

# **NATIONAL INSURANCE COMPANY LIMITED**

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**PERSONNEL MANUAL 2017: VOL- I**

## FOREWORD

Last Personnel Manual was published in 1993. After about 25 years "HR MANUAL" has been updated incorporating relevant service rules and amendments thereof.

I strongly feel that all employees as well as operating offices will be benefited by the latest manual and they will feel confident in discharging their duty.

I would like to take the opportunity of thanking the entire personnel team for completing the enormous task.

Kolkata  
17.08.2017



**K. Sanath Kumar**  
**Chairman-cum-Managing Director**

## FOREWORD


Almost 25 years have passed since the last publication of our Personnel Manual in 1993. A lot of changes / amendments have taken place during this period in the various field of Personnel Department.

There has been a lot of request from our operating Offices for an updated Manual and accordingly Manual has been updated encompassing almost all aspects of Personnel Department.

Henceforth, Manual will be kept up-to-date regularly.

I thank the entire Personnel teams of HO & ROs for bringing out the updated HR Manual.

Kolkata  
Date: 17.08.2017

  
(Indu Sharma)  
General Manager (P)

## HR MANUAL 2017

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## THE GENERAL INSURANCE BUSINESS

### (NATIONALISATION) ACT. 1972

(No. 57 of 1972)

(20<sup>th</sup> September, 1972)

An Act to provide for the acquisition and transfer of shares of Indian insurance companies and undertakings of other existing insurers in order to serve better the needs of the economy by securing the development of general insurance business in the best interests of the community and to ensure that the operation of the economic system does not results in the concentration of wealth to the common detriment, for the regulation and control of such business and for matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Twenty-third Year of the Republic of India as follows :

### CHAPTER I

#### PRELIMINARY

1. This Act may be called the General Insurance Short Title Business (Nationalisation) Act, 1972.

Declaration as to the policy of the State:

2. It is hereby declared that this Act is for giving effect to the policy of the state towards the securing the principles specified in clause (c) of article 39 of the Constitution.

**Explanation--** In this section, "State" has the same meaning as in article 12 of the Constitution.

#### **Definitions.**

2. In this Act, unless the context otherwise requires
  - (a) "acquiring company" means any Indian insurance company and, where a scheme has been framed involving the merger of one Indian insurance company in another or the amalgamation of two or more such companies, means the Indian insurance company in which any other company has been merged or the company which has been formed as a result of the amalgamation;
  - (b) "appointed day" means such day not being a day later than the 2<sup>nd</sup> day of January, 1973, as the Central Government may, by notification, appoint;
  - (c) "Companies Act" means the Companies Act, 1956;

- (d) "Corporation" means the General Insurance Corporation of India formed under section 9;
- (e) "existing insurer" means every insurer the management of whose undertaking has vested in the Central Government under section 3 of the General Insurance(Emergency Provision) Act, 1971, and includes the undertaking of the Life Insurance Corporation in so far as it relates to the general insurance business carried on by it;
- (f) "foreign insurer" means an existing insurer incorporated under the law of any country outside India;
- (g) "general insurance business" means fire, marine or miscellaneous insurance business, whether carried on singly or in combination with the one or more of them, but does not include capital redemption business and annuity certain business;
- (h) "Government company" means a Government company as defined in section 617 of the Companies Act;
- (i) "Indian insurance company" means an existing insurer having a share capital who is a company within the meaning of the Companies Act;
- (j) "Insurance Act" means the Insurance Act, 1938;(4 of 1938)
- (k) "Life Insurance Corporation" means the Life Insurance Corporation of India (31 of 1956) established under the Life Insurance Corporation Act, 1956;
- (l) "notification" means notification published in the Official Gazette;
- (m) "prescribed" means prescribed by rules made under this Act;
- (n) "Schedule" means the Schedule to this Act;
- (o) "Scheme" means the scheme framed under section 16 and also includes a scheme framed under Section 17A.
- (p) Words and expressions used in this Act but not defined herein and defined in the Insurance Act, shall have the meanings respectively assigned to them in that Act;
- (q) words and expressions used in this Act but not defined herein or in the Insurance Act and defined in the Companies Act, shall have the meanings respectively assigned to them in the Companies Act.

## CHAPTER II

### TRANSFER TO PUBLIC OWNERSHIP OF GENERAL INSURANCE BUSINESS

Transfer of shares of Indian Insurance companies:

4. (1) On the appointed day, all the shares in the capital of every Indian Insurance company shall, by virtue of this Act, stand transferred to and vested in the Central Government free of all trusts, liabilities and encumbrances affecting them.

(2) Out of the shares on transferred and vested, the Central Government shall, immediately thereafter, by notification, provide for the transfer of not less than ten shares of every such company to such persons as may be specified in the notification to enable the Indian Insurance company to function as a Government company.

(3) Every notification made under sub-section (2) shall specify the names and description of the persons to whom the shares are transferred and the particulars of the shares which are transferred to each such person.

(4) A copy of every notification made under sub-section (2) shall, as soon as may be after it is made, be sent by the Central Government to the concerned Indian insurance company, who shall, on receipt of such copy, and notwithstanding anything contained in the Companies Act or in its articles of association, forthwith rectify its register of members by including therein the persons mentioned in the notification as the holders of the shares specified therein.

(5) For the removal of doubts it is hereby declared that the transfer and vesting of shares effected under sub-section (1) shall not be deemed to affect any right of the Indian insurance company subsisting immediately before the appointed day against any shareholder to recover from his any sum of money on the ground that shareholder has not paid or credited to the insurer the whole or any part of the value of the shares held by his or on any other ground whatsoever.

#### **5. Transfer of undertakings of other existing insurers**

(1) On the appointed day, the undertaking of every existing insurer who is not an Indian insurance company shall stand transferred to and vested in the Central Government and the Central Government shall immediately thereafter provide, by notification for the transfer to and vesting in such Indian insurance company, as it may specify in the notification, of that undertaking.

(2) Any notification made under sub-section (1) may provide that any of the undertakings aforesaid may be transferred to and vested in more than one Indian



insurance company in such manner and subject to such conditions as may be specified in the notification.

## 6. Effect of transfer of undertaking.

- (1) The undertaking of every such existing insurer as is referred to in section 5 shall be deemed to include all assets, rights, powers, authorities and privileges and all property, movable and immovable, cash balances, reserve funds, investments and all other rights and interests in, or arising out of, such property as were immediately before the appointed day in the ownership possession, power or control of such existing insurer in relation to the undertaking. Whether within or without India, and all books of accounts, registers, records and all other documents of whatever nature relating thereto, and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the existing insurer in relation to the undertaking.
- (2) Unless otherwise expressly provided by this Act, all deeds, bonds, agreements, power of attorney, grants of legal representation and other instruments of whatever nature subsisting or having effect immediately before the appointed day and to which any such insurer as is referred to in section 5 is a party or which are in favour of such existing insurer shall be of as full force and effect against or in favour of the Indian insurance company in which the undertaking or the part to which the instrument related has vested and may be enforced or acted upon as fully and effectually as if, in the place of the existing insurer referred to in section 5, the Indian insurance company in which the undertaking or any part thereof has vested had been a party thereto, or as if they had been issued in its favour.
- (3) If, on the appointed day, any suit, appeal or other proceeding of whatever nature in relation to any business of the undertaking which has been transferred under section 5 is pending by or against any such existing insurer as is referred to in that section, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking or of anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the Indian insurance company in which the undertaking or the part to which the proceeding relates has vested.
- (4) For the removal of doubts it is hereby declared that in the case of a foreign insurer or, as the case may be, the Life Insurance Corporation, the provisions of section 5 and of the preceding sub-sections shall only apply to the extent to which any property appertains, in the former case, to the general insurance business carried on the Indian and, in the later case, to the general insurance business carried on, whether within or without India, and to rights and powers acquired,

and to debts, liabilities and obligations incurred and to contracts, agreements and other instruments made by the foreign insurer or the Life Insurance Corporation, as the case may be, for the purpose of such general insurance business and to legal proceedings relating to those purposes, and the said provisions shall be construed accordingly.

- (5) If any question arises as to whether any property appertains to any such general insurance business as is referred to in this section or whether any rights, powers, liabilities or obligations were acquired or incurred or any contract, agreement or other instrument was made by the foreign insurer or the Life Insurance Corporation, as the case may be, for the purposes of any such business or whether any documents relate to those purposes, the question shall be referred to the Central Government which shall, after giving an opportunity of being heard to the persons interested in the matter, decide it in such manner as it thinks fit.

(7) **Transfer of service of existing employees in certain cases.**

- (1) Every whole-time officer or other employee of an existing insurer other than an Indian insurance company who was employed by that insurer wholly or mainly in connection with his general insurance business immediately before appointed day shall, on the appointed day, become an officer or other employee, as the case may be, of the Indian insurance company in which the undertaking of that insurer or that part of the undertaking to which the service of the officer or other employee related has vested, and shall hold his office or service under the Indian insurance company on the same terms and conditions and with the same rights to pension, gratuity and other matters as would have been admissible to him if there had been no such vesting, and shall continue to do so unless and until his employment in the Indian insurance company in which the undertaking or part as vested is terminated or until his remuneration, terms and conditions are duly altered by that Indian insurance company:

Provided that nothing in this sub-section shall apply to any such officer or other employee who has given, in writing, notice to the Central Government or to any person nominated in this behalf by that Government before the appointed day intimating his intention of not becoming an officer or employee of the Indian insurance company in whom the undertaking or part thereof to which his service related has vested.

- (2) If any question arises as to either any person was a whole-time officer or employee, or as to whether any officer or employee, was employed wholly or

mainly in connection with the general insurance business of the existing insurer referred to in sub-section (1) immediately before the appointed day, the question shall be referred within a period of two years from the appointed day and not thereafter to the Central Government which shall after giving any opportunity of being heard to the person concerned in the matter, decide it in such manner as it thinks fit and such decision shall be final.(14 of 1947)

- (3) Notwithstanding anything contained in the Industrial Disputes Act, 1947 or in and other law for the time being in force, the transfer of the services of any officer or other employee under sub-section (1) shall not entitle any such officer or other employee to any compensations under that Act or such other law and no such claim shall be entertained by any court, tribunal or other authority.

#### **8. Provident, superannuation, welfare and other funds.**

- (1) Where an existing insurer has established a provident, superannuation, welfare and any other fund for the benefit of his employees and constituted a trust in respect s. there of (hereafter in this section referred to an existing trust), the moneys standing to the credit of such fund on the appointed day, together with any other assets belonging to such fund, shall stand transferred to and vested in the Indian Insurance company on the appointed day free from any such trust.
- (2) Where all the employees of the Life Insurance Corporation or any other existing insurer do not become employees of an Indian insurance company, the monies and other assets belonging to any such fund as is referred to in sub-section (1), shall be apportioned between the trustees of the fund and the Indian insurance company in the prescribed manner; and in case of any dispute about such apportionment the decision of the Central Government thereon shall be final.
- (3) Where undertaking of an existing insurer has vested in more than one Indian insurance company, the Central Government may, by order, provide for the apportionment among such Indian insurance companies of monies and other assets belonging to any existing trust relating to that undertaking in such manner as in its opinion may be appropriate.
- (4) The Indian insurance company shall as soon as may be after the appointed day constitute in respect of the moneys and other assets which are transferred to and vested in it under this section one or more trusts having

objects as similar to the objects of the existing trusts as in the circumstances may be practicable.

- (5) Where all the moneys and other assets belonging to an existing trust are transferred to and vested in an Indian insurance company under this section, the trustees of such trust shall, as from the appointed day, stand discharged from the trust, except as respects things done or omitted to be done before the appointed day.

### CHAPTER III

## GENERAL INSURANCE CORPORATION OF INDIA

### 9. Formation of General Insurance Corporation of India

- (1) As soon as maybe after the commencement of this act, the Central Government shall form a Government company in accordance with the provisions of the of Companies Act, to be known as the General Insurance Corporation of India for the purpose of superintending, controlling and carrying on the business of general insurance.
  - (2) The authorized capital of the Corporation shall be rupees seventy-five crores, divided into seventy-five lakhs fully paid-up shares of one hundred rupees each, out of which rupees five crores shall be the initial subscribed capital of the Corporation.
  - (3) Notwithstanding anything contained in the Companies Act, 1956, it shall not be necessary to add the word "Limited" as the last word of the name of Corporation.
10. Transfer to corporation of shares vested in Central Government.

All the shares in the capital of every Indian insurance company which stand transferred to and vested in the Central Government by virtue of section 4 [with the exception of shares transferred to any person under sub-section (2) of that section] shall immediately after such vesting, stand transferred to and vested in the Corporation and every Indian insurance company shall forthwith give effect to such transfer of shares and rectify its register of members by including therein the Corporation as the holder of such shares.

## CHAPTER IV

### AMOUNTS TO BE PAID FOR ACQUISITION

11. Amounts to be paid for transfer and vesting of shares or undertakings.
  - (1) For the transfer of the shares of each Indian insurance company to, and vesting in, the Central Government under section 4, there shall be paid by the Central Government to the Corporation, for distribution to the shareholders of each such Company, the amount specified against such company in the corresponding entry Under column 3 of Part A of the Schedule.
  - (2) For the transfer to, and vesting in the Central Government, under section 5, of The undertaking of each existing insurer, who is not an Indian insurance company there shall be paid by the Central Government to the Corporation, for payment to each such existing insurer, the amount specified against such insurer in the corresponding entry under column 3 of Part B of the schedule.
  
12. Disbursement of amounts by Corporation.
  - (1) The total amount paid by the Central Government under section 11 shall be treated as additional contribution to the subscribed capital of the Corporation and such additional subscribed capital shall stand allotted to, and vested in, the Central Government.
  - (2) The Corporation shall distribute the amount paid to it under section 11, to the Shareholders of each Indian insurance company and to each existing insurer, Who is not an Indian insurance company, in accordance with their rights and Interests, and, if there is any doubt or disputes as to the right, or extent of the right, of any person to receive the whole or any part of such amount, refer such doubt or dispute to the Central Government for determination and thereafter, act in accordance with the determination made by that Government.
  - (3) Save as otherwise provided in sub-section (2), the amount referred to in section 11 shall be given in accordance with the provisions of section 13, section 14 or section 15, as the case may be.
  
13. Mode of payment
  - (1) Where the amount referred to in section 11 is to be given.
    - (a) to the members of an Indian insurance company, the amount due to each such member shall be paid in full, where it does not exceed twenty-five thousand

rupees, and where it exceeds twenty-five thousand rupees, each such member shall be paid twenty-five thousand rupees, and the balance of the amount due to such member shall be paid to him in three equal annual instalments, the first of which shall fall due on the appointed day;

(b) to a foreign insurer, it shall be given to him in cash within three months from the appointed day;

(c) to the Life Insurance Corporation, it shall be given to it in three equal annual instalments, the first of which shall fall due on the appointed day;

(d) to an existing insurer who is a co-operative society, it shall be distributed as soon as may be after the appointed day in accordance with the rules of the society which will apply in case of dissolution of the society;

(e) to an existing insurer not falling within any of the foregoing provisions, it shall be apportioned by the acquiring company among the individual policy-holders of the insurer whose policies with that insurer were in force on the appointed day and were comprised in the undertaking of such insurer in proportion to the premiums paid by the policy-holders under such policies and every such payment shall be made either.

(i) in cash, to be sent by postal money order, or

(ii) at the option of the policy-holder, as a deduction in the premium due at the time of the renewal of the policy and such option shall be exercised by the policy-holder before the expiry of three months from the appointed day (or within such further time not exceeding three months as the Central Government may, on the application of the policy-holder, allow); and the option so exercised shall be final and shall not be altered or rescinded after it has been exercised :

Provided that if any policy-holder fails to exercise his option within the time allowed, he shall be deemed to have exercised his option in favour of payment in cash by postal money order.

(2) Where any amount is payable whether in instalments or otherwise under the provisions of this section the unpaid amount, where its payment has become due shall carry interests at the rate of four per cent per annum from the appointed day.

#### **14. Amount payable to shareholders may be paid to named persons instead of certain cases**

- (1) Notwithstanding anything contained elsewhere in this Act, if a majority in number of the persons, who, immediately before the appointed day, were registered in the books of an Indian insurance company as the members thereof, and representing two-thirds in value of the amount payable to the Indian insurance company, agree either in persons or by proxy at a meeting specially convened for the purpose that the amount so payable instead of being distributed among the members shall be given to any such person or body of persons as the members may nominate either at that meeting or subsequently for the purpose of carrying on any business, and the Central Government is satisfied that due provisions has been or will be made for the payment of the value of their respective shares to persons who have dissented from the resolution, the amount may be given to the persons or body of persons so nominated in such manner and subject to such conditions as the Central Government may think fit.
- (2) No resolution passed at any such meeting as is referred to in sub-section (1) held after the appointed day shall have any effect unless the meeting has been convened after having obtained the approval of the Central Government.

#### **15. Payment into court in case of rival claims.**

Where a claim to the amount payable under section 11 is made by two or more persons adversely to one another, the Corporation may cause the amount to be deposited in any civil court having jurisdiction in that behalf and the court shall decide as to whom the payment shall be made.

### **CHAPTER V**

#### **SCHEME FOR REORGANISATION OF GENERAL INSURANCE BUSINESS**

#### **16. Scheme for merger of companies etc.**

- (1) If the Central Government is of opinion that for the more efficient carrying on of general insurance business it is necessary so to do, it may, by notification, frame one or more schemes providing for all or any of the following matters :-
  - a) the merger in one Indian insurance company of any other Indian insurance company, or the formation of a new company by the amalgamation of two or more Indian insurance company;
  - b) the transfer to and vesting in the acquiring company of the undertaking(including all its business, properties, assets and liabilities)



of any Indian insurance company which ceases to exist by reason of the scheme;

- c) the constitution, name and registered office and the capital structure of the acquiring company and the issue and allotment of shares;
- d) the constitution of a board of management by whatever name called for the management of the acquiring company:
- e) the alteration of the memorandum and articles of association of the acquiring company for such purposes as may be necessary to give effect to the scheme;
- f) the continuance in the acquiring company of the services of all officers and other employees of the Indian insurance company which has ceased to exist by reason of the scheme, on the same terms and conditions which they were getting or, as the case may be, by which they were governed immediately before the commencement of the scheme;
- g) the rationalization or revision of pay scales and other terms and conditions of service of officers and other employees wherever necessary:
- h) the transfer to the acquiring company of the provident, superannuation, welfare and other funds relating to the officers and other employees of the Indian insurance company which has ceased to exist by reason of the Scheme.
- i) the continuance by or against the acquiring company of legal proceeding pending by or against any Indian insurance company which has ceased to exist by reason of the scheme, and the initiation of such legal proceedings, civil or criminal, as the Indian insurance company might have initiated if it had not ceased to exist:
- j) such incidental, consequential and supplemental matters as are necessary to give full effect to the scheme.

- (2) In framing schemes under sub-section (1), the object of the Central Governments shall be to ensure that ultimately there are only four companies (excluding the Corporation) in existing and that they are so situate as to render their combined services effective in all parts of India.



- (3) Where a scheme under sub-section (1) provides for the transfer of any property or liabilities, then, by virtue of the scheme, the property shall stand transferred to and vested in, and those liabilities shall be transferred to and become the liabilities of, the acquiring company.
- (4) If the rationalization or revision of any pay scale or other terms and conditions of Service under any scheme is not acceptable to any officer or other employee, the Acquiring Company may terminate his employment by giving him compensation Equivalent to three months remuneration, unless the contract of service with such Employee provides for a shorter notice of termination.

**Explanation** – The compensation payable to an officer or other employee under this sub-section shall be in addition to, and shall not affect, any pension, gratuity, provident fund or other benefit to which the employee may be entitled under his contract of service.(14 of 1947 )

- (5) Notwithstanding anything contained in the Industrial Disputes Act, 1947 or in any other law for the time being in force, the transfer of the services of any officer or other employee of an Indian insurance company to the acquiring company shall not entitle any such officer or other employee to any compensation under that Act or other law, and no such claim shall be entertained by any court, tribunal or other authority.
- (6) The Central Government may, by notification, add to amend or vary any scheme framed under this section.
- (7) The provision of this Section and of any scheme framed under it shall have effect notwithstanding anything to the contrary contained in any other law or any Agreement , award or other instrument for the time being in force.
- (8) The power to frame a scheme under sub-section (1) and the power conferred by sub-section (6) to add to amend or vary any scheme framed under this section, shall include the power to frame such scheme with retrospective effect from a date not earlier than the appointed day.

## **17. Schemes to be laid before Parliament**

A copy of every scheme and every amendment thereto framed under section 16 shall be laid , as soon as may be after it is made, before each House of Parliament.

## **CHAPTER V – A**

### **TERMS AND CONDITIONS OR SERVICES OF OFFICERS**

## AND OTHER EMPLOYEES

17A. (1) The Central Government may, by notification in the Official Gazette, frame one or more schemes for regulating the pay scales and other terms and conditions of service of officers and other employees of the Corporation or of any acquiring Company.

(2) **Power of Central Government to regulate the terms and conditions of service of officers and other employees.**

A scheme framed under sub-section (1) may add to, amend or vary any scheme framed under section 16 (including any addition, amendment or variation made therein) by notification under sub-section (6) of Section (6) with respect to rationalization or revision of pay scales and other terms and conditions of service of officers and other employees of the Corporation or of any acquiring company to provide for further rationalization or revision of such pay scales and other terms and conditions of service notwithstanding that such further rationalization or revision is unrelated to, or unconnected with, the amalgamation or insurance companies or merger consequent on nationalization of general insurance business.

(3) The Central Government may, by notification, add to, amend or vary any scheme framed under this section.

(4) The power to frame a scheme under sub-section (1), and the power conferred by sub-section (3), to add to, amend, or vary any scheme framed under this section, shall include the power to frame such scheme, or, as the case may be, to make such addition, amendment or variation in any scheme framed under this section, with retrospective effect from a date not earlier than the appointed day.

(5) A copy of every scheme, and every amendment thereto framed under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

(6) The provisions of this section and of any scheme framed under it shall have effect notwithstanding anything to the contrary contained in any other law or any agreement, award or other instrument for the time being in force.

(7) (1) Notwithstanding anything contained in any judgement, decree or order of any court, tribunal or other authority or in any other law, agreement, award or other instrument for the time being in force, every scheme framed or purporting to have been framed with retrospective effect under sub-section

of section 16 of the principal Act and every notification made or purporting to have been made with retrospective effect under sub-section(6) of that section before the commencement of the General Insurance Business (Nationalisation) Amendment Ordinance, 1984 shall be, and shall be deemed always to have been, for all purposes, as valid and effective as if the amendment made in the said section 16 by section 3 of this Ordinance had been part of that section and that had been in force at all material times.

- (2) Notwithstanding anything contained in any judgment, decree or order of any court tribunal or other authority or in any other law, agreement, award or other instrument for the time being in force –
- a) Every scheme framed, purporting to have been framed, by the Central Government under sub-section (1) of section 16 of the Principal Act; and
  - b) every notification made, or purporting to have been made, by the Central Government under sub-section (6) of the said section 16, before the commencement of the General Insurance Business (Nationalisation) Amendment Ordinance, 1984, in so far as such scheme or notification provides (whether with or without retrospective effect) for any rationalization or revision of pay scales or other terms and conditions of service of officers and other employees of the Corporation or of any acquiring company, otherwise than in relation to, or in connection with amalgamation of insurance companies or merger consequent on nationalization of general insurance business shall be deemed always to have been, for all purposes, as valid and effective as if section 17A, as inserted in the principal Act by section 4, of this Ordinance had been part of the principal Act, and had been in force at all materials times and such schemes or notification in so far as it provides as aforesaid had been framed or made, under the said section 17A :

Provided that nothing in this section shall apply to or in relation to, the notification Dated the 30<sup>th</sup> day of September, 1980, framing the General Insurance (Nationalisation and Revision of Pay Scales and other conditions of Services of Supervisory, Clerical and Subordinate Staff) Second Amendment Scheme, 1980.

**Explanation –**

In this section, the expressions “acquiring Company” and “Corporation” shall have the meanings respectively assigned to them in the principal Act.

**CHAPTER VI**

**FUNCTIONS OF CORPORATION AND ACQUIRING  
COMPANIES AND THEIR MANAGEMENT**

**18.Functions of Corporation**

(1)The functions of the Corporation shall include ----

- (a)the carrying on of any part of the general insurance business, if it thinks it desirable to do so;
- (b) aiding, assisting and advising the acquiring companies in the matter of setting up of standards of conduct and sound practice in general insurance business and in the matter of rendering efficient service to holders of policies of general insurance;
- (c)advising the acquiring companies in the matter of controlling their expenses including the payment of commission and other expenses;
- (d) advising the acquiring companies in the matter of the investment of their funds;
- (e) issuing directions to acquiring companies in relation to the conduct of general insurance business.

(2) In issuing any directions under sub-section (1), the Corporation shall keep in mind the desirability of encouraging competition amongst the acquiring companies as far as possible in order to render their services more efficient.

**Functions of acquiring companies**

(1) Subject to the rules if any, made by the Central Government in this behalf and to its memorandum and articles of association, it shall be the duty of every acquiring company to carry on general insurance business.

- (2) Each acquiring company shall so functions under this Act as to secure that general insurance business is developed to the best advantages of the community.
- (3) In the discharge of any of its functions, each acquiring company shall act so far as may be on business principles and where any directions have been issued by the Corporation, shall be guided by such directions.
- (4) For the removal of doubts it is hereby declared that the Corporation and any acquiring company may, subject to the rules, if any, made by the Central Government in this behalf, enter into such contracts of reinsurance or reinsurance treaties as it may think fit for the protection of its interests.

#### **Balance of profit how to be utilized.**

- (1) After making provisions for bad and doubtful debts, depreciation in assets ,Provident, superannuation , welfare and other funds, debts due to Government and all other matters for which provision is necessary under any law or which are usually provided for by insurance companies, every acquiring company shall distribute the balance of profit as dividends.
- (2) Any profit made by the Corporation and any sums received by the Corporation by way of dividends or otherwise shall be dealt with by it in such manner as may be prescribed

#### **Interim provisions for management of India insurance companies 1971**

- (1) Notwithstanding anything containing in the Companies Act or in the memorandum and articles of association of any Indian insurance company, on and from the appointed day and until a new board of directors of the Indian insurance company is duly constituted, the management of the company shall continue to vest in the Custodian in charge of the management of the undertaking of that company Immediately before the appointed day by virtue of the provisions contained in the General Insurance (Emergency Provisions) Act, 1971, and the Custodian shall be entitled, subject to such directions as the Central Government may issue in this behalf, to exercise all the powers and do all acts and things as may be exercised or done by the company or by its board of directors.
- (2) Nothing contained in sub-section (1) shall be deemed to prevent the Central Government from appointing any other person to take charge of the management of the undertaking of any Indian insurance company during the period referred to in that sub-section if for any reason it becomes necessary so to do, and any person so appointed may exercise

all the powers and do all acts and things which a Custodian may exercise or do under sub-section (1).

- (3) The Custodian referred to in sub-section (1) and the person appointed under sub-section (2) shall be entitled to such salaries and other allowances as the Central Government may specify in this behalf and shall hold office during the Pleasure of the Central Government.

## **22. Power of central Government to transfer employees**

The Corporation may at any time transfer any officer or employee from an acquiring company or the Corporation to any other acquiring company or the Corporation, as the case may be, and the officer or employee so transferred, shall continue to have same terms and conditions of service as were applicable to him immediately before such transfer.

### **Power of Central Government to issue directions.**

23. The Corporation and every acquiring company shall in the discharge of its functions, be guided by such directions in regards to matters of policy involving public interests as the Central Government may give.

## **CHAPTER VII**

### **MISCELLANEOUS**

## **24. Acquiring companies to having the exclusive privilege of carrying on General Insurance Business.**

- (1) Except to the extent expressly provided in this Act, on and from the appointed day, the Corporation and the acquiring companies shall have the exclusive privilege of carrying on general insurance business in India.
- (2) Subject to the provisions of section 36, any certificate of registration granted under the Insurance Act to any insurer other than an insurer referred to in sub-section (1) shall, on and from the appointed day, cease to have effect:

Provided that nothing in this sub-section shall apply to the carrying on by the Life Insurance Corporation of life insurance business and capital redemption and annuity certain business.

## **25. Properties in Indian not to be insured with foreign insurers except with permission of Central Government.**

(1) No person shall take out or renew any policy of insurance in respect of any property in India or any ship or other vessel or aircraft registered in India with an insurer whose principal place of business is outside India save with the prior with permission of the Central Government.

(2) If any person contravenes and provision of sub-section (1), he shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

## **26. Acquiring Companies and Income Tax (43 of 1981).**

For the purposes of the Income-tax Act, 1961, every acquiring company shall be deemed to be an Indian company and a company in which the public are substantially interested.

## **27. Power to reduce amounts of insurance in certain cases.**

An acquiring company may, having regard to its financial condition on the 13<sup>th</sup> day of May, 1971 or the financial condition on the said date of any existing insurer whose undertaking has been transferred to and vested in it under this Act reduce the liabilities which have arisen under contracts of general insurance entered into before the said date in such manner and subject to such conditions as it thinks fit :

Provided that no such reduction shall be made except in accordance with specific proposals made by the acquiring company in this behalf and approved by the Central Government.

## **28. Right of acquiring company to seek relief in respect of certain transactions.**

(1) Where an existing insurer has at any time with five years before the 13<sup>th</sup> day of May, 1971

- (a) made any payment to any person without consideration,
- (b) sold or disposed of any property of the insurer without consideration or for an inadequate consideration,
- (c) acquired any property or rights for an excessive consideration,
  - (d) entered into or varied any agreement so as to require an excessive consideration to be paid or given by the insurer,
- (e) entered into any other transaction of such an onerous nature as to cause a loss to or impose a liability on, the insurer exceeding any benefit accruing to the insurer.



And the payment , sale, disposal, acquisition, agreement or variation thereof or other transaction was not reasonably necessary for the purpose of the general insurance business of the insurer or was made with an unreasonable lack of prudence on the part of the insurer, regard being had in either case to the circumstances at the time, the acquiring company may apply for relief to the court in respect of such transaction, and all parties to the transaction shall unless the court otherwise directs, be made parties to the application.

- (2) The court may make such order against any of the parties to the application as it thinks just having regard to the extent to which those parties were respectively responsible for the transaction or benefited from it and all the circumstances of the case.
- (3) Where an application is made to the court under this section in respect of any transaction and the application is determined in favour of the acquiring company, the court shall have exclusive jurisdiction to determine any claim outstanding in respect of the transaction.

#### **Duty to delivery possession of property and documents relating thereto.**

29. (1) Where any property appertaining to an existing insurer has been transferred and vested in an Indian insurance company under section 5
- a) every person in whose possession, custody or control any such property may be shall deliver the property to the Indian insurance company forthwith.
  - b) any person who immediately before such vesting has in his possession, custody or control any books, documents or other papers relating to an existing insurer shall be liable to account for the said books documents and papers to the Indian insurance company and shall deliver them to that company or to such person at that Company may direct.
- (2) In particular, all the assets of an existing insurer appertaining to the undertaking held in deposit by the Reserve Bank of India under the Insurance Act or by trustees in trust shall be delivered to the Indian insurance company.
  - (3) Without prejudice to the other provisions contained in this section, it shall be lawful for each Indian insurance company to take all necessary steps for taking possession of all properties which have been transferred to and vested in it under this Act.



### **30. Penalty for withholding property etc.**

If any person willfully withholds or fails to deliver to an Indian insurance company as required by section 29 any property or any books, documents or other papers which may be in his possession or unlawfully retains possession of any property of any existing insurer which has been transferred to and vested in an Indian insurance company under section 5 or will fully applies any such property to purposes other than those expressed in or authorized by this Act, he shall, on the complaint of the Indian insurance company, be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

### **31. Officers and employees of Corporation or of acquiring companies to be public servants. 45 of 1860**

Every officer or other employees of the Corporation or of an acquiring shall be deemed to be a public servant for the purposes of Chapter IX of the Indian Penal Code

### **32. Indemnity**

Every officer of the Central Government and every officer or other employee of the Corporation and of any acquiring company shall be indemnified by the Central Government or the Corporation or the acquiring company, as the case may be, against all losses and expenses incurred by him in, or in relation to, the discharge of his duties under this Act except such as have been caused by his own willful act or default.

### **33. Dissolution of Corporation and acquiring companies.**

No provision of law relating to the winding up of companies shall apply to Corporation or to an acquiring company, and neither the Corporation nor any such company shall be placed in liquidation save by order of the Central Government and in such manner as it may direct.

### **34. Reference to existing insurer in other laws.**

Any reference to an existing insurer in any law other than this Act or any contract or other instrument shall, in so far as it relates to an acquiring company, be construed as a reference to the company.

### **35. Application of insurance Act.**

Subject to such exceptions, restrictions and limitations, if any, as the Central Government may, by notification, specify in this behalf, the Insurance Act shall apply to or in relation to the Corporation and every acquiring company as if the Corporation or

the acquiring company, as the case may be, were an insurer carrying on general insurance business within the meaning of that Act.

### 36.Exemptions

(1)Nothing contained in this Act shall apply in relation to ---

(a) any general insurance business carried on by a State Government, to the extent to which such insurance relates to properties belonging to it or undertakings owned wholly or mainly by the State Government or to properties belong to semi-government bodies, or any Board or body corporate established by the State Government under any statute or any industrial or commercial undertaking in which the State Government has substantial financial interest, whether as shareholder, lender or guarantor;

(b) any general insurance business not falling within clause (a) which has been carried on by a State Government before the commencement of this Act, to the extent to which it is necessary to allow such business to run off :

Provided that nothing contained in this clause shall be deemed to authorize the State Government to issue any new policies or renew any existing Policies;

(c) any insurer whose business is being voluntarily wound up or is being wound up by a court;

(d)the insurance business carried on by the Calcutta Hospital and Nursing Home Benefits Association Limited;

(e)the insurance business carried on the Export Credit Guarantee Corporation Ltd.and the Deposit Insurance Corporation established under section of the Deposit Insurance Corporation Act 1961(47 of 1961)

(f) any scheme in existence immediately before the 14<sup>th</sup> day of May, 1971 or any scheme framed after the said day with the approval of the Central Government for the insurance of crops or of cattle or of flood risks or of war or emergency risks

(2) If the Central Government is satisfied that an insurer, whether established before or after the appointed day, carries on only such general insurance business as is not carried on ordinarily by insurers, it may, by notification, direct that nothing contained in this Act shall apply such insurer.

### 37. **Vacancies, etc, not to invalidate proceedings**

No act or proceeding of the Corporation or of an acquiring company shall be called in question merely on the ground of the existence of any vacancy in, or defect in the constitution of, the Corporation or the company.

### 38. Protection of action taken in good faith.

No suit, prosecution or other legal proceeding shall lie against any officer of the Central Government or officer or other employees of the Corporation or of the acquiring company for anything which is in good faith done or intended to be done under this Act.

### 39. Power to make rules.

- (1) The Central Government may, by notification make rules to carry out the
- (2) In particular, and without prejudice to the generality of the foregoing power, rules made under this section may provide for ---
  - (a) the manner in which the profits, if any, and other moneys received by the Corporation may be dealt with;
  - (b) the conditions, if any, subject to which the Corporation and the acquiring companies shall carry on general insurance business;
  - (c) the terms and conditions subject to which any reinsurance contracts or treaties may be entered into;
  - (d) the form and manner in which any notice or application may be given or made to the Central Government;
  - (e) the reports which may be called for by the Central Government from the Corporation and the acquiring companies;
  - (f) any other matter which is required to be, or may be, prescribed.

(3) Every rule made under this section and every notification issued under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

40. Section 14 of the General Insurance (Emergency Provisions) Act, 1971, is omitted. (Omission of section 14 of Act 17 of 1971).

## THE SCHEDULE

(See Section 11)

### PART A

No.	Name of Indian insurance company	Amount to be paid
1	23	
1.	All India General Insurance Company Ltd.	10,00,000
2.	Anand Insurance Company Ltd. Preference shares	3,50,000
	Equity Shares	2,00,000
3.	Bhabha Marine Insurance Company Ltd.	54,448
4.	Bharat General Reinsurance Ltd. Preference Shares	8,18,000
	Ordinary Shares	13,49,844
5.	British Indian General Insurance Company Ltd.	37,50,000
6.	Calcutta Insurance Limited.	7,49,442
7.	Central Mercantile Assurance Company Ltd.	3,38,499
8.	Clive Insurance Company Ltd.	26,12,600
9.	Common Wealth Assurance Company Limited.	1,000
10.	Concord of India Insurance Company Ltd.	39,77,100
11.	DevkaranNanjee Insurance Company Ltd.	16,80,000
12.	General Assurance Society Ltd.	8,06,000
13.	Hercules Insurance Company Ltd.	87,48,000
14.	Hindusthan General Insurance Society Ltd.	15,52,500
15.	Hindusthan Ideal Insurance Company Ltd.	25,20,605

16.	Howrah Insurance Company Ltd.		975
17.	Hukumchand Insurance Company Ltd.		10,00,000
18.	Indian Reinsurance Corporation Ltd.		2,05,02,200
19.	Indian Guarantee & General Insurance Company Ltd.		1,95,69,760
20.	Indian Mercantile Insurance Company Ltd.		50,33,195
21.	India Merchants' Marine Insurance Company Ltd.		2,28,753
22.	Indian Ocean Insurance Company Ltd.		1,00,000
23.	Indian Trade & General Insurance Company Ltd.		61,21,200
24.	Jalanath Insurance Ltd.		10,42,955
25.	Jupiter General Insurance Company Ltd.		26,24,445
26.	Kalyan MARINE Insurance Company Ltd.		1,79,880
27.	Liberty Insurance Company Ltd.		1,000
28.	Madras Motor & General Insurance Company Ltd.		1,77,69,600
29.	Madura Insurance Company Ltd.	Preference Share	700
		Ordinary Shares	15,83,900
		Deferred Shares	12,500

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1 ————— 2 ————— 3

30.	Marine & General Insurance Company Ltd..		8,95,300
31.	Mother India Fire & General Insurance Co. Ltd.		7,44,345
32.	Motor Owners' Insurance Company Ltd.		1,65,575
33.	Naranji Bhanabhai & Company Ltd.		49,200
34.	Narari Marine Insurance Company Ltd.		2,36,400
35.	National Insurance Company Ltd.		60,58,150
36.	Neptune Assurance Company Ltd.		10,00,000

37.	New Great Insurance Company of India Ltd.	43,50,000
38.	New India Assurance Company Ltd.	8,20,37,678
39.	New Merchants Insurance Company Ltd.	68,912
40.	New Premier Insurance Company Ltd.	1,21,110
41.	Northern India General Insurance Company Ltd.	998
42.	Oriental Fire & General Insurance Company Ltd.	2,43,98,000
43.	Pandyan Fire & General Insurance Company Ltd.	90,00,000
44.	Pioneer Fire & General Insurance Company Ltd.	11,82,610
45.	Porbandar Insurance Company Ltd.	59,194
46.	Prachi Insurance Company Ltd.	21,375
47.	Ruby General Insurance Company Ltd.	1,38,74,000
48.	Shree MahasagarVima Company Ltd.	1,18,252
49.	South India Insurance Company Ltd.	60,63,000
50.	Sterling General Insurance Company Ltd. Preference Shares	23,000
	Ordinary Shares	16,08,139
51.	Triton Insurance Company Ltd.	47,07,180
52.	United India Fire & General Insurance Company Ltd.	21,39,991
53.	Universal Fire & General Insurance Company Ltd.	24,71,618
54.	Vanguard Insurance Company Ltd.	896
55.	Vulcan Insurance Company Ltd.	32,49,617

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**PART B**

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Sl.No.	Name of Insurer	Amount to be paid
1.	Co-operative Fire & General Insurance Society Ltd.	18,69,000

2.	Co-operative General Insurance Society Ltd.	5,93,000
3.	Indian Mutual General Insurance Society Ltd.	1,40,000
4.	Life Insurance Corporation of Indian insurance company	2,81,34,000
5.	Millowners' Mutual Insurance Association Ltd.	12,89,000
6.	Orissa Co-operative Insurance Society Ltd	2,83,000
7.	Reinsurance Association of India (International) Ltd.	13,000
8.	Union Co-operative Insurance Society Ltd	37,60,000
9.	Alliance Assurance Company Ltd.	36,65,000
10.	American Insurance Company	3,30,000
11.	Atlas Assurance Company Ltd.	64,85,000
12.	Baloise Insurance Company Ltd.	2,67,000
13.	Bristish Aviation Insurance Company Ltd.	1,000
14.	Caledonian Insurance Company	81,000
15.	Century Insurance Company Ltd.	6,04,000
16.	Commercial Union Assurance Company Ltd.	85,20,000
17.	Eagle Star Insurance Company Ltd.	37,12,000
18.	Gerling Global Reinsurance Company Ltd.	1,000
19.	Great American Insurance Company	3,81,000
20.	Guardian Assurance Company Ltd.	19,98,000
21.	Hanover Insurance Company	42,13,000
22.	Hartford Fire Insurance Company	2,96,000
23.	Home Insurance Company	3,73,000
24.	Legal & General Insurance Society Ltd.	5,28,000
25.	Liverpool London and Globe Insurance Co. Ltd.	8,23,000
26.	London Assurance	12,30,000
27.	London Guarantee & Accident Company Ltd.	40,000

28.	London & Lancashire Insurance Company Ltd.	47,70,000
29.	L'Union Fire, Accident and General Insurance Co. Ltd.	1,000
30.	National employers' Mutual General Ins.Association Ltd.	3,17,000
31.	National Insurance Company of New Zealand Ltd.	1,000
32.	New Hamshire Insurance Company	19,08,000
33.	New Zealand Insurance Company Ltd.	10,84,000
34.	Norwich Union Fire Insurance Society Ltd.	31,43,000
35.	Phoenix Assurance Company Ltd.	2,63,000
36.	Provincial Insurance Company Ltd.	1,000
37.	Queensland Insurance Company Ltd.	10,31,000
38.	Royal Exchange Assurance	49,62,000
39.	Royal Insurance Company Ltd.	73,28,000
40.	Scottish Union & National Insurance Company	43,15,000
41.	Skandia Insurance Company Ltd.	1,000
42.	South British Insurance Company Ltd.	18,42,000
43.	Sun Insurance Office Ltd.	25,86,000
44.	Switzerland General Insurance Company Ltd.	6,35,000
45.	Threadneedle Insurance Company Ltd.	1,000
46.	Tokyo Marine & Fire Insurance Company Ltd.	92,000
47.	Union Insurance Society of Canton Ltd.	5,89,000
48.	Union Scottish Insurance Company Ltd.	83,000
49.	Welfare Insurance Company Ltd.	1,000
50.	Western Assurance Company	13,92,000
51.	Yorkshire Insurance Company Ltd.	16,31,000
52.	Zurich Insurance Company Ltd.	1,000



**THE GAZETTE OF INDIA**

**EXTRAORDINARY**

**Part II --- Section 3 --- Sub-section (ii)**

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**MINISTRY OF FINANCE**

(Department of Revenue & Insurance)

**NOTIFICATION**

New Delhi, the 1<sup>st</sup> January, 1973

S.O. 5(E).--- In exercise of the powers conferred by sub-section (1) of section 5 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby directs that the undertaking of every existing insurer, who is not an Indian insurance company, specified in column (2) of the Schedule to this Notification, which stands transferred to and vested in the Central Government on the appointed day under that sub-section, shall be transferred to and vested in the Indian insurance company specified in the corresponding entry in column (3) of the said Schedule.

