

ಕೆಐಒಸಿಎಲ್ ಲಿಮಿಟೆಡ್, 2ನೇ ವಿಭಾಗ, ಕೋರಮಂಗಲ, ಬೆಂಗಳೂರು
ಕೆಆರ್‌ಐಒಸಿಎಲ್ ಲಿಮಿಟೆಡ್, II ಬ್ಲಾಕ್, ಕೋರಮಂಗಲ, ಬೆಂಗಳೂರು
KIOCL LIMITED, II BLOCK, KORAMANGALA, BENGALURU 560034-
ಮಾನವ ಸಂಪನ್ಮೂಲ ವಿಭಾಗ /मानव संसाधन विभाग /HR DEPARTMENT

NO.HR/Pension/16/77/130

Date: 19.11.2018

CIRCULAR

The following Pension Schemes have been introduced in the Company with immediate effect to extend Pension benefits to the retired employees. The detail scheme is enclosed in the Annexure.

- 1) "KIOCL Executives & Non unionized Supervisors defined contributory Pension Scheme and Rules" for Board level, below Board level Executives and Non Unionized Supervisors who were on the rolls of the Company w.e.f.,01.01.2007.
- 2) "KIOCL Non Executives defined contributory Pension Scheme and Rules" for Non Executive employees who were on the rolls of the Company w.e.f.,01.01.2012.

The salient features, terms and conditions of the above pension scheme and other connected documents are also uploaded in the Company website for view.

The eligible employees are requested to visit company website <https://www.kioclltd.in> for the details to avail the pension benefits.

This issues with the approval of competent authority



(Shankar Karnam)

Deputy General Manager [HR&A]

Encl: as above.

Distribution:-

As per A,B & C lists

All Notice Boards.

Website.



KUDREMUKH

**KIOCL EXECUTIVES & NON-UNIONISED
SUPERVISORS DEFINED CONTRIBUTORY
PENSION SCHEME AND RULES**

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**KIOCL EXECUTIVES & NON UNIONISED SUPERVISORS DEFINED
CONTRIBUTORY PENSION SCHEME**

1.0 Title

The Scheme will be called “KIOCL EXECUTIVES & NON UNIONISED SUPERVISORS DEFINED CONTRIBUTORY PENSION SCHEME”.

2.0 Coverage

The Scheme will cover regular employees of KIOCL Limited, at Board level, below Board level Executives and Non unionised Supervisors hereinafter referred to as Members who were /are on rolls of the Company as on 01.01.2007 and onwards.

3.0 Defined Contribution Plan

The Scheme will be under Defined Contribution Plan, wherein the pension contribution from the Company to the Fund will be defined within the prescribed percentage. The pension corpus of the member/beneficiary shall depend upon the accumulated contribution in the Fund and the applicable outflow as defined under the Scheme, at the time of prescribed separation.

4.0 Eligibility for Pension Corpus

The following categories of employees are eligible for Pension Corpus from the Company.

4.1 Regular employees of KIOCL Limited, at Board level, below Board level Executives and Non Unionized Supervisors, as on 01.01.2007 onwards and those who were separated through retirement, Voluntary retirement upto 31.12.2016 rendered 15 years of service from the Company.

4.2 Death and Medical unfit cases on or after 01.01.2007 with or without 15 years of service in the Company.

4.3 Superannuation on account of pre-mature retirement by the Company.

4.4 Lateral entrants to the Company, for whose past service in the other PSUs reckoned for eligibility of minimum 15 years of service if the application forwarded through proper channel. Individual pension corpus from KIOCL will be only for the entire service rendered in KIOCL on their Superannuation, VRS, medical unfit or death while in service or after 01.01.2007. The other PSUs having similar Scheme where the employee pension Corpus can be transferred to the prospective employer i.e., KIOCL Limited the transferred Pension Corpus Fund if any will be added to the existing Pension Corpus.

4.5 Minimum 15 years of service is not required to the employees who were/are on rolls of the Company as on 01.01.2017 onwards.

