



LIFE INSURANCE CORPORATION OF INDIA

KOLKATA METROPOLITAN DIVISIONAL OFFICE-I

P & GS UNIT

(Established under the Life Insurance Corporation Act, 1956)

Master Policy No. GG(CA)-212773

GRANTED TO

COAL INDIA LIMITED EMP. GRATUITY FUND

Master Policy No .GG / CA /212773

WHEREAS

The Life Insurance Corporation Of India (hereinafter called "the Corporation") has received a Proposal from the Trustees of **COAL INDIA LIMITED EMPLOYEES GRATUITY FUND** (hereinafter called "the Grantees") for a Group Gratuity Benefits as described in the Rules of the aforesaid Gratuity Scheme (hereinafter defined) Which Rules together with the aforesaid proposal are hereby declared to be the basis of this policy AND whereas the Corporation has received a premium of Rs- 538748783/- in respect of 4336 Member towards provision of Gratuity and Life Assurance Benefits for a total Sum Assured of Rs- 970428008/- (**LIFE COVER WILL BE EFFECTIVE FROM 27-03-08**)

NOW THIS POLICY WITNESSES :


1. Subject to the terms and provisions hereof, the Corporation hereby agrees to pay to the Grantees the benefits in respect of the Members calculated as herein prescribed after the Grantees shall have supplied the Corporation with proof to the satisfaction of the Corporation of the happening of the events upon which such benefits are expressed to be payable.
2. Any amendment to the terms and conditions of this policy shall be given effect to by an endorsement to the policy signed by an authorised Officer of the Corporation.

The provisions hereinafter contained shall form part of this Policy as fully as if recited over the signature affixed hereto .

Dated at KOLKATA This 17th DAY OF April 2008

For and on behalf of the
LIFE INSURANCE CORPORATION OF INDIA


MANAGER(P&GS)

Examined.....

Manager (P & G S) D.M.
LICI KMDO-i
Jeevan Prakash (9th Floor)
10. C R. Avenue. Kolkata-700072

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GENERAL CONDITIONS

1. In this Policy, where the context so admits, the masculine shall include the feminine, the singular shall include the plural and the expression referred to in Part I of the Schedule shall unless otherwise defined, have the meanings therein specified.
2. An Eligible Employee shall be admitted as a Member of this Policy from the date on which he enters the scheme.
3. All future employees of the employer shall become Members hereof when they become eligible in accordance with the Rules .
4. Evidence of age of the Member, satisfactory to the Corporation must be furnished to the Corporation before paying any benefits hereunder.
5. For the purpose of granting life assurance benefits under Term Assurance Plan, each Member shall produce satisfactory evidence of his health in the form and manner prescribed by the Corporation at the commencement of his Membership hereunder and on each occasion thereafter when an increase in life assurance benefit is to be granted.
6. The Grantees shall pay the Corporation on the 1ST DAY OF APRIL 2007 i.e. the date of commencement of the policy and the 1ST DAY OF APRIL every year thereafter the premium according to part II of the Schedule provided that if the Grantees desire and the Corporation agrees, the premiums hereunder shall be paid in monthly or quarterly or half-yearly installments commencing from the said date of commencement.
7. The premiums are payable on the due dates. If the premiums are not so paid , the Grantees shall, unless the Corporation otherwise agrees, be deemed to have discontinued payment of the premium and they shall not be entitled to resume payment except with the consent of the Corporation and on such terms and conditions as the Corporation may prescribe in this regard. Interest on the running account shall be allowed only from the date of receipt of each premium .
8. The Grantees shall furnish to the Corporation all particulars relevant to the Scheme and to the operation of this Policy and the particulars so furnished may be accepted by the Corporation as conclusive.
9. Any amendment or modification of the Scheme shall have effect for the purpose of this Policy only to such extent as the Corporation shall in writing agrees and the consequential changes to the relevant provisions hereof shall be given effect to by endorsement to the Policy .
10. Variations in the total benefits assured hereunder as on the Annual Renewal Date shall be given effect to by endorsements to the Policy.
11. The Corporation reserves the right to revise from time to time the the premium rates and any other provisions of this Policy upon giving to the Grantees one month previous notice in writing . The right to revise equally applies to any revision previously made .
12. As soon as a Member or a Nominee becomes entitled to receive the benefits under the Scheme, the Grantees shall send the relevant particulars to the Grantees appropriate benefits.
13. Proof of existence and identity of the Member or the Nominee, as the case may be furnished to the Corporation before the payment of benefits is made.
14. The benefits payable hereunder are strictly personal and cannot be assigned, charged or alienated in any way by the Members or the Nominees.