**THE SCHEDULE**

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Sl No.	Name of the existing insurer	Name of the Indian insurance company.
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1.	Co-operative Fire & General Insurance Society Ltd.	United India Fire & General Insurance Co. Ltd.
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2.	Co-operative General Insurance Society Limited	United India Fire & General Insurance Co.Ltd
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3.	India Mutual General Insurance Society Limited	United India Fire &General Insurance
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4. Millowners Mutual Insurance Association Limited	National Insurance Company Limited.
5. Orissa Co-operative Insurance Society Limited.	New India Assurance Company Limited.
6. Reinsurance Association of India (International) Limited.	New India Assurance Company Limited
7. Union Co-operative Insurance Society Limited.	United India Fire & General Insurance Company Limited.
8. Alliance Assurance Company Limited.	National Insurance Company Limited.
9. American Insurance Company.	United Fire & General Insurance Company Ltd.
10. Atlas Assurance Company Limited.	National Insurance Company Limited.
11. Baloise Insurance Company Limited.	Oriental Fire & General Insurance Company Ltd.

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S.No.	Name of the existing insurer	Name of the Indian insurance company.
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12. British Aviation Insurance Company Ltd.	Oriental Fire & General Insurance Company Ltd.
13. Caledonian Insurance Company.	National Insurance Company Limited.
14. Century Insurance Company Limited.	National Insurance Company Limited.
15. Commercial Union Assurance Company.	National Insurance Company Limited.
16. Eagle Star Insurance Company Limited	Oriental Fire & General Insurance Company Limited.
17. Gerling Global Re-Insurance Company Limited.	Oriental Fire & General Insurance Company Limited.
18. Great American Insurance Company.	United India Fire & General Insurance Company Limited.
19. Guardian Assurance Insurance Company.	National Insurance Company Limited.
20. Hanover Insurance Company.	Oriental Fire & General Insurance

	Company Limited.
21.Hartford Fire Insurance Company.	United India Fire & General Insurance Company Limited.
22.Home Insurance Company .	United India Fire & General Insurance Company Limited.
23.Legal & General Assurance Society Limited.	United India Fire & General Insurance Company Limited
24.Liverpool and London and Globe Insurance	National Insurance Company Limited.
25.London Assurance. Company Limited.	National Insurance Company Limited.
26.London Guarantee & Accident Company Limited.	Oriental Fire & General Insurance Company Limited.
27.London & Lancashire Insurance Company Limited.	National Insurance Company Limited.
28.L'Union Fire, Accident & General Insurance Com- pany Limited	Accident & General Insurance Company Limited.
29.National Employers' Mutual General Insurance	National Insurance Company Limited Association Limited.
30.National Insurance Company of New Zealand Limited.	Oriental Fire & General Insurance Company Limited.
31.New Hampshire Insurance Company.	Oriental Fire &General Insurance Company Limited.
32.New Zealand Insurance Company Limited.	National Insurance Company Limited.
33.Norwich Union Fire Insurance Society Limited.	National Insurance Company Limited.
34.Phoenix Assurance Company Limited.	Oriental Fire & General Insurance Company Limited.
35.Provincial Assurance Company Limited.	United India Fire & General Insurance

Sl. No.	Name of the existing insurer	Name of the Indian insurance company.
36.	Queensland Insurance Company Limited.	United India Fire & General Insurance Company Limited
37.	Royal Exchange Assurance.	National Insurance Company Limited.
38.	Royal Insurance Company Limited.	National Insurance Company Limited.
39.	Scottish Union & National Insurance Company.	National Insurance Company Limited.
40.	Skandia Insurance Company Limited.	National Insurance Company Limited.
41.	South British Insurance Company Limited.	United India Fire & General Insurance Company Limited.
42.	Sun Insurance Office Limited.	National Insurance Company Limited.
43.	Switzerland General Insurance Company Limited.	Oriental & Fire & General Insurance Company Limited.
44.	Threadneedle Insurance Company Limited.	Oriental Fire & General Insurance Company Limited.
45.	Tokio Marine & Fire Insurance Company Limited.	Oriental Fire & General Insurance Company Limited.
46.	Union Insurance Society of Canton Limited.	National Insurance Company Limited.
47.	Union Scottish Insurance Company Limited.	National Insurance Company Limited.
48.	Welfare Insurance Company Limited.	National Insurance Company Limited.
49.	Western Assurance Company Limited.	National Insurance Company
50.	Yorkshire Insurance Company Limited.	Oriental Fire & General Insurance Company

Limited.

51. Zurich Insurance Company. Oriental Fire & General Insurance Company

Limited.

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(No.F.64(31)-Ins. 1/72)

**A. RAJAGOPALAN**

Officer on Special Duty & Ex-officio

Additional Secretary.

## National Insurance Company Limited (Merger) Scheme, 1973

### PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY

#### PART II – Section 3- Sub-section (II)

Gazette No. Dated 31.12.73. at pages 3036 to 3043.

**S.O. 806 (E)** --- Whereas the Central Government is of opinion that for the more efficient carrying on of general insurance business it is necessary to frame a scheme for the merger of certain Indian Insurance Companies in the National Insurance Company Limited;

Now, therefore, in exercise of the powers on referred by sub-section (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972, (57 of 1972) the Central Government hereby frames the following Scheme, namely :-

**1. Short title and commencement.** – (1) This Scheme may be called the National Insurance Company Limited (Merger) Scheme, 1973.

(2) It shall come into force on the 1<sup>st</sup> day of January, 1974.

**2. Definitions.** – In this Scheme, unless the context otherwise requires,-

(a) “Act” means the General Insurance Business (Nationalisation) Act, 1972 ( 57 of 1972);

(b) “merged company” means a company specified in the First Schedule;

(c) “Schedule” means a schedule appended to this scheme;

(d) “specified day” means the 1<sup>st</sup> day of January, 1974;

(e) “transferee company” means the National Insurance Company Limited.

(2) Words and expressions used in this Scheme and not defined herein or in the Act but defined in the Insurance Act shall have the meanings respectively assigned to them in the Insurance Act.

(3) Words and expressions used in this Scheme and not defined herein or in the Act or in the insurance Act but defined in the Companies Act shall have the meanings respectively assigned to them in the Companies Act.

**3. Transfer of undertakings.**—(1) On and from the specified day, the undertaking of every merged company shall stand transferred to and vested in the transferee company.

- (2) The undertaking of every merged company shall be deemed to include all assets, rights, powers authorities and privileges and all property, movable and immovable, cash balances, capital and reserve funds, investments and all other rights and interests in or arising out of such property, as were immediately before the specified day in the ownership, possession, power or control of such merged company, whether or within or without India and all books of accounts, registers, records and all other documents of whatever nature relating thereto; and shall be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the merged company.
- (3) All profits accruing or losses arising or incurred by merged company on or after the 1<sup>st</sup> day of January 1973, shall, for the purpose this scheme for all other purposes, be deemed to be the profits or losses, as the case may be, of the transferee company.
- (4) Notwithstanding the dissolution of a merged company, the auditor of the merged company appointed under section 619 of the Companies Act and holding office immediately before such dissolution, shall continue in office, examine the accounts of the merged company for the year ending 31<sup>st</sup> December, 1973 and submit a report of such examination, in accordance with the provisions of section 227 of the Companies Act, to the transferee company.
- (5) On receipt of the audited accounts of all merged companies, the transferee company shall prepare, for the year ending 31<sup>st</sup> December, 1973, one consolidated set of accounts, namely, Revenue Accounts, Profit and Loss Account, Profit and Loss Appropriation Account, and Balance-Sheet, as required by section II of the Insurance Act, in respect of all general insurance business transacted by the transferee company and the merged companies during that year.
- (6) All items of miscellaneous expenditure shown in the accounts of a merged company and not written off or adjusted, and all debit balances of the Profit and Loss Account of the merged company, as on the 31<sup>st</sup> day of December, 1972, which have been carried forward in the balance-sheet of the merged company shall be debited to the Profit and Loss Account prepared under sub-paragraph (5) and shall be a charge on, and shall set off against, the profits of the transferee company as shown in the said consolidated accounts.

**4. Effects of transfer.**—(1) All deeds, bonds, agreements, powers-of-attorney, grants or legal representation and other instruments of whatever nature subsisting or having effect immediately before the specified day and to which any merged company is a party or which are in favour of such merged company shall be of as full force and effect against or in favour of the transferee company and may be enforced or acted upon as fully and effectually as if in the place of such merged company the transferee company had been a party thereto or as if they had been issued in its favour.

(2) If on the specified day any suit, appeal or other proceeding of whatever nature is pending by or against any merged company or the Custodian in charge of the management of such merged company, the same shall not be discontinued or be in any way prejudicially affected by reason of the transfer of the merged company under paragraph 3 or of anything contained in this Scheme, but the suit, appeal or proceeding may be continued, prosecuted or enforced by or against the transferee company.

**5. Transfer of service of existing employees.**—Every whole-time officer or other employee of any merged company who was employed by such company immediately before the specified day shall on and from that day become an officer or other employee, as the case may be, of the transferee company and shall hold his office or service under the transferee company on the same terms and conditions and with the same rights as to pension, gratuity and other matters as would have been admissible to him if there had been no such transfer as referred to in paragraph 3 and shall continue to do so, unless and until his employment in the transferee company is terminated or until his remuneration, terms and conditions are duly altered by the transferee company or by any other scheme framed under the Act.

**6. Provident Funds.**—Where a provident fund established by a merged company for the benefit of its employees is in existence immediately before the specified day, the said fund shall, notwithstanding the fact that the merged company is to cease to exist on and from the specified day, continue on and from the said day for the benefit of employees covered by the fund and the fund shall also continue to be governed by the rules with which it would have been governed had not the merged company ceased to exist, unless and until the said rules are duly altered by the transferee company or under any other scheme framed under this Act.

**7. Superannuation, welfare and other funds.**--- (1) Where a merged company has established a superannuation, welfare or any other fund (other than a provident fund) for the benefit of its employees and constituted a trust in respect thereof (hereinafter in this paragraph referred to as an existing trust), the monies standing to the credit of such fund on the specified day shall stand transferred to and vested in the transferee company on such day free from any such trust,

(2) The transferee company shall, as soon as may be after the specified day, constitute in respect of the monies and other assets which are transferred to and vested in it under sub-paragraph (1) one, or more trusts having objects as similar to the objects of the existing trust as in the circumstances may be practicable.

(3) Where all the monies and other assets belonging to an existing trust are transferred to and vested in the transferee company under this paragraph, the trustees of such trust



shall, as from the specified day, stand discharged from the trust, except as respects things done or omitted to be done before the specified day.

**8. Dissolution of merged companies.** --- (1) A merged company shall, on the specified day, stand dissolved without winding up.

(2) The transferee company shall, as soon as may be practicable after the specified day, give an intimation to the Registrar of Companies of the State in which the registered office of a merged company is situated as to the dissolution of the merged company and on receipt of such intimation, the Registrar of Companies shall make the necessary entries in his records and strike the name of the dissolved company of the register of companies.

(3) Notwithstanding the dissolution of a merged company, the Board of Directors of the transferee company shall, as soon as may be, after the specified day, prepare, get audited and lay before the transferee company at its general meeting, a balance-sheet and profit and loss account of the merged company in respect of any calendar year preceding the calendar year 1973 for which the balance –sheet and profit and loss account have not been laid before the merged company, and such account or accounts shall be dealt with in the same manner as the merged company would have dealt with such account or accounts shall be dealt with in the same manner as the merged company would have dealt with such account or accounts had not the merged company been so dissolved.

**9. Cancellation of existing shares.**--- The shares of the transferee company and of the merged companies, in force immediately before the specified day, shall, on and from that day, stand cancelled and all rights and obligations there under shall stand extinguished without prejudice to the rights conferred by sub-section (5) of section 4 of the Act.

**10. Authorised capital.**--- On and from the specified day the transferee company shall issue new shares in lieu of the shares which stand cancelled under paragraph 9 and for this purpose the authorized capital of the transferee company shall be rupees twenty crores divided into ---

- (a) three crore equity shares of five rupees each; and
- (b) five lakhs preference shares of one hundred rupees each.

**11. Issue and allotment of shares.**--- (1) Out of the authorized capital the transferee company shall issue fifty-eight lakh, six thousand and ninety equity shares, which shall be deemed to be fully paid-up.

(2) Out of the issued capital, there shall be allotted to every person, registered immediately before the specified day on the register of members of either the transferee company or of any one or more of the merged companies shares in the

transferee company issued under sub-paragraph (1), and such allotment shall be made in proportion to the total amount paid up on the shares held by such person, immediately before the specified day, in the transferee company or in one or more of the merged companies.

**12.Reduction or further increase of share capital not to be made without the consent of the Central Government.**--- Notwithstanding anything contained in the Memorandum of Association and the Articles of Association of the transferee company, on or after the specified day neither the share capital of the transferee company shall be reduced, nor any further capital shall be issued by the transferee company except with the prior consent of the Central Government.

**13.Alteration of Memorandum of Association and Articles of Association**

The Memorandum of Association and the Article of Association of the transferee company shall, on and from the specified day, stand altered as set out in the Second Schedule.

**14.Directors not to retire by rotation.**--- The provisions of the Companies Act, in so far as they relate to the retirement of directors by rotation, shall not apply in respect of the Directors of the transferee company.

**15.Special provisions.**--- In the event of there being any inconsistency between any provision of the Articles of Association of the transferee company as has not been altered by paragraph 13 and any provision of the Articles as altered by the said paragraph or of this Scheme, the Article as so altered, or this Scheme, as the case may be, shall prevail.

**FIRST SCHEDULE**

[See paragraph 2(b)]

Merged Companies

1. Calcutta Insurance Limited.
2. Clive Insurance Company Limited.
3. General Assurance Society Limited.
4. Hindusthan General Insurance Society Limited.
5. Hukumchand Insurance Company Limited.
6. India Reinsurance Corporation Limited.
7. Neptune Assurance Company Limited.
8. Ruby General Insurance Company Limited.
9. Triton Insurance Company Limited.

## THE SECOND SCHEDULE

(See paragraph 13)

### Alteration of Memorandum of Association and Article of Association of the National Insurance Company Limited

#### PART I

#### The Memorandum of Association

1. In paragraph III of the Memorandum of Association of the National Insurance Company Limited (herein after referred to as the said Memorandum)---

(a) for clause (12), the following clause shall be substituted, namely :-

“(12)To underwrite, undertake and subscribe for conditionally or unconditionally, stock, shares, debentures and other securities whether marketable or otherwise of any other Company.”

(b) clause (15) shall be omitted :

(c) after clause (17), the following clauses shall be inserted, namely :-

“(18)To pay, satisfy or compromise any claims made against the Company in respect of any contracts of insurance granted by, dealt in or entered into by the Company which claims the company may deem it expedient to pay, satisfy or compromise notwithstanding that the validity thereof at law may be disputable and to revive any contracts that may have become void or lapsed on such terms and conditions and in such case as may be deemed expedient or in lieu of reviving any such contract or make any other concession in favour of the persons or any of the persons entitled to such contract.

(19)Generally to carry on, undertake or transact all kinds of trust or agency business including that of the Government or local authority either gratuitously or a otherwise and without prejudice to the generality of the premises to act as and undertake the duties of an executor or administrator of estates, trustees of wills and settlement and or trust deeds or other instruments constituting debentures, debenture stocks, bonds and other securities and to act as and undertake the duties of a custodian, trustee, a trustee for charitable or other institution, a trustee for pension, benevolent or other funds, and generally to act in a fiduciary capacity of any sort including the undertaking of all duties normally undertaken by a trust corporation either with or without remuneration.

(20)To contract with property holders, borrowers, lenders, annuitants and others for the establishment of accumulation provision and payment of sinking funds, redemption funds, depreciation funds, renewal funds, endowment funds, and any other special funds and that

either in consideration of a single payment or of annual or other periodical payments or otherwise and generally on such terms and conditions as may be arranged.

(21) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with its objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's business, property or rights.

(22) To acquire and deal with the shares, stocks or securities in or of any Company carrying on any business which this Company is entitled to carry on or of any other Company or undertaking the acquisition of which may seem likely or calculated directly or indirectly to promote or advance the business of the Company or be advantageous or beneficial to the Company and to continue to hold any shares in any such Company heretofore acquired by the Company and to sell or dispose of and transfer any such shares, stocks, or securities.

(23) To provide for the amelioration and welfare of persons employed or formerly employed by the Company and the wives, widows, families, dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or any grants of money, pensions, allowances, bonuses, or other payments or by creating and from time to time subscribing or contributing to Provident and other Funds, Associations, Institutions or Trusts or by helping persons employed by the Company to effect or maintain insurance on their lives by contributing to the payment or otherwise, and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries medical and other attendance and other assistance as the company shall think fit.

(24) To dedicate, present, subscribe to or otherwise aid out of the profits and/or assets of the Company benevolent, charitable, national or other institutions or objects of a public character, or which have any moral or other claims to support or aid by the Company by reason of the locality or nature of its operations or otherwise.

(25) To make, draw, accept, endorse, discount, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.

(26) To do all or any of the above things, and all such other things as are incidental or as may be thought conducive to the attainment of the above objects or any of them in India or at any other part of the world, either as principals, agents, trustees, contractors or otherwise, and either by or through agents, contractors, trustees or otherwise, and either by or through agents, contractors, trustees or otherwise and either alone or in conjunction with others".

2. For paragraph V of the said Memorandum, the following paragraph shall be substituted, namely :---

“V. The shares capital of the Company shall be rupees twenty crores divided into :--

(a) three crore equity shares of five rupees each ; and

(b) five lakhs preference shares of one hundred rupees each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being and with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or Conditions as may be determined by or in accordance with the Article of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or Conditions in such manner as may be permitted by the Companies Act 1956 ( 1 of 1956 ) or Provided by the Article of Association of the Company for the time being”.

## PART II

### The Article of Association

1. In the Article of Association of the National Insurance Company Limited (hereinafter referred to as the said Articles) :---

(a) for the words “Members 'Directors” and “members 'Directors”, the words “Directors” shall be substituted:

(b) for the words “members' Director”, the word “Director” shall be substituted.

2. In Article 1 of the said Articles :---

(a) in the definition of “The Directors”, the words “and shall unless excluded by or repugnant to the context or subject mean and include both members ' Directors and Policy holders 'Directors” shall be omitted.

(b) in the definition of “The Directors”, and “Policy holders' Directors” shall be omitted.

3. For Article 4 of the said Articles, the following Articles shall be substituted, namely :---

4. *Capital* --- The share capital of the Company shall be rupees twenty crores divided into :--

-

(a) three crore equity shares of five rupees each ; and

(b) five lakh preference shares of one hundred rupees each.”

4. Article 61 of the said Articles shall be omitted.
5. For Article 90 of the said Articles, the following Article shall be substituted, namely: --

“90.*Chairman* --- The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office; but if no Chairman is elected, or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose one from among those present to be Chairman of such meeting.”

6. For Articles 110 to 117 (both inclusive) of the said Articles, the following Articles shall be substituted, namely :--

“110.*Constitution of the Board of Directors*.--- The Board of Directors shall consist of not less than four and not more than eleven Directors, including a whole-time Chairman-cum-Managing Director.

111.*Appointed and term of office of Directors, etc*.--- The Directors shall be appointed, with the previous approval of the Central Government, by the Chairman of the General Insurance Corporation of India [ hereinafter in this Article and in Article 112 referred to as the Chairman(GIC) ].

(2) The term of office of every Director shall be two years from the date of his appointment:

Provided that the Chairman (GIC) may, with the previous approval of the Central Government, extend the term of office of a Director by a further period not exceeding two years at a time.

(3) The Chairman (GIC) may, with the previous approval of the Central Government, fill up any vacancy caused by death, resignation, retirement or otherwise of a Director.

(4) A director appointed under clause (3) shall hold office only for the remainder of the term of office of the Director in whose place he is appointed :

Provided that the Chairman (GIC) may, with the previous approval of the Central Government, extend the term of office of the Director appointed under clause (3) by a further period not exceeding two years at a time.

112.*Removal of Directors*.—If the Chairman (GIC) considers it necessary, in the interests of the Company so to do, he may, with the previous approval of the Central Government, remove a Director from office before the expiry of the term of his office as such Director :

Provided that no Director shall be removed from his office unless he has been given a reasonable opportunity of showing cause against the proposed action.

113. *Share qualification.*--- A Director shall not be required to hold any qualification shares.
114. *Conditions of service, etc., of Directors.*--- The Conditions of service of, or the remuneration payable to a Director shall be such as may be fixed from time to time by the General Insurance Corporation of India with the previous approval of the Central Government.
7. In Article 118 of the said Articles, the words “or for the purpose of filling up vacancies” shall be omitted.
8. In Article 119 of the said Articles clause (a) including the word “or” occurring at the end, and clause (b) including the word “or” occurring at the end, shall be omitted.
9. Articles 120 to 133 (both inclusive) of the said Articles shall be omitted.
10. For Article 135 of the said Articles, the following Article shall be substituted, namely :-  
“135. *Directors may summon meeting.*--- Three Directors may at any time require the manager to summon a meeting of the Board of Directors by giving all the Directors four clear days’ notice in writing specifying the object of such meeting.”
11. For Articles 137 and 138 of the said Articles, the following Article shall be substituted, namely :--  
“137. *Quorum.*--- Three Directors shall form a quorum.”
12. In Article 144 of the said Articles, clause (d) and the words “or of the policyholders” shall be omitted.
13. Article 151 of the said Articles shall be omitted.
14. In Article 157 of the said Articles, the portion commencing with the words “And the Company” and ending with the words “requirements of any local law” shall be omitted.
15. Articles 160 to 165 (both inclusive) of the said Articles shall be omitted.
16. In Article 185 of the said Articles, for the words “President or Vice-President”, the word “Chairman” shall be substituted.
17. In Article 188 of the said Articles, for the word “President”, the word “Chairman” shall be substituted.
18. In Article 190 of the said Articles, the words and figures “unless copies are sent to him under Article 192” shall be omitted.
19. Articles 191 to 193 (both inclusive) of the said Articles shall be omitted.
20. In Article 200 of the said Articles, the word “British” shall be omitted.

[No .F.64(37) – Ins.1/73-IV]

**C.S.ANANTAPADMANABHAN.**

Officer on Special Duty and *Ex-officio* Jt. Secy.



**GAZETTE OF INDIA  
EXTRAORDINARY  
PART II – Section 3 – Sub-section (ii)**

**PUBLISHED BY AUTHORITY**

**No. 372 NEW DELHI, WEDNESDAY, SEPTEMBER 17, 1975 BHADRA 25, 1897**

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**MINISTRY OF FINANCE**  
(Department of Revenue and Insurance)

**NOTIFICATION  
INSURANCE**

New Delhi, the 17<sup>th</sup> September 1975

**S.O. 521 (E)** --- Whereas the Central Government is of opinion that for the more efficient carrying on of general Insurance business it is necessary so to do ;

Now, therefore, in exercise of the powers conferred by clause (g) of sub-section (1) of section 16 of the General Insurance Business, (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme to provide for the rationalization of pay scales and other terms and conditions of service of officers serving under insurers, namely : --

**1. Short title and commencement ---**

- (1) This Scheme may be called the General Insurance ( Rationalisation of Pay Scales and Other Conditions of Service of Officers ) Scheme, 1975.
- (2) It shall come into force on the 1<sup>st</sup> day of October, 1975.

**2. Application ---** The provisions herein contained shall apply to all Officers.

- (i) who were confirmed whole-time Officers as on the 31<sup>st</sup> day of December, 1972, of any of the Indian Insurance Companies or any existing insurer ;
- (ii) who were temporary whole-time Officers as on the 31<sup>st</sup> day of December, 1972, of any of the Indian Insurance Companies or any existing insurer and confirmed before the commencement of this Scheme;
- (iii) who have been absorbed in or whose services have been transferred to, any of the Indian insurance Companies or the Corporation before the commencement of this Scheme;



- (iv) who joined the service of any of the Indian Insurance Companies or the Corporation on or after the 1<sup>st</sup> day of January, 1975, and were confirmed as Officers before the commencement of this Scheme;
- (v) who are temporary whole-time officers or probationary Officers of the Corporation or of the Company at the commencement of this Scheme, but shall not apply to persons ---
  - (a) on deputation to any of the Indian Insurance Companies or the Corporation and who, before the commencement of this Scheme, had opted for reversion, or had been reverted, to their parent office;
  - (b) who are employed under specific contracts of employment;
  - (c) who hold part-time employment;
  - (d) who had retired, or resigned, or whose services had been terminated, before the commencement of this Scheme.

**2. Definitions** --- In this Scheme, unless the context otherwise requires ---

- (a) "Act" means the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972);
- (b) "basic pay" means the basic pay referred to in the First Schedule, or the Second Schedule, or the Third Schedule, as the case may be;
- (c) "Board" means the Board of Directors of the Corporation;
- (d) "Chairman" means ---
  - (i) in relation to the Corporation, the Chairman or the Managing Director;
  - (ii) in relation to the Company, the Chairman-cum-Managing-Director,
- (e) "Company" means the National Insurance Company Limited, the New Indian Assurance Company Limited, the Oriental Fire & General Insurance Company Limited, or the United Indian Fire and General Insurance Company Limited.
- (f) "Corporation" means the General Insurance Corporation of India formed under section 9 of the Act;
- (g) "existing insurer" means an insurer other than an Indian Insurance Company whose Officers have become Officers of an Indian Insurance Company in which

- the undertaking of that insurer or that part of the undertaking to which the Officers relate has vested under sub-section (1) of section 7 of the Act;
- (h) “existing scale” means the scale in which pay was drawn by an Officer before the fixation of his pay in the new scale;
- (i) “gross emoluments” means the aggregate of basic pay, dearness allowance, house rent allowance, and city compensatory allowance;
- (j) “new scale” means the scale of pay given in the First, Second and Third Schedule;
- (k) “new terms” means ---
- (i) the scale of pay and other allowances as set out in the First Schedule, in respect of an officer appointed by the Central Government as Chairman or Managing Director or Chairman-cum-Managing Director;
  - (ii) the scale of pay, dearness allowance and other allowances as set out ---
    - (a) in the Second Schedule, in respect of Officers categorized as General Managers or Assistant General Managers or Managers or Deputy Managers or Assistant Managers or Administrative Officers or Assistant Administrative Officers,
    - (b) in the Third Schedule, in respect of Officers categorized as Junior Officers;
- (l) “Officer” means an employee appointed in India before the commencement of this Scheme and serving whether in India or outside India, in a position other than supervisory, clerical or subordinate position, and categorized as holding any of the posts referred to in the Schedules but does not include an employee declared as a member of the development staff by the Committee appointed by the Board;
- (m) “present gross emoluments” means the gross emoluments drawn by an Officer in the existing scale, on the date opted by him under sub-paragraph (1) of paragraph 4, comprising of the present gross salary, house rent allowance, city compensatory allowance, qualification pay, hill station allowance, lunch allowance paid in cash and development allowance and includes other fixed cash allowance, which the Board may with the previous approval of the Central Government, determine;

- (n) “present gross salary” means the gross salary drawn by an Officer in the existing scale, on the date opted by him under sub-paragraph (1) of paragraph 4, comprising of the basic pay, ad hoc special pay, personal pay, deputation allowance, dearness allowance or any other allowance which is in the nature of dearness allowance, and interim relief allowance;
- (o) “Schedule” means a Schedule appended to this Scheme;
- (p) “Special pay” means an addition of the nature of pay to the emoluments of a post or of an employee in consideration of ---
  - (i) the specially arduous nature of duties; or
  - (ii) a specific addition to the work or responsibility.

#### 4. Pay and allowances of Officers ---

- (1) The scales of pay and other allowances shall be as given in the first ,second or the third schedule.
- (2) Every Chairman and every Officer other than the Chairman shall, within ninety days from the date of commencement of this Scheme, by notice in writing addressed to the Central Government, or, as the case may be ,the Chairman, through the head of his office, specify the date from which the new terms shall be made applicable to him;

Provided that ---

- (a) in the case of an Officer referred to in clause (i) of paragraph 2, the date shall be either from the 1<sup>st</sup> day of January, 1973, or any later date being a date not later than the date of the commencement of this Scheme;
  - (b) in the case of any officer referred to in clause (ii) to (v) of that paragraph, the date shall be either the date of confirmation or the date of absorption, of such Officer.
- (3) (a) Where the date specified by an Officer under sub-paragraph (1) is a date earlier than the date of commencement of this Scheme, such Officer shall be paid for the period commencing from such date and ending with the day preceding the date of commencement of this Scheme, the difference between the new terms and the present gross emoluments.

- (b) Where any portion of leave had been encashed by such Officer during the period referred to in clause(a), such Officer shall not be required to refund any amount realized by him by way of such encashment.
- (c) Where during the period referred to in clause (a), such Officer was holding a post other than the one on which he was normally employed or was in receipt of any allowance of a transit nature, the present gross emolument, which he would have drawn in the post on which he was normally employed shall alone be taken into account for the purpose of this paragraph and paragraph 6.

**5. Categorization of certain Officers ---**

- (1) If any officers have not been categorized so far, the Committee appointed by the Board shall, within two months from the date of commencement of this Scheme complete assessment of the suitability of such officers, being categorized as Assistant Administrative Officers within the authorized cadre strength, and categorise and such Officers as a Assistant Administrative Officers.
- (2) Where an Officer is not categorized as Assistant Administrative Officers under sub-paragraph (1), he shall be categorized as Junior Officer.

**6. Method of fixation ---**

- (1) The pay of every Officer relating to the category in which he is initially placed shall be fixed in the new scale at a stage at which the total of the basic pay and dearness allowance admissible at that pay is equivalent to the total of the present gross salary drawn by such Officer on the date of fixation plus an amount of Rs. 50/- and if the amount so determined is not equivalent to the state in the relevant scale, at the stage next above in the said relevant scale.
- (2) If in determining the basic pay of an Officer under sub-paragraph (1), the amount exceeds the maximum of the scale of pay, the pay shall be fixed at the maximum, or if the amount is less than the minimum of the scale of pay, the pay shall be fixed at the minimum.
- (3) (a) Where in respect of an Officer the gross emoluments determined as on the date of fixation are less than the present gross emoluments, he shall be paid as personal pay the lowest of the three alternatives specified below, namely  
---

- (i) the amount by which his present gross emoluments exceed the gross emoluments so determined; or
  - (ii) the amount by which the sum of Rs. 4,000 exceeds the gross emoluments so determined; or
  - (iii) the amount of maximum personal pay for the appropriate category as specified in Item IV of the First Schedule, Item V of the Second Schedule or Item V of the Third Schedule.
- (b) The personal pay shall not be reduced as and when increases in basic pay are granted after the date of fixation, but shall be subject to the condition that the total of basic pay, dearness allowance, house rent allowance, city compensatory allowance and personal pay of such an Officer shall, at no stage, exceed Rs. 4,000 per month. The personal pay shall be appropriately reduced, where necessary to keep such total emoluments not to exceed Rs. 4,000 per month.

7. **Fixation of pay on promotion** -- Where an Officer whose pay has been fixed under this Scheme had been promoted before, or is promoted after, the commencement of this Scheme to a higher post and his basic pay in the promoted post is the same as the basic pay in the post held by him before promotion, then, the basic pay in the promoted post shall be fixed at the next higher stage in the new scale.

8. **Increments** ---

- (1) Increments in the new scale shall be due every calendar on the first day of the month in which the last increment prior to the date of fixation of pay was granted in the existing scale or where no increment has been drawn on the first day of the month in which he completes twelve months of continuous service in the post held whichever is earlier.

**NOTE :** “ Twelve months of continuous service” means a period of duty equal to twelve months excluding periods of leave during which no salary, is admissible.

- (2) Where the increment falls due on the date of fixation of pay, the new scale shall be made applicable on the basis of the salary of an Officer after the annual increment if any, drawn by such Officer in his existing scale.

9. **Provident Fund** --- Every Officer shall contribute to the Provident Fund at 8-1/3 per cent, of his basic pay, including personal pay, and special pay, if any, with an equal contribution by the Corporation or the Company, as the case may be.

## 10. Payment of gratuity ---

(1) (a) Gratuity shall be payable to an Officer on the termination of his employment after he has rendered to the Corporation or the Company, or to both, continuous service ( including continuous service with the insurer or the previous employer in whose service the Officer was working on the 31<sup>st</sup> day of December, 1972) for not less than five years ---

- (i) on his superannuation; or
- (ii) on his retirement or resignation; or
- (iii) on his death or disablement due to accident or disease; or
- (iv) on termination of his service by the Corporation, or the Company
- (v) on his services being dispensed with owing to reduction of staff or re-organisation or establishment :

Provided that the completion of continuous service of five years shall not be necessary where the termination of the employment of any Officer is due to death or disablement.

### Explanation ---

For the purposes of the paragraph “disablement” means such disablement as incapacitates an employee for the work which he was capable of performing before the accident or disease resulting in such disablement,

- (b) For every completed year of service or part thereof in excess of six months, the Officer shall be paid gratuity at the rates specified below, namely : -

<b>Number of completed years of service</b>	<b>Rate of gratuity for each completed year of service</b>
From 5 years to 11 years	50% of the basic pay last drawn
12 years	60% of the basic pay last drawn
13 years	70% of the basic pay last drawn
14 years	80% of the basic pay last drawn
15 years or more	100% of the basic pay last drawn

Provided that where an employee to whom the General Insurance (Rationalisation and Revision of Pay Scales and other Conditions of Service or Supervisory, Clerical and Subordinate Staff ) Scheme, 1974, applies is promoted as an Officer on or after the 1<sup>st</sup> day of January, 1973, he shall not be paid gratuity at a sum less than that admissible to him under the said Scheme.

- (2) Where the basic pay last drawn exceeds Rs. 2,500, the gratuity shall be determined on the basis of Rs. 2,500.
- (3) The amount of gratuity payable to an Officer shall not exceed twenty months' basic salary last drawn or Rs. 30,000 whichever is less.
- (4) Notwithstanding anything stated above the amount of gratuity payable under this paragraph shall in no case be less than to which the Officer had become entitled as on the 31<sup>st</sup> December, under the conditions of service applicable to him and in force immediately before the 1<sup>st</sup> day of January, 1973.
- (5) Subject to any lien the Corporation or the Company may have on the amount of gratuity admissible to an Officer, the Corporation or the Company, as the case may be, shall pay the Officer or his nominee or nominees or if no nomination is made or is subsisting, his heirs, the amount of gratuity admissible under this paragraph.
- (6) Notwithstanding anything contained in the foregoing sub-paragraph ---
  - (a) where the penalty of dismissal is imposed on an Officer ---
    - (i) who has been convicted of an offence, committed in the course of his employment and which offence, in the opinion of the Corporation or the Company, as the case may be involves moral turpitude, or
    - (ii) for any act involving violence against the management or other Officers or employees, or any riotous or disorderly behaviour in or near the place of employment the gratuity payable to him shall stand wholly forfeited; and
  - (a) where the penalty of compulsory retirement, removal from service, or dismissal is imposed on an Officer for any act involving the Corporation or the Company, or both, in financial loss, the gratuity payable to him shall stand forfeited to the extent of such loss.

## 11. **Protection of accrued pension ---**

(1) Nothing contained in this Scheme shall affect the payment of any pension including family pension or superannuation benefits accrued to any Officer in accordance with the pension or superannuation Scheme as in force before the 1<sup>st</sup> day of January, 1973.

(2) (a) The amount payable under sub-paragraph (1) shall be determined on the salary drawn on 1<sup>st</sup> December, 1972 in the existing scale and on the basis of number of years of continuous service rendered, as if he had retired before the 1<sup>st</sup> day of January, 1973.

(b) The amount determined under clause (a) shall be payable to the Officer on his retirement or on his ceasing to be in service, pension to commence with effect from the date from which it would have ordinarily commenced in accordance with the relevant pension or superannuation scheme.

## **12. Transfer ---**

The Chairman-cum-Managing Director of a company may at anytime transfer any Officer from one Department of the Company to another Department of that Company or from one Office of the Company to another Office of that Company in the same place or any other place.

## **13. Power to vary Dearness Allowance ---**

If the Central Government considers it necessary or expedient so to do, it may, by order, vary the amount of Dearness Allowance specified in column (7) of the Table below Item II in the Second Schedule or in column (7) of the Table below Item II in the Third Schedule and every such order shall be deemed to be a Scheme amending this Scheme.

## **14. Interpretation ---**

Where any doubt or difficulty arises as to the interpretation of any of the provisions of this Scheme, it shall be referred to the Central Government for decision and the decision of the Central Government thereon shall be binding on the persons concerned.

## **15. Power to relax ---**

Where the Board is satisfied that the operation of any of the provisions of this Scheme will cause under hardship in any particular case, it may, by order and for reasons to be recorded in writing, dispense with or relax the requirements of that provisions to such extent and subject to such exceptions and conditions as it may consider necessary for dealing with the case in a just and equitable manner.



**16. Other benefits ---**

No Officer shall be entitled to any benefit not arising out of this Scheme, or any Scheme which may be framed by the Corporation or a Company

**17. Overriding effect ---**

The provisions of this Scheme shall have effect notwithstanding anything to the contrary contained in any terms of appointment, agreement, award or other instrument for the time being in force.

**FIRST SCHEDULE**

(See Paragraph 3 and 6)

i. Pay Scales (Basic Pay) ---

(1) Chairman

Rs. 3500 – 125 – 4000

(2) Managing Director or Chairman-cum-Managing Director

Rs.3000 – 125 – 3500

ii. House Rent Allowance ---

Rs. 300 per month

iii. City Compensatory Allowance ---

Rs. 75 per month

iv. Maximum personal pay ---

Rs. 700 per month

**SECOND SCHEDULE**

(See paragraph 3, 6 and 13)

**1. Pay Scale (Basic Pay) ---**

(1) General Manager

Rs. 2500 – 125 – 3000

(2) Assistant General Manager

Rs. 2000 – 125 – 2500

(3) Manager

Rs. 1600 – 100 – 2000 – 125 – 2250

(4) Deputy Manager

Rs. 1250 – 50 – 1300 – 75 – 1600 – 100 – 2000

(5) Assistant Manager

Rs. 1000-50-1300-75-1675

(6) Administrative Officer

Rs. 770 –40 – 1050 – 50 –1300

(7) Assistant Administrative Officer

Rs. 530 – 40 – 1050

## II. Dearness Allowance ---

The dearness allowance payable to an officer under this Schedule shall be given in the Table below:

### THE TABLE

Dearness Allowance Payable during the Period From

	1-2-73	1-8-73	1-11-73	1-2-74	1-5-74	1-8-74
Basic Salary	to	to	to	to	to	
	31-7-73	31-10-73	31-1-74	30-4-74	31-7-74	onwards
(1)	(2)	(3)	(4)	(5)	(6)	(7)
530	370	430	490	550	580	670
570	380	440	500	560	590	680
610	430	510	590	670	710	830
650	430	510	590	670	710	830

690	440	520	600	680	720	840
730	460	540	620	700	740	860
770	450	530	610	690	730	850
810	450	490	610	690	730	850
850	450	490	610	690	730	850
890	450	490	610	690	730	850
930	435	475	595	675	715	835
970	435	475	595	675	715	835
1000	435	475	595	675	715	835
1010	420	460	580	660	700	820
1050	420	460	580	660	700	820
1100	420	460	580	660	700	820
1150	405	445	565	645	685	805
1200	405	445	565	645	685	805
1250	390	430	550	630	670	790
1300	340	430	550	580	670	790
1375	285	405	525	525	645	765
1450	275	395	515	515	635	755
1525	275	395	515	515	635	755
1600	275	395	515	515	635	755
1675	230	350	470	470	590	710
1700	190	285	405	405	525	525
1800	190	190	305	305	425	425
1900	150	150	165	165	285	285
2000	150	150	150	150	185	185
2125	100	100	100	100	100	100

2250 100 100 100 100 100 100

OVER 2250 NIL

### III. House Rent Allowance ---

The House Rent Allowance shall be payable at the following rates per month :

- (a) For basic pay up to Rs. 750/-.....15% of basic pay
- (b) For basic pay in excess of Rs. 750/-.....10% of such excess;

Provided, however, that the maximum house rent allowance payable to any officer shall not exceed Rs. 300 per month, and the minimum shall not be less than Rs. 75 per month.

### IV. City Compensatory Allowance ---

The City Compensatory Allowance shall be payable at the following rates :

For all Officers posted to Offices	Rate of City Compensatory
Stationed at	Allowance

(a) Bombay, Calcutta, Hyderabad, Madras and New Delhi.- 8% of basic pay subject to a maximum of Rs.75 per month- Effective from 1.1.73

(b) (i) Ahmedabad, Bangalore- 6% of basic pay subject to a maximum of Rs. 50 per month- Effective during the period From1.1.73 to 31.10.73.

(ii) Ahmedabad, Bangalore and Kalyani (Calcutta)- 8% of basic pay subject to a maximum of Rs. 75 per month- Effective from 1.11.73

(c) Kanpur, Lucknow, Nagpur and Poona- 6% of basic pay subject to a maximum of Rs. 50 per month- Effective from - 1.1.73.

(d) Agra, Allahabad, Amritsar, Baroda, Cochin,Coimbatore, Indore, Jabalpur, Jaipur, Madurai, Patna, Sholapur, Srinagar, Surat, Trivandrum, Varanasi- Rs. 10 upto a basic of Rs. 740-, Effective from1.1.73.

