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## **GROUP LEAVE ENCASHMENT SCHEME RULES**

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**SECTION – 1 : DEFINITIONS, ELIGIBILITY & 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 the following words and expressions shall unless repugnant to the context, have the following meanings:

- i. The Firm/Company shall mean KERALA AGRO MACHINERY CORPORATION LTD
- ii. The Employer shall mean the Company/The Firm as defined in (i) above and shall include by any Firm, Agency or body corporate which may be purchase, amalgamation or otherwise take over the whole or substantially the whole of the business of the Firm/Company to continue the obligations of the Company/Firm under these presents and releasing the Firm/Company from all further liabilities thereof.
- iii. "Corporation" shall mean the Life Insurance Corporation of India established under Section 3 of the Life Insurance Corporation Act 1956.
- iv. "Scheme or Fund" shall mean the KAMCO LTD. Employees Group Leave Encashment Assurance Scheme described in these Rules.
- v. "Rules" shall mean the Rules of the Scheme as set out below and as amended from time to time.
- vi. "Employees" shall mean the employees participating in the Leave Encashment Fund other than personal and domestic servants and shall be deemed to include the Directors who are whole time bonafide employee of the Company and do not beneficially own shares in the Company carrying more than 5% voting rights in the Company.
- vii. Earned Leave: Earned Leave shall mean leave credited to the Employees Account due to continuous employment as defined by the Company in the valuation date submitted to the Corporation.
- viii. Medical Leave: Medical Leave shall mean leave on medical grounds credited to the Employees Account due to continuous employment as defined by the Company in the valuation date submitted to the Corporation.
- ix. "Member" shall mean an employee who has been admitted to the membership of the Scheme.
- x. "Beneficiary" shall mean the member and in case of his death his widow, children or dependants of the member.
- xi. "Effective Date" in relation to the Scheme shall mean the 01.03.2005 being the date as from which the Scheme takes effect.
- xii. "Annual Renewal Date" in relation to the Scheme shall mean the 01.03.2006 and the 1st March in each subsequent year.
- xiii. "Normal Retirement Date" shall mean in respect of each member the date on which he completes the age of 60 years for employees of Athani Unit engaged prior to 16.01.2002 and 58 years for all others.

- xiv. "Salary" includes Dearness Allowance and H.R.A. if the terms of employment so provide but excludes all other Allowances and perquisites. A day's salary will be calculated as 1/30th of the monthly salary.
- xv. "Entry Date" shall mean (a) in relation to the Original 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.
- xvi. "Contribution" means any sum credited by an employer out of his own money to the individual account of the employee and shall not include any sum credited as interest.

## **2. ELIGIBILITY:**

- a) "Permanent Employees who are aged not less than 18 years and not more than 60 years" shall be eligible to participate in the Scheme.

Employees in the above category/categories who are in the service of the Employer on the Effective Date shall join the Scheme as from that date. Present employees who are not in the above category/categories on the Effective Date and employees appointed by the Employer after the Effective Date shall join the Scheme on the Annual Renewal Date which is coincident with or which next follows the date on which they become eligible.

- b) No member shall withdraw from the Scheme while he is still an employee within the category stated above.
- c) If an employee leaves the service voluntarily before he attains at the specified age of retirement, the encashment of the EL/ML to the credit of the member will be payable.

## **3. EVIDENCE OF AGE:**

Evidence of age of every employer satisfactory to the Corporation shall be furnished before he is admitted to the Scheme and if the age of the Member is conclusively proved latter to have been incorrectly stated in the evidence submitted, the Corporation shall make appropriate adjustment in the benefits having regard to its normal practice.

## **4. EVIDENCE OF INSURABILITY:**

For the purpose of effecting Term Assurance in respect of the Member, evidence of insurability satisfactory to the Corporation shall be required prior to the employee's entry into the Scheme and on each occasion when an increase in Sum Assured is to be granted.

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## **SECTION - II : CONTRIBUTION AND SCHEME OF INSURANCE**

### **1. CONTRIBUTIONS:**

There shall be paid by the Employer to the Corporation for providing the Leave Encashment benefits to the Members under a Scheme of Insurance, in respect of each Member the contributions mentioned in sub-paragraph (i) below annually in advance on the date of entry of the Member into the Scheme and on the relevant Annual Renewal Dates and the contributions mentioned in sub-paragraph (ii) below in one lump sum on the date of entry or in not more than five equated annual instalments commencing from the date of entry in to the Scheme.

