

**BHARAT DYNAMICS LIMITED**  
**KANCHANBAGH : HYDERABAD**

**CIRCULAR**

**Ref: BDL/04/83/PSMB-I**

**Date: 01 Sept 2016**

**PC No.15/2016 Dated: 01.09.2016**

**Sub : Introduction of Post Superannuation Medical Benefit (PSMB-I) Scheme in respect of Employees (Non-Executives & Executives) retired, etc., before 01 Jan 2007.**

Management is pleased to introduce Post Superannuation Medical Benefit Scheme (PSMB-I) in respect of the Employees (Non-Executives & Executives) retired before 01 Jan 2007. Salient features of the scheme are indicated in Annexure-I. The Scheme will come into effect w.e.f. 04 Sept 2016.

2. Benefits under the Scheme may vary from year to year, as contribution to the Corpus is dependent on Profits generated, affordability & sustainability by the Company with the approval of CMD. The overall Insurance coverage under the Scheme will be ₹3.00 lakhs for inpatient treatment and an additional amount of ₹15,000/- towards outpatient treatment expenses for member and spouse per annum on a floater basis.
3. The Funds earmarked towards the Scheme will be managed by a Trust constituted by the Company.
4. Eligible members retired prior to 01 Jan 2007 and willing to utilize the Scheme, should enroll themselves by registering for membership in the enclosed format as per Appendix-A. They need to deposit one-time Registration Fee of ₹ 100/- for self/spouse and ₹ 200/- for both self & spouse through a challan in Andhra Bank, BDL Campus, Kanchanbagh, Hyderabad.
5. Consequent to implementation of the scheme, facilities available under the existing Retired Employees Medical Insurance (REMI) Scheme notified vide Personnel Circular No.BDL/04/CORP/24/97 dated 12 June 1997 will not be applicable for all Employees retired prior to 01 Jan 2007.



**(M. NEELAKANTAPPA)**  
**GENERAL MANAGER (ER & VSHORAD)**

**STANDARD DISTRIBUTION.**

**BDL POST SUPERANNUATION MEDICAL BENEFIT (PSMB-I) SCHEME FOR  
EMPLOYEES (EXECUTIVES & NON-EXECUTIVES) RETIRED BEFORE 01 Jan 2007.**

**1. Title:**

- 1.1 The Scheme will be called "BDL POST SUPERANNUATION MEDICAL BENEFIT (PSMB-I) SCHEME" FOR Employees (Executives and Non-Executives) retired prior to 01 Jan 2007.

**2. Scope of the Scheme and Coverage:**

- 2.1 The Scheme would cover all Employees who have retired, opted for Voluntary Retirement or terminated on account of continued ill-health, prior to 01 Jan 2007, and their spouses.
- 2.2 Coverage under the Scheme would be available in the following cases also:
- 2.2.1 Widows/ Widowers of those Employees who died while in service or who died after retiring from the Company prior to 01 Jan 2007.
- 2.2.2 In case a member (Executive / Non-Executive) of the Scheme, dies / becomes permanently disabled and incapacitated, leading to cessation of his / her service, before putting 15 years of service in BDL prior to superannuation, he / she may be given the benefits under the scheme.
- 2.2.3 Cases of VRS / VSS for which specific scheme have been framed would be examined in terms of such specific schemes of VRS / VSS of the Government applicable in respect of Employees of the Company. Benefits under the schemes would not accrue to VRS / VSS optees automatically.
- 2.3 The Scheme would not be applicable in the following cases:
- 2.3.1 Ex-Employees who had resigned / absconded or who were dismissed / terminated from service prior to 01 Jan 2007.
- 2.3.2 Ex-Employees who are covered under Medical Benefit Schemes provided by the Employer of his / her spouse / children etc.

**3. Overall Insurance Coverage under the proposed Policy:**

- 3.1 Insurance Policy with Coverage of ₹ 3 Lakh for In-patient treatment and OPD coverage of ₹ 15,000/- per annum, jointly, in respect of the retired Employee & Spouse, on floater basis, would be taken, for the Ex-Employees and spouses as indicated at Para - 2.1 & 2.2 above, during the first year. Family for this purpose would mean only the retired employee and his/her spouse, both or the survivor.