(e) Dhanbad, Gwalior, Jamshedpur, Ludhiana, Salem, Sindri, Tiruchirappalli- Rs. 10 upto a basic pay of Rs.740- Effective from 1.11.73.

V. **Maximum Personal Pay ---**

The personal pay referred to in sub-clause (iii) of clause (a) of sub-paragraph (3) of paragraph 6 shall be limited to a maximum amount as under :

Category of Officers	Maximum Personal Pay
(a) General Manager	: Rs. 700 per month
(b) Assistant General Manager	: Rs. 700 per month
(c) Manager	: Rs. 500 per month
(d) Deputy Manager	: Rs. 500 per month
(e) Assistant Manager	: Rs. 500 per month
(f) Administrative Officer	: Rs. 300 per month
(g) Assistant Administrative Officer	: Rs. 300 per month

**THIRD SCHEDULE**

(See paragraph 3, 6 and 13)

I. **Pay Scale (Basic Pay) ---**

Junior Officer : Rs. 460-35-530-40-890

II. **Dearness Allowance ---**

The dearness allowance payable under this Schedule shall be as given in the Table below :

**THE TABLE**

**Dearness Allowance payable during the period from**

	1.2.73	1.8.73	1.11.73	1.2.74	1.5.74	1.8.74
Basic Salary	to	to	to	to	to	to
	31.7.73	31.10.73	31.1.74	30.4.74	31.7.74	onwards
460	321	373	425	477	503	582
495	346	402	458	514	542	626
530	370	430	490	550	580	670
570	380	440	500	560	590	680
610	430	510	590	670	710	830
650	430	510	590	670	710	830
690	440	520	600	680	720	840
730	460	540	620	700	740	860
770	450	530	610	690	730	850
810	450	490	610	690	730	850

850      450      490      610      690      730      850

890      450      490      610      690      730      850

### III. House Rent Allowance

The House Rent Allowance shall be payable at the following rates per month :

- (a) For basic pay upto Rs. 750 15% of basic pay
- (b) For basic pay in excess of Rs. 750 10% of such excess

Provided, however, that the maximum house rent allowance payable to any Officer shall not exceed Rs. 300 per month.

### IV. City Compensatory Allowances ---

The City Compensatory Allowances shall be payable at the following rates :

For all Officers posted to Offices

Rate of City Compensatory Allowance

Stationed at

(a) Bombay, Calcutta, Hyderabad, Madras and New Delhi.- 8% of basic pay subject to a maximum of Rs.75 per month- Effective from 1.1.73

(b) (i) Ahmedabad, Bangalore- 6% of basic pay subject to a maximum of Rs. 50 per month- Effective during the period From 1.1.73 to 31.10.73.

(ii) Ahmedabad, Bangalore and Kalyani (Calcutta)- 8% of basic pay subject to a maximum of Rs. 75 per month- Effective from 1.11.73

(c) Kanpur, Lucknow, Nagpur and Poona- 6% of basic pay subject to a maximum of Rs. 50 per month- Effective from - 1.1.73.

(d) Agra, Allahabad, Amritsar, Baroda, Cochin, Coimbatore, Indore, Jabalpur, Jaipur, Madurai, Patna, Sholapur, Srinagar, Surat, Trivandrum, Varanasi- Rs. 10 upto a basic of Rs. 740-, Effective from 1.1.73.

(e) Dhanbad, Gwalior, Jamshedpur, Ludhiana, Salem, Sindri, Tiruchirappalli- Rs. 10 upto a basic pay of Rs.740- Effective from 1.11.73.

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**V. Maximum Personal Pay ---**

The personal pay referred to in sub-clause (iii) of clause (a) of sub-paragraph 6 shall be limited to a maximum amount as under :

Category of Officer	Maximum personal pay
Junior Officer	Rs. 300 per month

[No.F.65(5)- Ins. III/7/75]

G.H.DAMLE.

Controller of Insurance & Ex-Officio Jr. Secy.

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**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
INSURANCE DIVISION**

New Delhi : Dt. 30.08.1999

**NOTIFICATION**

S.O. -----(E) In exercise of powers conferred by section 17A of the General Insurance Business (Nationalisation) Act, 1972 (57) of (i), the Central Government hereby makes the following scheme further to amend the General Insurance (Rationalisation of Pay Scales and other conditions of Service of Officers) Scheme, 1975, namely :-

- (1) This Scheme may be called the General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Officers Amendment Scheme, 1999.
- (2) Save as otherwise provided, this scheme shall be deemed to have come into force on the 24<sup>th</sup> May, 1994.



In paragraph 10 of General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Officers) Scheme, 1975, in sub paragraph (i), in clause (bb), the proviso, the following shall be inserted, namely :-

“Provided further that the amount of gratuity payable to an officer shall be as determined in accordance with the above provisions or as calculated under the Payment of Gratuity Act, 1972 (39 of 1972), whichever is more favourable to him.”

(F.No.2 (6)-Ins.III/94(iii))

Sd/-

(C. S. RAO)

JOINT SECRETARY (Ins.)

### EXPLANATORY MEMORANDUM

Consequent upon amendments to the payment of Gratuity Act 1972 the Central Government has accorded approval to revise the payment of gratuity to Officers of the General Insurance Industry. The Rationalisation Scheme, 1975 is being amended accordingly with effect from 24<sup>th</sup> May, 1994.

It is certified that no Officer of the General Insurance Corporation of India or its Subsidiary Companies is likely to be affected adversely by the notification being given retrospective effect.

Note:- The Principal Scheme was published vide Notification

No. S.O.521 (E) dated 17.9.1975.

Subsequently amended by Notification No. S.O.672 (E) dated 21.11.1975, S.O.389 (E) dated 1.6.1976, S.O.2445 dated 30.7.1977, S.O.1047 dated 29.3.1978, S.O.2110 dated 14.6.1978, S.O.3428 dated 16.11.1978, S.O.5 dated 20.12.1978, S.O.770 (E) dated 15.10.85, S.O.883 (E) dated 9.12.1985, S.O. 442(E) dated 27.4.1987, S.O.138 (E) dated 29.1.1988, S.O.782(E) dated 22.8.1988, S.O. 572 (E) dated 5.7.1989, S.O.751 (E) dated 1.10.1990, S.O.200 (E) dated 10.3.1992, S.O 81 (E) dated 2.2.1994, S.O. 592 (E) dated 30.6.1995, S.O.521 (E) dated 18.7.1996, S.O 108 (E) dated 14.2.1997, S.O. 168 (E) dated /3.1998 and S.O 729 (E) dated 27.8.1998.

## **Administrative Instructions for implementation of the Provisions of General Insurance (Rationalization of Pay Scales and Other Conditions of Service of Officers )Second Amendment Scheme, 2016**

### **1. SECOND AMENDMENT SCHEME , 2016**

Scales of pay and allowances of Class I Officers have been revised as per General Insurance (Rationalization of Pay Scales and Other Conditions of Service of Officers )Second Amendment Scheme, 2016 (in short Second Amendment Scheme, 2016) published vide Gazette Notification S.O. No.238 (E) on 25<sup>th</sup> January 2016.

The following Administrative Instructions are issued for implementation of the provisions of the Second Amendment Scheme, 2016:

### **2. ELIGIBILITY**

- 2.1 In terms of paragraph 1 of the Second Amendment Scheme, 2016, the said Scheme applies , save as otherwise provided, to all Class I Officers who:-
- i) were in service as on 1<sup>st</sup> August 2012 and continue to be in service as on the date of subject Notification or
  - ii) were in service as on 1<sup>st</sup> August, 2012, and have died or retired on reaching the age of superannuation or opted for voluntary retirement; or
  - iii) who were appointed on any date after 1<sup>st</sup> August 2012.
- 2.2 In terms of the proviso to paragraph 1 of the Second Amendment Scheme, 2016 the Officers whose resignation had been accepted or whose services had been terminated during the period from 01.08.2012 to the date of publication of the Second Amendment Scheme, 2016 in the Official Gazette, i.e.,25<sup>th</sup> January, 2016 shall not be eligible for the arrears on account of revision under this Scheme.
- 2.3 Further, it is clarified that the Second Amendment Scheme, 2016 shall not apply to officers who have been appointed on contractual basis and to whom the Rationalization Scheme, 1975 does not apply.
- 2.4 It is also clarified that in consonance with the provisions of Para 7 (b) of the General Insurance (Public Sector) Officer's Golden Gate Scheme for Voluntary Separation,2009 ('Golden Gate Scheme'. in short) the Officers who opted for the 'Golden Gate Scheme' during the period between 01.08.2012 and date of publication of the Second Amendment Scheme,2016 in the Official Gazette, i.e ,25<sup>th</sup> January 2016, shall be eligible for the benefit of revised pay on account of revision under the Second Amendment Scheme, 2016 for the purpose of payment of ex-gratia under Para 6 and other benefits under Para 7 (a) of the 'Golden Gate Scheme'.

### **3. EFFECTIVE DATE :**

The pay scale and allowances would be deemed to have come into force from the dates mentioned against each of the item as under:

Item	Effective Date
Scales of Pay, Dearness Allowance, House Rent Allowance, City Compensatory Allowance, Transport Allowance, Provident Fund, Gratuity as per revised pay, Fixed Personnel Allowance	01.08.2012
Hill Station Allowance, Kit Allowance and Paradeep Port Allowance	01.02.2016

#### 4. OPTION FOR FIXATION:

(a) Officers who were :

- i) In service as on 01.08.2012 and continue to be in service on the date of publication of the Second Amendment Scheme, 2016; or
- ii) appointed on any date between 01.08.2012 and the date of publication of the Second Amendment Scheme 2016 viz. 25<sup>th</sup> January, 2016.

would have an option to seek fixation of basic pay under the Second Amendment Scheme, 2016 from any date between 01.08.2012 and the date of publication of the Second Amendment Scheme, 2016 viz. 25<sup>th</sup> January 2016 (both days inclusive).

(b) (i) In the event, an Officer in service as on 01.08.2012 fails to exercise the option under the Second Amendment Scheme, 2016, his fitment in the revised scale of pay under the Second Amendment Scheme, 2016 would be carried out with reference to his basic pay as on 31.07.2012 in the pre-revised scale of pay, with effect from 01.08.2012

ii) In case of an Officer who was appointed at any time between 01.08.2012 and the date of publication of the Second Amendment Scheme, 2016, viz. 25<sup>th</sup> January 2016, and who fails to exercise his option for fitment as provided under the Second Amendment Scheme, 2016, the fitment in the revised scale of pay would be carried out with reference to his basic pay in the pre-revised scale of pay on the date of his appointment.

(c) Fixation of pay in the revised scale as per the Second Amendment Scheme, 2016 in the case of Officers who have retired on reaching the age of superannuation or opted for voluntary retirement or have opted to avail the 'Golden Gate Scheme' or have died at any time between 01.08.2012 and the date of publication of the Second Amendment Scheme, 2016, viz. 25<sup>th</sup> January 2016 shall be done w.e.f. 01.08.2012 or from the date of appointment, if it be later.

(d) Officers who are appointed at any time after the date of publication of the Second Amendment Scheme, 2016 viz., 25<sup>th</sup> January 2016, would be governed by the

revised pay scales as per the **Fourteenth Schedule** of the Rationalization Scheme, 1975.

#### 4.1 PERIOD FOR EXERCISING OPTION:

- (a) Option for fitment in the revised pay scales is to be exercised on or before **12<sup>th</sup> February, 2016**
- (b) The option is to be exercised in the prescribed form of option .
- (c) Option once exercised shall be final.
- (d) Officers shall not be eligible for the arrears on account of revision upto the date so opted for fitment. Arrears as may be payable under the provisions of the Second Amendment Scheme, 2016, shall be released as early as possible subject to the receipt of option in the prescribed form within the stipulated time limit.

#### 4.2 FITMENT ON PROMOTION:

1. Any employee promoted from Class III or Class II to a Class I officer who has been promoted from one cadre to another cadre in Class I (except those promoted to Class V and above) and whose salary was fixed in the pre-revised scale of pay applicable to the cadre to which he was promoted on or after 01.08.2012, but before 25<sup>th</sup> January, 2016, may be allowed to re-exercise option for the date of fitment on promotion, if he applies for the same, within 90 days from the date of these administrative instructions, and exercise of option for re-fixation of salary in accordance with these instructions, shall be final.
2. Where any employee has been promoted from Class III or Class II to Class I or a Class I officer who has been promoted from one cadre to another cadre in Class I and whose fixation in the existing scale of the cadre to which he has been promoted is due on or after the 01.08.2012, but prior to 25<sup>th</sup> January, 2016, his basic pay shall be first fixed in the revised scales of pay in the pre-promotional cadre and his basic pay in the revised scales of pay on promotion shall thereafter be re-fixed in accordance with these instructions.

#### 5. METHOD OF FIXATION:

Fixation of basic pay would be carried out on stage to stage basis, as per **Table A under item II of the Fourteenth Schedule**, enclosed with these instructions as part of the Notification.

#### 6. ADDITIONAL (STAGNATION) INCREMENTS/EXTENDED PAY SCALES :

At present, on completion of 3 years of service after reaching the maximum of scale and subject to work record being found satisfactory three, five, two and one Stagnation Increments are allowed to officers in the scale of pay of Scale I, Scale II, Scale III and Scale IV respectively.

As per Second Amendment Scheme, 2016, with effect from 1<sup>st</sup> August, 2012, the Stagnation increment in Scale IV has been replaced by introduction of 02 more stages at the end of the pay scale. The pay scales applicable to Scale V, Scale VI and Scale VII have also been expanded by introduction of four, three and three additional stages at the end of pre-revised pay scales respectively.

Fixation of basic pay in the revised pay scales for Scales IV, V, VI & VII which have been expanded with effect from 1<sup>st</sup> August, 2012, shall be done in the following manner:-

Scale IV	<p>The basic pay of Rs. 42860/- as on 31.07.2012 shall be fixed at the basic pay of Rs. 81,905/- in the revised pay scale and the next increment shall become due after 12 month from the date of last increment or 01.08.2012, whichever is later. Thereafter, the subsequent increment, which is also the last increment in the revised pay scale, shall become due after 12 months of continuous service from the date of last increment.</p> <p>The basic pay of Rs. 44060/- as on 31.07.2012, shall be fixed at the basic pay of Rs. 84,205/- in the revised pay scale and the next increment shall become due after 12 month from the date of last increment or 01.08.2012 whichever is later.</p> <p>Thereafter, the subsequent increment(s) shall become due after 12 months of continuous service from the date of last increment, as usual.</p>
Scale V, Scale VI and Scale VII	<p>The basic pay of officer in Scale V, Scale VI, and Scale VII who are at the ceiling stage of the existing pay scales as on 31.07.2012 shall be fixed at Rs. 91,685/-, Rs. 1,02,520/-, and Rs. 1,14,500/- in the revised pay scale applicable to scale V, Scale VI and Scale VII officers respectively. In these cases, the next increment shall become due after 12 months from the date of last increment or 1<sup>st</sup> August 2012, whichever is later and the subsequent increment(s) after the next increment shall become due in the normal course i.e. after 12 months of continuous service from the date of last increment.</p>

**6A. TREATMENT OF FPA OFFICERS IN SCALES IV, V, VI AND VII CEASING TO BE AT CEILING DUE TO EXTENSION IN SCALE:**

As per the instructions relating to payment of Fixed Personal Allowance, an officer who is in receipt of an increment on account of computerisation and who subsequently reaches the maximum of the scale of pay applicable to him is paid the Fixed Personal Allowance, at the specified rate, on expiry of a period of one year after reaching such maximum of the scale of pay. There may be cases of officers in scales IV, V, VI and VII who are in receipt of FPA by virtue of their being at the ceiling of their respective existing scale prior to 1.08.2012, or the date opted for fixation, but with effect from 1.08.2012 or the date opted for fixation, finding fitment at a stage

below the maximum in their respective revised scale of pay and, accordingly, ceasing to be at ceiling in the revised scale. However, such entering by them in the revised Scale at a stage lower than the ceiling shall not disentitle them from the FPA and he shall continue to draw the same in the usual manner.

However, in respect of Officers in these Scales becoming entitled for drawing FPA on or after 1.08.2012 or the date opted for fixation and drawing the same as such, the FPA so drawn shall be withdrawn and recovered by way of adjustment against fixation in the extended (revised) scale of pay. After fixation in the revised scale of pay, as and when such Officer reaches the ceiling of the Scale applicable to him, thus becoming entitled to draw the FPA afresh, the FPA shall be allowed to him with effect from such fresh date of entitlement.

## 7. COMPONENTS FOR ARREARS :

### 7.1 BASIC PAY:

The revised scale of basic pay for all class I Officers have been incorporated in **Item I of the Fourteenth Schedule** as inserted by the Second Amendment Scheme, 2016. The fixation of basic pay shall be at the appropriate stages as per the fixation tables under item II of the **Fourteenth Schedule**. The revised scale of pay is effective from 1.08.2012 or date of fixation in the revised scale of pay, if it be later, and no arrears would be payable for the period between 1.08.2012 and the date of fixation, if it be later.

### 7.2 DEARNESS ALLOWANCE:

7.2.1 **Item III of the Fourteenth Schedule** provides that the Dearness Allowance shall be payable on the revised scales of pay with reference to All India Consumer Price Index with base at index number **4708** in the series 1960=100.

7.2.2 The rate of Dearness Allowance stands revised and it would now be payable, for every slab of 4 points in the quarterly average over 4708 points, at the rate of **0.10%** of the revised basic pay from 01.08.2012 or the date of fixation in the revised scale of pay, if it be later.

7.2.3 Further, revision of Dearness Allowance shall be on a quarterly basis for every four points rise/fall in the quarterly average of All India Consumer Price Index over 4708 points.

7.2.4 The other provisions regarding payment of Dearness Allowance remain unchanged.

### 7.3 HOUSE RENT ALLOWANCE (HRA):



**Item IV of the Fourteenth Schedule** provides for revised rates and the maximum limits of House Rent Allowance. By the Second Amendment Scheme, 2016, Gandhi Nagar city has been removed from the list of cities in serial no. 2 of the table for the reason that the same being a part of urban agglomeration of Ahmedabad is already covered in the list of cities mentioned in serial no. 1 of the table.

The revised rates of HRA shall be applicable with effect from 1<sup>st</sup> August, 2012 or the date of actual fixation in the revised scales of pay, if it be later, as given below:

**Table**

Sl.No.	Place of Posting	Rate Per Month
1	Cities of Mumbai, Navi Mumbai, Kolkata, New Delhi Chennai, Ahmedabad, Bangaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurgaon	10% of pay subject to maximum of Rs. 5,320/- per month.
2	Cities with population exceeding 12 lacs except the cities mentioned at serial number 1, and all cities in the State of Goa.	8% of pay subject to maximum of Rs. 4,490/- per month
3	All other places	7% of pay subject to maximum of Rs. 4,320/- per month

- Note:
- (1) For the purpose of this item, the population figures shall be as per the latest Census Report.
  - (2) Cities shall include their urban Agglomeration
  - (3) 'Pay' means Basic Pay and Stagnation Increments as per paragraph 8A.

Officers who are allotted residential accommodation by the Company, either by way of staff quarters or by way of leased accommodation, shall not be paid house rent allowance. Besides, such officers shall pay such licence fee as may be decided by the Company from time to time. At present, the licence fee is being deducted @ 1.20% of the minimum of the scale. The revised rate of licence fee shall be 0.75% of the minimum of the revised Scale with effect from 01.02.2016. Up to 31<sup>st</sup> January, 2016, the amount of licence fee which is being deducted at present on the basis of pre-revised basic and pre-revised rate shall continue.

#### **7.4 CITY COMPENSATORY ALLOWANCE (CCA):**

**Item V of the Fourteenth Schedule** provides for revised rates of City Compensatory Allowance Like in HRA, by the Second Amendment Scheme, 2016, Gandhinagar city has been removed from the list of cities in serial no. 2 of the table for the reason mentioned above. Moreover, by adding another row for serial no. 4, it has been made clear that in respect of cities with population less than 5 lacs, CCA is not payable.

Further, the classes of cities have also been indicated as Metro, A Class, B Class and C Class as in many other service benefits a reference is made to classification of cities under CCA.

The revised rates of CCA shall be applicable with effect from 1<sup>st</sup> August, 2012 or the date of actual fixation in the revised scales of pay whichever is later, as given below:

**Table**

Sl.No.	Place of posting	Rate
1	(Metro) Cities of Mumbai, Navi Mumbai, Kolkata , New Delhi Chennai, Ahmedabad, Bangaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurgaon	3% of pay subject to maximum of Rs 1,330/- per month.
2	(A Class) Cities with population exceeding 12lacs, except cities mentioned in serial number 1, and all cities in the State of Goa.	2.5% of of pay subject to maximum ofRs.1,265/- per month.
3	(B Class) Cities with population of 5 lacs andabove but not exceeding 12 lacs,State Capitals with population not exceeding 12 lacs, Chandigarh,Mohali,Panchukula, Pondicherry , Port Blair.	2% of pay subject to a maximum of Rs. 980/- per month
4	(C Class) All other Cities	Nil

- Note:
- (1) For the purpose of this item, the population figures shall be as per the latest Census Report.
  - (2) Cities shall include their Urban Agglomeration
  - (3) 'Pay' means Basic Pay and Stagnation Increments as per Paragraph 8A.

### 7.5 FIXED PERSONAL ALLOWANCE (FPA):

In terms of Item VIII of the Fourteenth Schedule, with effect from 1<sup>st</sup>August, 2012the Fixed Personal Allowance shall stand revised as shown in the Table below:

**Table**

Sl. No.	Officers in the scale of pay of, as on 1.11.1993	Revised Fixed Personal Allowance (FPA) (Rs.)
1	Scale VII	3265
2	Scale VI	2685
3	Scale V	2590
4	Scale IV	2300
5	Scale III	2300
6	Scale II	1745
7	Scale I	1745

There is change in the rules regarding reckoning of FPA for various service and terminal benefits in as much as with effect from 1<sup>st</sup> August, 2012the entire amount of Revised Fixed Personal Allowance (FPA) shall reckon as Basic Pay for the purpose of House Rent Allowance, Provident Fund, Pension, Gratuity and Encashment of Earned Leave.



The benefit of the revised Fixed Personal Allowance as above may be allowed to eligible officers with effect from 01.08.2012 or the date of actual fixation in the revised scales, whichever is later.

## **7.6 TRANSPORT ALLOWANCE:**

**Item IX of the Fourteenth Schedule** of the Second Amendment Scheme, 2016 has provided for payment of Transport Allowance @ Rs. 1,330/- per month, with effect from 1<sup>st</sup> August, 2012. The rules regarding eligibility for the Transport Allowance to an Officer shall remain unchanged i.e. an officer who in receipt of any other Conveyance Allowance/Transport Allowance or reimbursement of Conveyance/Transport Expenses under any of the Conveyance Schemes, shall not be paid the Transport Allowance under this head.

The revised Transport Allowance shall be payable with effect from 1<sup>st</sup> August, 2012 or the date of actual fixation in the revised scales of pay, whichever is later.

### **7.6.1 CONVEYANCE ALLOWANCE TO PHYSICALLY HANDICAPED EMPLOYEES:**

There is no change in the amount of Conveyance Allowance for Blind and Orthopedically Handicapped Employees and the same shall continue to be paid at the uniform rate of Rs. 400/- per month to eligible employees in all classes of Employees till further instruction.

## **7.7 EMPLOYEES CONTRIBUTION TO PROVIDENT FUND:**

### **a) Officers who joined the service of the Company before 01.01.2004:**

With effect from 01.08.2012 or the date of actual fixation in the revised pay scales, if it be later, employee's contribution to Provident Fund shall be recoverable at the existing rate of 10% of revised basic pay. Personal pay and FPA shall also be reckoned as Basic Pay for the purpose of recovery of Provident Fund contribution. It is reiterated that with effect from 01.08.2012 the full component of FPA shall reckon as Basic Pay for the said purpose.

### **b) Officers who joined the service of the Company between 01.01.2004 and 31.03.2010 :-**

The cut-off date for implementation of New Pension Scheme in the Company has been shifted from 01.01.2004 to 01.04.2010, by a separate Amendment Scheme published on 23<sup>rd</sup> January 2016. Hence, in respect of all the employees who joined the service of the Company between 01.01.2004 and 31.03.2010 and are continuing in service as on the date of publication of the Second Amendment Scheme 2016 i.e. 25<sup>th</sup> January 2016 employee's contribution to Provident Fund with effect from 01.08.2012 or the date of actual fixation in the revised pay scales, if it be later, shall be coverable @ 10% of revised basic pay.

Since these Officers, hitherto being treated as covered under the New Pension Scheme have contributed @ 10% of the pre-revised Basic Pay plus DA thereon for this period, necessary adjustment towards such contribution shall be made before arriving at the net amount of contribution recoverable from them towards Provident Fund w.e.f. 01.08.2012.

The Administrative Instructions on treatment of previous contribution towards New Pension Scheme Fund, interest accrued thereon, remittance to be made to PF Account of such employees, setting account of officers who have exited etc., shall be issued separately.

**c) Officers who joined the service of the Company on or after 01.04.2010:-**

The Officers who joined the service of the Company on or after 01.04.2010 are covered under the New Pension Scheme and not covered under the contributory Provident Fund Scheme. Accordingly, no recovery on account of employee's contribution to the Provident Fund shall be made in respect of such officers. However, the effect of the revision in Pay Scales w.e.f. 01.08.2012 on remittances to their New Pension Scheme account is discussed under Para 7.8 below.

**7.8 EMPLOYEE'S CONTRIBUTION TO NEW PENSION SCHEME FUND:**

The Officers who are covered under the New Pension Scheme Fund are required to contribute to the New Pension Scheme Fund as provided under the Scheme. Accordingly, recovery of contribution towards Fund for New Pension Scheme from such officers shall be made @ 10% of difference between the Revised and the Existing Basic Pay and Dearness Allowance thereon for the period from 01.08.2012 (or the date of option for fixation )onwards.

**7.9 EMPLOYER'S CONTRIBUTION TO PROVIDENT FUND/PENSION FUND /NEW PENSION SCHEME FUND:**

As per the provisions of the relevant Schemes, the Company is required to contribute to the Provident Fund/Pension Fund or New Pension Scheme Fund, as the case may be, in respect of each and every employee depending upon his membership of the Fund and the amount of such contribution is equal to the amount required to be recovered from the employee towards Provident Fund or New Pension Scheme Fund as, the case may be. Accordingly, appropriate difference of contribution by the Company may be made to the relevant Fund in respect of each and every employee for the period from 01.08.2012(or the date of option for fixation) onwards.

**8. HILL STATION ALLOWANCE:**

With effect from 01.02.2016, Hill Station Allowance shall be paid based on revised scale of pay as per **Item VI of the Fourteenth Schedule** of the Second Amendment Scheme, 2016 as under:

**Table**

Sl. No.	Height of Place of Posting (Above Mean Sea Level)	Rate
1	1500 meters and over	2.5% of the Basic Salary subject to maximum of Rs. 765/- per month
2	1000 meters and over but less than 1500 meters .Mercara and places which are specifically declared as 'Hill Stations' by Central/State Governments for their employees.	2% of the Basic salary subject to maximum of Rs. 615/- per month
3	Not less than 750 meters and surrounded by and accessible only through hills with a height of 1000 meters and over	2% of the Basic salary subject to maximum of Rs. 615/- per month

For the period from 01.08.2012 to 31.01.2016 Hill Station Allowance shall continue to be paid based on pre-revised scale of pay as per item VI of the Thirteenth Schedule.

#### **9. KIT ALLOWANCE:**

In terms of **Item VII of the Fourteenth schedule** with effect from 01.02.2016, Kit Allowance to an officer transferred to any of the hill stations at which Hill Station Allowance is payable has been revised to Rs. 6000/-

#### **10. PARADEEP PORT ALLOWANCE:**

In terms of **Item X of the Fourteenth Schedule**, with effect from 01.02.2016, or date of appointment, whichever is later, every confirmed Officer posted in the office of the Company in Paradeep Port shall be paid an allowance of Rs. 185/- (Rupees One hundred eighty five only) per month as long as he is posted in that office. This allowance shall not be treated as Basic Pay for any purpose.

#### **11. SPECIAL AREA ALLOWANCE:**

There is to change in the rates and amounts of Special Area Allowance payable in terms of the existing instructions.

#### **12. GRATUITY:**

12.1 There is to change in the rate of gratuity payable to Class I Officers. However, for the purpose of calculating gratuity, the revised basic pay shall be effective from the date of actual fixation of the eligible officers in the revised scale.

12.2 The entire amount of revised Fixed Personal Allowance, as per paragraph 7.5 above, shall reckon as Basic Pay for the purpose of calculating gratuity payable after 01.08.2012.

12.3 Gratuity paid after 01.08.2012, shall be recalculated on the basis of revised scale of pay in the case of eligible officers and the difference wherever due shall be paid.

### 13. LEAVE ENCASHMENT:

While calculating arrears, it would be necessary to recalculate payments made to eligible officers towards Leave Encashment during the period from 01.08.2012 till the date of publication of Second Amendment Scheme, 2016 and appropriate recovery if any, or payment of difference may be effected.

### 14. TRANSFER GRANT:

Since Transfers Grant is payable to officers on transfer in terms of one month basic pay, the difference in the amount of transfer grant as a result of revision in basic pay to eligible officers who were paid Transfer Grant earlier for transfers taking place from 01.08.2012, or the date opted by the officer concerned for fixation, whichever is later, till date, may be released to them. Further, since the existing provisions provided reckoning of the increment portion of FPA as per Item VIII of the Eight Schedule as a part of the Basic Pay for the purpose of Transfer Grant, and as per the revised provision relating to FPA, the entire amount of revised FPA has been allowed to be reckoned as Basic Pay for all those purposes where it used to be the increment portion of FPA as per Item VIII of the Eight Schedule, for the purpose of Transfer Grant also under this paragraph., the entire amount of revised FPA shall be reckoned as Basic Pay.

### 15. LUMP-SUM MEDICAL BENEFIT TO OFFICERS:

With effect from 01.01.2015, the limits of reimbursement domiciliary medical expenses by way of annual lump-sum payment have been revised, along with the eligibility criteria linked to the revised basic pay, and the same are as under:

Revised Basic Pay	Maximum Amount reimbursable per annum (Rs.)
Above Rs. 58,825/-	19,940/-
Upto Rs. 58,825/-	13,300/-

In respect of eligible officers, who had actually incurred in excess of the pre-revised limits for the year 01.01.2015 to 31.12.2015, but restricted their declaration to be pre-revised limits applicable to them and were reimbursed accordingly, the excess over such reimbursed amount up to the different between the revised and the pre-revised

limits may now be reimbursed subject to their submitting requisite declaration to that effect .

**16. MID ACADEMIC YEAR ALLOWANCE:**

With effect from 01.08.2012, the amount of mid academic year allowance has been revised from Rs. 680/- per month to Rs. 1,150/- per month, the other terms and conditions in this regard remaining unchanged. The different on amount of such revision to eligible officers may be paid with effect from 01.08.2012 or the date opted for fixation, whichever is later.

**17. FUNCTIONAL ALLOWANCE TO OFFICERS IN INTERNAL AUDIT DEPARTMENT AND INVESTIGATING OFFICERS IN VIGILANCE DEPARTMENT:**

Both these functional allowances have been revised from RS.675/- per month to Rs.1,150/-per month with effect from 01.02.2016.The eligibility would continue to be determined as per the existing norms.

**18. ENTERTAINMENT ALLOWANCE TO OFFICERS IN CHARGE OF BO/DO:**

With effect from 01.02.2016.the Entertainment allowance payable to officers in charge of Branch Officers and Divisional Officers has been revised as under:

Category of officer in charge	Existing Amount (RS. Per month)	Revised Amount (Rs. Per Month)
Branch Office In charge	750/-	1,250/-
Divisional Office In Charge	900/-	1,500/-

The other terms and conditions governing payment of this allowance shall remain unaltered.

**19. GROUP SAVING LINKED INSURANCE SCHEME (GSLI) AND GROUPTERM INSURANCE SCHEME (GTIS):**

Consequent upon revision in basic pay, for officers, the revised categorisation for the purpose of GSLI and GTIS with reference to the revised basic will be as under :-

Category	Existing Basic Pay Range (Rs.)	Revised Basic Pay Range (Rs.)
I	49411 and above	94466 and above
II	35661 to 49410	68106 to 94465
III	25451 to 35660	48531 to 68105
IV	17240 to 25450	32795 to 48530

Re-categorisation with reference to the revised basic pay ranges has been done in a manner that the existing categories remain unchanged on the relevant day of reckoning.

**20. REDETERMINATION OF CATEGORIES UNDER GROUP MEDICLAIM POLICY:**

Consequent upon revision in basic pay , the revised groupings of employees into various eligible categories of Sum Insured with effect from the next renewal date of the policy shall be as under :-

Category of Sum Insured	Existing basic pay range (Rs.)	Revised basic pay range (Rs.)
Rs. 3,00,000/-	Less than 22730	Less than 43300
Rs., 4,00,000/-	Between 22730 to 29000	Between 43300 to 55335
Rs. 6,00,000/-	Above 29000	Above 55335

For the current policy year, there would be no change in the category of Sum Insured and therefore the existing deduction would continue up to the end of the current policy year.

**21. DEDUCTION TOWARDS STRIKE, WALKOUT, LEAVE ON LOSS OF PAY, HALF-PAY LEAVE ETC.:**

Additional recovery on this account is required to be effected. Similarly, adjustment on account of the Officers having availed extraordinary leave on loss of pay or sick leave or half pay shall also be effected.

**22. OFFICERS UNDER SUSPENSION:**

Officers who have been placed under suspension may be allowed fixation of their salary under the revised scale and paid arrears of salary and/or subsistence allowance, as the case may be.

**23. OFFICERS WITH INTER COMPANY TRANSFERS:**

For Officers transferred from our Company to another, the Company /Companies where they have worked in the past in the period commencing from 01.08.2012 till date, shall be working out the arrears for the period the Officer has worked with them and share the working with the Company where the officer is currently posted to enable the present company to release the consolidated arrears for the entire period from 01.08.2012 (or the date opted) till January, 2016. The present company also has to take care of the overall Income Tax impact.

In case of officers who have since retired/died, after such inter Company transfers, the Company from where he retired/exited due to death should take the responsibility of remitting the arrears after collecting the necessary details from the previous Companies.

## 24. PAYMENT OF ARREARS:

24.1 Arrears may be calculated up to **January, 2016** in accordance with the provisions of Second Amendment Scheme, 2016, as stated above. Arrears, as may be payable to eligible officers, be released at the earliest possible subject to receipt of option, wherever necessary.

24.2 After the arrears are paid, it is required to furnish statements giving information in respect of total amount paid- cadre-wise, to Officers under the following components :-

Basic Pay, Additional increment & DA

House Rent Allowance at the 3 Classes of Centres separately.

City Compensatory Allowance at the 3 Classes of Centres separately.

Transport Allowance

Difference on account of Encashment of Earned Leave/Gratuity

Fixed Personal Allowance

Provident Fund/Pension (Company's contribution)

24.3 Arrears details should be furnished year-wise according to the period to which they pertain.

25. Salary for the month of **February, 2016** and onwards is to be calculated and paid as per the Second Amendment Scheme, 2016.

## 26. TAX DEDUCTIONS:

Necessary deduction on account of Income Tax, Professional Tax and any other statutory deduction should be appropriately effected before releasing arrears.

## 27. INTERPRETATION:

Where any doubt or difficulty arises as to the interpretation of these instructions, it shall be referred to the Chairman-cum-Managing Director for his decision, which shall be final.



**THE GAZETTE OF INDIA  
EXTRAORDINARY**

PART II – Section 3 – Sub section (ii)

**PUBLISHED BY AUTHORITY**

No. 418 NEW DELHI, TUESDAY, SEPTEMBER 21, 1976/BHADRA 30, 1898

Separate paging is given to this Part in order that it may be filed as a separate compilation

**MINISTRY OF FINANCE**  
(Department of Economic Affairs)

NOTIFICATION

INSURANCE

New Delhi, the 21<sup>st</sup> September, 1976

S.O. 627(E) --- In exercise of the powers conferred by clause (g) of sub-section (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme to regulate the termination, superannuation and retirement of Officers and Development Staff of the General Insurance Corporation and of its Companies, namely : -**1. Short title and commencement ---**

- (1) This Scheme may be called the General Insurance (Termination Superannuation and Retirement of Officers and Development Staff) Scheme, 1976.
- (2) It shall come into force on the date of its publication in the Official Gazette.

**2. Application ---**

The provisions herein contained shall apply to all Officers and Development Staff.

**3. Definitions ---** In this Scheme, unless the context otherwise requires ; -

- (a) "Act" means the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972) :
- (b) "Board" means the Board of Directors of the Corporation or of the Company and includes, in relation to the exercise of powers of such Board, any committee of the Board to which, or any officer of the Corporation or Company to whom, the Board has delegated any of its powers;
- (c) "Chairman" means : -



- (i) in relation to the Corporation, the Chairman;
  - (ii) in relation to the Company, the Chairman-cum-Managing Director:
  - (d) “Company” means the National Insurance Company Limited, the New India Assurance Company Limited, the Oriental Fire and General Insurance Company Limited, or the United India Fire and General Insurance Company Limited;
  - (e) “Corporation” means the General Insurance Corporation of India formed under section 9 of the Act.
  - (f) “Development Staff” means persons of the Development Staff as defined in clause (9) of paragraph 3 of the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976;
  - (g) “Officer” means officer as defined in clause (1) of paragraph 3 of the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Officers) Scheme, 1975 and working in the Corporation or the Company;
  - (h) “Service” means the service under the Corporation or the Company, as the case may be;
  - (i) “transferred Development Staff” means persons in the service of an Indian Insurance Company before the 1<sup>st</sup> day of January, 1973 and employed for the purpose of procuring General Insurance Business and categorized or designated as “Development Superintendent” or “Field Worker” under the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff )Scheme, 1976;
  - (j) “transferred Officer” means an Officer who has deemed to have become an Officer of the Corporation or of an Indian Insurance Company before the 1<sup>st</sup> day of January, 1973 or any employee, as defined in paragraphs 3(c) of the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme 1974 who Insurance company before the 1st day of January, 1973 and is promoted subsequently as an Officer.
4. Superannuation and retirement ---
- (1) A transferred Officer or a person to the transferred Development Staff shall retire on attaining the age of 60 years.

- (2) An Officer or a person of the Development Staff, appointed on or after the 1<sup>st</sup> day of January, 1973 shall retire on attaining the age of 58 years.

### Explanation ---

Where an officer or a person of the Development Staff has earned leave to his credit according to the rules framed by the Corporation or the Company, but not availed of as on the date of his retirement, and provided that he had applied for such leave sufficiently in advance before the date of his retirement and the leave was refused by the competent authority, he may be permitted to avail of the leave on reaching the age of 60 years or 58 years, as the case may be and in that case the Officer or the person concerned will be deemed to retire from Service at the expiry of the leave so refused.

- (3) Notwithstanding anything contained in sub-paragraph (1) or sub-paragraph (2) --
- (a) the Central Government, in respect of any Officer referred to in the First Schedule appended to the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Officers) Scheme, 1975;
  - (b) the Board of the Corporation, in respect of the General Manager or Assistant General Manager referred to in the Second Schedule appointed to the Scheme referred to in clause (a);
  - (c) the Board of a company, in respect of an officer other than an officer referred to in clause (a) or clause (b), or in respect of a person of the Development Staff may, after giving the officer or person concerned three months' notice or salary in lieu thereof, determine the service of such officer or person ---
    - (i) if he is a transferred officer or a person of the transferred Development Staff, after attaining the age of 55 years; or
    - (ii) if he is appointed on or after 1<sup>st</sup> day of January, 1973, after attaining the age of 50 years.
- (4) Nothing contained in the foregoing sub-paragraphs shall affect the right of the appointing authority ---
- (a) to retire, remove or dismiss an officer or a person of the Development Staff in accordance with the provisions of the Conduct, Discipline and Appeal Rules framed by the Corporation or the Company, as the case may be, in respect of its employees;
  - (b) to terminate the Service of a person of the Development Staff in accordance with the provisions of sub-paragraph (3) of paragraph 5 or

paragraph 11 of the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976;

- (c) to retire an officer or a person of the Development Staff without notice or pay in lieu thereof on his being certified by a medical examiner, to be nominated for the purpose by the appointing authority, as being incapacitated for further continuous service either due to continued illness or accident;

Provided that if an officer or a person of the Development Staff has earned leave to his credit and he avails of such earned leave from the date such decision to retire him under this sub-paragraph is communicated to him, he will be permitted to avail of the full earned leave to his credit, in which event his retirement shall take effect from the date of expiry of such leave.

5. Determination of Service --- (1) An officer or a person of the Development Staff, other than one on probation, shall not leave or discontinue his intention to leave or discontinue the service and the period of notice required to be given shall be three months;

Provided that such notice may be waived in part or in full by the appointing authority at its discretion.

**Explanation I –**

In this Scheme, month shall be reckoned according to the English calendar and shall commence from the day following that on which the notice is received by the Corporation or the Company, as the case may be;

**Explanation II --**

A notice given by an officer or a person of the Development Staff under this paragraph shall be deemed to be proper only if he remains on duty during the period of notice and such Officer or person shall not be entitled to set off any leave earned against the period of such notice.

- (2) In case of breach by an officer or a person of the Development Staff of the provisions of sub-paragraph(1), he shall be liable to pay to the Corporation or the Company concerned, as the case may be, as compensation a sum equal to his salary for the period of notice required of him which sum may be deducted from any monies due to him.

[No.65(8) Ins III/1/76]

R.D. THAPAR, Addl. Secy.

## **General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976**

Reference is invited to the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Amendment Scheme, 1978. In view of this notification, the sub-paragraphs (1) & (2) of paragraph 4, of the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976 shall be amended to read as under:

- 4 (1) A transferred Officer or a person of the transferred Development Staff shall retire on the afternoon of the last day of the month in which he attains the age of 60 years.
- (2) An officer or a person of the Development Staff appointed on or after the 1<sup>st</sup> day of January 1973 shall retire on the afternoon of the least day of the month in which he attains the age of 58 years.