- i. Ordinary Annual Contribution: The ordinary annual contribution shall be such amount as shall be determined and recommended by the Corporation for securing the benefits herein below described. The contribution shall be 4.68% of the salary of each member and may be varied from time to time on the basis of an evaluation of the benefits to be made at intervals of not more than THREE YEARS. The contributions will be paid throughout the future service of the members.
- ii. Initial Contribution: The Employer shall pay any sums by way of initial contributions in respect of Members relating to their past service with the Employer as shall be determine and recommended by the Corporation for securing the benefits relating to such past services and on paying such sums shall advise the Employer their allocation to all or specified members.

### **2. SCHEME OF INSURANCE:**

- i. The Employer shall enter into a Scheme of Insurance with the Corporation for providing the benefits to the Members, subject to the provisions of Rule 4, an Assurance will be effected on the life of each member under One Year Renewable Term Assurance Plan for a sum assured equal to Rs.10,000/-. The Assurance will be renewed on the Annual Renewal Dates for appropriate sums assured.
- ii. After appropriating the required amounts towards the premium payable year to year for the Life Assurance benefit received from the Employer as provided in Rule 5 the balance of the Contributions will be held by the Corporation in the running account for the credit of the Employer. The Corporation will allow interest on the balances remaining in the above mentioned running account for each financial year ending 31st March at a rate to be determined by the Corporation at the close of the year.
- iii. When Leave Encashment becomes payable to a member on his retirement or cessation of services, or to his Beneficiary in the event of his death, the Corporation shall pay to the Employer the benefits payable according to the Rules out of the balance in running account and also under the Term Assurances in case of death.

### **SECTION – III : BENEFITS**

**1. BENEFITS ON RETIREMENT AT OR AFTER NORMAL RETIREMENT DATE, EARLY RETIREMENT DUE TO ILL HEALTH AND DEATH WHILE IN SERVICE AFTER NORMAL RETIREMENT DATE:**

Upon retirement of a member on or after Normal Retirement Date or upon whilst in service after Normal Retirement Date or upon retirement owing to ill health or incapacitation, the benefits payable will be equal to Encashment of the balance leave to the credit of the member.

**2. BENEFITS ON DEATH BEFORE NORMAL RETIREMENT DATE:**

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

- i. The sum assured under the Term Assurance on the date of death; and
- ii. Encashment of EL to the credit of the member.

**3. BENEFITS ON LEAVING SERVICE:**

Upon a member leaving the service of the Employer after completion of one year of service the benefits payable will be Encashment of EL to the credit of the member.

**4. FORFEITURE OF ENCASHMENT OF LEAVE:**

Encashment of Leave shall be wholly forfeited in case of termination of service of the member (i) for riotous or disorderly conduct or any other act of violence on his part or (ii) for any act which constitutes an offence involving moral turpitude provided such offence is committed by him in the course of his employment.

- a) In case of termination of service for any act, willful omission or negligence of the member causing any damage or loss or destruction of property belonging to the Employer Encashment of Leave payable under the Scheme shall be forfeited to the extent of the damage or loss so caused.
- b) The Encashment of Leave forfeited in the aforesaid manner or otherwise shall remain in the running account only held by the Corporation to the credit of the Employer and shall be utilised in the payments of the encashment of leave to the eligible employees.
- c) The encashment of leave payable in respect of any member under the Scheme shall be paid in one lumpsum only.

## **SECTION – IV : MISCELLANEOUS PROVISIONS**

### **1. RESTRAINT ON ANTICIPATION OR ENCUMBRANCE:**

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

Except as provided in these Rules, no member or his Beneficiary shall have any legal claim, right or interest in the Scheme. PROVIDED ALWAYS THAT the Employer shall administer the Scheme for the benefit of the members and their Beneficiaries in accordance with the provisions of these Rules.

### **2. JURISDICTION:**

The Master Policy issued under the Scheme shall be an Indian contract subject to the Laws of India, and to any legislation subsequently introduced. All benefits under the Scheme shall be payable only in India.

### **3. MASTER POLICY:**

The Corporation will issue a single Master Policy to the Employer to provide for the benefits to the members under the Scheme.

### **4. INCOME TAX AND OTHER TAXES:**

In any case where the Corporation or the Employer are liable to account to the Income Tax Authorities for income tax on any payment made under the Rules, the Corporation or the Employer as the case may be shall deduct a sum equal to such tax from any such payment made and shall not be liable to the members for the sum so deducted.