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15. All monies payable by the Corporation hereunder shall be paid to the Grantees at its Office at **10, NETAJI SUBHAS ROAD, KOLKATA-700 001** and a discharge given by the Grantees or on their behalf by any person duly authorised in writing by the Grantees shall be a valid discharge to the Corporation in respect of any such payment.
16. In any case, where the Corporation is liable to the account to the revenue authorities for Income-tax or any other taxes duties on benefits to be paid under this Policy, the Corporation shall be entitled to deduct the appropriate amounts for that purpose from the respective payments and shall not be liable to the Grantees for the sums so deducted.
17. Any dispute which may arise in connection with policy shall be submitted to the appropriate court having jurisdiction over the city of city/town of **KOLKATA**.
18. If the Grantees fail to observe or comply with any of the terms and conditions of this Policy the Corporation may decline to accept further premium hereunder and thereupon and the Grantees shall be deemed to have discontinued payment of premiums hereunder.
19. In case any condition herein contained or endorsement made hereto shall be contravened or in case it shall appear hereafter that an untrue or incorrect averment is contained in the proposal paper or other statement furnished to the Corporation by the Grantees or that any material information has been withheld, then the benefits under this Policy in so far as the same relate to a Member shall be void and the relative Assurance shall cease and be determined and the amounts paid therefor to the Corporation shall be forfeited to the Corporation . .
20. The Grantees and the Corporation reserve the right to terminate the scheme by giving three months notice to either party. In that event, the Term Assurance in respect of the members shall terminate forthwith and the total amount remaining in the running account on the date of surrender shall, become payable to the Grantees and the Corporation shall make payment of the surrender value in instalments over a period not exceeding 10 months commencing from the date on which the first instalment is paid, the first Instalment being paid not later than one month after the expiry of the said notice.
21. The Group Gratuity Cash Accumulation Plan is a non participating plan and will not participate in the profits of the Corporation.
22. For Claiming the Term Assurance Benefits as laid down under Part III of the schedule, the Grantees will have to submit the Death Certificate in Original of the member along with the Claim Form.
23. **Cooling Off period** : The Grantees may review the terms and conditions of the Master Policy and choose to return the Master Policy to the Corporation within a period of 15 days in case of any objection with a written communication stating the reasons of their objection. The period of 15 days shall be reckoned from the date of receipt of Master Policy by the Grantees.

On receipt of such a communication, the Master Policy shall be cancelled and the amounts received shall be refunded to the Grantees after deduction in respect of the following.

- a. Recovery charges towards Term Assurance Premium including premium charged for granting accident benefit for actual number of days subject to a minimum for one month.
 - b. Expenses incurred by the Corporation on medical examination including special medical reports if any, and
 - c. The stamp duty charges.
24. For any correspondence with respect to this policy you may contact:
Manager (P&GS), LIC of India,
'Jeevan Prakash' Bldg.,
16, Chittaranjan Avenue, Kolkata - 700 072.
 25. In case of any grievance under the policy, the address of the Insurance Ombudsman is as under :
The Ombudsman, Kolkata
North British Building, 3rd Floor,
29, N S Road, Kolkata - 700 001

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PART 1

EXPRESSIONS

1. SCHEME

2. RULES

3. GRANTEES

4. MEMBER

**5. ANNUAL
RENEWAL DATE**

**6. NORMAL RETIRE
MENT DATE**

7. NOMINEE

8. ELIGIBILITY

**9. ACCUMULATION
YEAR**

10. SUM ASSURED

11. RUNNING ACCOUNT

12. ANTICIPATED SERVICE

SCHEDULE

MEANINGS

COAL INDIA LIMITED EMP. GR. GRATUITY SCHEME

The Rules of the Scheme, certified copy of Which has been filed with the Corporation.

The Trustees of the scheme . Their address being :-
10, NETAJI SUBHAS ROAD, KOLKATA- 700 001,

A Member of the scheme who is admitted to this Policy

In relation to the scheme shall mean the 1ST DAY OF APRIL 2008 and the 1ST DAY OF APRIL every year.

The date on which the Member attain the age of 60 Years.

The person nominated by the member to receive the benefit under the scheme in the event of death of member.

All permanent Employees who are aged not less than 18 Years and not more than 60 Years

A period of twelve months ending 31st day of March or any anniversary thereof **PROVIDED THAT** if the policy commences on a date other than 1st April, the First Accumulation Year shall be reckoned from the date of Commencement to the immediately next following 31st March.

In relation to the Term Assurance, the life Assurance benefit and in relation to cash Accumulation part, the principal amount assured by the policy in respect to the premiums paid therefor up to any point of time.

shall mean the account to be maintained by the Corporation in favour of the Grantees to which will be credited the premiums remaining in respect of the members after utilising such part as is required to provide Life Insurance Benefit and out of which benefits other than Life Insurance Benefits shall be paid.

means the service computed from the Annual Renewal Date to the Normal Retirement Date which a member would have completed had he lived up to his Normal Retirement Date.