### **INSURANCE**

PUBLISHED IN THE GAZETTE OF INDIA DATED 12<sup>TH</sup> MAY, 1980

#### **PART II SECTION 3 ---- SUB-SECTION (ii)**

**S.O. 313(E) ---** In exercise of the powers conferred by sub-section (6) of section 16 of the General Insurance Business (Nationalisation) Act 1972 (57 of 1972), the Central Government hereby makes the following Scheme to amend the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976, published as the Notification of the Government of India in the Ministry of Finance (Department of Economic Affairs) No. S.O. 627(E), dated the 21<sup>st</sup> September, 1976, namely:

1. (1) This Scheme may be called the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Amendment Scheme 1980.  
(2) It shall come into force on the date of its publication in the Official Gazette.
2. In the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976 (hereinafter referred to as the said Scheme) --

In paragraph 3, in clause (i), the semicolon at the end of the sentences shall be omitted and the following sentence added, namely :“and includes an employee as defined in clause (c) of paragraph 3 of the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme 1974, who joined the service of the Corporation or of any Indian

Insurance Company before the 1<sup>st</sup> day of January 1973 and was subsequently appointed as a person of Development Staff ”.

3. In paragraph 4 of the said Scheme :

(i) Explanation to sub-paragraph (2) shall be omitted;

(ii) after sub-paragraph (4), the following shall be added as sub-paragraph (5), namely:

“(5) (a) Where an Officer or a person of the Development Staff has earned leave to his credit according to the rules framed by the Corporation or the Company but has not availed of the same till the date of retirement, he may be paid cash equivalent of leave salary in respect of the period earned leave at his credit as on the date of retirement, subject to the following maximum limits :

(i) 180 days, if the normal retirement age of the Officer or the person of the Development is 58 years and

(ii) 120 days if the normal retirement age of the Officer or the person of the Development Staffs is 60 years and

Provided that this paragraph shall not apply to an Officer or a person of Development Staff referred to in sub-paragraph (4) of this paragraph and those referred to in paragraph 5 below.

**NOTE 1 :** The cash equivalent of leave salary shall be paid in one lump sum as a time settlement;

**NOTE 2 :** Leave salary for purpose of this paragraph shall be equal to the salary for such leave standing to his credit calculated at the rate at which he drew salary immediately preceding the date of his retirement but excluding City Compensatory Allowances, House Rent Allowances and Functional Allowances.

**NOTE 3 :** The authority to grant cash equivalent of leave shall be an officer competent to grant earned leave to the person concerned.

b) Where an Officer or a person of the Development Staff who had proceeded on leave preparatory to retirement before the commencement of this Scheme and was allowed to return to duty subsequently he may be paid cash equivalent of leave salary as admissible in terms of clause (a) of this sub-paragraph.

- c) An Officer or a person of the Development Staff may avail as leave preparatory to retirement, a part of the earned leave to his credit in which case the cash equivalent of leave salary shall be allowed in respect of unavailed part of the earned leave due to him as on the date of retirement in terms of clause (a) of this sub-paragraph.

[F.No. 65(8)/Ins.IV/1/78]

Km. KUSUMLATA MITAL, Addl. Secy.

1. (1) This Scheme may be called for General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Amendment Scheme, 1988.  
(2) It shall be deemed to have come into force on the 5<sup>th</sup> day of May, 1988.
2. In paragraph 4 of the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976, in sub-paragraph (5) in clause (a), -  
--  
(a) (i) in item (i), for the figures "180", the figure "240" shall be substituted;  
(ii) in item (ii), for the figures "120", the figures "180" shall be substituted;  
(b) (i) before the existing proviso, the following proviso shall be inserted, namely :  
"Provided that the earned leave standing to his credit as on the date of death may be allowed to be encashed";  
(ii) in the existing proviso, for the words "Provided that", the words "Provided further that" shall be substituted.

[F.No. 114(8)/Ins.IV/88]

S. KANNAN, Jt. Secy.

(Insurance)

#### EXPLANATORY MEMORANDUM

The Central Government has accorded approval to raise the limit on accumulation and encashment of earned leave on retirement in respect of the employees of the GIC on 5<sup>th</sup> May, 1988. The Scheme is being amended according with effect from 5<sup>th</sup> May, 1988.

2. It is certified that no employees of the General Insurance Corporation Of India is likely to be affected adversely by the notification being given retrospective effect.

GOVERNMENT OF INDIA  
**MINISTRY OF FINANCE**  
DEPARTMENT OF ECONOMIC AFFAIRS

**INSURANCE DIVISION**

**NOTIFICATION**

New Delhi, the 27<sup>th</sup> July, 1990.

**S.O.....** In exercise of the powers conferred by Section 17A of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme further to amend the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976, namely;

1. (1) This Scheme may be called the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff ) Amendment Scheme, 1990.

(2) It shall come into force on the date of its publication in the official gazette.

2. In the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff ) scheme, 1976 in Paragraph 4, after sub-paragraph (4), the following shall be inserted, namely :

(A) Notwithstanding anything contained in the foregoing sub-paragraphs, and officer or a person of the Development Staff may be permitted, subject to vigilance clearance, to seek voluntary retirement on completion of 55 years of age or at any time thereafter on giving those months notice in writing to the appointing authority of his intention to retire

2(32)/Ins.III/89)

[F.No

Sd/-

(S.Kannan)

Joint Secretary to the Government of India.

GOVERNMENT OF INDIA  
**MINISTRY OF FINANCE**  
DEPARTMENT OF ECONOMIC AFFAIRS  
**INSURANCE DIVISION**  
**NOTIFICATION**

New Delhi 4.10.90

S.O..... In exercise of the powers conferred by Section 17A of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme further to amend the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976,

namely ---

1. (1) This Scheme may be called the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Second Amendment Scheme, 1990.

(2) It shall be deemed to have come into force on the date of publication of this notification in the Gazette of India.

2. In the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976 in clause (a) of sub-paragraph (5) of paragraph 4, for the portion beginning with the words "Where an Officer or a person of the Development Staff has earned leave" and ending with the words and figure "retirement age of the Officer or the person of the Development Staff is 60 years" the following shall be substituted, namely ---

"Where an Officer or a person of the Development Staff has earned leave to his credit according to the rules framed by the Corporation or the Company but has not availed of the same till the date of retirement, he may be paid cash equivalent of leave salary in respect of the period of earned leave at his credit as on the date of retirement, subject to a maximum of 240 days."

[F.No. 2(24)/Ins.III/90]

Sd/-

(S.Kannan)



Joint Secretary to the Government of

India

## EXPLANATORY MEMORANDUM

The Central Government has accorded approval, with effect from the date of publication of this notification, to raise the limit on encashment of earned leave on retirement in respect of the Officers and Development Officers of the General Insurance Corporation of India and Subsidiary Companies. The General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976 is being amended accordingly.

2. It is certified that no Officer and Development Officer of General Insurance Corporation of India or its Subsidiary Companies is likely to be affected adversely by the notification.

GOVERNMENT OF INDIA

**MINISTRY OF FINANCE**

DEPARTMENT OF ECONOMIC AFFAIRS

**INSURANCE DIVISION**

**NOTIFICATION**

New Delhi 23<sup>rd</sup> December, 1991

S.O.....In exercise of the powers conferred by Section 17A of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme further to amend the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976, namely:

### **Short title and commencement**

1. (1) This Scheme may be called the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Amendment Scheme, 1991.
- (2) It shall come into force on the date of publication in the Official Gazette.

2. In the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976, in paragraph 4, after sub-paragraph (4A), the following proviso shall be inserted, namely :

“Provided that on a written request from an officer or a person of the Development Staff, such notice may be waived in full or in part by the appointing authority.”

[F.No. 2(32)/Ins.III/89-1]

Sd/-

(N.R.Ranganathan)

Special Secretary to the Government of India

### EXPLANATORY MEMORANDUM

The Central Government has accorded approval to amend the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976 and the Scheme is being amended accordingly.

2. It is certified that not employee of General Insurance Corporation of India or its Subsidiary Companies is likely to be effected adversely by the notification.

**NOTE :** The Principal Scheme was published vide Notification No. S.O. 627(E) dated 21.9.1976. Subsequently amended by Notification S.O.1050 dated 23.3.1978, S.O. 313(E) dated 12.5.1980 S.O. 430(E) dated 17.6.1980, S.O. 496(E) dated 4.7.1980, S.O. 1161(E) dated 9.12.1988, S.O. 592 Dated 27.7.1990 and S.O. 753 dated 4.10.1990.

Whilst the rules regarding Voluntary Retirement specifically provides for vigilance clearance, it is to be stressed that in respect of cases in which disciplinary action is pending or in contemplated, the waiver of the notice should not be utilized.

## MINISTRY OF FINANCE

(Department of Economic Affairs)

### **NOTIFICATION**

#### **INSURANCE**

New Delhi, the 29<sup>th</sup> April, 1976 (As amended upto 28.6.78)

S.O. 327(E) --- Whereas the Central Government is of opinion that for the more efficient carrying on of General Insurance Business it is necessary so to do;

Now, therefore, In exercise of the powers conferred by clause (g) of sub-section (1) of Section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme to provide for the rationalisation of Pay Scales and Other Conditions of Service of persons of the Development Staff serving under insurers, namely:

1. Short title and commencement:

(1) This Scheme may be called the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976.

(2) It shall come into force on the 1<sup>st</sup> day of May, 1976.

2. Application :

The provisions herein contained shall apply to all persons of the Development Staff ---

(i) who were confirmed whole time in their respective posts as on the 31<sup>st</sup> day of December, 1972, under any of the Indian Insurance Companies or any existing insurer;

(ii) who were holding temporary whole time posts as on the 31<sup>st</sup> day of December, 1972, under any of the Indian Insurance Companies or any existing insurer and confirmed before the commencement of this Scheme;

(iii) who joined the service of any of the Indian Insurance Companies on or after the 1<sup>st</sup> day of January, 1973, and were confirmed in their respective posts before the commencement of this Scheme;

(iv) who, at the commencement of this Scheme, are holding temporary whole-time posts under the Company or are serving under the Company on probationary basis.

But shall not apply to persons of the Development Staff ---

(a) who are employed under specific contracts of employment;

- (b) who hold part-time employment;
- (c) who had, before the commencement of this Scheme , retired or resigned, or whose services had been terminated, before such commencement.

### 3. Definitions :

In this Scheme, unless the context otherwise requires ---

- (1) "Act" means the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972);
- (2) "Basic pay" means the pay admissible from time to time to a Development Superintendent or an Inspector Grade I or an Inspector Grade II, in the scale of pay set out in the Schedule appended to this Scheme ;
- (3) "Chairman" means ---
  - (a) in relation to the Corporation, the Chairman or the Managing Director;
  - (b) in relation to the Company , the Chairman-cum-Managing Director;
- (4) "Committee" means a Committee appointed by the Chairman under paragraph 4;
- (5) "Company" means the National Insurance Company Limited, the New Indian Assurance Company Limited, the Oriental Insurance Company Limited or the United India Insurance Company Limited;
- (6) "Corporation" means the General Insurance Corporation of India formed under Section 9 of the Act;
- (7) "cost" means the cost incurred on a person of the Development Staff for procuring General Insurance business underwritten during the concerned year and includes, in addition to the gross emoluments of such person, all allowances including conveyance allowance, and the entertainment allowance, bonus or ex-gratia payment, travelling expenses on tours undertaken for procuring General Insurance Business and employers' contribution to provident fund paid to such person during that year;

- (8) "cost ratio" means the ratio expressed as percentage of the cost incurred on a person of the Development Staff to the Schedule Premium Income procured through him during the concerned year ;
- (9) "Development Staff" means the persons employed for the purpose of procuring general insurance business and categorized or designated under this Scheme --  
-  
(a) as Development Superintendents or Inspectors Grade 1 or Inspectors Grade II; or  
(b) as Field Workers :
- (10) "existing scale" means the scale in which pay was drawn by a person of the Development Staff before fixation of his pay under the new terms ;
- (11) "gross emoluments" means the aggregate of basic pay, dearness allowance, hill station allowances, house rent allowances and city compensatory allowances payable under the new terms ;
- (11A) "gross salary" means the aggregate of basic pay and dearness allowance payable under the new terms ;
- (12) "initial cost ratio" means the cost ratio calculated on the basis of the aggregate of the present gross emoluments, and all allowances including conveyance allowances and entertainment allowance, bonus or ex-gratia payment, travelling expenses on tours undertaken for procuring general insurance business and employers' contribution to provident fund paid to a person of the Development Staff in the relevant year under his existing scale :
- (13) "new terms" means the scale of pay and other allowances as set out in the Schedule appended to this Scheme ;
- (13A) "non-core allowances" means entertainment allowances, conveyance allowances or such other similar allowances as allowed or may be allowed by the Corporation ;
- (14) "operating surplus" means the surplus, if any, after deducting the out-go from the income procured through the person of the Development Staff for which purpose,  
(a) the income shall consist of ---  
(i) the reserve for unexpired risk at the end of the previous year, and

- (ii) the scheduled premium income; and
- (b) the out-go shall consist of ---
  - (i) incurred claims calculated by adding amount of claims paid during the year to the amount of claims outstanding at the end of the year and deducting there from the provision for claims outstanding at the end of the previous year ;

- Explanation –*
1. In this item; claim in excess of one lakh of rupee arising from any single claim shall be limited to One lakh rupee ;
  2. Claims in respect of business excluding under the scheduled premium income shall be excluded.
    - (ii) two and a half percent of the scheduled premium income in consideration of limiting to one lakh of rupees claims arising out of any single claim in excess of that amount ;
    - (iii) seven and a half percent of the scheduled premium income towards administrative expenses ;
    - (iv) cost incurred on the person under consideration ;
    - (v) cost incurred on Inspectors Grade I , Inspectors Grade II and Field Workers working in the organization of the Development Superintendent, if the person under consideration is a Development Superintendent ;
    - (vi) cash incentive paid to the person under consideration ;
    - (vii) if the person under consideration is a Development Superintendent, cash incentives paid to other members in the organisation of such Development Superintendent ;
    - (viii) the commission paid or payable on the scheduled premium income for the year ;
    - (ix) reserve for unexpired risk at the end of the year.

***Explanation--*** "Reserve for the unexpired risk" shall be computed at the rate of fifty per cent of the scheduled Premium income for the fire and miscellaneous insurance business, and one hundred per cent of the scheduled premium income for marine insurance business, underwritten during the year ;

(15) "present gross emoluments" means the aggregate of basic pay, adhoc special pay, dearness allowance, personal pay, deputation allowances, hill station allowances, house rent allowances, city compensatory allowances, lunch allowances paid in cash, interim relief, and any other allowances which is in the nature of dearness allowance drawn by a person of the Development Staff in his existing scale ;

(15A) "Present Gross salary" means the residual of the present gross emoluments after deducting all allowances in the nature of house rent allowances, city compensatory allowances, hill station allowances and lunch allowances paid in cash;

(16) "Scheduled Premium income" means the premium income secured by a person of the Development Staff (other than Development Superintendents ) or the premium under the organisation of a Development Superintendent, as the case may be, excluding the premium income in respect of :

- (a) Aviation Hull Insurance Business ;
- (b) Marine Hull Insurance Business accrued through ocean going fleets only ;
- (c) Credit Insurance Business ;
- (d) Public Sector Business ; and
- (e) Tied Business

*Explanation* --- In the case of a person working in a supervisory capacity, for the purpose of his categorization as other than a Development Superintendent and for the fixation of his pay, the scheduled premium income of his organisation shall be considered as his own scheduled premium income.

(17) "stipulated limits" means

- (a) in relation to initial cost ratio, the ration specified in column (2) of the Table below and incurred on a person specified in the corresponding entry in column (1) thereof :

(1)	TABLE	(2)
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- (i) Development Superintendents 1 ½ per cent

(ii) Inspectors and Field Workers

- (a) operating at Bombay, Calcutta, Madras and New Delhi 9 ½ per cent
- (b) operating at A-Class cities [other than those referred to in (a) above], 10 ½ per cent  
B-1 Class cities and B-2 Class cities
- (c) operating at all other center 12 ½ per cent

- (d) in relation to cost ratio, the ratio specified in column (2) of the Table below and incurred on a person specified in the corresponding entry in column (1) thereof ;

TABLE

(1)	(2)	
	For the year in which pay has been fixed under the new terms (a)	For every year subsequent to the year of fixation of pay under the new terms (b)
(i) Development Superintendents	1 ½ per cent	1 ½ per cent
(ii) Inspectors and Field Workers		
(a) operating at Bombay, Calcutta, Madras & New Delhi	8 per cent	7 per cent
(b) operating at A-Class cities other than those referred to	9 per cent	8 per cent



in (a) above] B-1 Class cities

and B-2 Class cities

(c) operating at all other centers	11 per cent	10 per cent
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Note : Notwithstanding the limits of cost ratio specified in sub-column (b) of column (2) in the Table above, the relevant limits for the period from 1.1.1974 to 31.12.1977 shall be as specified in sub-column (a) of Column (2) of the above Table.

Explanation --- In this clause, "A-Class cities", "B-1 Class cities", and "B-2 Class cities" shall mean the cities declared by the Central Government, from time to time as A-Class cities, B-1 Class cities and B-2 Class cities, for the purpose of payment of City Compensatory Allowances to the employees of that Government ;

(18) "Tied Business " means such business on the books of the Company accrued without the intervention or effort of a person of the Development Staff and includes accounts allotted by the company to such person for servicing ;

(19) "Year" means a calendar year ;

#### 4. Categorisation of Development Staff :

(1) Persons of the Development Staff shall, as soon as may be after the commencement of this Scheme ,be categorized by a Committee appointed by the Chairman, into appropriate categories in accordance with the provisions contained in sub-paragraph (2) to (7) and paragraph 5.

(2) Development Superintendent --- A person of the Development Staff working in a supervisory capacity and whose initial cost ratio for the year 1974 would have been within the stipulated limits shall be eligible to be considered for categorisation as Development Superintendent :

Provided that the scheduled premium income procured for the year 1974 from his organisation ---

- (a) having 3 or more persons in the Development Staff (other than himself) was not less than ten lakhs of rupees; or
  - (b) having 4 or more persons in the Development Staff (other than himself) was not less than eight lakhs and fifty thousand rupees ; or
  - (c) having 5 or more persons in the Development Staff ( other than himself) was not less than seven lakhs and fifty thousand rupees.
- (3) Inspectors Grade I --- A person of the Development Staff not categorized as Development Superintendent under sub-paragraph (2) and whose initial cost ratio for the year 1974 would have been within the stipulated limit shall be eligible to be considered for categorization as Inspector Grade I provided the scheduled premium income procured by him during the year 1974 was not less than one lakh of rupee.
- (4) Inspector Grade II --- A person of the Development Staff who has not been categorised as Development Superintendent or as Inspector Grade I under sub-paragraph (2) or Sub-paragraph (3), as the case may be, and whose initial cost ratio for the year 1974 would have been within the stipulated limits shall be eligible to be considered for categorization as Inspector Grade II provided the scheduled premium income procured by him during the year 1974 was not less than sixty thousand rupees.
- (5) Field Worker --- A person of the Development Staff who has not been categorised as Development Superintendent or Inspector Grade I or Inspector Grade II under sub-paragraph (2) or sub-paragraph (3) or Sub-paragraph (4), as the case may be, and whose initial cost ratio for the year 1974 would have been within the stipulated limits shall be designated as Field Worker.
- (6) (a) A person of the Development Staff who has not been categorised as Development Superintendent or Inspector Grade-I or Inspector Grade-II or cannot be designated as Field Worker under sub-paragraph (2) or sub-paragraph (3) or sub-paragraph (4) or sub-paragraph (5) as the case may be, shall be given an option to express in writing within thirty days from the date of notice of option, whether he agrees to a reduction in his monthly present gross emoluments with effect from the date of commencement of this Scheme, so as to bring his initial cost ratio for the year 1975, within the stipulated limits and where an agreement to such reduction has been received, he shall be categorised with effect from such commencement as ---

- (A) Inspector Grade I , if the scheduled premium income for the year 1975 was not less than one lakh rupee; or
  - (B) Inspector Grade II, if the scheduled premium income for the year 1975 was not less than sixty thousand rupees; or
  - (C) shall be designated as Field Worker, if the scheduled premium for the year 1975 was less than sixty thousand rupees.
- (b) the amount of present gross emoluments so reduced under clause (a) shall be deemed to be the present gross emoluments of the person concerned for purposes of fixation under paragraph 8.
- (6) The services of such of those persons of the Development Staff as have not agreed in writing under sub-paragraph (6) to a reduction in the monthly present gross emoluments shall be deemed to have been terminated on the expiry of the period of notice of option given under that sub-paragraph.

## 5. Categorisation of Field Worker :

In a case where the initial cost ration for the year 1975 of a person designated as Field Worker under sub-paragraph (5 of paragraph 4), is within the stipulated limits he shall be eligible to be considered by the Committee for categorization with effect from the date of commencement of this Scheme ---

- (a) as Inspector Grade I if his scheduled premium income for the year 1975 was not less than one lakh of rupee : or
  - (b) as Inspector Grade II, if the scheduled premium income for the year 1975 was not less than sixty thousand rupees.
- (1) In a case where the initial cost ratio for the year 1976 of a Field Worker not categorised as Inspector Grade I or Inspector Grade II under sub-paragraph (6) of paragraph 4 or under sub-paragraph (1) of this paragraph is within the stipulated limits, he shall be eligible to be considered by the Committee for categorisation with effect from the 1<sup>st</sup> day of January, 1977 -
- (a) as Inspector Grade I if his scheduled premium income for the year 1976 is not less than one lakh of rupees; or
  - (b) as Inspector Grade II if his scheduled premium income for the year 1976 is not less than sixty thousand rupees.

Provided that in completing the Schedule Premium income, the notional increase or reduction in the scheduled Premium income, as provided in sub-paragraph (4) of paragraph 12, shall also be taken into account.

- (3) (a) A Field Worker whose scheduled premium income for the year 1976 is not less than Rs. 45,000/- shall be allowed to continue for the year 1977 as a Field Worker.
- (b) If the performance of a Field Worker referred to in clause (a) for the year 1977 conforms to the standards laid down in sub-paragraph (2), he shall be categorised accordingly with effect from the 1<sup>st</sup> of January, 1978.
- (2) The services of such of the Field Workers who cannot be allowed to continue as Field Worker under clause (a) of sub-paragraph (3) who cannot be categorised as Inspector Grade I or the Inspector Grade - II under clause (b) of sub-paragraph (2), shall, after a review as their performance for the relevant year, be liable to termination immediately on expiry of the period of 30 days from the date on which notices were served on them.

Appeal :

Any person aggrieved by the decision of the Committee may prefer an appeal to the Chairman within thirty days of the receipt by him of the decision of the Committee, and Chairman shall decide the same :

Provided that no such decision shall be made unless the person concerned had been given an opportunity of making representation in the matter.

Method of fixation in respect of persons categorised under sub-paragraph (2) or sub-paragraph (3) or sub-paragraph (4) of the paragraph 4 :

- (1) (a) The basic pay of every person categorised as Development Superintendent or Inspector Grade I or Inspector Grade II under sub-paragraph (2) or sub-paragraph (3) or sub-paragraph (4), as the case may be, of paragraph 4 shall be fixed in the appropriate scale specified in the schedule appended hereto in the manner indicated below :
  - (i) The basic pay shall be fixed in the appropriate scale at the stage at which the monthly present gross salary as on 31<sup>st</sup> December, 1975, is equivalent to the monthly gross salary and if there is no such stage in the appropriate scale at the stage next above in the said appropriate scale.
  - (ii) An increment in the appropriate scale shall be granted over the basic pay so determined in clause (i) and this shall be his basic pay as on the 1<sup>st</sup> day of January, 1976.

- (iii) If the basic pay as determined under clause (i) or clause (ii) exceeds the maximum of the appropriate scale of pay, it shall be fixed as such maximum.
  - (b) The person whose basic pay has been fixed under clause (a) shall be paid for the period commencing on the 1<sup>st</sup> of January, 1976 the difference between his gross emoluments and his present gross emoluments, but in case where for the aforesaid period the present gross emoluments, of such person were more than his gross emoluments, he shall not be required to refund the excess drawn by him.
- (2) (a) Notwithstanding anything contained in sub-paragraph (1), the basic pay of person may be fixed in the appropriate scale with effect from the 1<sup>st</sup> day of January, in 1975 in the manner indicated below, provided that his cost ratio for the year 1975 would have been within the stipulated limits and the scheduled premium income procured by the person during the year 1975 was not less than the minimum scheduled premium income stipulated for categorization in his category ;
- (i) The basic pay shall be fixed in the appropriate scale at the stage at which the monthly present gross salary as on the 31<sup>st</sup> day of December, 1974 is equivalent to the monthly gross salary and if there is no such stage in the appropriate scale, at the stage next above in the said appropriate scale.
  - (ii) An increment in the appropriate scale shall be granted over the basic pay as determined under sub-clause (i) and this shall be treated as the basic pay as on the 1<sup>st</sup> day of January, 1975.
  - (iii) An increment in the appropriate scale shall be granted over the basic pay as determined under sub-clause (ii) and this shall be treated as the basic pay as on the 1<sup>st</sup> day of January, 1976.
  - (iv) If the basic pay as determined under sub-clause (i) or sub-clause (ii) or sub-clause (iii), exceeds the maximum of the appropriate scale of pay, it shall be fixed at such maximum.
- (b) The person whose basic pay has been fixed under clause (a) shall be paid for the period commencing from the 1<sup>st</sup> day of January, 1975, the difference between his gross emoluments and his present gross emoluments, but in case where for the aforesaid period the present gross emoluments, of such persons were more than his gross emoluments, he shall not be required to refund the excess drawn by him.

- (3) (a) Notwithstanding anything contained in sub-paragraph (1) or sub-paragraph (2), the basic pay of person may be fixed in the appropriate scale as on the 1<sup>st</sup> day of January 1974, in the manner indicated below, provided that his cost ratio for the years 1974 and 1975 would have been within the stipulated limits and the scheduled premium income procured by the person during each of the years 1974 and 1975 was not less than the minimum scheduled premium income stipulated for categorization in his category :
- (i) The basic pay shall be fixed in the appropriate scale at the stage at which the monthly present gross salary on the 31<sup>st</sup> day of December, 1973 is equivalent to the monthly gross salary and if there is no such stage in the appropriate scale, at the stage next above in the said appropriate scale.
  - (ii) An increment in the appropriate scale shall be granted over the basic pay as determined in sub-clause (i) and this shall be treated as the basic pay as on the 1<sup>st</sup> day of January, 1974.
  - (iii) An increment in the appropriate scale shall be granted over the basic pay as determined under sub-clause (ii) and this shall be treated as the basic pay as on the 1<sup>st</sup> day of January, 1975.
  - (iv) An increment in the appropriate scale shall be granted over the basic pay determined sub-clause (iii) and this shall be treated as the basic pay as on the 1<sup>st</sup> day of January, 1976.
  - (v) If the basic pay as determined under sub-clause (i) or sub-clause (ii) or sub-clause (iii) or sub-clause (iv) exceeds the maximum of the relevant scale of pay, it shall be fixed at such maximum.
- (b) The person whose basic pay has been fixed under clause (a) shall be paid for the period commencing from the 1<sup>st</sup> day of January, 1974, the difference between his gross emoluments and his present gross emoluments, but in case where for the aforesaid period, the present gross emoluments, of such person were more than his gross emoluments, he shall not be required to refund the excess drawn by him.
- (4) (a) Notwithstanding anything contained in sub-paragraph (1) or sub-paragraph (2) or sub-paragraph (3), the basic pay of a person may be fixed in the appropriate scale as on the 1<sup>st</sup> day of January, 1973, in the manner indicated below, provided that his cost ratios for the years 1973, 1974 and 1975 would have been within the stipulated limits and the scheduled premium income procured by the person during each of the years 1973, 1974 and 1975 was not less than the

minimum scheduled premium income stipulated for categorization in his category  
:

- (i) The basic pay shall be fixed in the appropriate scale at the stage at which the monthly present gross salary as on the 1<sup>st</sup> day of January, 1973 is equivalent to the monthly gross salary, and if there is no such stage in the appropriate scale, at the stage next above in the said appropriate scale.
  - (ii) The basic pay as determined in terms of sub-clause (i) shall be treated as the basic pay as on the 1<sup>st</sup> day of January, 1973.
  - (iii) An increment in the appropriate scale shall be granted over the basic pay as determined in terms of sub-clause (ii) and this shall be treated as the basic pay as on the 1<sup>st</sup> day of January, 1974.
  - (iv) An increment in the appropriate scale shall be granted over the basic pay as determined in terms of sub-clause (iii) and this shall be treated as the basic pay as on the 1<sup>st</sup> day of January, 1975.
  - (v) An increment in the appropriate scale shall be granted over the basic pay so determined under sub-clause (iv) and this shall be treated as the basic pay as on the 1<sup>st</sup> day of January, 1976.
  - (vi) If the basic pay as determined under sub-clause (i) or sub-clause (ii) or sub-clause (iii) or sub-clause (iv) sub-clause (v) exceeds the maximum of the appropriate scale of pay, it shall be fixed at such maximum.
- (b) The person whose basic pay has been fixed under clause (a) shall be paid for the period commencing from the 1<sup>st</sup> day January, 1973, the difference between his gross emoluments and his present gross emoluments, but in case where for the aforesaid period the present gross emoluments of such person were more than his gross emoluments, he shall not be required to refund the excess drawn by him.

**8. Method of fixation in respect of persons categorised under sub-paragraph (6) of paragraph 4 and sub-paragraph (1), (2) and (3) of paragraph 5 :**

- (1) The basic pay of every person categorised as Inspector Grade I or Inspector Grade II and sub-paragraph (6) of paragraph 4 and sub-paragraph (1), (2) and (3) of paragraph 5 shall be fixed in the appropriate scale specified in the scheduled appended hereto in the manner indicated below ;
  - (i) The basic pay shall be fixed in the appropriate scale at a stage at which the monthly present gross salary as on the date of categorization is equivalent



to the monthly gross salary and if there is no such stage in the appropriate scale, at the stage next above in the said appropriate scale.

- (ii) If the basic pay as determined in clause (1) exceeds the maximum of the appropriate scale of pay, it shall be fixed at such maximum.

## 9. Method of payment to Field Workers :

- (1) The pay of a Field Worker who is not categorised as Inspector Grade I or Inspector Grade II under sub-paragraph (6) of paragraph 4 or sub-paragraph (1) of paragraph 5 shall not be fixed in any of the pay scales referred to in the schedule appended hereto, and he shall continue to draw his present emoluments till such time as he is categorised as Inspector Grade I or Inspector Grade II under sub-paragraph (2) or sub-paragraph (3) of paragraph 5 or his services are terminated under sub-paragraph (4) of paragraph 5.
- (2) In case of Field Worker is drawing the present gross emoluments which are less than four hundreds rupees per month, his present gross emoluments shall be stepped up with effect from the date of commencement of his Scheme to such an amount not exceeding four hundred rupees per month:

Provided his initial cost ratio, computed on the basis of his revised emoluments and his Scheduled Premium Income for the year 1975 is within the limits stipulated in sub- clause (a) of clause (17) of paragraph 3.

- (3) A Field Worker who would have drawn during any year increased emoluments in terms of his existing scale may be allowed such increased emoluments :

Provided his initial cost ratio, computed on the basis of his revised emoluments and his scheduled premium income for the relevant year remains within the limits stipulated in sub-clause (a) of clause 17 of paragraph 3.

- 10. **Encashment of Leave** --- Where any portion of leave had been encashed by a person of the Development Staff, he shall not be required to refund any amount paid to him by way of such encashment.

## 11. Cost Control :

(1) Every person of the Development Staff shall after his categorization in accordance with the provisions of this Scheme work with such cost as to maintain his cost ratio within the limits stipulated in sub-clause (b) of clause (17) of paragraph 3.



- (2) If the cost ratio for a particular year in respect of a member of the Development Staff exceeds the stipulated limits, the non-core allowances payable to him in the year immediately following the year under review, shall be reduced to the extent of the amount by which his cost ratio exceeds the stipulated limits during the year under review

Provided that if the Non-Core Allowances payable to the concerned member of the Development Staff during the year immediately following the year under review are less than the reduction to be effected in terms of this paragraph, no Non-Core Allowances shall be paid to the concerned member of the Development Staff during the year immediately following the year under review.

Provided further that no such reduction shall be effected, if no Non-Core Allowances were payable to the concerned member of Development Staff during the year immediately following the year under review.

- (3) If in respect of a member of the Development Staff the cost ratio is in excess of the stipulated limit for the 2<sup>nd</sup> year in succession, he should be issued a letter of warning to the effect that in the event of his cost ratio exceeding the stipulated limit for the third year in succession, his services shall be liable to be terminated.
- (4) Where a person of the Development Staff is operating for three years in succession on a cost ratio which exceeds the stipulated limits his services shall be liable to be terminated after the appraisal of his performance for the third year.
- (5) Where the Non-Core Allowances of a person of the Development Staff are reduced under sub-paragraph (2), or his services are terminated under sub-paragraph (4), such reduction of Non-Core Allowances or termination of services shall not be deemed to be a penalty.

## 12. Development of certain types of business :

- (1) Every person of the Development Staff shall after the commencement of this Scheme, procure a minimum premium income out of all or any of the following types of business namely :
- (i) all risk insurance ;
  - (ii) baggage insurance ;
  - (iii) cash-in –transit insurance ;
  - (iv) cattle insurance ;
  - (v) insurance of pump sets and lifts ;
  - (vi) machinery break down insurance ;
  - (vii) pedal cycle insurance ;
  - (viii) personal accident insurance for individuals including the Janata Personal Accidents Policies ;

- (ix) shopkeepers or house-holders comprehensive insurance ;
  - (x) any other class of insurance which may be notified by the Central Government from time to time in this behalf.
- (2) Except for the year 1976, the minimum amount of such premium to be procured by an organisation of a Development Superintendent or by a person of the Development Staff, other than an organisation of Development Superintendent shall be related to the scheduled premium income procured in the preceding year by such organisation or person, as the case may be as under :

Scheduled premium income procured in the income out of the business preceding year	Minimum premium refer to in sub-paragraph(1)
Up to Rs. 1,00,000/-	10 per cent of the scheduled premium income in the preceding year, subject to a minimum of Rs. 5,000/-
More than Rs. 1,00,000/- but up to Rs. 2,00,000/- 10,000/-	7 ½ per cent of the scheduled premium income in the preceding year, subject to a minimum of Rs
More than Rs. 2,00,000/- the 15,000/-	5 per cent of the scheduled premium income in the preceding year, subject to a minimum of Rs.

- (3) The minimum amount of such premium income for the year 1976 shall be two-thirds of the amount arrived at under sub-paragraph (2).
- (4) Where the minimum amount of such premium income fixed under sub-paragraph (2) or sub-paragraph (3);

(a) is procured by a person of the Development Staff, the scheduled premium income of such person shall notionally be increased by an amount equal to the amount of premium income procured from the business referred to in sub-paragraph(1)

(b) is not procured by a person of the Development Staff, the scheduled premium income of such person shall notionally be reduced by an amount equal to the shortfall and such reduction shall not be deemed to be a penalty.

### 13. Increments :

- (1) A Development Superintendent or an Inspector Grade I or Inspector Grade II shall earn increments in the appropriate scale of pay on the 1<sup>st</sup> day of January, 1977 and 1<sup>st</sup> day of January, 1978 if his cost ratio does not exceed the limit stipulated in sub-clause (b) of clause (17) of paragraph 3.
- (2) A Development Superintendent, an Inspector Grade I or the Inspector Grade II whose cost ratio does not exceed the limit stipulated in sub-clause (b) of clause (17) of paragraph 3 shall earn increment in the appropriate scale of pay on the 1<sup>st</sup> day of January of the year commencing from the year 1979, if in the immediately preceding year he has registered a minimum increase in his scheduled premium income over that on the previous year as indicated below :

Category	Minimum Increase
Development Superintendent	One lakh of rupees
Inspector Grade I and	Seven and a half per cent or
Inspector Grade II	Rs. 15,000/- whichever is less.

Provided that in computing the minimum increase in the scheduled premium income, the notional Increase or reduction in the scheduled premium income as provided in sub-paragraph (4) of paragraph 12 shall also be taken into account.

(3) As from the 1<sup>st</sup> day of January, 1979, and onwards where the minimum increase mentioned in sub-paragraph (2) falls short for the year under consideration in respect of a person referred to therein, the average increase in respect of such person for the three years immediately preceding the year under consideration shall be taken into account, for grant of an increment.

### 14. Additional Increments :

(1) As from the 1<sup>st</sup> day of January, 1978, and onwards, a Development Superintendent, an Inspector Grade I or an Inspector Grade II, whose cost ratio does not exceed the limit stipulated in sub-clause (b) of clause (17) of paragraph 3 and who has earned cash incentive at the highest permissible rate under paragraph 15 for the preceding two years or for the two years out of preceding three years, shall be eligible for the grant of an additional increment in the scales from the 1<sup>st</sup> of January of the year which shall be temporary.

(2) The additional increment shall be withdrawn on the 31<sup>st</sup> of December of the year, if the person referred to in sub-paragraph (1) does not comply with the requirements specified in that sub-paragraph

**15. Cash Incentive :**

(1) As from the 1<sup>st</sup> day of January, 1977, and onwards, a Development Superintendent, an Inspector Grade I or an Inspector Grade II, whose cost ratio does not exceed the limit stipulated in sub-clause (b) of clause (17) of paragraph 3 and who has earned his increment under paragraph 18 for the year relating to which cash incentive is being considered shall be allowed a cash incentive at the rate mentioned in sub-paragraph (2), provided he has registered an increase of his scheduled premium income over that of the previous year ---

(i) of twenty per cent, or two lakh of rupees, whichever is higher if he is a Development Superintendent ; or

(ii) of twenty per cent, or fifty thousand rupees, whichever is higher, if he is an Inspector Grade I or Inspector Grade II.

(2) The quantum of cash incentive shall be a percentage of the operating surplus of the Development Superintendent, Inspector Grade I or Inspector Grade II, as indicated below ;

**TABLE**

	Operating Surplus	Percentage of operating surplus to be granted as  Cash incentive
--	-------------------	--

Below 20 per cent	Nil
20 per cent or more but less than 22 ½	1 ¼ per cent
22 ½ per cent or more but less than 26 per cent	2 ½ per cent
26 per cent or more but less than 27 per cent	3 ½ per cent
27 per cent or more but less than 28 per cent	4 ½ per cent
28 per cent or more but less than 29 per cent	5 ½ per cent
29 per cent or more but less than 30 per cent	6 ½ per cent
30 per cent or more	7 ½ per cent

Provided that the cash incentive granted to a person under this paragraph shall not exceed the total Basic pay drawn by him during the year to which the cash incentive relates and his cost including the Cash incentive is within the limit stipulated in sub-clause (i) of clause (17) of paragraph 3.

#### 16. Provident Fund :

Every Development Superintendent, Inspector Grade I and Inspector Grade II shall contribute to the Provident Fund at the rate of ten percent of his basic pay, with an equal contribution by the Corporation or the Company , as the case may be.

#### 17. Payment of Gratuity :

(1) (a) Gratuity shall be payable to every Development Superintendent, Inspector Grade I and Inspector Grade II on the termination of his employment after he has rendered to the Corporation or the Company, or both, continuous service (including continuous service with the insurer or the previous employer in whose service the person was working on the 31<sup>st</sup> day of December, 1972), for not less than five years :

- (i) on his superannuation; or
- (ii) on his retirement or resignation ; or
- (iii) on the death or disablement due to accident or disease; or
- (iv) on termination of his service by the Corporation or the Company ; or
- (v) on his services being dispensed with owing to reduction of staff or reorganization of establishment;

Provided that the completion of continuous service of five years shall not be necessary where the termination of the employment of the person concerned is due to death or disablement.

Explanation --- For the purposes of this paragraph, 'disablement' means such disablement as incapacitates an employee for the work which he was capable of performing before the accident or disease resulting in such disablement.

- (c) For every completed year of service of part thereof in excess of six months, every Development Superintendent, Inspector Grade I or Inspector Grade II shall be paid gratuity at the rates specified below, namely :

Number of completed year of service year of	Rate of gratuity for each completed Service
Up to 11 year	50 per cent of the basic pay last drawn
12 years	60 per cent of the basic pay last drawn
13 years	70 per cent of the basic pay last drawn
14 years	80 per cent of the basic pay last drawn
15 years	100 per cent of the basic pay last drawn

Provided that where an employee to whom the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme , 1974 applies, is transferred, on and after the 1<sup>st</sup> day of January, 1973, as a person of the Development Staff in the grade of Development Superintendent, or Inspector Grade I or Inspector Grade II, he shall not be paid gratuity at a sum less than that admissible to him under the said Scheme.

- (2) The amount of gratuity payable to the person shall not exceed twenty months' basic pay last drawn.
- (3) Notwithstanding anything contained in the sub-paragraph (2), the amount of gratuity payable under this paragraph shall in no case entitled as on the day prior to the date of his coming under the new terms under the conditions of service applicable to him and in force till that date.
- (4) Subject to any lien the Corporation or the Company may have on the amount of gratuity admissible to the person concerned, the Corporation or the Company , as the case may be, shall pay to such person or his nominee or if no nomination is made or is subsisting, his heirs, the amount of gratuity admissible under this paragraph.
- (5) Notwithstanding anything contained in the foregoing sub-paragraphs:
  - (a) where the penalty of dismissals is imposed on a Development Superintendent, an Inspector Grade I or Inspector Grade II
    - (i) who has been convicted of an offence, committed in the course of his employment and which offence, in the opinion of the Corporation or the Company, as the case may be, involves moral turpitude ; or
    - (ii) for any act involving violence against the management, or other Officers or employees , or any riotous or disorderly behaviour in or near the place of employment, the gratuity payable to him shall stand wholly forfeited ; and
  - (b) where the penalty of compulsory retirement, removal from service, or dismissals is imposed on the person concerned for any act involving the Corporation or the Company, or both, in financial loss, the gratuity payable to him shall stand forfeited to the extent of such loss.

## 18. Protection of accrued Pension :

- (1) Nothing contained in this Scheme shall affect the payment of any pension including family pension or superannuation benefits accrued to a Development Superintendent, and Inspector Grade I or Inspector Grade II in accordance with the pension or superannuation Scheme as in force before the date of his coming under the new terms.
- (2) (a) The amount payable under sub-paragraph (1) shall be determined on the basic pay drawn in the existing scale on the day prior to the date of his coming under the new terms and on the basis of number of years of continuous service rendered, as if he had retired on the day prior to the date of his coming under the new terms.