- 4.6 KIOCL Employees on deputation/lien to other PSUs, Government Departments etc when their salary payments are made by the borrowing Organization, will be eligible for the period of such deputation/lien provided such employees join back KIOCL and superannuate or retire from KIOCL.
- 4.7 The borrowing Organization of the individual or the individual himself/herself in such cases, should contribute to KIOCL the prescribed percentage of Basic Pay + DA towards Pension Corpus as decided from time to time. In the event of not receiving the payment as above, for the deputation/lien period, such period will be treated as "dies-non" for calculating the Pension Corpus for such individuals.
- 4.8 In case of death of the employee on deputation/lien, his/her case will be covered as per the norms below:
- 4.8.1 The period of service rendered in KIOCL plus deputation/lien period for which contribution has been received as aforesaid will be counted for the purpose of computation of Pension Corpus.
- 4.8.2 In case contribution for the deputation/lien period/service is not received, such period will not be reckoned for computation of Pension Corpus.
- 4.9 On deputation to KIOCL, the period of service rendered in KIOCL on absorption alone, will be counted for Pension Corpus.
- 4.10 Severance of service by the employee on account of resignation, termination, dismissal and removal will not be eligible under the scheme.
- 4.11 "APPROVED FUND" shall mean a Pension Fund, which has been approved by the Commissioner of Income Tax under Part "B" of the Fourth Schedule to the Income Tax Act, 1961.
- 4.12 "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.
- 5.0 **Operation of Scheme**
- 5.1 The KIOCL Employees Pension Fund, a Trust, as approved by CMD, will be responsible for the Administration of the Scheme, receive Company's contribution and facilitate Payment of Individual Pension Corpus for purchase of Annuity, as per the provisions of the Pension Scheme read with Rules as approved by the Company from time to time or remit contribution to the Trust or Fund Manager.
- 5.2 The Company's contribution for Pension, from out of 30% of Basic Pay + DA or as decided from time to time for all regular employees of the Company, after allocation towards Provident Fund, Gratuity and Post Retirement Medical Benefit Scheme, will be transferred to the KIOCL Employees' defined Contributory Pension Fund. The Trust

will be governed by the Trust Deed. The Administration of the Scheme will be done by the Trust, based on the Rules and Regulations of the Fund/Trust, which will be based on the Scheme.

5.3 The Individual Pension Corpus will be utilized by the eligible employee/nominee (as defined in the Rules and Regulations) for purchase of Annuity offered by the Insurance Company(ies) approved by the Insurance Regulatory Development Authority.

6.0 **Company's Contribution/Inflow**

6.1 The Trust will maintain an Account for all the eligible employees, on account of whom the contribution is transferred by the Company, where the Company's contributions, with interest, will get accumulated by the self, managed Trust or outsource the fund management to **Life Insurance Corporation of India** or any other approved Insurer by IRDA.

6.2 Executives who were on the rolls of the Company as on 01.01.2007 to till 31.03.2018, Initially Company will contribute every month's individual employee contribution to the Trust/Fund an amount of 9% of the Basic Pay + DA except for the financial year 2009-10 and 2015-16, when the Company incurred losses for which the rate of contribution in these years fixed at 3%. Thereafter, this percentage of contribution towards Pension Fund is to be reviewed every year to ensure that the contribution of the Company towards the four superannuation benefits such as PF, Gratuity, Post-Retirement Medical Benefit Scheme and Pension remain within the prescribed overall ceiling and depending upon Company's financial position based on profit and loss of the Company.

6.3 The initial contribution @ of 9% of the Basic Pay + DA of the executives on the roll of the Company as on 01.01.2007 upto 31.03.2018 except for the financial year 2009-10 and 2015-16, for which the rate of contribution fixed at 3% will be transferred as lump sum to the Trust.

6.4 Thereafter, along with the monthly salary the employer will transfer pension contribution to the trust.

6.5 In case of wages getting revised from the retrospective date due to Wage Revision, the effective date for Company's contribution to the Fund on revised wages for calculation of Individual Pension Corpus will be at the discretion of the Company.