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SCHEDULE (Contd.)

PART II

PREMIUMS ,CONTRIBUTIONS AND MAINTENANCE OF RUNNING ACCOUNT.

1. The Grantees shall pay to the Corporation such premiums as are required to secure the benefits to the Members as described in Part IV of this Schedule . The premiums are payable on the due date, being the date on which the Member is admitted to the benefits of the Policy and on each Annual Renewal Date. The payment of premium shall be continued until the Normal Retirement Date of each member unless otherwise specified under the policy . The premiums payable hereunder shall comprise:

(i) Amounts as are required to secure the life assurance benefits to the Members from year to year as described in Part III of the Schedule hereof:

(ii) Initial premiums of such amount as are required to secure the gratuity benefits relating to past service of the Members which shall be wholly paid on the date of entry or partly on the date of entry and partly on the Annual Renewal Date as specified in the scheme:

(iii) Amount payable every year as required to secure the balance gratuity in respect of past service of each member .

2. After appropriating the required amount towards 1(i) as above - the premium payable for the life insurance benefits and the administrative expenses if any as may be prescribed by the Corporation from time to time, the balance of the premium will be held by the Corporation in the Running account for the credit of Grantees from the next day.

3. For the purpose of this policy, the Corporation shall maintain a Running Account of the premium paid by the Grantees from time to time. The Corporation will allow interest on the Running Account at the close of the accumulation year, such interest been calculated taking into account of the opening balance, the premium paid thereafter, the amount appropriated from the running account for payment of gratuity and the dates of payments of premium. The interest rates applicable to the Running Account shall be declared by the Corporation on or before 31st March every year. The interest accrual rate shall be determined by the Corporation for each accumulation year depending upon net yield earned by the Corporation on its pooled Gratuity scheme for all the policies under Cash Accumulation Plan.

4. In case of Schemes which are cancelled during the cooling off period, no interest will be credited to the Running Account.

5. The Corporation shall issue to the Grantees as at the end of each accumulation year a statement showing the opening balance and interest credited and debited to the running account.

6. When gratuity becomes payable to the member on his death, retirement or cessation of service, the Corporation shall pay to the Grantees the benefits according to Part IV of the schedule out of the accumulated balance remaining in the running account. In case the balance in the running account is insufficient to pay out the benefits as described in Part IV of the Schedule, it will be the responsibility of the Grantees to make good such amounts to the Corporation so as to enable the Corporation to pay such benefits.

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SCHEDULE (CONTD)

PART III

TERM ASSURANCE

1. Subject to the General conditions of this Policy, an assurance is effected on the life of each Member under One year Renewable Term Assurance Plan.
2. The Sum Assured under the assurance on the date of entry of the member or on the Annual Renewal Date, as the case may be, will be an amount equal to the difference between.
 - a) 15 days salary for each anticipated year of service or part thereof in excess of 6 (six) months in case of Executives. In case of Non-Executives (A) upto 30 years of continuous service, 15 days salary for each anticipated year of service or part thereof in excess of 6 (six) months and for service beyond 30 years 26 days salary for each anticipated year of service (B) in case of Non-Executives for service beyond 30 years, proportionate benefit payable for period of service less than one year will be one day salary for every 14 days of service. (Fraction of 7 days or more will be eligible for Gratuity of one day salary). The Gratuity payable as above are subject to Rs.3,50,000/- or such higher amount to be prescribed from time to time.
 - b) 15 days salary for each completed year of service or part thereof in excess of 6 (six) months in case of Executives. In case of Non-Executives (A) upto 30 years of continuous service, 15 days salary for each completed year of service or part thereof in excess of 6 (six) months and for service beyond 30 years 26 days salary for each completed year of service (B) in case of Non-Executives for service beyond 30 years, proportionate benefit payable for period of service less than one year will be one day salary for every 14 days of service. (Fraction of 7 days or more will be eligible for Gratuity of one day salary). The Gratuity payable as above are subject to Rs.3,50,000/- or such higher amount to be prescribed from time to time.

PROVIDED THAT the Corporation may in the case of any member, not grant the sum assured or restrict the sum assured amount if the evidence of health submitted in respect of the member not satisfactory to the Corporation. However, maximum Sum Assured under the Assurance will be as per Corporation's rule depending on the number of members subject to payment of premium on death.

NOTES :

- (i) For the purpose of calculating the number of years of service, a period of six months and above will be reckoned as one year.
- (ii) For the purpose of determining the sum assured salary means the gross monthly salary or the daily salary as the case may be of member as advised by the employer of the Corporation and the same is deemed to continue until the employer again advise the member's revised salary.

The Assurance shall be renewed on the Annual Renewal Date for the appropriate Sum Assured.