- (b) The amount determined under clause (a) shall be payable to him on his retirement or on his ceasing to be in service, pension to commence with effect from the date from which it would have ordinarily commenced in accordance with the relevant provision governing the pension or superannuation scheme.

**19. Functions of Development Superintendent, Inspector Grade I and Inspector Grade II:**

The function of the Development Superintendent, Inspector Grade I and Inspector Grade II shall generally be as under :

**(a) Development Superintendent ---**

- (i) to supervise, guide and control Inspector Grade I or Inspector Grade II or both, not less than four in number :
- (ii) to function as a Supervisory Development Official under an Assistant Division Manager in a Divisional Office or under a Branch Manager in a Branch Office :

Provided that where the Development Superintendent functions as a Supervisory Development Official in a Branch Office, the post of Assistant Branch Manager (Development) shall be kept in abeyance during the period the Development Superintendent function as a supervisory Development Official ;

- (iii) to discharge such other function as may be assigned to him by the Company.

**(b) Inspector Grade I or Inspector Grade II ---**

- (i) to recommend for recruitment, assist in training, guide and motivate the agents for procurement of general insurance business ;
- (ii) to develop and service general insurance business in the area under his jurisdiction ;
- (iii) to prepare and issue cover notes and kutchha receipts ;
- (iv) to service any business which may be assigned to him by the Company ;
- (v) to discharge such other functions as may be assigned to him by the Company ;
- (vi) to maintain diary in format prescribed from time to time by the Corporation and present it when demanded by the superiors.

**20. Transfer :**



The Chairman-cum-Managing Director of a Company may, at any time, transfer a person of the Development Staff from one office of the Company to another office of that Company in the same place or any other place.

**21. Power to vary Dearness Allowances :**

If the Central Government considers it necessary or expedient so to do, it may, by order, vary the amount of Dearness Allowance specified in the Scheduled appended hereto and every such order shall be a scheme amending this Scheme.

**22. Power to relax :**

Where the Corporation is satisfied that the operation of any of the provision of this Scheme will cause undue hardship in any particular case, it may, by order and for reasons to be recorded in writing, dispense with or relax the requirements of that provision to such extent and subject to such exceptions and conditions as it may consider necessary for dealing with the case in a just and equitable manner.

**23. Other benefits :**

No person of the Development Staff shall be entitled to any benefit not arising out of this Scheme, or any Scheme which may be framed by the Corporation or Company.

**24. Overriding effect :**

The provision of this Scheme shall have effect notwithstanding anything to the contrary contained in any terms of appointment, agreement, award or other instrument for the time being in force.

**25. Interpretation :**

Where any doubt or difficulty arises to the interpretation of any of the provision of this Scheme, it will be referred to the Central Government for decision and that Government shall decide the same.

**SCHEDULE**

[ See Paragraph 3(2) and (13), 7(1), 8, 9, and 21]

1 Scale of pay ( Basic pay )

(1) Development Superintendent Rs. 400-30-460-35-530-40-890

(2) Inspector Grade I Rs. 250-15-295-20-375-25-525-30-675-35-850.

(3) Inspector Grade II

Rs. 175-10-225-15-240.

II. Dearness Allowance --- The dearness allowance payable to the Development Superintendent, Inspector Grade I and Inspector Grade II, and an Inspector Grade II, shall be given in the Table II:

III. House rent allowance --- The house rent allowance shall be payable to a Development Superintendent, Inspector Grade I and an Inspector Grade II, at the following rate per month :

(a) For those drawing basic pay up to Rs. 750/- 15 per cent of basic pay subject to the following minimum

Rs.	Rs.
175 to 190	30
191 to 250	40
251 to 290	50
291 to 350	60
351 to 750	75

(b) For those drawing basic pay above Rs.750/- 15 per cent of the first Rs. 750/- of basic pay & 10 per cent of excess of basic pay over Rs. 750/-

IV. City Compensatory Allowance --- The city compensatory allowance at the rate of Rs. 20/- per month shall be payable to every Development Superintendent, Inspector Grade I and Inspector Grade II, drawing basic pay of Rs. 740/- or less per month and working in an office located at any of the stations mentioned in

column (2) of the Table below, with effect from the date specified in the corresponding entry in column (3) thereof :

**TABLE**

Sl No.	Station	Date from which payable
(a)	Agra, Ahmedabad, Allahabad, Amritsar, Bangalore Baroda, Bombay, Calcutta, Cochin, Coimbatore, Delhi, Hyderabad, Indore, Jabalpur, Jaipur, Kalyani (Calcutta), Kanpur, Lucknow, Madras, Madurai, Nagpur, Patna, Poona, Sholapur, Srinagar, Surat, Varanasi, Trivandrum	1 <sup>st</sup> January, 1973
(b)	Dhanbad, Gwalior, Jamshedpur, Ludhiana, Salem, Sindri, Tiruchirappalli	1 <sup>st</sup> November, 1973
(c)	Bhopal, Faridabad	15 <sup>th</sup> April, 1978
V.	Hill Station Allowance --- The hill station allowance shall be payable at the rate of 15 per cent of basic pay subject to a maximum of Rs. 75/- per month to every Development Superintendent, Inspector Grade I and Inspector Grade II, working in an office located at any of the following stations, namely :  Almora, Anantnag, Baramulla, Darjeeling, Dharamsala, Gangtok, Mercara, Nainital, Ootcamond, Palampur, Shillong, Simla, Srinagar.	

**ADMINISTRATIVE INSTRUCTIONS FOR IMPLETATION OF THE PROVISIONS OF  
GENEREAL INSURANCE (RATIONALISATION OF PAY SCALESAND OTHER  
CONDITIONS OF SERVICE OF DEVELOPMENT STAFF)SECOND AMENDMENT  
SCHEME, 2016**

**1. AMENDMENT SCHEME,2016:**

Scales of pay and allowance of Development Officers have been revised as per General Insurance (Rationalisation of Pay Scales and Other conditions of service of Development Staff) Second Amendment Scheme,2016 (in short, the Second Amendment Scheme,2016) published vide Gazette Notification S.O. 239(E) on 25<sup>th</sup> January,2016.

The following Administrative instructions are issued for implementation of the provisions of the Second Amendment Scheme, 2016.

**2. ELIGIBILITY:**

2.1 In terms of Para 1 of the Second Amendment Scheme, 2016. The said scheme applies to all Development Officers, who :-

- (i) Were in service as on 1<sup>st</sup> August,2012 and continue to be in service as on the date of publication of the subject notification: or
- (ii) Were in service as on 1<sup>st</sup> August, 2012, and have died, or retired on reaching the age of superannuation, or opted for voluntary retirement: or
- (iii) Who were appointed on any date after 01.08.2012

2.2 In terms of the proviso to paragraph 1(3) of the Second Amendment Scheme, 2016. The Development Officers whose resignations had been accepted or whose services had been terminated during the period from 01.08.2012 and the date of publication of the Second Amendment Scheme, 2016 in the Official Gazette i.e. 25<sup>th</sup> January, 2016 shall not be eligible for the arrears on account of revision under the Second Amendment Scheme, 2016.

2.3 Further, it is clarified that the Second Amendment Scheme, 2016 shall not apply to Development Officers who have been appointed on contractual basis and to whom the Rationalisation Scheme, 1976 does not apply.

**3. EFFECTIVE DATE:**

The pay scale and allowance would be deemed to have come into force from the dates mentioned against each of the item as under:-

Item	Effective Date
Scales of Pay, Dearness Allowance, House Rent Allowance, City Compensatory Allowance, Allowance for	01.04.2013

Technical Qualifications, Provident Fund, Gratuity, Fixed Personal Allowance.	
Hill Station Allowance and Paradeep Port Allowance	01.02.2016

However, a Development Officer, who was in a service at any time during the period from 01.08.2012 to 31.03.2013, shall be paid Equitable Relief for the period of such service.

### 3.1 Scales of pay, Equitable relief and absorption of arrears/equitable relief in cost (Para 7A, 7B & 7C)

- (1) On and from the 1<sup>st</sup> day of April, 2013, the basic pay and allowance of every Development Officer shall be in accordance with Schedule I.
- (2) The basic pay of every Development Officer who was in service on 1<sup>st</sup> day of April, 2013 or was appointed thereafter shall be fixed in accordance with **item II of Schedule I**, with effect from the 1<sup>st</sup> day of April, 2013 or the date of appointment, whichever is later.
- (3) Every Development Officer whose basic pay is fixed in accordance with **Item II of Schedule I**, shall be paid for the period commencing on and from the 1<sup>st</sup> day of April, 2013 or the date of his appointment, whichever is later, the difference of gross emoluments and allowance for technical qualification payable under **Schedule I** and that paid under **Schedule H** after deducting the Development Officer's compulsory contribution to Provident Fund.

### 3.2 Equitable Relief (Para 7B):

However, the Development Officer who was in service at any time during the period from the **1<sup>st</sup> day of August, 2012 to 31<sup>st</sup> day of March, 2013** shall be paid equitable relief for the period of such service.

Explanation: For the purposes of this paragraph the term "equitable relief" means the difference between the aggregate of gross emoluments and allowance for technical qualifications computed under **Schedule I and Schedule H**, respectively with consequent adjustment of Ex-gratia payment, Provident Fund, Pension, Gratuity and Encashment of Earned Leave, as the case may be.

### 3.3 Absorption of Arrears and Equitable relief in cost (Para 7C) :

The arrears and equitable relief determined under paragraph (7A) and (7B) shall be added to the cost of Development Officer for the respective performance year to which they relate, subject to the stipulated limits of cost and the balance shall be added to his cost for the performance year 2015-16 and 2016-17 in such

proportion as he may choose within 90 days of the publication of the Second Amendment, 2016.

**4. STIPULATED LIMITS OF COST RATIO AS PER ITEM (vi) OF SUB CLAUSE (c) OF CLAUSE 17 OF PARAGRAPH 3 OF THE SCHEME :-**

The Second Amendment Scheme, 2016 , while revising the emoluments of Development Officers, also provides for relaxations in cost ratio with effect from performance year 01.04.2015 to 31.03.2016, as under :-

- (a) Upward revision in cost ratio limit in all Classes of Cities respectively by 1%. Accordingly, the revised cost ratio limits are now 8%, 9% and 11% in Class 'A' Class 'B' and Class 'C' cities, respectively with effect from the Performance Year commencing on 01.04.2015 and subsequent Performance Years;
- (b) Relaxation in cost ratio limits in all Classes of cities by 1% for the performance year 01.04.2015 to 31.03.2016 for the purpose of absorption of additional cost accruing as a result of absorption of arrears and equitable relief as per option to be exercised by a Development Officer in terms of Para 3.3 above.
- (c) Additional Relaxation in the cost ratio limits in respect of a Development Officer who has attained the age of 55 years and has completed minimum of 15 years of service **any time during the performance year under consideration**, revising it from the existing 1% to 2%.

A. For a sake of serving as a ready reckoner, the net position of the stipulated limit of cost ratios for the Performance Years w.e.f. 01.04.2015 is provided hereunder:-

Development Officer operating at	Stipulated Limits of Cost Ratio			
	2015-16		2016-17 & onwards	
	D.Os with less than 55 yrs. Of age or 15 yr of service	D.Os with 55 yrs. Or more age & 15 yr of service	D.Os with less than 55 yrs. of age or 15 yr of service	D.Os with 55 yrs. o more age & 15 yr of service
(a) Cities with population exceeding 25 lakhs	9%	11%	8%	10%
(b) Cities with population of 10 lakhs and above but not exceeding 25 lakhs	10%	12%	9%	11%
(c) other Centres	12%	14%	11%	13%

The above stipulated limits of cost ratio are further subject to provisions relating to hardship area, as there is no change in the existing provision in regard to review of cases of Development Officers posted in hardship area.

## 5. ILLUSTRATION OF METHOD OF ABSORPTION OF EQUITABLE RELIEF AND ARREARS IN COST (PARAGRAPH 7C OF THE SCHEME)

To illustrate the methodology of absorption of Equitable Relief and arrears in cost, we take a hypothetical case of a development officer below the age of 55 years posted in a city with population of 12.5 lacs as per census. The relevant figures are given in table below:

**Table**

Year	SPI(Rs)	Cost (Rs)	Actual cost Ratio (%) before revision	Stipulated cost ratio (%)	Excess cost amount (Rs) before revision	Equitable Relief & Arrears (Rs)	Actual cost Ratio after revision (%)	Equitable Relief / Arrears adjusted in relevant year	Excess cost amount – adjusted / carried forward to 2015-16 and 2016-17 (Rs)
2012-13	42,00,000	3,00,000	7.14	8	Nil	40,200	8.10	36,000	C/f-4,200(0.10%)
2013-14	44,00,000	4,05,000	9.20	8	53,000	66,000	10.70	Nil	C/f-66,000(1.50%)
2014-15	50,00,000	3,70,000	7.40	8	Nil	70,500	8.81	30,000	C/f-40,500(0.81%)
2015-16	56,00,000	4,30,000	7.27	10	Nil	86,000	9.21	86,000	b/d-44,000(0.79%)
2016-17	75,00,000	5,50,600	7.34	9	Nil		7.34		B/d-66,700(0.89%)
Total						2,62,700		1,52,000	1,10,700

In the above example, the amount of Equitable Relief and Arrears is Rs. 2,62,700/- out of which Rs. 1,52,000/- could be absorbed in the performance year 2012-13 and 2014-15 and the balance Rs. 1,10,700/- can be carried forward by the Development Officers to the performance years 2015-16 and 2016-17 in such proportion as he may choose within 90 days of the publication of the Amendment Scheme. However, as he has a margin of Rs. 44,000/- in 2015-16, it is assumed that he would choose to carry forward Rs. 44,000/- to 2015-16 and the balance Rs. 66,700/- to 2016-17.

It is to be noted in the above example that in the year 2013-14, the Development Officer was exceeding the stipulated cost ratio by an amount of Rs. 53,000/- even before the Wage Revision, while an additional amount of cost of Rs. 66,000/- was added due to Wage Revision, but while carrying forward the excess cost, he can only carry forward the amount of Rs. 66,000/- which was added to his excess cost as a result of Wage Revision. The excess cost of Rs. 53,000/-, already exceeded by him even without the Wage Revision cannot be carried forward under the provisions of the Second Amendment Scheme, 2016.

**6. NON REFLECTION OF RE-WORKED OUT COST RATIOS ON IMPLEMENTATION OF TMP AND PROMOTION POLICY :**

As a result of release of arrears / equitable relief post 01<sup>st</sup> August, 2012 period, and exercise of option for absorption of additional cost resultant there from in various years by a Development Officer, his cost ratio position may undergo a variation for certain years which were reckoned with cost ratios without such variation for the purpose of implementation of TMP and/ or Promotional Policy based on performance year(s) up to 31<sup>st</sup> March, 2015. The re-working of such cost ratios in such cases shall not be allowed to alter or review the decision already taken under such TMP and / or Promotion Policy.

**7. RE-EXERCISE OF OPTION FOR FIXATION ON PROMOTION TO CLASS I OFFICER:**

An employee promoted from Class II to Class I and whose salary was fixed in the pre-revised scale of pay applicable to the cadre to which he was promoted on or after 01.08.2012 but before 25<sup>th</sup> January, 2016, may be allowed to re-exercise option for the date of fitment on promotion. If he applies for the same, within 90 days hereof, and exercise of option for re-fixation of salary in accordance with these instructions shall be final. Where such re-fixation is required to be done, the employee concerned shall be first fixed in the revised scales of pay in the pre-promotion cadre and his basic pay in the revised scales of pay on promotion shall be thereafter be re-fixed in accordance with these instructions.

**8. ADDITIONAL STAGNATION INCREMENTS TO DEVELOPMENT OFFICERS GRADE I:**

- 8.1 At present, there is provision of three Stagnation Increments to Development Officers Grade I.
- 8.2 As per the Second Amendment Scheme, 2016, sub paragraph (3) of paragraph 13 of the Rationalization Scheme has been substituted to allow for grant of the fourth stagnation increment to Development Officers Grade I, with effect from 1<sup>st</sup> day of the month in which 3 years of continuous service from the date of receipt of 1<sup>st</sup> stagnation increment have been completed or 1<sup>st</sup> February, 2016, whichever is later, subject to the conditions stipulated in the said sub-paragraph.



- 8.3 It is clarified that there is no change in the number of Stagnation increment to Development Officers Grade II and the same remains at three (03).

## 9. COMPONENTS FOR ARREARS:

### 9.1 **BASIC PAY:**

The revised scales of Basic Pay for all Development Officers have been incorporated in item I of the schedule I as inserted by the Second Amendment Scheme, 2016, the fixation of basic pay shall be at the appropriate stages as per the fixation tables under **Item II of the Schedule I**. The revised scale of pay is effective from 01.08.2012.

### 9.2 **DEARNESS ALLOWANCE:**

- 9.2.1 Item III of the Schedule I provides that the Dearness Allowance shall be payable on the revised scale of pay with reference to All India Consumer Price Index with base at index number 4708 in the series 1960=100.
- 9.2.2 The rate of Dearness Allowance stands revised and it would now be payable, for every slab of 4 points in the quarterly average over 4708 points, at the rate of 0.10% of the revised basic pay from 01.08.2012 or the date of fixation in the revised scale of pay, if it be later.
- 9.2.3 Further, revision of Dearness Allowances shall be on a quarterly basis for every four points rise/fall in the quarterly average of All India Consumer Price Index at 4708 points.
- 9.2.4 The other provisions regarding payment of Dearness Allowance remain unchanged.

### 9.3 **HOUSE RENT ALLOWANCE (HRA) :**

**Item IV of the Schedule I** provides for revised rates and limits of House Rent Allowance. By the Second Amendment Scheme, 2016, Gandhinagar city has been removed from the list of cities in serial no. 2 of the table for the reason that the same being a part of urban agglomeration of Ahmadabad is already covered in the list of cities mentioned in serial no. 1 of the table.

The revised rates of HRA shall be applicable with effect from 1<sup>st</sup> August, 2012 or the date of actual fixation in revised scales of pay, if it be later, as given below:

#### **Table**

Sl. No	Place of Posting	Rate per month
1	Cities of Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmadabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurugram	10% of the pay subject to maximum of Rs. 5,320/- per month
2	Cities with population exceeding 12 lacs except the cities mentioned at serial number 1, and all cities in the State of Goa	8% of the pay subject to maximum of Rs. 4,490/- per month
3	All other places	7% of the pay subject to maximum of Rs. 4,320/- per month

- Note:**
- (1) For the purpose of this item, the population figures shall be as per latest Census Report.
  - (2) Cities shall include their Urban Agglomeration.
  - (3) 'Pay' means Basic Pay and Stagnation Increments as per Sub-paragraph (3) & (4) of paragraph 13.

Development Officers, who are allotted residential accommodation by the Company, either way of staff quarters or by way of leased accommodation, shall not be paid house rent allowance. Besides, such Development Officers shall pay such license fee as may be decided by the Company from time to time. At present, the licence fee being deducted @ 1.20% of the minimum of the scale. Up to 31.01.2016 the amount of licence fee which is being deducted at present on the basis of pre-revised basic and pre-revised rate shall continue. However, with effect from 010.02.2016, the Licence fee shall be deducted @ 0.75% of the minimum of the Scale in the revised Scale of Pay under Schedule I

#### 9.4 **CITY COMPENSATORY ALLOWANCE (CCA):**

**Item V of the Schedule I** provides for revised rates of City Compensatory Allowance. Like HRA, by the Second Amendment Scheme, 2016, Gandhinagar city has been removed from the list of Cities in serial no. 2 of the table for the reason mentioned above. Moreover, by adding another row of serial no. 4, it has been made clear that in respect of cities with population less than 5 lacs, CCA is not payable. Further. The classes of cities have also been indicated as Metro, A Class, B Class and C Class as in many other service benefits a reference is made to classification of Cities under CCA.

The revised rates of CCA shall be applicable with effect from 1<sup>st</sup> August, 2012, as given below:

Sl. No	Place of Posting	Rate
1	(Metro Cities) Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmadabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurugram	3% of pay subject to a maximum of Rs. 1,125/- per month
2	(A Class) Cities with population exceeding 12 lacs, except cities mentioned in serial number 1, and all cities in the State of Goa.	2.5% of pay subject to a maximum of Rs. 1,040/- per month
3	(B Class) Cities with population of 5 lacs and above but not exceeding 12 lacs, State capitals with population not exceeding 12 lacs, Chandigarh, Mohali, Panchkula, Pondicherry, Port-Blair.	2% of pay subject to a maximum of Rs. 910/- per month
4	(C Class) All other cities	Nil

**Note:** (1) For the purpose of this item, the population figures shall be as per latest Census report.

(2) Cities shall include their Urban Agglomeration.

(3) 'Pay' means Basic Pay and Stagnation Increments as per Sub-paragraph (3) & (4) of paragraph 13.

#### 9.5 ALLOWANCES FOR TECHNICAL QUALIFICATIONS:

In terms of **Item VII of Schedule I**, with effect from the 1<sup>st</sup> August, 2012, the Allowance for Technical Qualification shall be paid as mentioned in column 3 of the table below:-

**TABLE**

Sl. No (1)	Examination (2)	Allowance for Technical Qualification ( Per month) (3)
1	Insurance Institute of India or Chartered Insurance Institute: On Completion of :- (i) Licentiate (ii) Associateship (iii) Fellowship	Rs.340- Rs.925/- Rs.1550/-
2	Institute of Actuaries:- On passing each subject	Rs.340/-
3	Institute of Chartered Accounts Or Institute of Cost and Work Accountants: On Completion of :- (i) Intermediate	

	(ii)	Examination' Final Group A or Group B	Rs.665/-
	(iii)	Final Group A and Group B	Rs.1135/-
			Rs.1550/-

Provided that not more than one qualification allowance shall be permissible to him.

Allowance for Technical Qualification as mentioned in column (3) of the table above, or any part thereof, shall not count for the purpose of any allowance or for any service or terminal benefit.

The other terms and conditions regarding grant of allowance for technical qualification remain unaltered.

#### 9.6 **FIXED PERSONAL ALLOWANCE:**

In terms of **Item VIII of the Schedule I**, with effect from 1<sup>st</sup> August, 2012, the fixed personal allowance payable to the Development Officers on account of computerization shall stand revised as mentioned in the table below.

TABLE

Sl. No	Development Officers in the Scale of Pay (as on 01.11.1993)	Revised Fixed Personal Allowance (FPA)
1	Grade I	Rs.1,610/-
2	Grade II	Rs.1,175/-

Note: The entire amount of revised Fixed Personal Allowance (FPA) as shown in the Table above shall reckon as Basic Pay for the purpose of House Rent Allowance, Provident Fund, Pension, Gratuity and Encashment of Earned Leave.

#### 9.7 **CONVENYANCE ALLOWANCE TO DEVELOPMENT OFFICERS (ADMINISTRATION):**

Development Officers (Admn.) are at present paid a fixed monthly Conveyance Allowance at the rate of Rs. 375/- per month in terms of Item (ii), clause (A), Sub-paragraph (3), and paragraph 21 of the Rationalization Scheme. The Second Amendment Scheme, 2016 has revised this allowance to Rs.625/- per month with effect from the 1<sup>st</sup> day of August 2012. The difference between the

existing and the revised Conveyance Allowance for the period commencing from 1<sup>st</sup> August, 2012 may accordingly be paid to the Development Officers (Administration).

**9.7.1 CONVENYANCE ALLOWANCE TO PHYSICALLY HANDICAPPED EMPLOYEES:**

There is no change in the amount of Conveyance Allowance for Blind and Orthopedically Handicapped Employees and the same shall continue to be paid at the uniform rate of Rs.400/- per month to eligible employees in all Classes of the Employees till further instructions.

**9.8 EMPLOYEE'S CONTRIBUTION TO PROVIDENT FUND:**

**a) Development Officers who joined the service of the Company before 01.01.2004:-**

With effect from 01.08.2012 or the date of actual fixation in the revised pay scales, if it be later, employee's contribution to Provident Fund shall be recoverable at the existing rate of 10% of the revised basic pay. Personal pay and FPA shall also be reckoned as Basic Pay for the purpose of recovery of Provident Fund contribution. It is reiterated that with effect from 01.08.2012 the full component of FPA shall reckon as Basic Pay for the said purpose.

**b) Development Officers who joined the service of the Company between 01.01.2004 to 31.03.2010:-**

The cut-off date of implementation of New Pension Scheme in the Company has been shifted from 01.01.2004 to 01.04.2010, by a separate Amendment Scheme published on 23<sup>rd</sup> January, 2016. Hence, in respect of all the employee who joined the service of the Company between 01.01.2004 to 31.03.2010 and are continuing in service as on the date of publication of the Second Amendment Scheme, 2016 i.e. 25<sup>th</sup> January, 2016, employee's contribution to Provident Fund with effect from 01.08.2012 or the date of actual fixation in the revised pay scales, If it be later, shall be recoverable @ 10% of revised basic pay. Since these Development Officers, hitherto being treated as covered under the New Pension Scheme, have contributed @ 10% of the pre-revised Basic Pay plus DA thereon for this period, necessary adjustment towards such contribution shall be made before arriving at the net

amount of contribution recoverable from them towards Provident Fund w.e.f. 01.08.2012.

The Administrative Instructions on treatment of previous contributions towards New Pension Scheme Fund, interest incurred thereon, remittance to be made to PF Account of such employees, settling account of Development Officers who have exited etc., shall be issued separately.

**c) Development Officers who joined the service of the Company on or after 01.04.2010:-**

The Development Officers who joined the service of the Company on or after 01.04.2010 are covered under the New Pension Scheme and not covered under the contributory Provident Fund Scheme. Accordingly, no recovery on account of employee's contribution to the Provident Fund shall be made in respect of such Development Officers. However, the effect in Pay Scales w.e.f. 01.08.2012 on remittances to their new Pension Scheme account is discussed under Para 9.9 below.

**9.9 EMPLOYEE'S CONTRIBUTION TO NEW PENSION SCHEME FUND:**

The Development Officers who are covered under the New Pension Scheme Fund are required to contribute to the New Pension Scheme Fund under the Scheme. Accordingly, recovery of contribution towards Fund for New Pension Scheme from such Development Officers shall be made @ 10% of difference between the Revised and the Existing Pay and Dearness Allowance thereon for the period from 01.08.2012 (or the date of option for fixation) onwards.

**9.10 EMPLOYER'S CONTRIBUTION TO PROVIDENT FUND/ PENSION FUND/ NEW PENSION SCHEME FUND:**

As per the provisions of the relevant Schemes, the Company is required to contribute to the Provident Fund/ Pension Fund or New Pension Scheme Fund, as the case may be, in respect of each and every employee depend upon his membership of the Fund and the amount of such contribution is equal to the amount required to be recovered from the employee towards Provident Fund or New Pension Scheme Fund, as the case may be. Accordingly, appropriate difference of contribution by the Company may be made to the relevant Fund in respect of each and every employee for the period from 01.08.2012 (or the date of option for fixation) onwards.

10. **PAYMENT OF EQUITABLE RELIEF AND/ OR ARREARS IN CASE OF EXIT FROM THE CADRE:**

(a) **Promotion to the Cadre of Scale I Officer :**

Development Officer promoted as Scale I Officer and Opted for fixation of basic pay in the cadre of Scale I Officer from any date after 01.08.2012 shall be paid difference in gross emoluments as indicated above by way of Equitable Relief and/ or Arrears (with necessary adjustment for PF and Ex-gratia payment) up to the date of fixation in the cadre of Scale I Officer provided that his cost with such Equitable Relief and/ or Arrears for the relevant performance year (s) remain within the stipulated limits.

(b) **Death:**

Equitable Relief and /or Arrears as also difference in PF and Gratuity with due adjustment for Ex-gratia payment shall be released in respect of Development Officers who died after 01.08.2012. The amount shall be paid to the person to whom his Provident Fund was paid or is to be paid. However, difference in amount of Gratuity shall be paid to the person to whom the Gratuity was paid or is to be paid.

(c) **Retirement on superannuation:**

A Development Officer who was in service in the scale of Development Officer Grade I or Grade II at any time on or after 01.08.2012 and subsequently retired shall be paid Equitable Relief and / or Arrears up to the date of retirement along with difference in PF and Gratuity, if any with adjustment for Ex-gratia payment, provided that his cost with such Equitable Relief/ Arrears for the relevant performance year/(s) remains within the stipulated limits.

(d) **Resignation/ Termination:**

A Development Officer, whose resignation has been accepted or whose service has been terminated during the period from the 1<sup>st</sup> day of August, 2012 till 25<sup>th</sup> January, 2016, shall not be eligible for the arrears on account of the revision under this Scheme.

11. **GRATUITY:-**

11.1 There is no change in the rate of gratuity payable to the Development Officers. However, for the purpose of calculating gratuity, the revised basic pay shall be effective from the date of actual fixation of the eligible Development Officers in the revised scale.



11.2 The entire amount revised Fixed Personal Allowance, as per paragraph 9.6 above, shall reckon as Basic pay for the purpose of calculating gratuity payable after 01.08.2012.

11.3 Gratuity paid after 01.08.2012, shall be recalculated on the basis of revised scales of pay in the case of eligible Development officers and the difference where due shall be paid

## 12. LEAVE ENCASHMENT:-

While calculating arrears, it would be necessary to recalculate payment made to eligible Development Officers towards Leave Encashment during the period from 01.08.2012 till 25<sup>th</sup> January, 2016, and appropriate recovery, if any or payment of difference may be effected.

## 13. SPECIAL AREA ALLOWANCE:

There is no change in the rates and amounts of Special Area Allowance payable in terms of the existing instructions.

## 14. HILL STATION ALLOWANCE:-

In terms of **Item VI of the Schedule I**, with effect from 01.02.2016 Hill Station Allowance shall be paid to Development Officers as under:

TABLE

Sl. No	Height of Place of posting (Above Mean Sea Level)	Rate
1	1500 meters and above	2.5% of the Basic Pay subject to maximum of Rs. 615/- per month
2	1000 meters and over but less than 1500 meters, Mercara and places which are specifically declared as "Hill Stations" by Central Government or, as the case may be, the State Government for their employees,	2% of Basic Pay subject to maximum of Rs. 485/- per months
3	Not less than 750 meters and surrounded by and accessible only through hill with a height of 1000 meters and over	2% of Basic Pay subject to maximum of Rs. 485/- per months

Note: 'Pay' means Basic pay and Stagnation increments as per sub-paragraphs (3) and (4) of paragraph 13.

For the period from 01.08.2012 to 31.01.2016 Hill Station Allowance shall continue to be paid based on pre-revised scale of pay as per Item VI of the Schedule I.



**15. PARADEEP PORT ALLOWANCE:-**

In terms of **Item IX of the Schedule I**, with effect from 01.02.2016 or date of appointment, whichever is later, every confirmed Development Officer posted in the office of the Company in Paradeep Port shall be paid an allowance of Rs. 185/- per month so long as he is posted in that office. This allowance shall not be treated as Basic Pay for any purpose.

**16. LUMP-SUM MEDICAL BENEFITS TO DEVELOPMENT OFFICERS:-**

With effect from 01.01.2015, the limits of reimbursement of domiciliary medical expenses by way of annual lump-sum payment have been revised, along with the eligibility criteria linked to basic pay, and the same areas under:-

Basic Pay range as per Second Amendment Scheme,2016	Maximum amount reimbursable per annum (Rs.)
Above Rs. 46,595/-	Rs. 13,300/-
Upto & Including Rs. 46,595/-	Rs. 8,310/-

For the calendar year 2015 and onwards, the annual lump-sum payment towards domiciliary medical benefits may be made up to the revised limits in the usual manner as per the other existing provisions in this regard.'

In respect of eligible Development Officers, who had actually incurred in excess of the pre-revised limits for the year 01.01.2015 to 31.12.2015, but restricted their declaration to the pre-revised limits applicable to them and were reimbursed accordingly, the excess over such reimbursed amount up to the difference between the revised and the pre-revised limits may be reimbursed subject to their submitting requisite declaration to that effect .

**17. GROUP SAVING LINKED INSURANCE SCHEME (GSLI) AND GROUP TERM INSURANCE SCHEME (GTIS):**

Consequent upon revision in basic pay for Development Officers, the revised categorization for the purpose of GSLI and GTIS with reference to the revised basic will be as under :-

Category	Existing Basic Pay/Salary (Rs.)	Revised Basic Pay/Salary range (Rs.)
III	25451 to 32755	48531 to 64110
IV	13691 to 25450	25991 to 48530
V	8280 to 13690	15650 to 25990

Re-categorisation with reference to the revised basic pay ranges has been done in a manner that the existing categories remain unchanged on the relevant day of reckoning.

**18. REDETERMINATION OF CATEGORIES UNDER GROUP MEDICLAIM POLICY:-**

Consequent upon revision in basic pay, the revised groupings of employees into various eligible categories of Sum Insured with effect from the next renewal date of the policy shall be as under:-

Category (Sum Insured)	Existing Basic pay range (Rs.)	Revised Basic pay range (Rs.)
Rs. 3,00,000/-	Less than 22730	Less than 43300
Rs. 4,00,000/-	Between 22730 to 29000	Between 43300 to 55335
Rs. 6,00,000/-	Above 29000	Above 55335

For the current policy year, there would no change in the category of Sum Insured and therefore the existing deduction would continue up to the end of current policy year.

**19. DEDUCTION TOWARDS STRIKE, WALKOUT, LEAVE ON LOSS OF PAY, HALF-PAY LEAVE ETC.**

Additional recovery on this account is required to be effected, Similarly, adjustment on account of the Development Officers having availed extraordinary leave on loss of pay or sick leave on half pay shall also be effected.

**20. DEVELOPMENT OFFICERS UNDER SUSPENSION:-**

Development Officer who have been placed under suspension may be allowed fixation of their salary under the revised scales and paid arrears of salary and/ or subsistence allowance, as the case may be.

**21. PAYMENT OF ARREARS:-**

21.1 Arrears may be calculated up to January, 2016 in accordance with the provisions of Second Amendment Scheme, 2016, as stated above, Arrears, as may be payable to eligible Development Officers, are to be released **as early as possible**.

21.2 After the arrears are paid it is required to furnish statements giving information in respect of total amount paid Grade-wise, to Development Officers under the following components:-

Basic Pay Additional increment & DA  
House Rent Allowance at the 3 Classes of Centres separately  
City Compensatory Allowance at the 3 Classes of Centres separately  
Difference on account of Encashment of Earned Leave/Gratuity  
Fixed Personnel Allowance  
Provident Fund/Pension (Company's contribution)

21.3 Arrears details should be furnished year-wise according to the period to which they pertain.

## **22. SALARY FROM FEBRUARY, 2016 ONWARDS**

Salary for the month of February, 2016 and onwards to be calculated and paid as per the Second Amendment Scheme, 2016

## **23. TAX DEDUCTIONS:**

Necessary deduction on account of Income Tax, Professional Tax and any other statutory deduction should be appropriately effected, before releasing arrears.

## **24. INTERPRETATION:**

Where any doubt or difficulty arises as to the interpretation of these instructions, it shall be referred to the Chairman-Cum-Managing Director for his decision, which shall be final.

**GENERAL INSURANCE**

**(RATIONALISATION AND REVISION OF PAY SCALES AND OTHER**

**CONDITIONS OF SERVICE OF SUPERVISORY,**

**CLERICAL AND SUBORDINATE STAFF)**

**SCHEME 1974**

Government of India

Ministry of Finance

(Department & Revenue and Insurance)

**NOTIFICATION**

**INSURANCE**

New Delhi, dated the 27<sup>th</sup> of May, 1974

S.O. 326(E) --- WHEREAS the Central Government is of opinion that for the more efficient carrying on the General Insurance Business it is necessary so to do :

Now, therefore, In exercise of the powers conferred by clause (g) of sub-section (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme to provide for the rationalisation and revision of pay scales and other conditions of service of employees working in Supervisory, Clerical and Subordinate positions under insurers, namely :

1. Short title and commencement ---

(1) This Scheme may be called the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme, 1974.

(2) It shall come into force on the date of its publication in the Official Gazette.

2. Application --- The provision herein contained shall apply to all persons (other than officers and Development Staff) working in Supervisory, Clerical and Subordinate positions in India ----

(i) who were confirmed whole-time employees on the 31<sup>st</sup> day of December, 1972 of any of the Indian Insurance Companies ;

(ii) who were confirmed whole-time employees on the 31<sup>st</sup> day of December, 1972 of any existing insurer other than an Indian Insurance Company and who had become employees of an Indian Insurance

Companies in terms of sub-section (1) of section 7;

- (iii) who were temporary whole-time employees as on 31.12.1972 under any of the Indian Insurance Companies or any existing insurer other than an Indian Insurance Company and confirmed before the commencement of this Scheme ;
- (iv) who are required by the Corporation of any of its Subsidiaries after the commencement of this Scheme ;but shall not apply to persons ---
  - (a) employed under specific contracts of employment;
  - (b) under part time employment ; and
  - (c) who have resigned or whose services have been terminated prior to the commencement of this Scheme ;

3. Definitions --- In this Scheme, unless the context otherwise requires ---

- (a) "Act" means the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972);
- (b) "Custodian" means, until the post is redesignated as the Chairman-cum-Managing Director, Custodian of any of the four companies referred to in sub-section (2) of section 16, and with effect from the date of redesignation of the post, any reference in the Scheme to the Custodian shall be construed as a reference to the Chairman-cum-Managing Director;
- (c) "employee" means an employee to whom the provisions of this Scheme apply ;
- (d) "insurance examination" means an insurance examination specified in paragraph IV of the First Schedule;
- (e) "Managing Director" means the Managing Director of the General Insurance Corporation of India formed under section 9.
- (f) "new scale of pay" means the new scale of pay and dearness allowance and other allowances as set out in the First Schedule;
- (g) "section" means a section of the Act;
- (h) "Schedule" means a Schedule appended to this Scheme ;
- (i) "Subordinate Staff" means an employee working in a position such as Daftary, Machine Operator, Jamadar, Head Peon, Peon, Liftman, Gardener, Plumber, Watchman and Sweeper.

#### 4. Pay and allowances of employees :

- (1) Every employee shall have an option to elect by notice in writing, addressed to the Custodian through the Head of his Office within ninety days from the date of commencement of this Scheme, either to be governed by the new scale of pay or by the scale of pay and allowances applicable to him immediately before the commencement of this Scheme and the option once exercised shall be final.

**Explanation1:** For the purposes of this paragraph and paragraphs 5 and 6, "employee" means an Employee referred to in clause (i) or clause (ii) or clause (iii) of paragraph 2 or clause (iv) or clause (v).

**Explanation 2 :** For the purposes of this paragraph, "new scale of pay" means the pay, dearness allowance and other allowances but does not include kit allowance and uniform and washing Allowance.

- (2) (a) Where any employee elects to be governed by the new scale of pay, he shall be paid pay, dearness allowance and other allowances in accordance with the new scale with effect from the date he exercises the option under sub-paragraph (1) and such employee shall be paid for the period commencing on the 1<sup>st</sup> day of January 1973 and ending with the day preceding the date of option, the difference of pay, dearness allowance and other allowances between the new scale and the scale which was applicable to him immediately before the date of option as if the new scale of pay were in force during the said period :

Provided that where for the period aforesaid such employee had drawn pay, dearness allowance and other Allowances under the old scale in excess of the amount determined under the new scale, he shall not be required to refund the excess so drawn.

- (b) Where any portion of leave had been encashed by such employee during the period referred to in clause (a), such employee shall not be required to refund any amount realized by him by way of such encashment and whereas a result of applying the provisions of this Scheme such employee would be entitled to any arrears of payment in respect of such leave, such arrears shall be paid to him.
3. (a) Where an employee elects to be governed by the scale of pay and allowances applicable to him immediately before the commencement of the

Scheme, the employee shall from such commencement, continue to receive the monthly pay and allowances in accordance with the said scale.

- (b) Where during the relevant period such employee was holding a post other than the one on which he was normally employed or was in receipt of any allowance of a transient nature, the salary and allowances which he would have drawn in the normal post shall alone be taken into account .
- (c) In respect of all matters other than the new scale of pay, such employees shall be governed by the provisions herein contained in respect of such matters :

PROVIDED that where such employee is promoted to a higher grade, the scale of pay and allowances in that grade in relation to such employee shall be those specified herein for such higher grade.

#### 5. Categorisation of Employees :

- (1) The employees shall be categorised into the appropriate categories on the basis of their substantive positions and nature of work as on the 1<sup>st</sup> day of January 1973, as specified in Sub-paragraphs (2) to (4).
- (2) (a) Superintendents : Subject to sub-paragraph (4), the following shall be eligible to be considered as Superintendents, namely : ---
  - (i) all those designated as Superintendents, Section Heads, Assistant Superintendents, Staff Assistants, Head Clerks and Supervisors working in a supervisory capacity;
  - (ii) all those designated as Junior Officers in United India Fire & General Insurance Company Ltd. Unit ---"Union Cooperative";
  - (iii) all those employees with specific scales or qualifications specially recruited in a position equivalent to one of those mentioned in sub-clause (i) or sub-clause (ii).
- (b) Senior Assistants :
  - (i) Subject to sub-paragraph (4), where there are two clerical grades other than the grade of Superintendents categorised under clause (a), those in the higher of the two grades shall be eligible to be categorised as senior Assistants on the basis of duties

discharged by them, Where there are more than two such grades, those in the highest of such grades shall be eligible to be categorised as Senior Assistant .

(ii) Subject to sub-paragraph (4) where there is only one clerical grade, those who comply with any of the following conditions as on the 1<sup>st</sup> of January 1973 shall be eligible to be categorised as Senior Assistants, namely :-

- a) ten years as Clerks or Assistant; or
- b) eight years as Clerks or Assistant and have passed the Licentiate Examination of the Federation of Insurance Institutes; or
- c) seven years as Clerks or Assistant and have passed the Associateship Examination of the Federation of Insurance Institutes or of the Chartered Insurance Institute; or
- d) five years as Clerks or Assistants and have passed the Fellowship Examination of the Federation of Insurance Institutes or of the Chartered Insurance Institute.

(3) (a) **Stenographers** : All those working as stenographers or in equivalent posts and all those working as Steno-typists or Shorthand Typists or equivalent posts and who hold a certificate for at least 100 words per minute for dictation and at least 40 words per minute for typing issued by any examining body constituted by Government Or who pass a test to be held, with a speed of at least 100 words per minute for dictation and at least 40 words per minute for typing, shall be eligible to be categorised as Stenographers.