7.0 **Employee's Contribution/Inflow**

7.1 Employees who are on rolls of the Company may make voluntary contribution minimum 2% maximum upto @10% of Basic Pay + DA (rounded off to nearest rupee) on implementation of the Scheme, subject to the provisions of Payment of Wages Act/Minimum Wages Act etc.

7.2 For contribution of additional amount voluntarily as above, a written consent is required to be made by the employee at the beginning of the financial year. The deduction will be as percentage

of Basic Pay + DA of the individual following the month in which the consent is given. The consent so given will be mandatory for the entire financial year unless the employee separates from the service of the Company.

8.0 **Individual Pension Corpus/Outflow**

8.1 The Individual Pension Corpus will be determined depending upon the accumulations and the interest earned on such accumulations based on the experience of the fund.

8.2 Any sums forfeited to the Trustees under the Rules will be credited to a separate account called the „Surplus Account“ and utilized in part or full payment of Ordinary Annual Contribution payable in any year under the scheme by the Company.

9.0 **Pension pay-out**

9.1 For the purpose of payment of Pension to the employee/beneficiary, the Annuity will be purchased from Insurance Provider of the Scheme.

9.2 The Annuities shall be payable and paid only in India.

10.0 **General Conditions**

10.1 On announcement of the Scheme, every employee on the rolls of the Company shall appoint one or more person of his/her family as Beneficiary or Beneficiaries under the Rules, to receive the benefits hereunder, in the event of the death of the Member. Similarly, every individual on joining the Company as a regular employee shall submit the prescribed nomination form. If a member acquires family after the date of nomination, the earlier nomination shall become invalid and he/she will have to give a fresh nomination within 30 days time.

10.2 All the conditions regarding nominations, eligibility of employees against whom disciplinary action has been initiated/pending conclusion etc will be as stipulated in the Rules and Regulations of the Scheme.

10.3 Payment of individual Pension Corpus under this Scheme is subject to employee vacating the Company owned/leased accommodation as per Company rules and payment of all outstanding dues to the Company as elucidated in the Rules and Regulations.

10.4 Income Tax liability, if any, on the monthly pension will be met by the beneficiary.

11.0 **Delegation of Powers**

11.1 General Manager (HR)/HOD of HR authorized for interpretation/clarifications on the Pension Scheme after due financial concurrence where applicable.

11.2 CMD of the Company authorized for modify or amend the KIOCL Employees' defined Contributory Pension Scheme in future, within the broad Guidelines of Department of public Enterprise.

12.0 **Applicable Law**

12.1 KIOCL Employees' defined Contributory Pension Scheme shall be construed and interpreted in accordance with and governed by the Laws of India and shall be subject to the exclusive jurisdiction of Courts at Bengaluru, India.

**RULES & REGULATIONS OF KIOCL EXECUTIVES & NON UNIONISED
SUPERVISORS DEFINED CONTRIBUTORY PENSION SCHEME AND KIOCL
EMPLOYEES DEFINED CONTRIBUTORY PENSION FUND**

A. ELIGIBILITY

- 1.0 Qualifying period of service, for eligibility and calculation of Pension Corpus should be continuous without break in service for more than 30 days.
- 2.0 The period of training under Apprentices Act, 1961, as ITI Trainees, Diploma and Graduate Trainees and any trainee/apprentice not on regular rolls of the Company will not qualify for eligibility and calculation of Pension Corpus.
- 3.0 The services rendered by an employee as Casual, Contract Labour will not qualify for eligibility and calculation of Pension Corpus.
- 4.0 The period of unauthorized/unregularized absence will not qualify for eligibility and calculation of Pension Corpus.
- 5.0 The period of suspension if not treated, as duty will not qualify for eligibility and calculation of Pension Corpus.
- 6.0 An employee whose services are severed on account of resignation, termination, dismissal, removal will not be eligible for Pension Corpus except his own contributions if any, thereon.
- 7.0 An employee against whom a disciplinary proceeding, by issue of charge sheet for major penalty, has been initiated and is pending on the date of superannuation will not be eligible for Pension corpus till conclusion of disciplinary proceedings and the penalty imposed will be kept in view for a decision.
- 8.0 An employee against whom criminal prosecution for moral turpitude is pending on the date of superannuation will not be eligible for Pension corpus till conclusion of trial. If convicted, the employee will not be eligible for Pension Corpus.
- 9.0 An employee or his/her/family residing in Company quarters or in Company leased/hired accommodation and does not vacate the accommodation as per rules on superannuation will be eligible for Pension Corpus only on vacation of the quarter or termination of lease without any liability on the Company.
- 10.0 An employee or his/her family residing in Company quarters and not vacating the same beyond the permissible period of Four months will be eligible for Pension Corpus only on conclusion of eviction proceedings under applicable Act and payment of all dues to the Company.
- 11.0 An employee who has filed a case against the Company in any court of law will be eligible for Pension corpus only on conclusion of the court case.