3. The premium for this Assurance shall be ascertained from the Table of Rates Contained in Part V hereof having regards to the amount of sum assured and the age nearer birthday of the member and the premium paid shall carry the life assurance benefit for the period in respect of which it is paid and on further.
4. The Sum Assured under the assurance which will become payable on only upon death of the member whilst the assurance is in the force. The assurance will terminated on discontinuance of the premium or on the member reaching Normal Retirement Date or on his ceasing to be in the services of the employer.
5. The premiums for this Assurance are subject to revision and may be revised at the discretion of the Corporation either downwards or upwards by giving 30 days notice expiring on Annual Renewal Date immediately following the date of notice to the Grantees.
6. Grace Period is applicable for payment of Term Assurance Premium only. A grace period of 30 days is allowed for payment of Term Assurance Premium from the annual renewal date. However in case the mode of payment of premium is monthly, the grace period is 15 days only.
7. In case of a Member being admitted to the scheme on a date other than the Annual Renewal Date, proportionate Term Assurance Premium shall be payable immediately, determined on the basis of the yearly premium calculated as in (3) above per Member for the period from the Date of Entry to the next Annual Renewal Date reckoned in months, the fraction of a month being treated as one month subject to a minimum 6 months .
8. In case of a Member exiting from the scheme on a date other than the Annual Renewal Date, proportionate Term Assurance Premium shall be refundable to the Grantees, the proportion being determined having regard to the complete number of months from the date of leaving service to the next following Annual Renewal Date.
9. The Corporation reserves the right to vary from time to time the interest rate on the running account, premium rates, times and provisions of this policy including the general conditions and the schedule upon giving to the grantees three months previous notice in writing expiring on the Annual Renewal Date following the date of the notice, of its intention to do so and such variations will apply only to assurance hereunder effected or to be effected or after the date of expiry of such notice.

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SCHEDULE (Contd)

PART IV **BENEFITS****1. BENEFITS ON RETIREMENT AT OR AFTER NORMAL RETIREMENT DATE**

Upon retirement of a Member on or after Normal Retirement Date the benefits payable will be equal to fifteen days' Salary of the Member for each completed year of qualifying Service or part thereof in excess of 6(six) months in case of Executives. In case of Non-Executives (i) upto 30 Years of continuous service, the Gratuity payable will be equal to 15 days salary for each completed years of service or part thereof in excess of 6 (six) months and for service beyond 30 years Gratuity will be payable equal to 26 days salary for each completed year of service (ii) in case of Non-Executives for service beyond 30 years, proportionate benefit payable for period of service less than one year will be one day salary for every 14 days of service. (Fraction of 7 days or more will be eligible for Gratuity of one day salary). The Gratuity payable as above are subject to Rs.3,50,000/- or such higher amount to be prescribed from time to time.

2. BENEFITS ON DEATH BEFORE NORMAL RETIREMENT DATE

Upon death of a Member whilst in service before Normal Retirement Date, the benefits payable will be equal to the sum of :-

- i) an amount as calculated under (2) of Part III of the Schedule **PROVIDED THAT premiums for securing the same have been paid up to date and** 15 days' salary for each completed year of qualifying Service or part thereof in excess of 6(six) months in case of Executives. In case of Non-Executives (i) upto 30 Years of continuous service, the Gratuity payable will be equal to 15 days salary for each completed years of service or part thereof in excess of 6 (six) months and for service beyond 30 years Gratuity will be payable equal to 26 days salary for each completed year of service (ii) in case of Non-Executives for service beyond 30 years, proportionate benefit payable for period of service less than one year will be one day salary for every 14 days of service. (Fraction of 7 days or more will be eligible for Gratuity of one day salary). The Gratuity payable as above are subject to Rs.3,50,000/- or such higher amount to be prescribed from time to time.

2. BENEFITS ON LEAVING SERVICE

Upon a member leaving the service of the employer of his own free will after completion of 5Years of service, the benefits payable will be equal to the 15 days' salary as on the date of leaving service of each year of service, subject to the maximum limits as specified under the Rules. The member will not be entitled to any benefits if he leaves the service before completing 5 years of service.

4. AMOUNTS PAYABLE LIMITED TO BENEFITS INSURED

Notwithstanding anything herein contained to the contrary, the Corporations' liability to the Grantees under this policy shall be the limited to the benefit assured under the term assurance effected in respect of the members subject to the term and condition applicable to them and the accumulation balance standing to the credit of the Grantees in the running account.

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NOTE

THE GRANTEES ARE REQUESTED TO EXAMINE THIS POLICY AND SATISFY THEMSELVES THAT THE VARIOUS PROVISIONS CONTAINED THEREIN CONFORM TO THEIR REQUIREMENTS. IF ANY AMENDMENT OR MODIFICATIONS FOUND NECESSARY, THE CORPORATION MAY PLEASE BE INFORMED IN THE MATTER IMMEDIATELY.