(b) **Assistants:** All employees falling into one or more of the following categories shall be categorised as Assistants, namely : ---

- (i) all employees doing routine clerical work on a regular basis;
- (ii) all employees designated as Clerks, Junior Clerks, Assistants, Telephone operators, Receptionists, Telex operators, Punch Card Operators, Unit Record Machines Operator and Comptists;
- (iii) all employees working as Typists in the Junior Clerical grade or equivalent Typists grade;
- (iv) all those working as Stenographers, Steno-typists, Short-hand typists or equivalent posts who are not categorised as Stenographers;
- (v) all other clerical staff who are not categorised as Senior Assistants or as Superintendents.



(c) **Record Clerks** : All employees designated as Records Clerks or Filing Assistants and all employees who are not in the specific salary grade relating to Subordinate Staff and whole duties are mainly one or more of the following, shall be categorised as Records Clerks, namely :--

- i) filing and tracing of papers;
- ii) opening, sorting and distribution of inward mail;
- iii) addressing envelopes;
- iv) operation of banda and duplicating machines;
- v) operation of hand operated addressing machines;
- vi) maintenance of alphabetical or numerical index;
- vii) destruction of old records marked for destruction by superiors.

(d) (i) **Drivers** : All employees working solely as drivers of mechanically propelled vehicles shall be categorised as Drivers.

(ii) All other Subordinate Staff : All employees working in various subordinate positions shall be categorised as Subordinate Staff.

(4) The cadre strength for the posts specified in paragraph (2) and clause (a) of subparagraph (3) shall be determined by the Custodian on the basis of the need for personnel at different levels and different types. If the number of employees eligible to be so categorised exceeds the relative cadre strength, selection of employees to be categorised as such shall be made on the basis of (1) qualification, (2) length of service and (3) proficiency on the job.

(5) The decision of the Custodian regarding the category to which an employee shall be assigned for the purpose of fitting such employee in the new scale shall be binding on the employee.

6. Method of fixation : (1) Every employee, other than an employee who elects not to be governed by the new scale of pay, shall be fitted into the new scale of pay relating to the category in which he is placed at a basic salary in the new scale of pay which shall be the highest of the three amounts ascertained on the basis of the following alternatives, namely : ---

(a) by giving one increment over the starting salary of the scale for every two completed years of service as on the 1<sup>st</sup> day of January, 1973 in that category.

In respect of persons categorised as Senior Assistants in terms of sub-clause (ii) of clause (b) of Sub-paragraph (2) of paragraph (4) the basic salary in the grade of Assistants shall be ascertained alternative and the basic salary in the grade of Senior Assistants which is equivalent to or next higher (To the basic salary in the Assistants grade) shall be taken as the applicable basic salary.

If the basic salary so determined be Rs. 270 or more but not over Rs. 500 and be not the ceiling of the grade one further increment in the grade over the basic salary shall be given to determine the amount of basic salary under this alternative, or

- (b) by determining whether the aggregate of basic salary and dearness allowance in the new scale as on the 1<sup>st</sup> day of January, 1973 is equivalent to or immediately next above the aggregate of the basic salary as on that date and corresponding ad hoc allowance or ad hoc personal pay granted as a result of the latest ad hoc settlement and corresponding dearness allowance as on that date.

If the basic salary so determined be Rs. 245 or more but not over Rs. 315, and be not at the ceiling of the grade, one further increment in the grade over the basic salary shall be given to determine the amount of basic salary under this alternative, or

- (c) by determining whether the basic salary in the new scale is equivalent to or immediately next above the total of the present basic salary and an amount of Rs. 10/-

If the basic salary so determined be Rs. 270 or more but not over Rs.500 and be not at the ceiling of the grade, one further increment in the grade over the basic salary shall be given to determine the amount of basic salary under this alternative.

**NOTE 1-** For the purpose of alternative (c), the expression "present basic salary " means the basic salary which the employee would have drawn on the 1<sup>st</sup> day of January 1973 (after the increment due on that date, if any) but for the coming into force of this Scheme, and does not include any other amount such as personal pay or factional allowance or ad hoc allowance or any other allowance by whatever name known notwithstanding and provisions in the terms and conditions regarding the payment of such amounts.

**NOTE 2-** For the purpose of this sub-paragraph, if any employee received a consolidated salary or allowance immediately before the 1st day of January, 1973 in a company which had no definite scales of dearness allowance, the consolidated

salary will not be treated as basic salary but the Custodian shall determine the appropriate amount to be considered as the present basic salary for the employee.

- (2) Where the basic salary as determined under sub-paragraph (1) exceeds the ceiling of the new scale, it shall be fixed at the ceiling of the new scale.
- (3) Where an employee is fitted in on the basis of alternative (a) or alternative (c) of sub-paragraph (1), at a basic salary below Rs. 270 and where the basic salary of the employee reaches or exceeds Rs. 270 on the grant of annual increment on or before the 1<sup>st</sup> day of January, 1974, the employee shall be given an extra increment in the grade effective from the date of his annual increment.
- (4) Where an employee is fitted in on the basis of alternative (b) of sub-paragraph (1) at a basic salary below Rs. 245 and where the basic salary of the employee reaches or exceeds Rs. 245 on the grant of annual increment on or before the 1<sup>st</sup> day of January, 1974, the employee shall be given an extra increment in the grade effective from the date of his annual increment.
- (5) Where in respect of an employee the aggregate gross salary as on the 1<sup>st</sup> day of January 1973 (comprising of the new basic salary , dearness allowance, qualification pay, functional allowance, house rent allowance, city compensatory allowance, and hill station allowance) determined under this paragraph is less than his aggregate gross salary immediately before the said date (comprising only of the present basic salary , dearness allowance, **ad-hoc** allowance or **ad-hoc** personal pay ,functional allowance, qualification pay, house rent allowance, city compensatory allowance, hill station allowance and lunch allowance, paid in cash), the excess of the aggregate gross salary over the new aggregate gross salary after fixation shall be paid to the employee as Personal Pay.

## 7. Increments :

- (1) Increments in the new scale shall be due every year on the first day of the month in which the last increment prior to the 1<sup>st</sup> day of January, 1973 was granted or **on the first day of the month in which he completes 12 months of continuous service.** Where increment falls due on the 1<sup>st</sup> day of January, 1973, the new scale shall be made, applicable on the basis of his salary after the annual increment if any, drawn by employee in existing scale.
- (2) In respect of employees whose basic salary is fixed at the maximum of the new scale on the 1<sup>st</sup> day of January, 1973, under paragraph 6 and those who will be reaching maximum at any time thereafter during the period of their service , the

Custodian or the Managing Director, as the case may be, may consider, subject to the record of work of the employees being found satisfactory, granting of one additional increment for every two years of service rendered by them after the 1<sup>st</sup> day of January, 1973 or after the date of their reaching the maximum of their respective scales, if later, at the rate of the last increment drawn in the scale and not more than three such increments shall be granted under this provision.

## 8. Hours of Work :

- (1) (a) The hours of work which shall constitute a normal working day for all employees in supervisory and clerical grades at all the offices shall be from 10.00 a.m. to 5.15 p.m. with 45 minutes lunch break on week days and 10.00 a.m. to 1.00 p.m. on Saturdays.
- (b) The normal hours of work for Subordinate staff attached to offices shall be from 9.30 a.m. to 5.15 a.m. with 45 minutes lunch break on week days and 10.00 p.m. to 1.00 p.m. on Saturdays.

Provided that the hours of work for Telephone Operators, Mail Department Staff and Subordinate Staff in any particulars department specified by the Custodian or the Managing Director may be different from the normal working hours of the office concerned.

- (2) The normal hours of work for Drivers and Staff, such as liftmen, cleaners, watchmen, electricians, plumbers, and gardeners, shall be 8 hours on all six days, including Saturdays , and subject to this overall limit of eight hours , the actual hours of work for each office shall be such as may be fixed by the Custodian or the Managing Director.

## 9. Holidays :

All offices shall observe all holidays declared by the respective State Governments as holidays under Negotiable Instruments Act. 1981 (26 of 1881) but excluding such holidays as are expressly declared for the purpose of enabling banks to close their accounts. Where the number of such holidays in less than 22 in any year, such additional holidays and half holidays as the Custodian or the Managing Director may decide may be observed on account of local festivals, provided that the total number of holidays in a year does not exceed 22 full holidays and 3 half holidays.

## NOTE : ---

In case of half-holidays the office shall remain closed either for the premium-lunch period or for the post-lunch period of the normal working period. Holidays falling on Saturdays may be considered as full holidays.

## 10. Leave:

- (1) Subject to the provisions of this Scheme, the following kinds of leave may be granted to an employee :
  - (a) Casual leave;
  - (b) Earned leave;
  - (c) Sick leave;
  - (d) Maternity leave;
  - (e) Examination leave;
  - (f) Quarantine leave;
  - (g) Trade union leave;
- (2) The following general principles shall govern the grant of leave to an employee :
  - (a) leave is earned by duty or service ;
  - (b) leave cannot be claimed as a matter of right ;
  - (c) when the exigencies of service of the Corporation or any of its Subsidiary so requires, discretion to refuse or revoke leave of any description is reserved to the authority empowered to grant it.

Explanation : (a) Sanction of leave may not be presumed and leave asked for should not be availed of unless it has been specifically sanctioned ;

- (d) it will be permissible to prefix or suffix or prefix and suffix holidays or Sundays to any kind of leave;
- (e) casual leave cannot be availed of in conjunction with any other kind of leave. Subject to this condition, a kind of leave under this Scheme may be granted in combination with, or in continuation of, any other kind of leave.

### (3) Earned leave :

- (a) Every employees shall be entitled to earned leave at the rate of one day for every eleven days of the duty.
- (b) Leave put to a maximum of 120 days may be sanctioned at any one time.

- (c) The period of earned leave which may be accumulated by an employee shall be 180 days.

**(4) Casual leave :**

- (a) An employee may be granted casual leave up to a maximum of 15 days in a calendar year but not more than 6 days at a time. Casual leave may normally, be available of only after sanction by the competent authority but one day casual leave may be availed of without prior sanction in case of unforeseen emergency provided the Head of the Office is promptly advised of the circumstances in which prior sanction could not be obtained.
- (b) It will be permissible to avail of casual leave, either for the forenoon or the afternoon only on any weekday when the period of leave shall be treated as half-day but leave taken on Saturday or on a day when half-day holiday is declared shall be treated as full day.

**(5) Sick leave :**

An employee shall be entitled to sick leave on medical certificate issued by such medical authority as may be specified by the Custodian or the Managing Director. The employee shall be entitled to sick leave at the rate of 30 days per year and the period of sick leave than can be accumulated by such employee shall be up to a maximum of 240 days. [Subsequently amended. Please refer to Fifth Amendment given in this chapter.]

**(6) Maternity leave :**

A female employee shall be entitled to maternity leave not exceeding 90 days. The spread of leave between prenatal and post-natal period will be left to the convenience of the employee.

Provided that where a family employee having three living children takes for confinement, such leave shall be treated as earned leave and if earned leave is not admissible, as sick leave if such sick leave is admissible.

- (7) Examination leave :** An employee appearing for an Insurance examination may be permitted to avail of examination leave to cover the actual duration of the examination and in case it is necessary to travel to a different place from the place of work to write the examination, the minimum Journey time to the nearest centre and return may also be treated as examination leave.

- (8) Quarantine leave :** The Custodian or the Managing Director or any other Officer authorized by the Custodian or the Managing Director in this behalf may consider

on merits any request for quarantine leave but no employee shall claim such leave as a matter or right.

**(9) Trade Union leave :**

- (a) Special leave for bona fide trade work may be granted up to a maximum of 15 days per year , excluding actual journey time, to each of not more than 15 persons belonging to a recognized union and nominated by such union.
- (b) Special leave for similar purpose may be granted up to a maximum of 10 days per year, excluding actual journey time, to each of not more than 20 other persons belonging to the recognized union referred to in clause (a) and nominated by such union.

**11. Provident Fund :**

Every employee shall contribute to the provident fund at 8% of his basic salary and dearness allowance, with an equal contribution by the Corporation or any of its Subsidiary. [Subsequently amended. Please refer to Third Amendment given in this Chapter,]

**12. Retirement :**

The normal age of retirement shall be 60 years :Provided that an employee attaining the age of 60 years during any month shall retire only on the 1<sup>st</sup> day of the immediately following month.

**13. Gratuity :**

An employee shall be paid gratuity in accordance with the provisions of the payment of Gratuity Act,1972 (39 of1972). Provided that the gratuity under this Scheme shall in no case exceed 20 months wages or Rs. 20,000/-whichever is less, subject to the conditions that :

- (i) where the wages last drawn by any employee exceeds Rs. 1,000/- it shall be deemed to be Rs. 1000/-for the purpose of determining the quantum or gratuity; and
- (ii) the rate at which shall be paid shall stand increased as under :

---

Number of completed year of Service	Rate of gratuity for each year of Service in Number of months wages
-------------------------------------	--

---

12	0.6
13	0.7



14	0.8
15 or more	1.0

Explanation : In this paragraph "wages" shall have the meaning assigned to it in clause (s) of section 2 of the payment of Gratuity Act, 1972 (39 of 1972).

#### 14. Overtime allowance :

An employee may be required to work beyond the normal working hours whenever it is found necessary in the interests of office work. When an employee is required to work for more than half-an-hour in excess of his normal working hours on any day, he shall be paid an overtime allowance calculated as follows :---

- (a) **Supervisory and Clerical staff:** When the number of hours overtime does not exceed 42 working hours including the normal working hours during the week from Sunday to Saturday, ---
- (i) at one and a half times the hourly rate of wages for the month;
  - (ii) for overtime hours of work in excess of 42 hours of work during the week, at twice the hourly rate of wages for the month.
- (b) **Subordinate Staff :** When the number of hours overtime does not exceed 45 working hours including the normal working hours during the week :
- (i) at one and half times the hourly rate of wages for the month;
  - (ii) for overtime hours of work in excess of 45 hours including normal working hours during the week ,at twice the hourly rate of wages for the month .
- (c) **Drivers and building staff :** When the number of overtime hours of work during the week does not exceed 7 hours.
- (i) at one and a half times the hourly rate of wages for the month;
  - (ii) for overtime hours of work excess of 7 hours during the week, at twice the hourly rate of wages for the month.
- (d) **General :**For overtime work on holidays and Sundays, payments shall be made on the same basis as for other days. However, for work done on a Sunday a compensatory holiday shall be given during the following week in addition to the payment of overtime allowance.

**NOTE 1 :** Period of overtime shall be rounded off to the nearest half hour.



**NOTE 2 :** No employee shall be asked to work overtime for more than 90 hours in a calendar year .

**15. Officiating allowance :** An employee may be required to hold officiating charge of a post in a higher category or additional charge of an equivalent post whenever considered necessary and where such officiating charge or additional charge is held for a continuous period of 15 days or more, the employee shall be paid a pro-rata allowance as follows, namely :

- (i) officiating in a higher category of post : 20% of his basic salary , subject to a maximum amount of Rs. 100/- per month ;
- (ii) additional charge of an equivalent post : 10% of his basic salary , subject to a maximum amount of Rs. 50/- per month.

**NOTE :** Where the post in which the employee officiates or the post of which he holds additional charge carries a functional allowance, the employee may receive a pro-rata functional allowance for the period he officiates or holds charge.

**16. Travelling Allowance :**An employee may be required to proceed on tour on official work. The rates of travelling allowance and halting allowance and the conditions subject to which such allowance become payable shall be as specified in the Second Schedule.

**17. Leave Travel Subsidy :** The rates of leave travel subsidy and conditions subject to which such subsidy becomes payable shall be as specified in the Third Schedule.

**18. Transfer and change of place of work :** The Custodian or the Managing Director or any other officer authorized in this behalf by the Custodian or the Managing Director may transfer an employee from one department to another or from one office of any Company or Corporation to another office of the company or any other company or of the Corporation.

**19. Work load, norms and mechanization :**

- (1) The pattern of work load and system of measurement of work shall be such as may be specified by the Managing Director after consultation with the unions.
- (2) The Managing Director may, after consultation with the unions introduce mechanization to the extent necessary for precise working without effecting retrenchment.

- 20. Festival advance :** An employee may be granted a festival advance subject to the following conditions, namely :
- (a) Festival advance shall be granted only once during calendar year ;
  - (b) No advance shall be granted unless the advance previously drawn has been fully repaid ;
  - (c) The amount of advance shall not exceed one months' gross salary, or Rs. 400/- whichever is less ;
  - (d) The advance shall be repaid free of interest in not more than ten monthly installments, commencing from the month in which the advance is drawn.
- 21. Interpretation :** Where any doubt or difficulty arises as to the interpretation of any of the provisions of this Scheme, it shall be referred to the Central Government for decision and that Government shall decide the same.
- 22. Power to relax :** Where the Managing Director is satisfied that the operation of any of the provisions of this Scheme will cause undue hardship in any particular case, he may, by order and for reasons to be recorded in writing, Dispense with or relax the requirements of that provisions to such extent and subject to such exceptions and conditions as may consider necessary for dealing with case in a just and equitable manner.
- 23. Duration of new scale of pay :** The new scale of pay shall remain in force initially put to and inclusive of the 31<sup>st</sup> day of December, 1976 and thereafter shall continue to be in force unless modified by the Central Government.
- 24. Other Benefits :** No employee shall be entitled to any benefit not arising out of this Scheme.
- 25. Overriding Effect :** The provisions of this Scheme shall have effect notwithstanding anything to the contrary contained in any agreement, award or other instrument for the time being in force.

## THE FIRST SCHEDULE

(See paragraph 3)

### 1. PAY SCALES (BASIC SALARY)

## A. SUPERVISORY AND CLERICAL STAFF

(1) Superintendents

330-25-405-30-525-35-665-40-865

(2) Senior Assistants

230-15-275-20-335-25-485-EB-30-665-35-735

(3) Stenographers

230-15-275-20-335-25- 485-EB-30-665-35-735

(4) Assistant, Typists, Telephone Operators, Telex Operators, Receptionists, Punch Card Operators,

Unit Record Machine Operators, Comptists and other equivalent positions:

175-10-235-15-295-20-395-EB-25-495-30-585

(5) Record Clerks

165-6-177-7-191-8-215-9-260-10-300-15-390

## B. SUBORINATE STAFF

(I) Drivers

166-5-181-6-199-7-234-8-274-9-310

(ii) Other Subordinate Staff

125-5-165-6-201-7-229-8-245

## II. FUNCTIONAL ALLOWANCE

Employee engaged in any of the following functions as their regular and main function shall be paid a functional allowance as indicated below :

(i) Subordinate Staff working as Liftmen, Machine Operators, Head Peons, Rs.20 p.m.

Jamadars or Daftaries

(2) Subordinate Staff carrying cash to or from Bank where the amount of cash Rs.10 p.m.

carried during a Calendar month in ordinarily Rs. 25,000 or more

(3) Cashier handling cash in an office where the total amount of cash transactions Rs.25p.m. during a calendar month is ordinarily Rs. 25,000 or more

(4) Telex Operators, Punch Operators and Unit Record Machine Operators Rs. 25 p.m.

(5) Comptists Rs. 25 p.m.

(6) Stenographers to Chairman of the Corporation, Managing Director, Rs. 40 p.m.

Custodian, General Managers, Assistant General Managers and equivalent positions.

**NOTE 1.** The number and names of persons eligible to draw the functional allowance shall be determined by the Custodian or the Managing Director depending upon the load of work and administrative requirements.

**NOTE 2.** An employee shall draw only one functional allowance at any one time.

**NOTE 3.** An employee proceeding on leave shall be paid the functional allowance during his leave period provided he resumes work in the same position on the expiry of his leave.

**NOTE 4.** No employee shall, as a matter of right, claim to be allotted a particular portfolio of work in order to avail of the functional allowance attaching to that position.

**NOTE 5.** No employee shall refuse to work in a position carrying a functional allowance or make it a condition that he be paid such allowance where, because of absence of the incumbent or temporary pressure of work, the employee is assigned such work by the Head of his Office.

### III. DEARNESS ALLOWANCE

(1) Scale of Dearness Allowance

The scale of dearness allowance applicable to the employees shall be determined as under :

Index : All India Average Consumer Price Index Number for Industrial Workers as published in the Indian Labour Journal.

Base year : 1960 = 100

(2) **Rate of Dearness Allowance** : The dearness allowance payable to employee during each calendar quarter, namely, January to March, April to June, July to September and October to December shall be based on the average on the Index Numbers for the immediately preceding calendar quarter. Thus dearness allowance for April, May and June shall be based on the average for the preceding January, February and March so on. The difference between the quarterly average index and the base index of 100 shall be divided by four and the integer Quotient so obtained shall be used as the multiplier for the percentage mentioned below:

Basic Salary Range	Rate of Dearness Allowance
(i) Where the basic salary of the employee is Rs. 245 or less	4% of the basic salary
(ii) Where the basic salary of the employee is over Rs. 245 but not over Rs.700 subject to a minimum of Rs9.80 (i.e. 4% of Rs 245)	3% of the basic salary,
(iii) Where the basic salary of the employee is over Rs.700	3% of Rs. 700 plus 2% of balance

(3) **Revision of Dearness Allowance** : Revision of Dearness Allowance may be made on quarterly basis for every four points rise or fall.

#### IV. QUALIFICATION PAY

Employee shall be granted a monthly allowance called qualification pay or be granted increment on the following basis, namely : ---

(1) Non-graduate assistants in service at the commencement of this Scheme who qualify as graduate within five year from the 1<sup>st</sup> day of January 1973 shall be granted two increments in their scale of pay effective from the date of publication of the result of the examination.

(2) An employee who qualifies in an Insurance examination mentioned below, shall be paid with effect from the date of publication of the result of the examination, the amount of qualification pay as indicated below : -

Provided that not more than one qualification pay shall be admissible to him.

Examination	Qualification Pay per month
Federation of Insurance Institutes or Chartered Insurance Institute	
(i) Licentiate	Rs15/- payable only to Assistants or equivalent or lower positions
(ii) Completion of Associateship	Rs. 25/- payable only to Senior Assistants of equivalent or lower positions.
(iii) Completion of Fellowship Institute of Actuaries	Rs. 50/-
(iv) Any three subjects	Rs. 25/-
(v) Any seven subjects	Rs. 40/-
(v) Completion of Fellowship	Rs. 60/-
Institute of Chartered Accountants or Institute of Cost and Works and Works Accounts : --	
(vii) Completion of Intermediate	Rs. 25/-

(viii) Completion of Associateship or Fellowship Rs. 50/-

---

- (3) Persons appointed in the category of Assistant or in equivalent positions on or after the commencement of this Scheme shall be given two increments in the grade with effect from ---
  - (a) the date of their confirmation on service if they join as graduates or qualify as graduates before confirmation;
  - (b) the date of publication of the results if they qualify as graduates within a period of five years from the date of their joining service.
- (4) The grant of qualification pay or increments on graduation shall not effect the seniority of the persons concerned.
- (5) Where an employee has already been given an advance increment or any other recurring monetary benefit for having qualified in any Insurance examination, the amount of qualification pay shall be suitably reduced or be not admissible depending on the quantum of benefit already received.

**Illustration :** If any assistant has drawn two increments for completing Licentiateship and Associate ship

Examination of Insurance Institutes whose monetary value is

- (a) Rs.20 he shall receive a qualification pay of Rs. 5 p.m.
- (b) Rs. 30 he shall not get any qualification pay.

## V. House Rent Allowance

The House Rent Allowance in respect of employee shall be payable at 10% of the basic salary subject to a Maximum amount of Rs. 40/- per month. The minimum House Rent Allowance shall be Rs. 22/- for subordinate staff and Rs. 28/- for Supervisory and Clerical staff.

## VI City Compensatory Allowance

The City Compensatory Allowance shall be payable at Rs.20/- per month to all employee stationed at all Class 'A' Class 'B' cities declared as such by the Central Government from time to time.

## VII HILL STATION ALLOWANCE

Employees stationed at Srinagar, Dharmasala, Baramulla, Anantnag, Palanpur, Simla, Almora, Nainital, Shillong, Darjeeling, Kathmandu, Ootacamund and Mercara shall be paid Hill Station Allowance every month at the rate of 15% of their basic salary subject to a minimum of Rs. 20/- p.m. and maximum amount of Rs. 75/- p.m.

## VIII KIT ALLOWANCE

Employee transferred to any of the hill stations listed in paragraph VII shall be paid a kit allowance of Rs. 200/-.

The kit allowance shall not be payable on transfer from one hill station to another or if the same was drawn at any time during the preceding three years.

## IX UNIFORMS AND WASHING ALLOWANCE

Issue of uniform to subordinate staff including drivers and arrangement for washing or payment of a washing allowance shall be regulated as under :

- (i) Officer uniforms may be supplied to subordinate staff including drivers.
- (ii) 3 sets of cotton uniforms may be supplied to subordinate staff including Drivers every year. In places specified by the Managing Director as places where winter is severe, a woolen uniform may be supplied in lieu of one cotton uniform and renewed every two years.
- (iii) An employee to whom a uniform is supplied may be supplied with a pair of chappals once a year. Where woolen uniform is supplied a pair of shoes in addition to chapals may be supplied once in two years. Where shoes are supplied, two pairs of socks may also be supplied every year. One umbrella once every alternate year may also be supplied.
- (iv) Where the Corporation or any of its Subsidiary does not make arrangements to get the uniforms washed or cleaned, a washing allowance at a rate of Rs. 7/- per month at Bombay, Calcutta, Delhi and Madras and Rs. 5/- per month at other places may be granted to the employee. Where the woolen uniforms are supplied, the actual dry-cleaning charges once a year may be reimbursed in addition.

## THE SECOND SCHEDULE

(See paragraph 16)



1. Entitlement for traveling and halting allowance while on duty shall be regulated as indicated below :

A. TRAVELLING ALLOWANCE

(1) TRAIN JOURNEY

Category	Mode and class of travel
(i) Employees drawing basic salary of Rs. 340/- and above.	First Class
(ii) Employees drawing basic salary below Rs. 340/- excluding subordinate staff.	II Class or AC III Class*
(iii) Subordinate Staff	Third Class

\* Where II Class or AC III Class is not provided by Railways, travel by I Class may be allowed. Also where the journey involves night travel, by I Class shall be admissible for the entire journey.

(2) TRAVEL BY STEAMER

- (I) Employees drawing basic salary of more than Highest Class Rs. 600/-
- (ii) Employees drawing Rs.340/- and more but less than Rs.600/-  
Higher of the two middle of second in case more than two classes are provided.
- (iii) All employees drawing less than Rs.340/- middle or Lower of the two classes, and

(other than subordinate staff)

second if three classes, Third if

four classes.

(iv) Subordinate Staff

Lowest Class

(3) TRAVEL BY ROAD

taking a single seat

\*\*Actual fare

\*\* By upper class if provided, for all employees except Subordinate Staff.

## B. HALTING ALLOWANCE

(a) The rates of Halting Allowance shall be as follows, namely :

	Category	Amount
(1) Subordinate Staff		Rs. 10 per day
(2) Employees other than Subordinate Staff		
(i) Basic salary between Rs. 151 – 340		Rs. 15 per day
(ii) Basic salary between Rs. 341 – 600		Rs. 25 per day
(iii) Basic salary over Rs. 600/-		Rs. 30 per day
(b) An increase of 25% in the appropriated halting allowance shall be allowed at Bombay, Calcutta, Delhi and Madras.		
(c) Full halting allowance shall be given for each 24 hours of a absence from headquarters, the period of absence being calculated from the time of commencement of onwards journey and ending with return to headquarters.		
(d) Halting allowance for less than 24 hours shall be on the following scale:		
(i) Absence exceeding 12 hours	Full	
(ii) Absence exceeding 6 hours but not exceeding- 12 hours		50% of the halting allowance

- (iii) Less than 6 hours 30% of the halting allowance
- (e) Halting allowance shall be allowed at full rates for the first 30 days of absence from headquarters on duty and thereafter at half the normal rates up to a maximum period of 90 days.
- (f) Halting allowance in the case of employees who stay in guest house maintained by the Corporation or any of its Subsidiary shall be at half the normal rate where boarding or lodging is provided free and one-fourth of the normal rate if both boarding and lodging are provided free.

## II. TRAVELLING ALLOWANCE ON TRANSFER

The rates of allowance and other relevant conditions shall be as under :

- (a) Travelling allowance shall be allowed to the employee, and the family by the class of travel to which the employees is entitled to travel on tour.
- (b) owards incidentals for the journey, halting allowance shall be granted to the employees and members of his family for the time spent on Journey, for children below 12 years the entitlement shall be at half the rate of halting allowance.
- (c) Joining time on transfer shall be allowed as follows :
- (i) If no change of residence is involved, one day, Sunday or holiday being reckoned as a day for the purpose.
- (ii) If change of residence from one station to another is involved, 6 days for preparation plus the actual time of the journey by different modes of transport, without any break in journey.
- (d) Reimbursement of expenses on transportation of personal luggage shall be on the following basis :

<b>For employees drawing family basic salary</b>	With family	Without
Over Rs. 600/-	20 quintals	10 quintals
Between Rs. 151/- Rs. 600/-	15 quintals	7.5 quintals
Upto Rs. 150/-	6 quintals	2.5 quintals

The luggage may be carried by goods train or by passenger train or if rail transport is not available, by other mode of transportation, subject to the conditions that the cost of transportation shall not exceed the maximum permissible by goods train.

- (e) The rate of transportation by road shall be 3 paise per k.m. for every 35 kg, or part thereof.

For cartage of luggage from residence to rail-head and vice-versa, the same rates shall apply.

- (f) For packing charges, reimbursement shall be as under :

- |      |  |                 |
|------|--|-----------------|
| (i)  | For employees drawing basic salary below Rs. 340/-       | 1 paise per kg. |
| (ii) | For employees drawing basic salary of Rs. 340/-and above | 2 paise per kg  |

- (g) Apart for reimbursement of packing and cartage, employees shall be given a Transfer Grant on the following scale :

<u>Basic Pay</u>	<u>Transfer Grant</u>
UptoRs. 150	Rs. 100
Between Rs. 151/- Rs. 600/-	Rs. 200
Over Rs. 600	Rs. 300

NOTE : In this Schedule, "family", in relation to an employee, includes the spouse, legitimate dependent children and parents residing with and wholly dependent on the employee.

### THIRD SCHEDULE

See paragraph 17)

### LEAVE TRAVEL SUBSIDY

- (a) The concession shall be available to an employee and his family members once in a block of two calendar years provided the employee goes on earned leave for not less than 15 days. The first block shall cover the calendar years 1974-75.
- (b) The employee shall bear the cost of travel for the first 200 kms. each way and the cost of travel upto the next 1,000 kms. each way shall be borne by the Corporation or any of its Subsidiaries. In the case of Subordinate Staff however the entire travel cost upto 1,000 kms. each way shall be reimbursed to an employee.
- (c) The reimbursement shall be on the basis of the train fare or steamer fare of the class by which an employee is entitled to travel on duty as on tour, or by the class by which he or his family actually travels, whichever is less. In the case of journeys by road, the rates applicable to journeys on tour shall apply. Where an employee travels in his own conveyance or hires one, the claim shall be restricted to the employee only.
- (d) The concession shall be available for traveling either to the employee's home town or to any other place of his choice.
- (e) An employee may travel by a class below his entitlement for journeys exceeding 1,000 kms. but the reimbursement to him shall be restricted to the actual fare paid by him limited to the amount payable under sub-paragraph (b) and (c).
- (f) The concession shall not be allowed to be carried forward and shall not be available if the employee himself does not proceed on leave for more than 15 days.
- (g) The concession shall be admissible to the members of an employee's family accompanying or preceding or following the employee by a period not exceeding 6 months to the same extent as to the employee provided that during the period on the leave the employee and family are at the same station.

**NOTE :** In this Schedule, "family" in relation to an employees, includes the spouse, legitimate dependent children and parents residing with the wholly dependent on the employee.

[F.No. 65(19)-Ins.III/27/73]

Sd/-

R.D.THAPAR

Addl. Secretary to the Govt. of India.

New Delhi, the 12<sup>th</sup> May, 1980

**INSURANCE**

PUBLISHED IN THE GAZETTE OF INDIA DATED THE 12<sup>TH</sup> MAY 1980

PART II SECTION 3 SUB-SECTION (ii)

S.O. 314(E) --- In exercise of the powers conferred by sub-section 6 of section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby makes the following Scheme to amend the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate staff ) Scheme, 1974, published with the notification of the Government of India, Ministry of Finance (Department of Revenue and Insurance) No. S.O. 326(E) dated the 27<sup>th</sup> May, 1974, namely : -

1. (1) This Scheme may be called the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate staff ) Amendment Scheme, 1980.

(2) It shall come into force on the date of its publication in the Official Gazette

2. In the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate staff ) Scheme 1974 ---

In sub-paragraph 3 of paragraph 10

(1) for the existing clause (c), the following clause shall be substituted namely : ---

"(c) The earned leave to the credit of an employee but not availed of as on the date of retirement may be encashed subject to a maximum of 120 days",

Provided that earned leave standing to his credit as on the date of death may be allowed to be encashed;

Provided further that this clause shall not apply to an employee who has been compulsorily retired, removed or dismissed in accordance with the General Insurance (Conduct, Discipline and Appeal) Rules 1975."

(2) In clause (c) ---

(i) The existing Note 1, shall be substituted by the following, namely : ---

NOTE 1 For determining the amount due to an employee for purposes of encashment of earned leave ---

(a) In the event of retirement, the leave salary shall be equal to his salary for such leave standing to his credit calculated at the rate at which he drew salary immediately

preceding the date of his retirement but excluding City Compensatory Allowance, House Rent Allowance and functional allowance.

(b) In the event of death of an employee, his gross total monthly emoluments (basic salary plus all allowances excluding functional allowances and officiating allowance ) as on the date of death shall be taken into consideration".

(ii) after the existing Note 2, the following shall be added as Notes 3 and 4 respectively : ---

"NOTE 3 The cash equivalent of leave salary shall be paid in one lump as one time settlement."

NOTE 4 The authority to grant cash equivalent of leave salary shall be an officer competent to grant leave to the employee concerned.

(3) After clause (c) as amended above, the following shall be added as clauses (d) and (e) respectively : ---

"(d) Where an employee, who had already proceeded on leave preparatory to retirement before the commencement of this Scheme and who was allowed to return to duty subsequently, shall be paid cash equivalent of leave salary as admissible in terms of clause (c) of this sub-paragraph.

(e) An employee may avail of as leave preparatory to retirement a part of earned leave standing to his credit in which case the cash equivalent of leave salary shall be allowed only in respect of the unavailed part of earned leave due to him as on the date of retirement in terms of clause (c) of this sub-paragraph ."

[F.No. 65(8) Ins. IV/1/78]

Km. KUSUMLATA MITAL, ADDL.

SECY.

(TO BE PUBLISHED IN GAZETTE OF INDIA EXTRAORDINARY

PART II SECTION 8 SUB-SECTION (ii))

**GOVERNMENT OF INDIA**

**MINISTRY OF FINANCE**

**(Department of Economic Affairs)**

**INSURANCE DIVISION**

**NOTIFICATION**

New Delhi, the 27<sup>th</sup>

July 1990

S.O.593(E) – In exercise of the powers conferred by Section 17A of the General Insurance (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme further to amend the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme 1974, namely :

1. (1) this Scheme may be called the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff)Third Amendment Scheme,1990.  
  
(2) It shall come into force on the date of its publication in the official Gazette.
2. In the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme 1974 in paragraph 12 after clause (ii), the following clause shall be inserted, namely :-
3. Who is in the service of the Corporation or a Company may be permitted subject to vigilance clearance ,to seek voluntary retirement from service on completion of 55 years of age or at any time thereafter on giving three months notice in writing to the appointing authority of his intention to retire.

[F.No. (32)/Ins.III/89]

(S.Kannan)

Joint Secretary to the Government of India



GOVERNMENT OF INDIA

MINISTRY OF FINANCE

**(Department of Economic Affairs)  
INSURANCE DIVISION  
NOTIFICATION**

New Delhi 4.10.1990

S.O. 754 (E) – In exercise of the powers conferred by Section 17A of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme further to amend the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff ) Scheme, 1974, namely :-

1. (1) This Scheme may be called the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff ) Fourth Amendment Scheme 1990.
- (2) It shall be deemed to have come into force on the date of publication of this notification in the gazette of India.
2. In the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff ) Scheme 1974 in clause (c) of sub-paragraph (3) of paragraph 10, for the portion beginning with the words and figure "where an employee has earned leave " and ending with the words "retirement age of the employee is 60 years", the following shall be substituted, namely :-  
  
"(c) Where an employee has earned leave to his credit but has not availed the same as on the date of retirement he may be paid cash equivalent of leave salary in respect of the period of earned leave to his credit as on the date of retirement subject to a maximum of 240 days."

[F.No. 2(24) /Ins. III/90]

Sd/-

(S.Kannan)

Joint Secretary to the Government of India

## EXPLANATORY MEMORANDUM

The Central Government has accorded approval, with effect from the date of publication of this notification to raise the limit on encashment of earned leave on retirement in respect of the employees of the General Insurance(Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff ) Scheme 1974, is being amended accordingly.

2. It is certified that no employee of General Insurance Corporation of India or its Subsidiary Companies is likely to be affected adversely by the notification.

**ADMINISTRATIVE INSTRUCTIONS FOR IMPLETATION OF THE PROVISIONS OF  
GENEERAL INSURANCE (RATIONALISATION OF PAY SCALESAND OTHER  
CONDITIONS OF SERVICE OF SUPERVISORY, CLERICAL AND SUBORDINATE  
STAFF)SECOND AMENDMENT SCHEME, 2016**

**1. AMENDMENT SCHEME,2016:**

Scales of pay and allowance of Supervisory, Clerical and Sub-ordinate staff have been revised as per General Insurance (Rationalisation of Pay Scales and Other conditions of service of Supervisory, Clerical and Sub-ordinate staff) Second Amendment Scheme,2016 (in short, the Second Amendment Scheme,2016) published vide Gazette Notification S.O. 240(E) on 25<sup>th</sup> January,2016.

The following Administrative instructions are issued for implementation of the provisions of the Second Amendment Scheme, 2016.

**2.ELIGIBILITY:**

- a. In terms of Para 1 of the Second Amendment Scheme, 2016. The said scheme applies, save as otherwise provided to all permanent whole-time employees in Supervisory, Clerical and Sub-ordinate staff cadres of the Company who :-
  - (j) were in service as on 1<sup>st</sup> August,2012 and continue to be in service as on the date of publication of the subject notification: or
    - (ii) were in service as on 1<sup>st</sup> August, 2012, and have died, or retired on reaching the age of superannuation or opted for voluntary retirement; or
    - (iii) who were appointed on any date after 1<sup>st</sup> August,2012.
- b. In terms of the proviso to paragraph 1(3) of the Second Amendment Scheme, 2016,the employees whose resignations had been accepted or whose services had been terminated during the period from 01.08.2012 and the date of publication of the Second Amendment Scheme, 2016 in the Official Gazette i.e. 25<sup>th</sup> January, 2016 shall not be eligible for the arrears on account of revision under this scheme.
- c. Further, it is clarified that the Second Amendment Scheme, 2016 shall not apply to employees who have been appointed on contractual basis and to whom the Rationalisation Scheme, 1974 does not apply.

**3. EFFECTIVE DATE:**

The revised scale of pay and allowance as per the Second Amendment Scheme,2016 shall be effective from the date mentioned below against each item :-

Item	Effective Date
(1)Basic Salary and Allowance other than those mentioned in 2 below	01.08.2012
(2)Functional Allowance to Audit Assistant, Hill Station Allowance, Kit Allowance & Paradeep Port Allowance	01.02.2016

**4. Option for the date of fixation of Basic Salary:-**

The eligible employees in service as on the date of publication of Second Amendment Scheme, 2016 i.e., in service as on 25<sup>th</sup> January, 2016 have the option to seek fixation of Basic Salary under the Second Amendment Scheme, 2016 from the date mentioned in clause (i) or clause (ii) given below:

- (i) 01.08.2012 or the date of appointment, whichever be later;  
or
- (ii) Any date between 01.08.2012 or the date of appointment whichever be later, and the date of publication of the Second Amendment Scheme, 2016 viz. , 25<sup>th</sup> January ,2016

Provided that no arrears for the period from the 1<sup>st</sup> day of August, 2012 to the date so chosen shall be payable to such employee.

Such option to be exercised on or before 12<sup>th</sup> February, 2016. Such option is to be submitted to the Officer-in-Charge of the Office in which the employee is working. The option once exercised shall be final.

In case of exit due to retirement, voluntary retirement or death between 01.08.2012 and the date of publication of Second Amendment Scheme, 2016, the salary shall be fixed from 01.08.2012 or from the date of appointment, if it be later.

**5. Method of Fixation:-**

Basic salary of every eligible employee in service as on 01.08.2012 and those appointed thereafter is to be fixed on stage to stage basis. For this purpose, reference may be made to TABLE A and TABLE B of item I of the Tenth Schedule attached with the notification showing existing Basic salary stages, including Stagnation Increment stages, with corresponding stages in the revised scales.

**6. Payment of arrears in case of deceased employees:-**

In case of an employee who had died whilst in service on or after 01.08.2012, the arrears as worked out are to be paid to the person to whom his Provident Fund was paid or is to be paid. However, difference in amount of gratuity shall be paid to the person to whom his gratuity was paid or is to be paid.

**7. Fixation of pay of employees who were promoted within Clerical/Subordinate Staff Cadre at any time between 01.08.2012 and 25<sup>th</sup> January, 2016:-**

For such of the employees who stand promoted within the Clerical and Subordinate Staff cadre at any time between 01.08.2012 and 25<sup>th</sup> January, 2016 it would be necessary to give them option for fixation in their respective scales in the pre-promoted cadre. Fixation of salary for such employees in their pre-promoted cadre shall be first done at an appropriate stage in the revised scale and fixation on promotion would be determined thereafter in accordance with the rules governing fixation on promotion.

The employees, who have already exercised their option for fitment on promotion prior to 25<sup>th</sup> January, 2016, may be allowed to re-exercise option for the date of fitment on promotion, if the employee applies for the same within a period of 90 days from the date of these administrative instructions.