- 12.0 An employee or his family member who does not clear the dues of the Company on superannuation or death will be eligible for Pension Corpus only after clearing dues from the Company.

B. PENSION CORPUS

- 1.0 On superannuation, the employee alone will be eligible to get the benefits under the Scheme and no member of his/her family shall have any claim on the same.
- 2.0 On announcement of the Scheme, every employee on the rolls of the Company shall appoint one or more persons of his/her family as Beneficiary or Beneficiaries under the Rules, to receive the benefits hereunder. Similarly, every individual on joining the Company as a regular employee shall submit a nomination form, in the prescribed format. If a member acquires family after the date of nomination, the earlier nomination shall become invalid and he/she will give a fresh nomination within 30 days time. The nomination shall be given in duplicate and one copy duly acknowledged will be given to the member.
- 3.0 The nominee, as per nomination given by the employee, becomes entitled to Pension Corpus only in the event of death of the employee while in service. Where the nominee is more than one, the amount of pension corpus will be distributed in the ratio mentioned in the nomination form by the Member.
- 4.0 In the absence of nomination, the pension corpus will be distributed among the legal heirs as per the Nomination Form submitted by the employee under EPF Scheme.
- 5.0 In the absence of any nomination under EPF Scheme, the Pension Corpus will be distributed amongst legal heirs as per succession certificate given by competent Court.
- 6.0 Transfer of equitable interest in the Scheme:
- (i) In the event of a member at any time ceases to be in the service or ceases 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 his equitable interest in the Scheme, provided the member has fulfilled the pension eligibility conditions. In case the member has not fulfilled the minimum pension eligibility condition, an amount equivalent to the value of his/her contributions to the pension fund along with the accumulated interest there upon on his/her contributions, such equitable interest value can be transferred.
 - (ii) If, on becoming a member of the Scheme a Member shall desire to pay or procure transfer to the Trustees of any sum to which as a member of any other approved fund he may be entitled, the

Trustees with the approval of the Company 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 notwithstanding any restrictive conditions under these Rules, be entitled to such additional pensions as the Insurer shall certify to be attributable to the value as on the date of retirement or death of the total amount so paid or transferred.

C. APPOINTMENT OF BENEFICIARY/NOMINEE

- 1.0 Every appointment made under this Rule shall be in writing, signed by the Member and attested by two witnesses and shall be in 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.

- 2.0 A member may, from time to time or at any time without the consent of the Beneficiary/ Nominee, if any, revoke or change the nomination by giving a written intimation of change to the Company in the prescribed form. The new nomination shall take effect on the date the revised nomination was signed. The change of nomination can be exercised only during his/her service period.

- 3.0 If a Beneficiary/Nominee at the time of his appointment is a minor or otherwise under disability, not competent to give a legal receipt or discharge to the Trustees, the Member must at the time of such appointment as aforesaid, appoint a guardian who has attained majority and who is capable of giving a legal receipt or discharge to the Trust as and when and to whom the benefits are to be paid for and on behalf of such Beneficiary so long as the beneficiary is minor or under disability.

Explanation: The guardian(s) so appointed shall be liable to the minor or person with disability and no liability will be on the Trustees or the Company.