### **5. APPOINTMENT OF BENEFICIARY/IES NOMINEE/S :**

- a) Every member shall appoint his spouse, child/children or dependants as Beneficiary or Beneficiaries under the Rules to receive the benefits hereunder in the event of his death. If a member dies whilst in service the Employer shall hold the benefit in force under the Assurance on his life 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 form of nomination as given in Appendix (1) hereto and shall remain in full force and affect until the death of the Beneficiary or until the same shall be revoked in writing by the Member 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 change the Beneficiary by filling a written notice of the change to the Employer in the prescribed form satisfactory to the Employer whereupon and acknowledgement of the change and the registration of the name of the new Beneficiary will be given to the Member by the Employer. 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 Corporation or

the Employer 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 of discharge to the Employer 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 Employer and to whom the benefits are to be paid for and on behalf of such Beneficiary.
- e) 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 the benefits equally. If the 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 Employer in the prescribed form.
- f) If a Beneficiary is not appointed the benefits shall be paid to the Members spouse, failing which to his child/children in equal shares, failing which to his dependants in equal shares. If the Member does not leave a spouse, child/children or dependants, then the benefits shall be realised by the employer and credited to the Running Account.

**6. INTERPRETATION OF RULES:**

It shall be a condition of membership of the Scheme that on any question arising on any point of interpretation of these Rules or any point relating to admission of new Members and cessation of Membership, the decision of the Employer shall be final.

**MASTER PROPOSAL FOR GROUP INSURANCE SCHEME/SUPERANNUATION**

Form No. 6200 (P&G.S. Ekm)

**LIFE INSURANCE CORPORATION OF INDIA**  
Pension and Group Schemes Unit  
"JEEVAN PRAKASH" M.G.ROAD, COCHIN – 682 011

Master Proposal for Group Insurance Scheme/Superannuation  
Scheme for the eligible employees of KAMCO LTD.

1. Name of the Proposers Address:	KAMCO LTD., ATHANI ERNAKULAM DIST, PIN – 683 585
2. (a) Name of employer (b) Address : Head Office Factory	"
3. (a) Nature of Business (b) Products manufactured (last Balance Sheet to be sent)	
4. (a) Is the Scheme to be administered by the Trustees? (b) Is the Scheme to be approved under any of the Sections of Indian Income-tax Act, 1961 If so, which? (c) The Scheme to be described as	NO  KAMCO LTD. EMPLOYEES GROUP LEAVE ENCASHMENT SCHEME
5. Does the Proposed Scheme replace any of the existing benefits? If so, give details,	NO
6. Date of commencement of the Scheme?	01.03.2005
7. What are the conditions of the eligibility for membership of the Scheme?	AS PER RULES
8. (a) Are a particular Section or specified employees to be excluded? If any, please given names and reasons for exclusion separately. If none stated 'none' (b) Participation, by eligible employees,	NO
9. What is the normal retirement age?	60 and 58
10. Contributions : (i) by the employee, if any (ii) by the employer (employer should contribute not less than 25% of the cost)	BY THE EMPLOYER
11. Mode of payment of contributions:	YEARLY
12. Was a proposal for a scheme made before to any other office of the Corporation? If so please give details	NO
13. State briefly the benefits required: (a) on death of the employee in service (b) on leaving service (c) on total and permanent disability	AS PER RULES



(d) on retirement (e) vesting conditions for benefits	
14. Give details of any other benefits required	NIL

**DECLARATIONS**

We request the Life Insurance Corporation of India to issue a Master Policy on the basis of the information furnished by us and such further information which the Corporation may require us to give for the purpose of the scheme referred to in 4 (c) above and to office the necessary assurances thereunder in accordance with the provisions of the Rules of the said scheme, certified true copy which is attached hereto.

It is hereby declared that we undertake and bind ourselves to furnish to the Corporations full particulars as may be necessary of all statements, declarations by the eligible employees, reports and certificates in respect of every person on whose life the assurance or assurances are to be effected under the Master Policy in the form and manner required by the Corporation. We further agree that this Proposal together with the particulars, statements and declaration by the eligible employees, employer or ourselves shall form the basis of the Master Policy. We also agree that the assurances proposed under the scheme shall not be binding on the Corporation until they are accepted by the Corporation in writing and the amounts of premium due thereunder and demanded by the Corporation shall have been duly paid.

We confirm the accuracy of the above particulars and agree that the Master Policy to be issued consequent upon this proposal shall be issued only on the basis that any statement made or to be made to the Corporation and the Corporation’s medical examiner in respect of eligible employees intended to be assured thereunder shall be true and correct in every particular and we further agree that any mis-statement or untrue averment, on the basis of which the assurance have been effected on the life of any member, shall render voidable the particular assurance or assurances in respect of which the mis-statement or untrue averment by whomsoever has been made.

Dated at .....

On .....

Witness:.....

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Signature on behalf of the Proposers