**8. Employees promoted as Class I Officers or converted as Development Officers:-**

For such of the employees in the clerical cadre who have, at any time between 01.08.2012 and 25<sup>th</sup> January, 2016, either been converted to Development Officers cadre or stand promoted to Class I cadre, the arrears would be worked out in the clerical cadre until the date of their conversion to Development Officer cadre or the date of their promotion to Class I cadre, as the case may be. Such arrears, consequents on the pay revision as per the provisions of the Second Amendment Scheme, 2016, shall be calculated on notional basis for the period from 01.08.2012( or from the date of appointment, if it be later) to the date of fixation of salary as Development Officer or as Class I officer, as the case may be.

**COMPONENTS FOR ARREARS:**

**9.1 BASIC PAY:**

The revised scales of Basic Pay for all categories of employees have been incorporated in Tenth Schedule as inserted by the Second Amendment Scheme, 2016; the fixation of basic salary shall be at the appropriate stages as explained in paragraph 5 of these instructions.

**9.2 DEARNESS ALLOWANCE:**

9.2.1 Item III of the Tenth Schedule provides that the Dearness Allowance shall be payable on the revised scale of pay with reference to All India Consumer Price Index with base at index number 4708 in the series 1960=100.

9.2.2 The rate of Dearness Allowance stands revised and it would now be payable, for every slab of 4 points in the quarterly average over 4708 points, at the rate of 0.10% of the

revised basic pay from 01.08.2012 or the date of fixation in the revised scale of pay, if it be later.

9.2.3 Further, revision of Dearness Allowances shall be on a quarterly basis for every four points rise/fall in the quarterly average of All India Consumer Price Index at 4708 points.

9.2.4 The other provisions regarding payment of Dearness Allowance remain unchanged.

9.2.5 The number of slabs for which the Dearness Allowance become payable as per the pre-revised and revised rates, were as shown in the APPENDIX-B.

### 9.3 HOUSE RENT ALLOWANCE (HRA) :

Item VI of the Tenth Schedule provides for revised rates and limits of House Rent Allowance. By the Amendment Scheme, 2016, Gandhinagar city has been removed from the list of cities in serial no. 2 of the table for the reason that the same being a part of urban agglomeration of Ahmadabad is already covered in the list of cities mentioned in serial no. 1 of the table.

In terms of Item VI of Tenth Schedule, with effect from 1<sup>st</sup> August,2012 or the date of actual fixation in the revised scales of pay, if it be later, the House Rent Allowance shall be payable as given in the Table below.

Table

Sl. No	Place of Posting	Rate per month
1	Cities of Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmadabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurugram	10% of the pay subject to maximum of Rs. 5,320/- per month
2	Cities with population exceeding 12 lacs except the cities mentioned at serial number 1, and all cities in the State of Goa	8% of the pay subject to maximum of Rs. 4,490/- per month
3	All other places	7% of the pay subject to maximum of Rs. 4,320/- per month

Note: (1) For the purpose of this item, the population figures shall be as per latest Census Report.

(2) Cities shall include their Urban Agglomeration.

Pay means Basic Salary and Stagnation Increment as per sub-paragraph 7

Payment of House Rent Allowance to employees transferred under the Transfer and Mobility Policy under paragraph 18 shall be subject to provisions of sub-paragraph (1) Clause (c) of the said paragraph.

2..Employees who are allotted residential accommodation /staff quarters shall not be entitled to any house rent allowance, but they shall pay to the Company, for such accommodation the appropriate license fee as may be decided by the Board of the Company from time to time. At present, the license fee is being deducted @1.20% of the minimum of the scale. The revised rate of license fee shall be 0.75% of the minimum of the revised Scale with effect from 01.02.2016 up to 31<sup>st</sup> January, 2016 the amount of license fee which is being deducted at present on the basic of pre-revised basic and pre-revised rate shall continue.

However, an employee who has been allotted residential accommodation/ staff quarters before the 1<sup>st</sup> day of April, 1983, and who has been receipt of House Rent Allowance as on date immediately preceding the date of publication of the Second Amendment Scheme, 2016 in the official Gazette in terms of item VI of the Fourth Schedule of the Rationalisation Scheme, 1974 shall continue to receive such House Rent Allowance so long as he continue to occupy the same residential accommodation/ staff quarters allotted by the Company.

#### **9.4 CITY COMPENSATORY ALLOWANCE (CCA):**

Item VII of the Tenth Schedule provides for revised rates of City Compensatory Allowance. Like HRA, by the Second Amendment Scheme, 2016, Gandhinagar city has been removed from the list of Cities in serial no. 2 of the table for the reason mentioned above. Moreover, by adding another row of serial no. 4, it has been made clear that in respect of cities with population less than 5 lacs, CCA is not payable.

Further the classes of cities have also been indicated as Metro, A Class, B Class and C Class as in many other service benefits a reference is made to classification of Cities under CCA.

In terms of Item VII of Tenth Schedule, with effect from 1<sup>st</sup> August, 2012, the rate of City Compensatory Allowance payable to Supervisory, Clerical and Subordinate Staff employees shall be as under:

<b>Sl. No</b>	<b>Place of Posting</b>	<b>Rate</b>
1	(Metro Cities) Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmadabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurugram	3% of pay subject to a maximum of Rs. 1,055/- per month
2	(A Class) Cities with population exceeding 12 lacs, except cities mentioned in serial number 1, and all cities in the State of Goa.	2.5% of pay subject to a maximum of Rs. 990/- per month
3	(B Class) Cities with population of 5 lacs and above but not exceeding 12 lacs, State capitals with population not exceeding 12 lacs,	2% of pay subject to a maximum of Rs.850/- per month



	Chandigarh, Mohali, Panchkula, Pondicherry, Port-Blair.	
4	(C Class) All other cities	Nil

Note: (1) For the purpose of this item, the population figures shall be as per latest Census Report.

(2) Cities shall include their Urban Agglomeration.

(3) 'Pay' means Basic Pay and Stagnation Increments as per sub-paragraph (2) of paragraph 7.

(4) Payment of City Compensatory Allowance to employees transferred under the Transfer and Mobility Policy under Paragraph 18 shall be subject to provision of sub-paragraph (1), clause (c) of the said paragraph.

### 9.5 Functional Allowance:

In terms of Item II of the Tenth Schedule,

With effect from the 1<sup>st</sup> day of August, 2012, the employees performing the following functions shall be paid Functional Allowance as under:-

(i)	Subordinate Staff engaged in either as Key Holder or for Carrying Cash to or from Bank, as his regular and main function, where the amount of cash carried during a calendar month is ordinarily Rs. 25,000/- or more	Rs. 700/- pm
(ii)	Other Subordinate staff working as Liftmen, Machine operator, Head Peons, Jamadars, Daftaries, AC Plant Operators and Heavy Vehicle Drivers, who were assigned these functions before 1 <sup>st</sup> day of January, 2006.	Rs. 165/- pm
(iii)	Assistant (or Senior Assistant, in the event of non-availability of Assistants) engaged in handling cash in an office, as his regular and main function, where the amount of cash transactions during a calendar month is ordinarily Rs. 25,000/- or more.	Rs. 1500/- pm
(iv)	Telex Operators, Punch Card Operators, Unit Record Machine Operators and Comptists who were assigned these functions before 1 <sup>st</sup> day of January, 2006	Rs. 60/- pm
(v)	Stenographer to Chairman-Cum-Managing Director, Scale VII, Scale VI and equivalent positions	Rs. 75/- pm

With effect from 01.02.2016, the employees performing the functions of Audit Assistant shall be paid Functional Allowance @ Rs.850/- pm.



Note 1: The number and names of persons eligible to draw the Functional Allowance shall be determined by the Chairman-Cum-Managing Director or by an officer authorized by him in this behalf, depending upon the load of work and administrative requirements.

Note 2: An employee shall draw only one Functional Allowance at a time.

Note 3: An employee proceeding on leave shall be paid the Functional Allowance during his leave period other than periods of extra ordinary leave, provided that he resumes work in the same position on the expiry of his leave.

Note 4: No employee shall, as a matter of right, claim to be allotted a particular portfolio of work in order to avail of the Functional Allowance attaching to that position or post.

Note 5: No employee shall refuse to work in a position carrying a Functional Allowance or make it a condition that he be paid such allowance where, because of absence of the incumbent or temporary pressure of work, the employee is assigned by the Head of his office.

Note 6: Functional Allowance under any of the above clauses or any part thereof, shall not be treated as part of basic salary and shall not be counted for the purpose of any allowance or for the purpose of any other service or terminal benefits.

## 9.6 ALLOWANCES FOR TECHNICAL QUALIFICATIONS:

In terms of Item IV of Tenth Schedule

A confirmed employee who qualifies or has qualified in an examination mentioned in column(2) of the Table below shall be paid with effect from the date of publication of the results of the examination or the 1<sup>st</sup> day of August, 2012, whichever is later, the allowance for technical qualifications mentioned in column (3) of the said table, namely :-

**TABLE**

Sl. No (1)	Examination (2)	Allowance for Technical Qualification ( Per month) (3)
1	Insurance Institute of India or Chartered Insurance Institute: On Completion of :- Licentiate Associateship Fellowship	Rs.340- Rs.925/- Rs.1550/-
2	Institute of Actuaries:- On passing each subject	Rs.340/-
3	Institute of Chartered Accounts Or	

	Institute of Cost and Work Accountants: On Completion of :- Intermediate Examination' Final Group A or Group B Final Group A and Group B	Rs.665/- Rs.1135/- Rs.1550/-
4.	On completion of Masters of Business Administration of a recognized University or Institution ( AICTE approved course)	Rs. 1550/-

Provided that not more than one qualification allowance shall be permissible to him

The grant of allowance for technical qualifications shall not affect the seniority of the employee concerned,

Where the employee has already been given an advance increment or any other recurring monetary benefit for having qualified in any of the said examinations, the amount of allowance for technical qualification shall be suitably reduced or may not be admissible depending on the quantum of benefit already received.

Such employee on completion of service of one year after reaching the maximum of the scale shall receive the allowance for technical qualification amounting to not less than one-half of the full rate and after a further service of one year; the said allowance for technical qualification shall be paid in full.

The allowance for technical qualification as mentioned in column (3) of the table above, or any part thereof, shall not be counted for the purpose of any allowance or for any service or terminal benefit.

Explanation: For the purpose of entry mentioned at serial number 4, in column (2). "Recognized university or Institution "shall mean a University or Institution recognized by the University Grant Commission.

### **9.7 Graduation Increment/ Allowance to employees:**

In terms of Item V of the Tenth Schedule, Graduation Increment/ Allowance to Assistants and Record Clerks shall be governed by the following provisions:-

#### **GRADUATION INCREMENTS OR ALLOWANCE TO ASSISTANT:**

With effect from the 1<sup>st</sup> day of August, 2012, the Graduation Increments or Allowance to employees in the scale of Assistant shall be paid as under:-

An employee who is appointed or promoted to any post in the scale of Assistant and who has qualified as a Graduate of a recognized University on or after the 1<sup>st</sup> day of January

1973 but before the 1<sup>st</sup> day of August 2007, and has not reached the maximum of the scale shall be granted two increments in the scale with effect from the publication of results of the examination, or the date of appointment in the scale of Assistant, or 1<sup>st</sup> February, 2016, whichever is later, provided that he has not already received graduation increment or qualification pay for having qualified as such graduate or any advance increment on appointment, otherwise than by way of protection of emoluments granted to ex-servicemen:

Provided that if an employee entitled to increments for graduation is drawing Basic Salary of Rs. 38,470/-, only one increment for graduation shall be granted to him.

An employee in the scale of Assistant, who was qualified as a graduate from a recognized University before the 1<sup>st</sup> day of August, 2007 and has reached the maximum of the scale shall be paid revised Graduation Allowance w.e.f. 1<sup>st</sup> day of August, 2012 as per column (2) of the table below.

**Table**

<b>Stage</b>	<b>Revised Graduation Allowance per month w.e.f. 01.08.2012</b>
(1)	(2)
One year after reaching the maximum of Scale	Rs. 565/-
Two year after reaching the maximum of Scale	Rs.1,000/-

The Graduation Allowance, or any part thereof, shall not be counted for the purpose of any allowance or for any service or terminal benefit.

#### **GRADUATION ALLOWANCE TO RECORD CLERKS:**

An employee in the scale of Record Clerk, who has qualified as graduate from a recognized University before the 1<sup>st</sup> day of August, 2007 shall be paid Graduation Allowance of Rs. 375/- p.m. with effect from the date of publication of results of the examination or, from the date of promotion as Record Clerk or, the 1<sup>st</sup> day of August, 2012 whichever is later.

Note: The Graduation Allowance payable to employees in the scale of Record Clerk shall not be treated as special allowance not shall it be treated or counted as basic salary for any purpose and it shall be withdrawn on promotion of the employee.

Explanation: For the purpose of this item "recognized university" means a University recognized by the University Grant Commission.

#### **9.8 Transport Allowance:**

In terms of Item XI of the Tenth Schedule, with effect from the 1<sup>st</sup> day of August, 2012, or from the date of appointments, whichever is later, every confirmed employee shall be paid Transport Allowance at the rate of Rs. 460/- (Rupees Four Hundred and Sixty Only) per month.

### **9.9 Conveyance Allowance to Physically Handicapped Employees:-**

There is no change in the amount of Conveyance Allowance for Blind and Orthopedically Handicapped Employee and the same shall continue to be paid at the uniform rate of Rs. 400/- per month to eligible employees in all Classes of Employee till further instruction.

### **9.10 FIXED PERSONAL ALLOWANCE:**

In terms of Item X of the Tenth Schedule, with effect from 1<sup>st</sup> August, 2012, the fixed personal allowance payable to the Supervisory, Clerical and Sub-ordinate staff on account of computerization shall stand revised as shown in column (3) of the table given below.

<b>No</b>	<b>SI.</b>	<b>Employees in the Scale of Pay (as on 01.11.1993)</b>	<b>Revised Fixed Personal Allowance (FPA)</b>
(1)	(2)	(3)	(3)
1		Senior Assistant	Rs.1,610/-
2		Stenographer	Rs.1,610/-
3		Assistant,etc	Rs.1,610/-
4		Record Clerk	Rs. 1,015/-
5		Driver	Rs. 745/-
6		Other Subordinate Staff	Rs. 745/-

There is change in the rules regarding reckoning of FPA for various service and terminal benefits in as much as with effect from 1<sup>st</sup> August, 2012 the entire amount of revised Fixed Personal Allowance (FPA) shall reckon as Basic Pay for the purpose of House Rent Allowance, Provident Fund, Pension, Gratuity and Encashment of Earned Leave.

The benefit of the revised Fixed Personal Allowance as above may be allowed to eligible employees with effect from 01.08.2012 or the date of actual fixation in the revised scales, whichever is later.

### **9.11 Washing Allowance to Class IV:-**

The washing allowance for Class IV stands revised from Rs. 150/- to Rs. 250/- - (Rupees Two hundred and fifty only) per month with effect from 01.08.2012.

### **10. HILL STATION ALLOWANCE:-**

In terms of Item VIII of Tenth Schedule, with effect from 01.02.2016 Hill Station Allowance shall be paid to Supervisory, Clerical and Sub-ordinate staff employees shall be as under:

**TABLE**

Sl. No	Place of posting (Above Mean Sea Level)	Rate per month
1	Posted at places situated at height of 1500 meters and over above mean sea level	2.5% of the Basic Pay subject to maximum of Rs. 615/- per month
2	Posted at places situated at height of 1000 meters and over but less than 1500 meters, Mercara and places which are specifically declared as "Hill Stations" by Central Government or the State Government for their employees	2% of Basic Pay subject to maximum of Rs. 485/- per months
3	Posted at places situated at a height of not less than 750 meters above mean sea level which are surrounded by and accessible only through hill with a height of 1000 meters and over above mean sea level	2% of Basic Pay subject to maximum of Rs. 485/- per months

Note: Basic Salary includes Stagnation increments, if any, as per sub-paragraph (2) of paragraph 7.

#### **11. Kit Allowance:-**

In terms of Item IX of the Tenth Schedule, with effect from 01.02.2016, kit allowance to an employee in the Supervisory, Clerical and Sub-ordinate cadre transferred to any of the hill station at which Hill Station Allowance is payable have been revised to Rs. 1500/-. The kit Allowance shall not be payable on transfer from one hill station to another if the same was drawn at any time during the preceding three years.

#### **12. PARADEEP PORT ALLOWANCE:-**

In terms of Item XII of Tenth Schedule , with effect from 01.02.2016 or date of appointment, whichever is later, every confirmed employee posted in the office of the Company in Paradeep Port shall be paid an allowance of Rs. 185/- per month so long as he is posted in that office. This allowance shall not be treated as Basic Pay for any purpose.

#### **13. EMPLOYEE'S CONTRIBUTION TO PROVIDENT FUND:**

a) Employees who joined the service of the Company before 01.01.2004:-

With effect from 01.08.2012 or the date of actual fixation in the revised pay scales, if it be later, employee's contribution to Provident Fund shall be recoverable at the existing rate of 10% of the revised basic pay. Personal pay and FPA shall also be reckoned as Basic Pay

for the purpose of recovery of Provident Fund contribution. It is reiterated that with effect from 01.08.2012 the full component of FPA shall reckon as Basic Pay for the said purpose.

b) Employees who joined the service of the Company between 01.01.2004 to 31.03.2010:-

The cut-off date of implementation of New Pension Scheme in the Company has been shifted from 01.01.2004 to 01.04.2010, by a separate Amendment Scheme published on 23<sup>rd</sup> January, 2016. Hence, in respect of all the employee who joined the service of the Company between 01.01.2004 and 31.03.2010 and are continuing in service as on the date of publication of the Second Amendment Scheme, 2016 i.e. 25<sup>th</sup> January, 2016, employee's contribution to Provident Fund with effect from 01.08.2012 or the date of actual fixation in the revised pay scales, if it be later, shall be recoverable @ 10% of revised basic pay. Since these employees, hitherto being treated as covered under the New Pension Scheme, have contributed @ 10% of the pre-revised Basic Pay plus DA thereon for this period, necessary adjustment towards such contribution shall be made before arriving at the net amount of contribution recoverable from them towards Provident Fund w.e.f. 01.08.2012.

The Administrative Instructions on treatment of previous contributions towards New Pension Scheme Fund, interest incurred thereon, remittance to be made to PF Account of such employees, settling account of employees who have exited etc., shall be issued separately.

c) Employees who joined the service of the Company on or after 01.04.2010:-

The Employees who joined the service of the Company on or after 01.04.2010 are covered under the New Pension Scheme and not covered under the contributory Provident Fund Scheme. Accordingly, no recovery on account of employee's contribution to the Provident Fund shall be made in respect of such employees. However, the effect of the revision in Pay Scales w.e.f. 01.08.2012 on remittances to their new Pension Scheme account is discussed under Para 14 below.

#### **14. EMPLOYEE'S CONTRIBUTION TO NEW PENSION SCHEME FUND:**

The Employees who are covered under the New Pension Scheme Fund are required to contribute to the New Pension Scheme Fund as provided under the Scheme. Accordingly, recovery of contribution towards Fund for New Pension Scheme from such employees shall be made @ 10% of difference between the Revised and the Existing Pay and Dearness Allowance thereon for the period from 01.08.2012 (or the date of option for fixation) onwards.

## **15. EMPLOYER'S CONTRIBUTION TO PROVIDENT FUND/ PENSION FUND/ NEW PENSION SCHEME FUND:**

As per the provisions of the relevant Schemes, the Company is required to contribute to the Provident Fund/ Pension Fund or New Pension Scheme Fund, as the case may be, in respect of each and every employee depending upon his membership of the Fund and the amount of such contribution is equal to the amount required to be recovered from the employee towards Provident Fund or New Pension Scheme Fund, as the case may be. Accordingly, appropriate difference of contribution by the Company may be made to the relevant Fund in respect of each and every employee for the period from 01.08.2012 (or the date of option for fixation) onwards.

## **16.GRATUITY:-**

There is no change in the rate of gratuity payable to the Class III/IV employees. However, for the purpose of calculating gratuity, the revised basic pay shall be effective from the date of actual fixation of the eligible employees in the revised scale.

The entire amount revised Fixed Personal Allowance, as per paragraph 9.10 above, shall reckon as Basic pay for the purpose of calculating gratuity payable after 01.08.2012.

Gratuity paid after 01.08.2012, shall be recalculated on the basis of revised scales of pay in the case of eligible employees and the difference where due shall be paid

## **17. LEAVE ENCASHMENT:-**

While calculating arrears, it would be necessary to recalculate payment made towards Leave Encashment during the period from 01.08.2012 till date of publication of the Second Amendment Scheme, 2016, and appropriate recovery, if any or payment of difference may be effected.

## **18. LUMP-SUM MEDICAL BENEFITS TO SUPERVISORY, CLERICAL AND SUB-ORDINATE STAFF:-**

With effect from 01.01.2015, the maximum amount of Lump-sum Medical Benefit for reimbursement of domiciliary medical expenses on annual basis to the employees in Supervisory, Clerical and Sub-ordinate Cadre has been revised to Rs. 6,650/- (Rupees Six thousand six hundred and fifty only) per annum.

In respect of eligible employees, who had actually incurred in excess of the pre-revised limits for the year 01.07.2014 to 30.06.2015, but restricted their declaration to the pre-revised limits applicable to them and were reimbursed accordingly, the excess over such



reimbursed amount up to the difference between the revised and the pre-revised limits may now be reimbursed subject to their submitting requisite declaration to that effect.

#### **19. SPECIAL AREA ALLOWANCE:**

There is no change in the rates and amounts of Special Area Allowance payable in terms of the existing instructions.

#### **20. Ex-gratia Payment**

While calculating arrears, it would be necessary to review the cases of employees who were paid ex-gratia in lieu of bonus for the period from 01.08.2012 till the date of publication of Second Amendment Scheme, 2016, on the basis of wages drawn by them on existing terms. In some cases employees may be entitled to higher ex-gratia because of increase in Basic Salary, Dearness Allowance, etc. Some employees may cross parameters and become disentitled to ex-gratia for the said period or part thereof, and in such cases appropriate recovery/payment of difference should also be affected, as the case may be.

#### **21. Transfer Grant:-**

As per rules, employees posted on promotion and transferred to other station are eligible for Transfer Grant equal to the one month's Basic Salary. Consequent upon revision of Basic Salary in terms of the Second Amendment Scheme, 2016, with effect from 01<sup>st</sup> August, 2012, employee transferred on or after 1<sup>st</sup> August, 2012, on promotion to other station may be paid difference in transfer grant equivalent to the difference in Basic Salary as per such revision. In case the transfer grant paid earlier included the increment portion of the FPA as per the existing rules, the revised transfer grant shall include the entire amount of the revised FPA, as in the case of Officers.

#### **22. DEDUCTION TOWARDS STRIKE, WALKOUT, LEAVE ON LOSS OF PAY, HALF-PAY LEAVE ETC:-**

In respect of employees who had participated in any Strike, Walkouts etc. during the period 01.08.2012 till date, appropriate deductions shall be made from revised salary.

Similar adjustments on account of the employees having availed of Leave of Loss of Pay or sick leave on half pay during the period 01.08.2012 till date shall also be effected

#### **23. Overtime:-**

In terms of sub-paragraph 4 of para 1 of the Second Amendment Scheme, 2016, overtime allowance already paid up to 31.01.2016 need not be recalculated and no benefit of revision is to be granted for this allowance by way of arrears. From 01.02.2016, however, the benefit of revision shall be available for overtime allowance also.



## 24. PAYMENT OF ARREARS:-

24.1 Arrears may be calculated up to January, 2016 in accordance with the provisions of Second Amendment Scheme, 2016, as stated above. Arrears, as may be payable to eligible employees are to be released as early as possible, subject to receipt of option, wherever necessary.

24.2 After the arrears are paid, the Companies are required to furnish statements giving information in respect of total amount paid Cadre-wise, to employees under the following components:-

Basic Salary & DA

House Rent Allowance at the 3 Classes of Centers separately

City Compensatory Allowance at the 3 Classes of Centers separately

Difference on account of Encashment of Earned Leave/Gratuity

Computer Increment to employees joining service after 01.11.1993\

Fixed Personnel Allowance

Provident Fund/Pension (Company's contribution)

24.3 Arrears details should be furnished year-wise according to the period of which they pertain.

24.4 Salary for the month of February, 2016 and onwards is to be calculated and paid as per the Second Amendment Scheme, 2016.

## 25. TAX DEDUCTIONS:

Necessary deduction on account of Income Tax, Professional Tax and any other statutory deduction should be appropriately effected, before releasing arrears.

## 26. EMPLOYEES UNDER SUSPENSION:

The employee who has been placed under suspension may also be allowed fixation of their salary under the revised scales and paid arrears of salary and/or subsistence allowance, as the case may be.

## 27. GROUP SAVING LINKED INSURANCE SCHEME (GSLI) AND GROUP TERM INSURANCE SCHEME (GTIS):

Consequent upon revision in basic pay for employees, the revised categorization for the purpose of GSLI and GTIS with reference to the revised basic will be as under :-

Category	Existing Basic Pay/Salary (Rs.)	Revised Basic Pay/Salary range (Rs.)
III	25451 to 35660	48531 to 59800
IV	13691 to 25450	25991 to 48530
V	7391 to 13690	13961 to 25990
VI	Upto 7390	Upto 13960

Re-categorization with reference to the revised basic pay ranges has been done in a manner that the existing categories remain unchanged on the relevant day of reckoning.

## 28. REDETERMINATION OF CATEGORIES UNDER GROUP MEDICLAIM POLICY:-

Consequent upon revision in basic pay, the revised groupings of employees into various eligible categories of Sum Insured with effect from the next renewal date of the policy shall be as under:-

Category (Sum Insured)	Existing Basic pay range (Rs.)	Revised Basic pay range (Rs.)
Rs. 3,00,000/-	Less than 22730	Less than 43300
Rs. 4,00,000/-	Between 22730 to 29000	Between 43300 to 55335
Rs. 6,00,000/-	Above 29000	Above 55335

For the current policy year, there would no change in the category of Sum Insured and therefore the existing deduction would continue up to the end of current policy year.

## 29. INTERPRETATION:

Where any doubt or difficulty arises as to the interpretation of these instructions, it shall be referred to the Chairman-Cum-Managing Director for his decision, which shall be final.

**GENERAL INSURANCE (EMPLOYEES') PENSION SCHEME, 1995**

**(PUBLISHED IN)**

The Gazette of India, Extraordinary PART II –  
Section 3 - Sub section (ii))

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF ECONOMIC AFFAIRS)  
(INSURANCE DIVISION)**

**NEW DELHI, the 28<sup>th</sup> June, 1995.**

**NOTIFICATION**

**S.O.585(E)** In exercise of the powers conferred by section 17 A of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby makes the following scheme, namely :-

**CHAPTER -1**

**PRELIMINARY**

**1. Short title and commencement.**

- (1) This Scheme may be called the General Insurance (Employees') Pension Scheme, 1995.
- (2) Save as otherwise expressly provided in this scheme, this scheme shall be deemed to have come into force on the 1st day of November, 1993.
- \* (3) Notwithstanding anything contained in sub-paragraph (2) of General Insurance (Employees') Pension (Amendment) Scheme, 1999, where any retired employee gives a notice in writing to the Corporation within ninety days of publication this Scheme in the Official Gazette, expressing the option not to be governed by the provisions of General Insurance (Employees') Pension (Amendment) Scheme, 1999, then the Corporation may, by order, permit such employee not to be governed by this Scheme.

**2. Definitions** - In this scheme, unless the context otherwise requires -

- (a) "Act" means the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972);
- (b) "Actuary" shall have the meaning assigned to it in clause (1) of section (2) of the Insurance Act, 1938 (4 of 1938);
- (c) "Appendix" means an appendix annexed to this scheme;

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**\*Substituted vide S.O. 461(E) dated 18<sup>m</sup> June, 1999**

- (d) "Average emoluments" means the average of pay drawn by an employee during the last ten months of his service;
- (e) "Child" means a child of the employee, who, if a son, is under twenty five years of age and if a daughter, is unmarried and is under twenty-five years of age and the expression "children" shall be construed accordingly ;
- (f) "Company" means National Insurance Company Limited, The New India Assurance Company Limited, The Oriental Insurance Company Limited, and United India Insurance Company Limited;
- (g) "Competent authority" means -
  - \*(i) in the case of posts of "Chairman-cum-Managing Director of the Corporation and in the case of Chairman-cum-Managing Director of the Company, the Central Government;
  - (ii) in the case of officers belonging to the cadre of General Manager or Assistant General Manager in the Corporation, the "Chairman-cum-Managing Director of the Corporation, and in the case of officers belonging to the cadre of General Manager or Assistant General Manager in the Company, the Chairman-cum-Managing Director of the Company;
  - (iii) in the case of officers belonging to the cadre of Manager or Deputy Manager in the Corporation, the "Chairman-cum-Managing Director of the Corporation, and in the case of officers belonging to the cadre of Manager or Deputy Manager in the Company, the Chairman-cum-Managing Director of the Company;
  - (iv) in the case of officers belonging to other cadres in the Corporation, the General Manager in-charge of Personnel of the Corporation, and in the case of officers belonging to other cadres in the Company, the General Manager in-charge of Personnel of the Company;
  - (v) in any other case in the Corporation, the Manager in-charge of Personnel of the Corporation and in any other case in the Company, the Manager in-charge of Personnel of the Company.
- (h) "Contribution" means any sum credited by the Corporation or a Company, as the case may be, on behalf of an employee to the Fund, but shall not include any sum credited as interest;
- (i) "Corporation" means the General Insurance Corporation of India formed under Section 9 of the Act;

- (j) "date of retirement" means the last day of the month in which an employee attains the age of superannuation or the date on which he is retired by the Corporation or a Company or the date on which the employee voluntarily retires;

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**\* Clause (i) substituted vide S.O. 475(E) dated 3rd July, 1996\*\* The words "Chairman and Managing Director or Chairman-cum-Managing Director" replaced with "Chairman-cum-Managing Director" vide S.O.636E) dated 4.5.2005 w.e.f. 1.2.2005.**

- (k) "Employee" means any person employed in the service of the Corporation or a Company on full time work on permanent basis and who opts and is governed by this scheme;

\*\*\*Provided that where the \*\*\*\*Chairman-cum-Managing Director of the Corporation or Chairman-cum-Managing Director of the Company, was an employee of the Corporation or the Company, immediately preceding his appointment to the post of \*\*\*\*Chairman-cum-Managing Director of the Corporation or the Company, as the case may be, then such \*\*\*\*Chairman-cum-Managing Director of the Corporation or the Company, shall also be deemed to be an employee of the Corporation or the Company, as the case may be, for the purposes of this scheme, subject to the terms of any contract, agreement or letter of appointment or directions issued by the Central Government."

- (l) "family" in relation to an employee means -

- (i) wife in the case of a male employee or husband in the case of a female employee;
- (ii) a judicially separated wife or husband, such separation not being granted on the ground of adultery and the person surviving was not held guilty of committing adultery;
- (iii) son who has not attained the age of twenty five years and unmarried daughter who has not attained the age of twenty five years including such son or daughter adopted legally;\*\*
- (iv) \*\*\*\*\*Widowed or divorced or unmarried daughter, till the date of her marriage or remarriage as the case may be, or the date on which her income exceeds the dependency criteria as may be specified by the Corporation or a Company from time to time, in this regard;
- (v) \*\*\*\*\*Parents who were wholly dependent on the employee as per the dependency criteria as may be specified by the Corporation or a Company from time to time in this regard when he or she was alive provided the deceased

employee had left neither a widow nor a child, or had left behind only a widow who subsequently got remarried:

Provided that the eligibility of a member of the family to family pension at any particular point of time shall be determined in the order in which his or her mention is made in this clause.

- (m) "Financial year" means a year commencing on the first day of April;
- (n) "Fund" means a fund constituted under paragraph 5 of this scheme;
- (o) "Notified date" means the date on which this scheme is published in the Official Gazette; •

\*\*\*Provided that the 'notified date' in relation to employees mentioned in proviso to clause (k) shall mean the date on which this Amendment Scheme is published in the Official Gazette;

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\*proviso added to clause (k) vide S.O. 475(E) dated 3rd July, 1996.

\*\*the words "before retirement" at the end of sub-clause (iii) deleted vide S.O.475 (E) dated 3rd July, 1996

\*\*\*Proviso added vide S.O.475 (E) dated 3rd July, 1996.

\*\*\*\*The words "Chairman and Managing Director or Chairman-cum-Managing Director" replaced with "Chairman-cum-Managing Director vide S.O.636 (E) dated 4.5.2005 vv.e.f. 1.2.2005.

\*\*\*\*\*Proviso added vide SO2473 (E) dated 8<sup>th</sup> October 2010

- (p) \*"Pay" includes -
  - (i) The basic pay including the stagnation increments, if any; and
  - #(ii) All allowances to the extent counted for purpose of making contributions to the Provident Fund as per the provisions of Rationalisation Scheme applicable to the employee; and
  - ##(iii) Fixed personal allowance to the extent counted for the purpose of making contributions to the Provident Fund as per the provisions of Rationalisation Scheme applicable to the employee; and ;

**(iv) \*\*\*"Omitted.**

Provided that for the purpose of calculating average emoluments, as defined under clause (d) of paragraph 2, in respect of employees whose ten months period before retirement falls partly under pre-revised pay scales and partly under the revised-pay-scales, the pay for the period for which they have drawn pay as per pre-revised scales may be updated by including the dearness allowance actually drawn by them or the dearness allowance upto the All India Consumer Price Index to which the revised basic pay is pegged, whichever is less.

\*\*\*

- (q) "Pension" includes the basic pension and the additional pension referred to in Chapter-VI of this scheme;
- (r) "Pensioner" means an employee eligible for pension under this scheme;
- (s) "Qualifying service" means the service rendered while on duty or otherwise which shall be taken into account for the purpose of pension under this scheme;

\* Proviso substituted vide S.O.461(E) dated 18<sup>th</sup> June, 1999. - "

\*\* Omitted w.e.f. 1.1.1996 in view of paragraph 54B inserted vide S.O. 775 (E) dated 13<sup>th</sup> August, 2001 in relation to Chairman/MD/CMD retired/died while in service after 1.1.1996

# Sub-clause (ii) and (iii) substituted vide S.O.590 (E) dt.22.6.2000 w.e.f. 1.8.1997

**## It may be noted that w.e.f.01.08.2012, Vide A.I. dt.01.03.2016, the entire FPA amount shall reckon as "Pay" (Basic Pay/Salary) under the provisions of the relevant Rationalization Scheme applicable to all classes of employees.**

\*\*\* Pensionary benefits will be calculated for employees belonging to Officers and Class III/IV cadre on the basis of revised pay as follows :-

Employees retired on or after the date	Pay as per Rat. Scheme linked to AICPI
Before 1.8.1992	600
1.8.1992	1148
1.8.1997	1740
1.8.2002 (@)	2328
1.8.2007	2944
1.8.2012	4708

@ However, for employees who have opted for SVRS under the General Insurance Officers' Special Voluntary Scheme, 2004 vide Notification S.O.455(E) dated 1.4.2004 and General Insurance Employees' Special Voluntary Scheme, 2004 vide Notification S.O.454(E) dated 1.4.2004, the pensionary benefits will be calculated on the basis of Pay linked to AICPI 1740 points.

**(t) "Retirement" means -**

- (i) the retirement in accordance with the provisions contained in paragraph 12 of General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme,



1974 notified under the notification of Government of India, in the Ministry of Finance (Department of Revenue and Insurance) number S.O.326(E) dated the 27<sup>th</sup> May, 1974;

- (ii) the retirement in accordance with the provisions contained in paragraph 4 of the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976 notified under notification of Government of India, in the Ministry of Finance (Department of Economic Affairs) number S.O.627(E) dated 21<sup>st</sup> September, 1976;
- (iii) Voluntary retirement in accordance with the provisions contained in paragraph 30 of this scheme;

**(u) "Rationalisation Scheme" means -**

- (i) the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme, 1974, notified under the notification of Government of India, in the Ministry of Finance (Department of Revenue and Insurance) number S.O.326(E) dated the 27<sup>th</sup> May, 1974;
- (ii) the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Officers) Scheme, 1975 notified under the notification of Government of India, in the Ministry of Finance (Department of Revenue and Insurance ) number S.O.' 521 (E) dated the 17<sup>th</sup> September, 1975;
- (iii) the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976, notified under the notification of Government of India, in the Ministry of Finance (Department of Economic Affairs) number S.O.327(E) dated 29<sup>th</sup> April, 1976;
- (iv) the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976, notified under the notification of Government of India, in the Ministry of Finance (Department of Economic Affairs) number S.O. 627(E) dated the 21<sup>st</sup> September, 1976;

**(v)**"Trust" means the trust of the Corporation or a Company constituted under sub-paragraph (1) of paragraph 5;

**(w)** "Trustee" means the trustee of a Fund constituted under paragraph 5;

**(x)** "Trustee of the Provident Fund" means the trustee of the Provident Fund relating to the employees of the Corporation or a Company, as the case may be;

**(y)** all other words and expressions used in this scheme and not defined, but defined in the Act, or the Rationalisation Schemes shall have the same meanings respectively assigned to them in that Act or the respective Rationalisation Schemes.

## CHAPTER – II APPLICATION AND ELIGIBILITY



3. Application - This scheme shall apply to employees who –
- (1) (a) were in the service of the Corporation or a Company, as the case may be, on or after the first day .of January. 1986 but had retired before the first day of November, 1993 ; and
    - (b) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and
    - (c) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (b), the entire amount of the Corporation's contribution or the Company's contribution to Provident Fund including interest accrued thereon together with a further simple interest at the rate of six per cent per annum on the said amount from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Corporation or a Company, as the case may be; and
    - (d) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (b), the entire amount of non-refundable withdrawal if any made from Corporation's contribution or the Company's contribution to the Provident Fund account and interest accrued thereon, prior to the date of final settlement of the Provident Fund account, together with interest at the rate of twelve per cent per annum from the date of withdrawal till the date of settlement of the Provident Fund account together with a further simple interest on the said amount at the rate of six per cent per annum from the date of settlement of the Provident Fund account till the date of refund; or
  - (2) (a) have retired on or after the 1<sup>st</sup> day of November, 1993 but before the notified date; and
    - (b) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund ; and
    - (c) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (b), the entire amount of the Corporation's contribution or the Company's contribution as the case may be, to the Provident Fund and interest accrued thereon together with a further simple interest at the rate of twelve per cent per annum on the said amount from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Corporation or the Company as the case may be; and
    - (d) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (b), the entire amount of non-refundable withdrawal, if any made from the Corporation's contribution or the Company's

contribution as the case may be to the Provident Fund account and interest accrued thereon, prior to the date of final settlement of the Provident Fund account, together with interest at the rate of twelve per cent per annum from the date of withdrawal till the date of settlement of Provident Fund account together with a further simple interest on the

said amount at the rate of six per cent per annum from the date of settlement of the Provident Fund account till the date of refund ; or

- (3)
  - (a) are in the service of the Corporation or a Company before the notified date and continue to be in the service of the Corporation or a Company on or after the notified date : and
  - (b) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund ; and
  - (c) authorise the trust of the Provident Fund to transfer the entire contribution of the Corporation or of the Company to their Provident Fund along with the interest accrued thereon to the credit of the Fund constituted for the purpose under paragraph 5; and
  - (d) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in sub-paragraph (b), to the Corporation or a Company, as the case may be, any non-refundable withdrawal made from the Corporation's contribution or the Company's contribution to the Provident Fund account and interest accrued thereon together with interest at the rate of twelve per cent per annum from the date of such withdrawal until the date of its refund to the Corporation or the Company; or
- (4) Join the service of the Corporation or a Company as the case may be, on or after the notified date/ **or \* but before the( 1<sup>st</sup> day of January, 2004,)\*\*1<sup>st</sup> day of April, 2010**

.
- (5) were in the service of the Corporation or a Company, as the case may be during any time on or after the 1<sup>st</sup> day of November 1993 and had died after retirement but before the notified date, their family shall be entitled for the amount of pension payable to them from the date on which they would have been entitled to pension under this scheme had they been alive till the date on which they died, if the family of the deceased -

- (a) Exercises an option in writing within one hundred and twenty days from the notified date to become member of the Fund ; and
- (b) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (a) above, the entire amount of the Corporation's contribution or a Company's contribution to the Provident Fund and interest accrued thereon together with a further simple interest at the rate of twelve per cent per annum from the date of settlement of the provident Fund account till the date of refund of the aforesaid amount to the Corporation or to the Company as the case may be; and .