- 4.0 If more than one Beneficiary is appointed and in such appointment the Member has failed to specify their respective share, 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.

- 5.0 If a nominee who in the event of death of the member is eligible to receive the Pension Corpus of the deceased member is charged with the offence of murdering the member or abetting in the commission of such an offence, his or her claim to receive the share of the corpus

shall remain suspended till the conclusion of the criminal proceedings. If, on conclusion, the person is convicted, he/she shall be debarred from receiving the share. In such an event, his/her share will be distributed to other beneficiaries. If acquitted, his/her share will be payable without any interest.

D. Benefits

1.0 Benefits on Normal Retirement Date

(a) Upon the retirement of a Member on the Normal Retirement Date, the pension shall be paid to the Member monthly in arrears or otherwise, as per the pension option chosen by the member out of the various pension types offered by the Insurer/Fund Manager, provided the Member has fulfilled the pension eligibility conditions.

(b) Written notice by the Member of his having exercised anyone of the pension options under the Rule or provided by the Insurer, together with evidence of appointment of the Beneficiary made by such Member must be furnished to the Trustees three months prior to the Normal Retirement Date.

2.0 Benefits on Retirement before Normal Retirement Date Due to ill health / incapacitation

Upon the Retirement of a Member any time during service owing to ill health or incapacitation preceding his normal Retirement Date, the pension as may be elected by him will become payable immediately. Alternatively, the Member may, elect a pension which will commence from the Normal Retirement Date.

3.0 Benefits on Death

(a) In the event of the death of a Member whilst in the service of the Company the Beneficiary appointed by the member may opt for any of the types of pensions provided by the Insurer / Fund Manager.

If the Member has not appointed a Beneficiary or is such Beneficiary has predeceased the Member and no fresh appointment of Beneficiary 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 dependents in equal amounts. If the deceased Member does not leave a wife, child / children or dependents then the benefits shall be realised by the Trustees and credited to the "Surplus Account".

(b) The Trustees shall intimate to the Insurer in writing the pension elected by the Beneficiary within thirty days after the date of death of the Member. The pension will be payable monthly or otherwise as desired by the Beneficiary, the first installment being due on the date of death of the Member.

4.0 Benefits on Resignation

(i) In the event of the Member leaving the services of the Company, of his own free will or otherwise, the Company will discontinue contributing in respect of such member. The amount accumulated by way of employee contribution, including interest, additional contribution, if any, by the employee, shall be refunded after deduction of charges, if any, and subject to Income Tax Rules, 1962, as applicable.

(ii) Joins another PSE having a Defined Contributory Pension Scheme: The accumulated amount (both the Employer and Employee contribution) lying in his individual account may be transferred to the Scheme of which he may become a member within a period of 12 months subject to the consent of the other PSE.

(iii) Joins another PSE not having a Defined Contributory Pension Scheme or a Company other than CPSE: [The benefits will be as per clause 4 (i) above].

5.0 In case of the premature retirement on account of Employee's inefficiency and doubtful integrity, the Employee shall be entitled to the same benefits as in case of resignation as per clause 4(i).

6.0 The undistributed Employer's contribution in all the above cases shall be transferred to the "Surplus Account" of the Trust and may be adjusted against the future contributions by Employer.

E. ANNUITIES

1.0 The Annuities for Pension to the individual will have to be purchased only from the Insurance provider or any annuity provider approved by the IRDA as per the options provided by them.

2.0 The "KIOCL Employees defined Contributory Pension Fund" shall authorize the Individual Pension Corpus for the eligible employee/Beneficiary in terms of the Rules of this Scheme, at the time of superannuation/retirement/ death.

3.0 The Pension Corpus authorized by the KIOCL Employees Pension Fund will be intimated to the Fund Manager(s) and/or annuity Provider.

4.0 Annuity will be effective from the prospective date of authorization of Pension Corpus and purchase of the Annuity by the Employee/ Beneficiary and the Employee/Beneficiary shall not be entitled to claim Pension from backdate.

