Member and attested by two witnesses and shall be according to the form given in the Appendix to these Rules and shall remain in full force and effect until the death of the Beneficiary or until the same will be revoked in writing by the Member by whom the same was made and a fresh appointment is made in the manner aforesaid.

iii. 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 filling a written notice of the change with the Trustees in the prescribed form satisfactory to the Trustees whereupon an acknowledgement of the change and the registration of the name of the new Beneficiary will be given to the Member by the Trustees. The New appointment shall take effect on the date the notice was signed whether or not the Member is living on the date of acknowledgement of the change without

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prejudice to the Corporation or the Trustees on account of any payment made before the acknowledgement of the change.

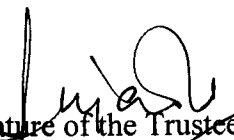
iv. If a beneficiary shall at the time of his appointment be a minor or otherwise under disability to give a legal receipt or discharge to the Trustees the Member must at the time of such appointment as aforesaid appoint a person who is major and who is capable of giving a legal receipt or discharge to the Trustees and to whom the benefits are to be paid for and on behalf of such Beneficiary so long as such minority or disability continues.

v. If more than one Beneficiary is appointed and in such appointment the Member has failed to specify their respective interest, 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 Beneficiaries as survive the Member unless the Member has made written request otherwise to the Trustees in the prescribed form.

## 22. 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 part 'B' of the Fourth Schedule to the Income Tax Act, 1961 or the Income Act Rules, 1962 it shall be forthwith reported to the Commissioner of Income Tax and if the Commissioner of Income Tax so requires, the Trustees shall review the decision.

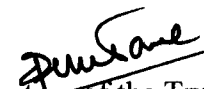
Signed, sealed and delivered by the  
above named Ms Sujata Ray, Director (HR)  
one of the Trustees

  
(Signature of the Trustee)

In the presence of K K Govardhan

  
Signature of Witness


Signed, sealed and delivered by the  
above named Shri H C Pant, CS & CGM(Legal)  
one of the Trustees

  
(Signature of the Trustee)

In the presence of N. R. RAMPRASAD  
DM (SECT. 7) BSNL CO, NENDELIT

  
Signature of Witness

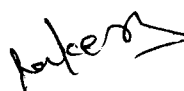
Signed, sealed and delivered by the  
above named Ms Shri P D Chirania, GM(CA)  
one of the Trustees

  
(Signature of the Trustee)

In the presence of D. Chaudhuri  
DGM (CA 2 ERP)

  
Signature of Witness







Signed, sealed and delivered by the  
above named Ms Madhu Arora, GM(Estt.)  
one of the Trustees

Madhu  
(Signature of the Trustee)

In the presence of RAJENDER KUMAR  
P.A. BSNL CO.

Rajender  
Signature of Witness

Signed, sealed and delivered by the  
above named Shri Rakesh Arya, DM(T&C-CM)  
one of the Trustees

Rakesh  
(Signature of the Trustee)

In the presence of VIKAS BHARTI  
AM (Fin) Estt.

Vikas  
Signature of Witness

Signed, sealed and delivered by the  
above named Shri Piyush Garg, DM(Reg.)  
one of the Trustees

Piyush  
(Signature of the Trustee)

In the presence of RAKESH KUMAR  
DM (CA), BSNL CO

Rakesh  
Signature of Witness

Piyush

Madhu

Madhu

Piyush

Madhu

Rakesh