- 3.2 The Insurance Coverage shall be provided only in India.
- 3.3 The coverage provided shall be without any entry and exit age limits.
- 3.4 Pre- existing illnesses will be covered under the Policy.
- 3.4 There will be no waiting period for availing treatment. Facilities under the Scheme will be available from the date of introduction of the Scheme. Similarly, all diseases would be covered from the inception of the policy.
- 3.5 Cash Less Facility would be available for the beneficiaries. However, where such a facility cannot be availed by the beneficiaries, reimbursement of actual expenditure in the scope of the Policy would be made available, by the Insurer / Third Party Administrator(TPA).
- 3.6 Medical coverage under the Policy :**
- 3.6.1 The policy would cover in-patient treatment for any illness or injury.
- 3.7 Out Patient Treatment Coverage:**
- 3.7.1 OPD expenses subject to the ceiling of Rs. 15,000/- per annum, jointly in respect of the retired employee and his/her spouse, on a floater basis, would be availed from Network Hospitals only, with cashless facility. In cases where cash less facility cannot be availed, reimbursement of actual expenditure incurred shall be made available, by the Insurer / TPA.
- 4. Registration & Administration of the Scheme:**
- 4.1 To avail facilities under the scheme, Employees retired, etc prior to 01 Jan 2007 and his/her spouse need to get enrolled themselves in the Scheme by filling the prescribed application form, supported by copies of the specified documents/identity proof therein and by payment of one-time Registration Fee of Rs.100/- per individual (Rs. 200/- for the retired employee & spouse). The application is to be submitted to the Division/Office in which the ex-employee served last. The Division / Office would verify the identity of the applicants before enrolling them under the Scheme.
- 4.2 The Insurance Company for the implementation of the scheme would be selected following a transparent procedure after proper evaluation. Initial year upto 03.04.2017 M/s New India Assurance Company will be Insurer.
- 4.3 The Scheme will be administered by Insurance Company or through a Third Party Administrator (TPA), recommended by the Insurance Company. Insurance E-Cards would be issued by Insurer / TPA to all members. TPA will be the intermediary between retired Employees, Insurance Company and Hospitals.

#### **4.4 Network Hospitals:**

4.4.1 The Insurance Company will have Network Hospitals where treatment can be availed.

4.4.2 Cashless facility will be available at Network Hospitals.

#### **5 Funding of the Scheme:**

5.1 Corpus from 'not more than 1.5% of PBT' as per DPE OM No. 2(81)/08- DPE(WC)-GL-XVI/2009 dated 08 July 2009 & No.2(81)/08-DPE(WC)-GL-XV/2011 dated: 20 July 2011 will be utilized to Fund the Scheme.

#### **6. Benefits under the Scheme:**

6.1 Benefits under the Scheme will be applicable with prospective effect only i.e. from the date of introduction of the Scheme.

6.2 Benefits under the Scheme may vary from year to year, as contribution to the corpus is dependent on profits generated and affordability & sustainability by the Company.

6.3 The overall Insurance coverage under the policy will be approved by the CMD every year, depending upon the availability of Funds, the number of beneficiaries etc.

#### **7 Management of Funds and Trust:**

7.1 A Trust by name BDL Employees Superannuation Trust (BEST) has been constituted to administer, inter alia, PSMB – I Scheme for Employees (Executives and Non-Executives) retired prior to 01 Jan 2007. The Trust funds will be managed by Fund Manager. LIC is nominated as fund manager, to manage the Post Superannuation Medical Benefit (PSMB - I) Fund. The Fund Manager can be changed in future, if the need is felt for the same.