5.0 The Employee/Beneficiary will give an option of Pension under the Scheme by the Insurer or the annuity provider.

- 6.0 The Annuity options along with applicable rates indicated by Insurer/ the Annuity providers will be on a monthly basis and valid until the end of the month.
- 7.0 A Beneficiary shall have the option to add any of his/her own lumpsum contribution, directly to the Insurer/Annuity provider while purchasing the Annuity out of the Pension Corpus.
- 8.0 After purchase of Annuity and disbursement of Pension, any query/ complaint on the same will have to be taken up by the Beneficiary directly with the concerned Insurer/ Annuity Provider. Trust/ Company will not have any liability to resolve/ remedy such complaints/ query. In case the Insurance Company does not redress the query/complaint of the Beneficiary, the Beneficiary will be free to take up the matter with Insurance Ombudsman or any other channel as per his/ her choice (viz Consumer Court, courts, IRDA etc).
- 9.0 Beneficiary cannot commute, transfer or assign the Pension Corpus.
- 10.0 All conditions for periodicity of payment of Pension, return of capital etc will be as per Annuity Options chosen by the Beneficiary.
- 11.0 The Annuity Option once chosen cannot be changed and it shall be final and binding on the Beneficiary.
- 12.0 KIOCL is not a guarantor for any Annuities purchased under these Rules. In the event of the Annuity provider opts to withhold any benefits in respect of any of the contracts under such Annuities that they may have issued owing to circumstances beyond KIOCL's control or otherwise, KIOCL shall be under no liability whatsoever to any Beneficiary entitled to the benefits secured by such Annuity or Annuities.

F. MISCELLANEOUS

- 1.0 The Company reserves the right to vary the Contributions to be made under the Scheme at anytime, based on the Actuarial evaluations, if necessary.
- 2.0 The Company reserves the right to discontinue making Contributions to the Scheme at anytime, after giving three months notice in writing to the Trustees, Members and Fund Managers.
- 3.0 The Company may also at anytime amend the Rules of the Scheme. Such amendment shall always have effect from the date on which the applicable notices have been served.
- 4.0 No such amendment shall affect in anyway pensions already paid by the Annuity Provider.
- 5.0 In the event of winding up of the Trust/Fund, the Trustees shall, after obtaining prior permission from the Commissioner of Income tax,

make such arrangement with the Insurer as to provide, in the first instance,
(i) for the payment of pension in respect of the Members/Beneficiaries for whom contributions have been received from the Company, before the date of winding up and
(ii) who have become entitled to receive Individual Pension Corpus. The Trustees shall then after providing for the payment of all costs and expenses of winding up, utilize the balance amount standing to their credit in the running account held by the Insurer, in proportion to the benefits accrued for the Members on the date of winding up for securing pensions and/or other benefits of the same nature as specified in the Rules to such persons as may then be Members of the scheme or to their Beneficiaries, as the case may be, irrespective of whether or not such Member or Beneficiaries have become entitled to the benefits under the Scheme.

6.0 In the event of the Company being wound up/or dissolved for the purpose of reconstruction, reconstitution or amalgamation with any other Company, Firm or Association, the trustees may make such arrangements or enter into such agreements as they in their discretion shall deem fit for the continuance of the Trust in connection with such reconstructed, reconstituted or amalgamated Company, Firm or Association PROVIDED ALWAYS THAT no arrangements or agreements under this clause shall be entered in without obtaining the prior approval of the Commissioner of Income Tax.

7.0 **Deduction of sums due to Income Tax Authorities**

In any case, where the Trust 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 Trust shall not be liable to KIOCL or Members for the sum so deducted.

8.0 **Restraint on Anticipation or Encumbrance**

Under no circumstances, the Pension Corpus is liable to attachment or can be assigned, charged or alienated in any manner. The Pension Corpus will be utilized only for the purpose of purchase of Annuity for payment of Pension by the Insurance Company.

9.0 **Applicable Law**

These Rules and Regulations shall be constructed and interpreted in accordance with and governed by the Laws of India and shall be subject to the exclusive jurisdiction of Courts at Bengaluru, India.