7.2 The Funds earmarked towards the Scheme will be managed by a Trust constituted by the Company, as detailed below:

7.2.1 The Scheme shall be named as "BDL Post Superannuation Medical Benefit (PSMB - I) Scheme" which shall be managed by BDL Employees Superannuation Trust (BEST) which is already constituted under an irrevocable Trust under the provisions of the Income Tax Act, 1961.

7.2.2 The Trust will be responsible for the administration of the Scheme; receive contribution from the Company and make payment to the Insurance Company towards Premium for Insurance Coverage; investment of the additional Funds, if any with the Fund Manager; as per the provisions of the Scheme in conjunction with the Rules as notified by the Company from time to time, etc.

7.2.3 The LIC will invest the Funds, as per the regulations laid down by the Govt. / IRDA, to obtain maximum returns.



7.2.4 All money received by the Trust shall vest in the Trustees and trustees shall have power to utilize such money received by way of contribution, interest, and redemption of investments or otherwise to the Fund, as per the provisions of the Income Tax Act / Rules.

**7.2.5 Nomination of Trustees & Execution of Trust Deed:**

7.2.5.1 Trustees will be nominated by the Management. There will be representatives of Workmen's Union and Officers' Association in the Trust. The Trust Deed will be finalized by the management. The trustees will take all necessary steps to establish, run & manage the Trust and the Scheme, including the following:

- i) Execute the Trust Deed approved by the Management;
- ii) Take all acts necessary for formation of the Trust and its registration;
- iii) To open Bank Accounts in the name of the Trust;
- iv) To appoint the Fund Manager(s) and enter into necessary contract with them;
- v) To make necessary application to the Income Tax Officer having jurisdiction over the Fund for approval of the Scheme under the Income Tax Act, 1961.

**7.2.6 Terms of Office of the Trustees:**

7.2.6.1 The Trustees shall be nominated /appointed by the Company for the period specified by the Company. An outgoing Trustee shall be eligible for re-nomination / appointment.

**7.2.7 Trustees' Power to operate Bank Account:**

7.2.7.1 Any two Trustees, one of them being the Chairman / Secretary to the Trust, acting jointly, shall on behalf of the Trustees, operate the Bank Accounts of the Fund and discharge, receive or otherwise dispose off, as may be necessary any money of the Fund.

**7.2.8 Meeting of the Trust:**

7.2.8.1 Trustee shall meet at least once in every quarter and at least four times in a year.

**7.2.9 Minutes of Meeting:**

7.2.9.1 Proper Minutes of the Meetings held shall be kept duly signed by the Chairman/Secretary.

**7.2.10 Amendment of Rules:**

7.2.10.1 No amendment to the Rules of the "BDL Post Superannuation Medical Benefit (PSMB – I) Fund" shall be made without the prior approval of the Commissioner of Income Tax.

A handwritten signature in black ink, appearing to be 'A. Rao', written over a horizontal line.

**7.2.11 Trust Deed to prevail.**

- 7.2.11.1 Should anything contained in the Scheme 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 Scheme as soon as reasonably be possible, so as to bring them in conformity with the provisions of the Trust Deed.

**7.2.12 Jurisdiction:**

- 7.12.1 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.

- 7.2.12.2 Any dispute shall be subject to exclusive jurisdiction of Courts at Hyderabad, Telangana State, India.

**7.2.13 Interpretation:**

- 7.2.13.1 It shall be condition of the Membership of the Scheme that on any question arising on any point of interpretation of the provisions of the Scheme or any point relating to cessation of Membership, the decision of the Trust shall be final and binding. If the decision has any bearing on the provisions of the Income Tax Act, 1961 or any amendments thereto, it has to be forthwith reported to the Commissioner of Income Tax and if the commissioner of Income Tax so requires, the Trustees shall review the decision.

**8. General:**

- 8.1 The facilities available under the existing Retired Employees Medical Insurance (REMI) Scheme will be discontinued in respect of Employees (Executives & Non-Executives) retired prior to 01 Jan 2007, once the new Scheme is introduced for them.

  
(M. NEELAKANTAPPA)

GENERAL MANAGER (ER & VSHORAD)