**\* inserted vide SO 2473(E) dated 8<sup>th</sup> October 2010**

**\*\* 1<sup>st</sup> day of January 2004 substituted by 1<sup>st</sup> day of April 2010 vide S.O. 236(E) dt.23.01.2016**

- (c) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (a) above, any non-refundable withdrawal made from the Corporation's contribution or a Company's contribution to the Provident Fund account and interest accrued thereon prior to the date of final settlement of the Provident Fund account together with further simple interest on the said amount at the rate of twelve per cent per annum from the date of withdrawal till the date of refund of " the aforesaid amount to the Corporation or to a Company, as the case may be; or
- (6) joined the service of the Corporation or a Company on or after the 1<sup>st</sup> day of November^1993 but who have died while in the service of the Corporation or the Company, as the case may be, before the notified date, their family shall be entitled to the family pension under this scheme. Provided that the family of such a deceased employee refund within one hundred and eighty days from the notified date, the entire amount of the Corporation's contribution or a Company's contribution to the Provident Fund, if any, and interest accrued thereon together with further simple interest at the rate of twelve per cent per annum from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Corporation or the Company, as the case may be; or  
Provided further that the family of such a deceased employee shall apply in writing for grant of family pension; or

- (7) were in the service of the Corporation or a Company, as the case may be during any time on or after the 1<sup>st</sup> day of January, 1986 and had died while in service on or before the 31<sup>st</sup> day of October, 1993 or had retired on or before the 31<sup>st</sup> day of October, 1993 but died before the notified date in which case their family shall be entitled to the family pension under this scheme, if the family of the deceased -
- (a) exercises an option in writing within one hundred and twenty days from the notified date to become member of the Fund ; and
  - (b) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (a) above, the entire amount of the Corporation contribution or the Company's contribution, as the case may be, to the Provident Fund and interest accrued thereon together with a further simple interest at the rate of six per cent per annum from the date of settlement of the Provident Fund account till the date of refund of the aforesaid amount to the Corporation or the Company, as the case may be; and
  - (c) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (a), the entire amount of non-refundable withdrawal from the Corporation's contribution or the Company's contribution, as the case may be, to the Provident Fund account and interest accrued thereon, prior to the date of final settlement of Provident Fund account, together with interest at the rate of twelve per cent per annum from the date of withdrawal till the date of settlement of Provident Fund account together with a further simple interest on the said amount at the rate of six per cent per annum for the date of settlement of the Provident Fund account till the date of refund; or
- (8) Joined the service of the Corporation or a Company on or before the 31<sup>st</sup> day of 1993 and who died while in service on or after the 1<sup>st</sup> day of November 1993 but before the notified date in which case their families shall be entitled to family pension under this scheme if the family of the deceased employee -
- (a) exercises an option in writing within one hundred and twenty days from the notified date to become a member of the Fund of the Corporation or a Company, as the case may be; and
  - (b) refunds within sixty days from the date of expiry of the said period of one hundred and twenty days specified in clause (a) above, the entire amount of the Corporation's contribution or a Company's contribution, as the case may be, to the Provident Fund, including interest accrued thereon, together with a further simple interest at the rate of twelve per cent per annum from the date of settlement of the Provident Fund account of the employee till the date of refund of the aforesaid amount to the Corporation or the Company as the case may be; and

- (c) refunds within sixty days after the expiry of the said period of one hundred and twenty days specified in clause (a), the entire amount of non-refundable withdrawal if any, made from the Corporation's contribution or the Company's contribution as the case may be, to the Provident Fund account and interest accrued thereon, prior to the date of final settlement of the Provident Fund account, together with interest at the rate of twelve per cent per annum from the date of withdrawal till the date of settlement of the Provident Fund account together with a further simple interest on the said amount at the rate of six per cent per annum from the date of settlement of the Provident Fund account till the date of refund; or
- (9) \*(a) Joined the services of the Corporation or the Company, as the case may be, before the 28<sup>th</sup> day of June, 1995, and are in its service on the notified date; and
- (b) exercise an option in writing within one hundred and twenty days from the date of publication of this notification to become the member of the Fund; and
- (c) authorise the Trusty of the Provident Fund to transfer the entire contribution of the Corporation or of the Company to their Provident fund alongwith the interest accrued thereon to the credit of the Fund constituted for the purpose under paragraph 5; and
- (d) refund within sixty days after the expiry of the said period of one hundred and twenty days specified in item (b) of this sub-paragraph, to the Corporation or the Company, as the case may be, any non-refundable withdrawal made from the Corporation's contribution or the Company's contribution to the Provident Fund account and interest accrued thereon together with interest at the rate of 12% per annum from the date of such withdrawal until the date of its refund to the Corporation or the Company.

Note: (1) For the purpose of this paragraph, other than sub-paragraph ,(3), "notified Date 28.06.1996 " shall mean the date of publication of the General Insurance (Employees') Pension (Amendment) Scheme, 1997.

\*\* (2) Employees joining the service of the Corporation or a Company as the case may be, on or after the\*\*\*1st Day of January 2004 and accordingly excluded from the applicability of the Scheme in terms of sub-paragraph(4), shall be covered under a New Pension Scheme to be framed by the Corporation or a Company as the case may be, on the lines of a defined contribution pension system indicated for the new recruits in the Central Government Service vide Notification F.No.5/7/2003-ECB & PR dated the 22<sup>nd</sup> December, 2003 of ECB & PR Division Department of Economic Affairs, Ministry of Finance, Government Of India.

\*Sub paragraph (9) inserted vide S.O. 342(E) dated 22<sup>nd</sup> April, 1997.

\*\*Note (2) inserted vide S.O. 2473(E) dated 8<sup>th</sup> October 2010.\*\*\*1<sup>st</sup> day of January,2004 substituted by 1<sup>st</sup> day of April, 2010 vide S.O. 236(E) dated 23.01.2016

**4. Option to subscribe to the Provident Fund -**

(1) Notwithstanding anything contained in sub-paragraph (4) of paragraph 3, an employee who joins the service of the Corporation or a Company, as the case may be, on or after the notified date, at the age of thirty five years or more, may, within a period of ninety days from the date of his appointment elect to forego his to "pension," whereupon this scheme shall not apply to him.

(2) The option referred to in sub-paragraph (1) above and paragraph 3 once exercised, shall be final.

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**CHAPTER – III**

**FUND**

**5. Constitution of the Fund –**

(1) The Corporation and each Company shall constitute a Fund specified in column (2) of the Table given below, under an irrevocable trust within a period of one hundred and twenty days from the notified date :-

**TABLE**

Name of the Corporation/Company (1)	Name of Fund (2)
(1) General Insurance Corporation of India	General Insurance Corporation (Employees') Pension Fund
(2) National Insurance Company Limited	National Insurance Company (Employees') Pension Fund

(3) The New India Assurance Company Limited	The New India Assurance Company (Employees') Pension Fund
(4) The Oriental insurance Company Limited	The Oriental Insurance Company (Employees') Pension Fund
(5) United India Insurance Company Limited	United India Insurance Company (Employees') Pension Fund

- (2) The Fund shall have for its sole purpose the provisions of the payment of pension or family pension in accordance with this scheme to the employee or his family.
- (3) The Corporation or the Company, as the case may be, shall be a contributor to the Fund and shall ensure that sufficient sums are placed in it to enable the trust to make due payment to the beneficiaries under this scheme.
- 6. Liability of the Provident Fund trust** - The Provident Fund trust of the Corporation or the Company, as the case may be, shall, immediately after the constitution of the Fund transfer to each of the Fund referred to in paragraph 5 the accumulated balance of the contribution of the Corporation or the Company, to the Provident Fund of the Corporation or the Company and interest accrued thereon upto the date of such transfer in respect of every employee.
7. Composition of the Fund - Each Fund shall consist of the following, namely:- (1) the contribution by the Corporation or the Company as the case may be, at the rate of ten per cent per month of the pay of the employees.
- \* **Explanation 1** - For the purpose of this paragraph "pay" includes -
- (i) the basic pay,
  - (ii) allowances other than dearness allowance which count for the purposes of making contribution to the Provident Fund and payment of dearness allowance;
  - (iii) dearness allowance payable on the basic pay and the allowances specified in clause (ii) above, upto Index Number 1148 in the quarterly average of the All India Consumer Price index for Industrial Workers in the series 1960=100; and
  - (iv) allowances to the extent they count for Provident Fund, house rent allowance, gratuity and for relaxation of salary on promotion:



Provided that the Corporation or a Company, as the case may be, shall not make' any contribution to the account of the Provident Fund of the employee;

\* **Explanation 2** - On and from the date of publication of the General Insurance (Employees') Pension (Amendment) Scheme, 1997, "Pay" includes -

- (i) the basic pay;
- (ii) allowances other than Dearness Allowance which count for the purpose of making contributions to the Provident Fund and also Payment of Dearness Allowance;
- (iii) allowance to the extent they count for Provident fund, House .Rent Allowance, Gratuity and Relaxation of Salary on promotion :

Provided that the Corporation or the Company, as the case may be, shall not make any contribution to the account of the Provident Fund of the employee;

- (2) the accumulated contributions of the Corporation or a- Company as the case may be to the Provident Fund and interest accrued thereon, upto the date of such transfer in respect of such employees.
- (3) the amount consisting of contribution of the Corporation or a Company, as the case may be, alongwith interest refunded by the employees, who had retired before the notified date but who opt for pension in accordance with the provisions contained in this scheme.

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**\* Explanation renumbered as 'Explanation 1, and after Explanation 1, Explanation 2 added vide S.O.342(E) dated 22nd April 1997.**

- (4) the investment in annuities or securities purchased out of the monies of the Fund and interest thereon.
- (5) amount of any capital gains arising from the capital assets of the Fund.
- (6) the additional annual contribution made by the Corporation or a Company, as the case may be in accordance with provisions contained in paragraph 11 of this scheme.
- (7) any income from investments of the amounts credited to the Fund.
- (8) the amount consisting of contribution of the Corporation or a Company as the case may be along with interest refunded by the families of the deceased employees.
- (9) non-refundable amount of Corporation's contribution or a Company's contribution as the case may be, and interest thereon refunded by the employees.

## **8. Board of Trustees –**



- (1) The Board of trustees shall consist of such number of persons not less than three and not more than nine, as may be determined by the Corporation or a Company, as the case may be, to be appointed by the Corporation or the Company as the case may be.
- (2) The power to appoint the trustees shall be vested with the Corporation or a Company, as the case may be and all such appointments shall be made in writing.
- (3) The Corporation or a Company, as the case may be, shall nominate one of the trustees to be the Chairman of the Board of trustees. The Corporation or a Company, as the case may be, shall also nominate a trustee to be an alternate Chairman who shall act as Chairman in the absence of the Chairman.

**9. Trustees to carry out the directions of the Corporation or a Company** - The trustees shall comply with all such directions, as may be given by the Corporation or a Company, as the case may be, for the proper functioning of the Fund.

**10. Books of accounts of the Fund -**

- (1) The accounts of the Fund shall contain the particulars of all financial transactions relating to the Fund in such form as may be specified by the Corporation or a Company, as the case may be;
- (2) Within one hundred eighty days from the closing of each financial year, the Trust shall prepare a financial statement indicating therein general account of the assets and liabilities of the trust and forward a copy of the same to the Corporation or a Company, as the case may be.
- (3) The accounts of the Fund of the Corporation shall be audited in accordance with the provisions of section 619 of the Companies Act, 1956 (1 of 1956).
- (4) The accounts of the Fund of a Company shall be audited in accordance with the provisions of section 224 of the Companies Act, 1956 (1 of 1956).

**11. Actuarial investigation of the Fund** - The Corporation or a Company, as the case may be shall cause an investigation to be made by an Actuary into the financial condition of the Fund every financial year, on the 31<sup>st</sup> day of March, and make such additional annual contributions to the Fund as may be required to secure payment of the benefits under this scheme :

Provided that the Corporation or a Company, as the case may be cause an investigation to be made by an actuary into the financial condition of the Fund as on

the 31<sup>st</sup> day of March immediately following the financial year in which the Fund is constituted.

**12. Investment of Fund** - All monies contributed to the Fund or received or accruing by way of interest or otherwise to the Fund, shall, within a reasonable time from the date of the contribution, receipt or accrual, as the case may be, be dealt in accordance with rule 85 and clause (ii) of rule 89 of the Income-tax Rules 1962, made under the Income-tax Act, 1961 (43 of 1961) and payable both in respect of capital and interest in India as applicable, in the Fund.

**13. Payment out of the Fund** -The payment of benefits by the trust shall be administered as follows, namely:-

- \*(a) the trust shall purchase immediate annuities from the Life Insurance Corporation of India or any of the Life Insurance Companies in India registered with Insurance Regulatory and Development Authority (IRDA) in respect of each employee or his family as the case may be at the time of he or his family becomes eligible for the benefits under this scheme or, in respect of family pension, on his death;
- (b) the trust shall, subject to the availability of additional sums in the Fund, to be provided by the Corporation or by the Company, as the case may be, as required under sub-paragraph (3) of paragraph 5, purchase as and when it becomes necessary to revise upwards the benefits payable in accordance with this scheme;
- (c) the trust shall in the event of the benefits payable under this scheme being revised downwards for any reason whatsoever credit the benefits received from the Life insurance Corporation of India under the annuities purchased as exceed the benefits payable under this scheme, to the Fund.

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\*amended vide S.O.778(E) dated 5<sup>th</sup> July, 2004 w.e.f 31.3.2004.

## CHAPTER – IV

### QUALIFYING SERVICE

**14. Qualifying Service** - Subject to the other condition contained in this scheme, an employee who has rendered a minimum ten years of service in the Corporation or a Company, on the date of retirement shall qualify for pension.

15. **Commencement of** - Subject to the provisions contained in this Scheme, qualifying service of an employee shall commence from the date he takes charge of the post to which he is first appointed on regular basis.
16. **Counting of service on probation** - Service on probation against a post in the Corporation or concerned Company if followed by confirmation in the same or another post shall qualify.
17. **Counting of period spent on leave** - All leave during service in the Corporation or concerned Company, for which leave salary is payable shall count as qualifying service :

Provided that extra-ordinary leave on loss of pay granted on medical certificate or on account of employee's inability to join duty due to civil commotion, not exceeding twelve months during the entire service, shall also count as qualifying service.

18. **Broken period of service of less than one year** - If the period of service of an employee includes broken period of service of less than one year, then, if such broken period is more than six months it shall be treated as one year and if such broken period is six months or less it shall be ignored.
19. **Counting of period spent on training** - Period spent by an employee on training in the Corporation or a Company, as the case may be immediately before his appointment shall count as qualifying service.
20. **Counting of past service in the erstwhile insurer** - Period of continuous service of a "transferred employee" with an insurer, shall qualify for pension:

Provided that such "transferred employee" was not eligible for any pension, annuity, gratuity in lieu of pension or such other superannuation benefit in lieu of pension from the insurer in respect of the service with such insurer.

21. **Period of suspension** - Period of suspension of an employee pending enquiry shall count for qualifying service where, on conclusion of such enquiry, he has been fully exonerated or the suspension is held to be wholly unjustified and in other cases, the period of suspension shall not count as qualifying service unless the competent authority passing the order's under General Insurance (Conduct Discipline and Appeal) Rules framed by the Board of the Corporation or a Company in this behalf, expressly declares at that time that it shall count, to such extent as such authority may declare.
22. **Forfeiture of service** - Resignation or dismissal or removal or termination or compulsory retirement of an employee from the service of the Corporation or a Company shall entail forfeiture of his entire past service and consequently shall not qualify for pensionary benefits.

23. **Period of deputation to foreign service** - An employee deputed on foreign service to the United Nations or any other foreign body or organisation may, at his option -
- (a) pay pension contribution in respect of his foreign service and count such service as qualifying service under this scheme; or
  - (b) avail of the retirement benefits admissible under the rules of the foreign employer and not count such service as qualifying service under this scheme:

Provided that where an employee opts for sub-paragraph (b), retirement benefit shall be payable to him in India in rupees from such date and in such manner as the Corporation or the concerned Company, as the case may be, by order, specify.

24. **Military Service** - An employee who has rendered military service before appointment in the Corporation or the concerned Company shall continue to draw the military pension, if any, and the military service rendered by the employee shall not count as qualifying service for pension.

25. **Period of deputation to an organisation in India** - Period of deputation of an employee to another organisation within India shall count as qualifying service: Provided the organisation to which he is deputed or the employee pays the pensionary contributions at the rates specified in sub-paragraph (1) of paragraph 7 of this scheme to the Corporation or the concerned Company.

26. **Addition to qualifying service in special circumstances** - An employee shall be eligible to add to his service qualifying for superannuation pension (but not for any other class of pension) the actual period not exceeding one-fourth of the length of his service or the actual period by which his age at the time of recruitment exceeded twenty-eight years, or a period of five years, whichever is less, if the service or post to which the employee is appointed is one -

- (a) for which post-graduate research, or specialist qualification or experience in scientific, technological or professional fields, is essential; and
- (b) to which candidates of more than twenty-eight years of age are normally recruited, and
- (c) for which the candidate was given age relaxation over and above the maximum age limit fixed by the Corporation or the Company on account of his possessing higher qualification or experience:

Provided that this concession shall not be admissible to an employee unless his actual qualifying service at the time he quits the service in Corporation or a Company, as the case may be is not less than ten years:

Provided further that this concession shall be admissible only if the recruitment procedure in respect of the said service or post contains a specific provision that the service or post is one which carries the benefit of this paragraph,

**27. Condonation of interruption in service –**

- (1) In the absence of a specific indication to the contrary in the service records, an interruption between two spells of service in the Corporation or a Company, as the case may be rendered by an employee including service, counted in terms of the various provisions contained in this scheme shall be treated as automatically condoned and the pre interruption service treated as qualifying service.
- (2) Nothing in sub-paragraph (1) shall apply to an interruption caused by the resignation or dismissal or removal or compulsory retirement or termination from service.
- (3) The period of interruption referred to in sub-paragraph (2) shall not count as qualifying service.

**28. Counting of service rendered on permanent part time basis in certain cases-**

- (1) In the case of an employee, who immediately prior to his appointment on a whole-time basis was employed on a permanent part-time basis in the service of the Corporation or a Company and was contributing to the Provident Fund, such service rendered by him on permanent part-time basis shall be counted as qualifying service;
- (2) The length of qualifying service of the employee referred \* to in sub-paragraph (1) for the purpose of calculating the amount of pension shall be determined in accordance with Appendix II.

**CHAPTER - V**

**CLASSES OF PENSION**

29. **Superannuation Pension** - Superannuation pension shall be granted to an employee who has retired on his attaining the age specified in paragraph 12 of General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme, 1974 and in paragraph 4 of General insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976.

**30. Pension on voluntary retirement –**

- (1) At any time after an employee has completed twenty years of qualifying service, he may, by giving notice of not less than ninety days, in writing to the appointing authority, retire from service :

Provided that this, sub-paragraph shall not apply to an employee who is on deputation unless after having been transferred or having returned to India he has resumed charge of the post in India and has served for a period of not less than one year:

Provided further that this sub-paragraph shall not apply to an employee who seeks retirement from service for being absorbed permanently in an autonomous body or a public sector undertaking to which he is on deputation at the time of seeking voluntary retirement

- (2) The notice of voluntary retirement given under sub-paragraph (1) shall require acceptance by the appointing authority:

Provided that where the appointing authority does not refuse to grant the permission for retirement before the expiry of the period specified in the said notice, the retirement shall become effective from the date of expiry of the said period.

- (3) (a) An employee referred to in sub-paragraph (1) may make a request in writing to the appointing authority to accept notice of voluntary retirement of less than ninety days giving reasons therefor;

- (b) on receipt of request under clause (a), the appointing authority may, subject to the provisions of sub-paragraph (2), consider such request for the curtailment of the period of notice of ninety days on merits and if it is satisfied that the curtailment of the period of notice will not cause any administrative inconvenience, the appointing authority may relax the requirement of notice of ninety days on the condition that the employee shall not apply for commutation of a part of his pension before the expiry of the notice of ninety days.

- (4) An employee who has elected to retire under this paragraph and has given necessary notice to that effect to the appointing authority shall be precluded from withdrawing notice except with the specific approval of such authority ;

Provided that the request for such withdrawal shall be made before the intended date of his retirement.

- (5) The qualifying service of an employee retiring voluntarily under this paragraph shall be increased by a period not exceeding five years, subject to the condition that the total qualifying service rendered by such,

employee shall not in any case exceed thirty three years and it does not take him beyond the date of retirement.

- (6) The pension of an employee retiring under this paragraph shall be based on the average emoluments as defined under clause (d) of paragraph 2 of this scheme and the increase, not exceeding five years in his qualifying service, shall not entitle him to any notional fixation of pay for the purpose of calculating his pension; Explanation.- For the purpose of this paragraph, the appointing authority shall be the appointing authority specified in Appendix-I to this scheme.

### **31. Invalid Pension -**

- (1) Invalid pension may be granted to an employee who -
- (a) has rendered minimum ten years of service ; and
  - (b) retires from the service on account of any bodily or mental infirmity which permanently incapacitates him for the service;
- (2) An employee applying for an invalid pension shall submit a medical certificate of incapacity from a medical officer approved by the Corporation or a Company as the case may be;

### **32. Compassionate Allowance -**

- (1) An employee who is dismissed or removed or compulsorily retired or terminated from service shall forfeit his pension :

Provided that the authority competent to dismiss or remove or compulsorily retire or terminate him from service may, if -

- (i) such dismissal, removal, compulsory retirement or termination is on or after the 1<sup>st</sup> day of November, 1993 and
- (ii) the case is deserving a special, consideration sanction a compassionate allowance not exceeding two-thirds of pension which, would have been Admissible to him on the basis of qualifying service rendered upto the date of his dismissal, removal, compulsory retirement or termination.

- (2) The compassionate allowance sanctioned under the proviso to sub-paragraph (1) shall not be less than the amount of minimum pension payable under paragraph 35 of this scheme.

### **33. Payment of pension or family pension in respect of employees who retired or died between 1.1.1986 and 31.10.1993 -**



- (1) Employees who have retired from the service of the Corporation or a Company, as the case may be, between the 1<sup>st</sup> day of January, 1986 and the 31<sup>st</sup> day of October, 1993 shall be eligible for pension with effect from the 1<sup>st</sup> day of November, 1993.
- (2) The family of a deceased employee governed by the provisions contained in sub-paragraph (7) of paragraph 3 shall be eligible for family pension with effect from 1<sup>st</sup> day of November, 1993.

## CHAPTER – VI

### RATE OF PENSION

#### 34. Amount of Pension -

- (1) In respect of employees who retired between the 1<sup>st</sup> day of January, 1986 but before the 31<sup>st</sup> day of July, 1987, basic pension and additional pension will be updated as per the formula given in Appendix-III.
- (2) In the case of an employee retiring in accordance with the provisions of the relevant rationalisation scheme after completing the qualifying service of not less than thirty three years, the amount of basic pension shall be calculated at fifty per cent of the average emoluments.
- (3) (a) Additional pension shall be fifty per cent of the allowances drawn by an employee during the last ten months of his service.  
(b) No dearness relief shall be paid on the amount of additional pension.

**Explanation:-** For the purposes of this sub-paragraph “allowances” means allowances which are admissible to the extent counted for the following purpose only, namely :-

- (i) making contributions to the Provident Fund ;
- (ii) grant of house rent allowances ;
- (iii) payment of gratuity ; and
- (iv) re-fixation of salary on promotion.



- (4) Pension as computed being the aggregate of sub-paragraphs (2) and (3) above shall be subject to the minimum pension as specified in this scheme.
- (5) An employee who has commuted the admissible portion of his pension as per the provisions of paragraph 40 of this scheme shall receive only the balance of pension, monthly.
- (6)
  - (a) In the case of an employee retiring before completing a qualifying service of thirty- three years, but after completing a qualifying service of ten years, the amount of pension shall be proportionate to the amount of pension admissible under sub-paragraphs(2) and (3) and in no case the amount of pension shall be less than the amount of minimum pension specified in this scheme.
  - (b) Notwithstanding anything contained in this scheme, the amount of invalid pension shall not be less than the ordinary rate of family pension which would have been payable to his family in the event of his death while in service.
- (7) The amount of pension finally determined under this paragraph shall be expressed in whole rupee and where the pension contains a fraction of a rupee, it shall be rounded off to the next higher rupee.
- \* (8) Notwithstanding anything contained in this Scheme, in relation to an employee covered by the proviso to clause (k) of Paragraph 2, pension shall be calculated in accordance with the provisions of sub-paragraph (2), so however, that such pension shall not be less than what he would have been entitled to had he continued in the scale of pay of General Manager, when the pension becomes due and payable to him.

35. **Minimum Pension** - The amount of minimum pension shall be -

- (a) rupees three hundred and seventy five per month in respect of an employee belonging to supervisory, clerical and subordinate cadre, who had retired or died before the 1<sup>st</sup> day of August, 1992 and in respect of Officer and Development Officer who had retired or died before 1 \* day of April, 1993;
- (b) rupees seven hundred and twenty per month in respect of an employee belonging to supervisory, clerical and subordinate cadre, who had retired or died on or after 1<sup>st</sup> day of August, 1992 and in respect of an Officer and Development Officer who had retired or died on or after 1 \* day of April, 1993;
- \*\* # (c) rupees 1,100/- per month in respect of an employee who has retired or died on or after the 1 \* day of August, 1997

@ # (d) in case of any wage revision in future the amount of minimum pension payable to employee shall be determined by the Corporation or \*\*\***or the Company as the case may be** corresponding to the index to which the scales will be linked'

### 36. Dearness Relief-

- (1) Dearness Relief shall be granted on basic pension or family pension or invalid pension or on compassionate allowance in accordance with the rates specified in Appendix-IV.
- (2) The dearness relief shall also be allowed on the full basic pension even after commutation.

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\*Sub-paragraph (8) added vide S.O. 342(E) dated 22<sup>nd</sup> April 1997.

\*\*Sub-paragraph © added vide S.O.342(E) dated 22<sup>nd</sup> April 1997 and omitted vide S.O. 461(E) dated 18<sup>th</sup> June 1999 w.e.f.01/11/1993

#Sub-Clause © and (d) inserted vide S.O. 590(E) dated 22.06.2000 w.e.f.01.08.1997

@In terms of Clause (d) of para 35, the minimum pension shall be Rs.1480/- p.m. as amended vide A.I.dated 08.02.2006 w.e.f.01.08.2002 and Rs.1880/- as amended vide A.I. dated 18.01.2011 w.e.f. 01.08.2007 and Rs.3010/- as amended vide A.I. dated 01.03.2016 w.e.f.01.08.2012.

\*\*\* added vide S.O. 1794(E) dt.19.10.2006.

\*\*\*\*Vide A.I. dated 08.02.2006 Dearness Relief shall be payable to the employees who have retired and or died on or after 01.08.2002, and to whom the second Amendment Scheme,2005 are applicable on the revised basic pension for every rise or to be recoverable for every fall as the case may be for every four points over 2328points @0.18% of basic pension.

Vide A.I. dated 18.01.2011 Dearness Relief shall be payable to the employees who have retired and or died on or after 01.08.2007, and to whom the second Amendment Scheme,2010 are applicable on the revised basic pension for every rise or to be recoverable for every fall as the case may be for every four points over 2944points @0.15% of basic pension.

Vide A.I. dated 01.03.2016 Dearness Relief shall be payable to the employees who have retired and or died on or after 01.08.2012, and to whom the second Amendment Scheme,2016 are applicable on the revised basic pension for every rise or to be recoverable for every fall as the case may be for every four points over 4708points @0.10% of basic pension.

### 37. Determination of the period of ten months for average emoluments -

- (1) The period of the preceding ten months for the purpose of average emoluments shall be reckoned from the date of retirement.

- (2) In the case of voluntary retirement the period of preceding ten months for the purposes of average emoluments shall be reckoned from the date on which the employee voluntarily retires.
- (3) In the case of dismissal or removal or compulsory retirement or termination of service the period of preceding ten months for the purpose of average emoluments shall be reckoned from the date on which the employee is dismissed or removed or compulsorily retired or terminated by the Corporation or the Company.
- (4) If during the last ten months of the service, an employee had been absent from duty on extraordinary leave on loss of pay or had, been under suspension and the period whereof does not count as service, the aforesaid period of the extraordinary leave or suspension shall not be taken into account in the calculation of the average emoluments and an equal period before the ten months shall be included.

## CHAPTER –VII

### FAMILY PENSION

#### 38. Family Pension -

- (1) Without prejudice to the provisions contained in this scheme where an employee dies -
  - (a) after completion of one year of continuous service; or
  - (b) before completion of one year of continuous service, provided the deceased employee concerned immediately prior to his appointment to the service or post was examined by the medical officer approved by the Corporation or the Company and declared fit for employment in the Corporation or such Company, as the case may be ; or
  - (c) after retirement from service and was on the date of death in receipt of a pension, or compassionate allowance; the family of the deceased shall be entitled to family pension, the amount of which shall be determined in accordance with the Appendix- V.
- (2) The amount of family pension shall be fixed at monthly rates and be expressed in whole rupees and where the family pension contains a fraction of a rupee, it shall be rounded off to the next higher rupee: Provided that in no case a family pension in excess of the maximum prescribed under this scheme shall be allowed.
- (3) (a) (i) where an employee, who is not governed by the Workmen's

Compensation Act, 1923(8 of 1923), dies while in service after having rendered not less than service, the rate of family pension payable to the family shall be equal to fifty per cent of the pay last drawn or twice the family pension admissible under sub-paragraph (1), whichever is less, and the amount so admissible shall be payable from the date following the date of death of the employee for a period of seven years, or for a period upto the date on which the deceased employee would have attained the age of sixty five years had he survived, whichever is less;

- (ii) In the event of death of an employee after retirement, the family pension as determined under clause (a) or clause (b) of this sub-paragraph shall be payable for a period of seven years, or for a period upto the date on which the retired deceased employee would have attained the age of sixty five years had he survived, whichever is less;

(b) (i) Where an employee, who is governed by the Workmen's Compensation Act, 1923 (8 of 1923), dies while in service after having rendered not less than seven /ears continuous service, the rate of family pension payable to the family shall be equal to fifty per cent of the pay last drawn or one and half times the family pension admissible under sub-paragraph(l), whichever is less;

(ii) the family pension so determined under sub-clause (i) shall be payable for the period mentioned in clause (a);

(c) after the expiry of the period referred to in clause (a), the family, in receipt of family pension under that clause or clause (b) shall be entitled to family pension at the rate admissible under sub-paragraph (1).

(4) Notwithstanding anything contained in this scheme, where the family of a deceased employee opts for pension in accordance with sub-paragraph (5) of paragraph 3 or is governed by the provisions contained in sub-paragraph (6) or (7) or (8) of paragraph 3 , such family of the deceased shall be eligible for family pension under this scheme.

### **39. Period of payment of family pension -**

(1) The period for which family pension is payable shall be -

(a) in the case of a widow or a widower, upto the date of death or remarriage, whichever is earlier;

(b) in the case of a son, until he attains the age of twenty five years; and

**\*Drawing family pension after acquiring eligibility for the same under sub-clause (iii) of clause (I) of paragraph 2.**

(c) in the case of an unmarried daughter until she attains the age of ^ twenty five years or until she gets married, whichever is earlier:

**\* In the case of widowed or divorced or unmarried daughter drawing family pension after acquiring eligibility for the same under sub-clause (iv) of clause (I) of paragraph 2 till the date of her marriage or remarriage, as the case may be, or the date on which her income exceeds the dependency criteria as may be specified by the Corporation or a Company from time to time in this regard whichever is earlier.**

Provided that if .the son or daughter of an employee is suffering from any disorder or disability of mind or is physically crippled or disabled so as to render him or he unable to earn a living even after attaining the age of twenty five years, the family pension shall be payable to such son or daughter for life subject to the following conditions, namely:-

(i) if such son or daughter is one among two or more children of the employee, the family pension shall be initially payable to the minor children in the order set out in Cause (e) of sub-paragraph(1) until the last minor child attains the age of twenty-five years and thereafter the family pension shall be resumed in favour of the son or daughter suffering from disorder or disability of mind or who is "physically crippled or disabled" and shall be payable to him or her for life;

**\* inserted vide S.O. 2473 (E) dated 8<sup>th</sup> October 2010**

(ii) if there are more than one such children suffering from disorder or disability of mind or who are physically crippled or disabled, the family pension shall be paid in the order of their birth and the younger of them will get the family pension only after the elder next above him or her ceases to be eligible:

Provided that where the family pension is payable to such twin children it shall be paid in the manner set out in clause (f) of sub-paragraph (1);

(iii) the family pension shall be paid to such son or daughter through the guardian as if he or she were a minor except in the case of a physically crippled son or daughter who has attained the age of majority;

(iv) before allowing the family pension for life to any such son or daughter, the Competent Authority shall satisfy that the handicap is of such a nature as to prevent him or her from earning his or her livelihood and the same shall be evidenced by a certificate obtained from a medical officer approved by the Corporation or the Company, setting out, as far as possible, the exact mental or physical condition of the child;

(v) the person receiving the family pension as guardian of such son or daughter or such a son or daughter not receiving the family pension through a guardian shall produce every three years a certificate from a

medical officer approved by the Corporation or the concerned Company to the effect that he or she continues to suffer from disorder or disability of mind or continues to be physically crippled or disabled.

**Explanation** - The grant of family pension to disabled children beyond the age limit specified in this sub paragraph is subject to the following conditions, namely.-

- (i) A daughter shall become ineligible for family pension under this sub - paragraph from the date she gets married;
- (ii) The family pension payable to such son or daughter shall be stopped if he or she starts earning his or her livelihood, in such cases it shall be the duty of the guardian or son daughter to furnish a certificate to the Corporation online concerned Company as the case may be every Month that-
  - (a) he or she has not started earning his or her livelihood;
  - (b) in case of daughter that she has not yet married;
- (d) if a deceased employee or pensioner leaves behind a widow or widower, the family pension shall become payable" to the widow or widower, failing which to the eligible child;
- (e) family pension to the children shall be payable in the order of their birth and the younger of them shall not be eligible for family pension unless the elder next above him or her has become ineligible for the grant of family pension:

Provided that where the family pension is be to twin children it shall be paid in the manner set out in clause (f) of sub - paragraph (1);

- (f) where the family pension is payable to twin children, it shall be paid to such children in equal shares:

Provided that where one such child ceases to be eligible, his or her share shall revert to the other child and where both of these cease to be eligible, the family pension shall be payable to the next eligible single child or twin children, as the case may be.

**\* (g) In the case of parents, till the date on which their income exceeds the dependency criteria as may be specified by the Corporation or a Company from time to time in this regard.**

- (2) Where a deceased employee or a pensioner leaves behind more children than one, the eldest eligible child shall be entitled to the family pension for the period mentioned in clauses (b) and (c) of sub-paragraph (1) as the case may be, and after the expiry of that period the next child shall become eligible for the grant of the family pension.



- (3) Where family pension is granted under this paragraph to a minor, it shall be payable to the guardian on behalf of the minor.
- (4) In case both wife and husband are employees of the Corporation or the concerned Company and are governed by the provisions of this scheme and one of them dies while in service or after retirement, the family pension, in the case of the deceased shall be payable to the surviving husband or wife and in the event of death of the husband or wife, the surviving child or children shall be granted the two family pensions in respect of the deceased parents subject to the limits specified below, namely :
- (a) if the surviving child or children is or are eligible to draw two family pensions at the rates mentioned in sub-clause (i) of clause (a) or sub- clause (i) of clause (b) of sub-paragraph (3) of paragraph 38, the amount of both pensions thousand five hundred rupees per mensem in only in case of an employee who retired or died on or after the 1<sup>st</sup> day of November 1993.
- (b) if one of the family pensions ceases to be payable at rates mentioned in sub-clause (i) of clause (a) or sub-clause (i) of clause (b) of sub- paragraph (3) of paragraph 38 and in lieu thereof the family pension at rate mentioned in sub-paragraph (1) of paragraph 38 becomes payable, the amount of both the pensions shall also be limited to two thousand five hundred rupees only per mensem in respect of employees who retired or died while in service prior to the 1<sup>st</sup> day of November, 1993 and mensem in the case of employees who retired or died on or after the 1<sup>st</sup> day of November, 1993;

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**\*inserted vide S.O. 2473 (E) dated 8<sup>th</sup> October 2010.**

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( C ) If both the family pension are payable at the rate mentioned in sub-paragraph

- (1) of paragraph 38 the amount of the two pensions shall be limited to one thousand two hundred and fifty rupees per mensem in the case of employees who retired or died while in service prior to the 1<sup>st</sup> day of November, 1993 and two thousand four hundred rupees per mensem in respect of employees who retired or died on or after the 1<sup>st</sup> day of November, 1993;

\*Note : \*\* In this sub-paragraph, for the figures and words "1<sup>st</sup> day of November, 1993", the figures and words "1<sup>st</sup> day of August, 1992", shall be substituted in respect of employees belonging to Supervisory, Clerical and Subordinate Staff cadre, who have retired or died on or after 1<sup>st</sup> day of-August, 1992, and the figures and words "1<sup>st</sup> day of April, 1993" shall be substituted in respect of Officer and Development Officer who have retired or died on or after 1<sup>st</sup> day of April, 1993.

- (5) a) where the family pension is payable to more widows than one, the family pension shall be paid to the widows in equal shares;
- (b) on the death of a widow, her share of the family pension shall become payable to her eligible child:

Provided that if the widow is not survived by any child, her share of the family pension shall not lapse but shall be payable to the other widows in equal shares, or if there is only one such other widow, in full, to her;

- (c) where the deceased employee or pensioner is survived by a widow but has left behind eligible child or children from another wife who is not alive, the eligible child or children shall be entitled to the share of family pension which the mother would have received if she "had been alive at the time of death of the employee or pensioner.

Provided that on the share or shares of family pension payable to such a child or children or to a widow or widows ceasing to be payable, such share or shares shall not lapse, but shall be payable to the other widow or widows or to the other child or children otherwise eligible, in equal shares, or if there is only one widow or child, in full, to such widow or child;

- (d) where the family pension is payable to twin children it shall be paid to such children in the manner specified in clause (0 of sub-paragraph (1) above.
- (e) except as provided in this sub-paragraph, the family pension shall not be payable to more than one member of the family at the same time.
- (6) Where a female employee or male employee dies leaving behind a judicially separated husband or widow and no child or children, the family pension in respect of the deceased shall be payable to the person surviving:

provided that where in case the judicial separation is granted on the ground of adultery and the death of the employee takes place during the period of such judicial separation, the family pension shall not be payable to the person surviving if such person surviving was held guilty of committing adultery.

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**\*Note added vide SO. 342(E) dated 22<sup>nd</sup> April, 1997..\*\* paragraph substituted vide S.O.461 (E) dated 18<sup>th</sup> June, 1999 w.e.f. 1.11.1993.**

- (7) (a) where a female employee or male employee dies leaving behind a judicially



- separated husband or widow with a child or children, the family pension payable in respect of the deceased shall be payable to the surviving person provided he or she is the guardian of such child or children;
- (b) where the surviving person has ceased to be the guardian of such child or children, such family pension shall be payable to the person who is the actual guardian of such child or children. .
- (8) If the son or unmarried daughter eligible for the grant of family pension, has attained the age of eighteen years, the family pension may be paid to such son or unmarried daughter directly.
- (9) (a) if a person, who, in the event of death of a employee while in service, is eligible to receive family pension under this scheme, is charged with the offense of murdering the employee or for abetting in the commission of such an offense, the claim of such a person, including other eligible member or members of the family to receive the family pension, shall remain suspended till the conclusion of the criminal proceedings instituted against him;
- (b) if on the conclusion of the criminal proceedings referred to in (a) above, the person concerned- (i) is convicted for the murder or abetting in the murder of the employee, such a person shall be debarred from receiving the family pension which shall be payable to the other eligible member of the family, from the date of death of the employee; (ii) is acquitted of the charge of murder or abetting in the murder of the employee, the family pension shall be payable to such a person from the date of death of the employee;
- (c) the provisions of sub-clauses (a) and (b) above, shall also apply for the family pension becoming payable on the death of an employee after his retirement.

## CHAPTER – VIII

### COMMUTATION

#### 40. Commutation -

- (1) An employee shall be entitled to commute for a lump sum payment a fraction not exceeding one-third of his pension.

Provided that in respect of an employee who is governed by sub-paragraph (5) of paragraph 3 of this scheme, the family of such employee shall also be entitled to commute for a lump sum payment, a fraction not exceeding one-third of the pension admissible to the employee.

- (2) An employee shall indicate the fraction of pension which he desires to commute and may either indicate the maximum limit of one-third pension or such lower limit as he may desire to commute.
- (3) If fraction of pension to be commuted results in fraction of rupee, such fraction of a rupee shall be ignored for the purpose of commutation.
- (4) The lump sum payable to an applicant shall be calculated in accordance with the Table given below:-

**TABLE**

**Commutation Values for a pension of Re. one per annum**

Age next birthday	Commutation value expressed as number of year's purchase	Age next birthday	Commutation value expressed as number of year's ' purchase
17	19.28	51	12.95
18	19.20	52	12.66
19	19.11	53	12.35
20	19.01	54	12.05
21	18.91	55	11.73
22	18.81	56	11.42
23	18.70	57	11.10
24	18.59	58	10.78
25	18.47	59	10.46
26	18.34	60	10.13
27	18.21	61	9.81
28	18.07	62	9.48
29	17.93	63	9.15
30	17.78	64	8.82
31	17.62	65	8.50
32	17.46	66	8.17
33	17.29	67	7.85
34	17.11	68	7.53
35	16.92	69	7.22
36	16.72	70	6.91
37	16.52	71	6.60
38	16.31	72	6.30
39	16.09	73	6.01
40	15.87	74	5.72
41	15.64	75	5.44
42	15.40	76	5.17
43	15.15	77	4.90
44	14.90	78	4.65
45	14.64	79	4.40

46	14.37	80	4.17
47	14.10	81	3.94
48	13.82	82	3.72
49	13.54	83	3.52
50	13.25	84	3.32
		85	3.13

Notes:

(1)

The Table above indicates the commuted value of pension expressed as number of year's purchase with reference to the age of the pensioner as on his next birthday. The commuted value in the case of an employee retiring at the age of fifty-eight years is 10.46 year's purchase therefore, if he commutes rupees one hundred from his pension within one year of retirement, the lump sum amount payable to him works out to  $Rs.100 \times 10.46 \times 12 = Rs.12,552$ .

- (2) \* An employee who had commuted the admissible portion of pension is entitled, to have the commuted portion of pension restored after the expiry of a period of fifteen years from the date of commutation;
- (3) An applicant who is authorised a superannuation pension, voluntary retirement pension, invalid pension or Compassionate Allowance shall be eligible to commute a fraction of his pension under this scheme;
- (4) In the case of a pensioner eligible for superannuation pension or pension on voluntary retirement, no medical examination shall be necessary, if the application for commutation is made within one year from the date of retirement. However, if such a pensioner applies for commutation of pension after one year from the date of his retirement, the same will be permitted subject to medical examination.

**Explanation-** An applicant who-

- (i) retires on invalid pension under paragraph 31 of this scheme, or
- (ii) is in receipt of compassionate allowance under paragraph 32 of this scheme, '

shall be eligible to commute a fraction of his pension subject to the limit specified in sub-paragraph (1) after he has been declared by the medical officer approved by the Corporation or the Company concerned.

- (5) The commutation of pension shall become absolute in the case of an employee -

- (a) retiring on superannuation or voluntary retirement who submits an application for commutation of pension before the date of retirement, on the date following the date of retirement:

Provided that the employee governed by sub-paragraph (3) of paragraph 30 shall not apply for commutation of a part of his pension before the expiry of the notice of ninety days and the commutation of pension shall become absolute only\*en the expiry of the period of the notice referred to in sub-paragraph (1) of the paragraph 30;

- (b) retiring on Superannuation or on voluntary retirement, if he applies for commutation of pension after the date of retirement but before completion of one year from the date of retirement, on the date the application for commutation is received by the competent authority;
- (c) retiring on superannuation or on voluntary retirement, if he applies for commutation of pension after one year from the date of retirement, on the date of the medical certificate given by a medical officer approved by the Corporation or a Company concerned;

- (d) who has retired prior to the 1<sup>st</sup> day of November, 1993 and who opts to be Governed

by this scheme, on the 1<sup>st</sup> day of November, 1993, where the application for commutation is made within the period specified by clause (b) of Sub-paragraph (1) of paragraph 3;

- (e) who was in the service of the Corporation or a Company on or after the 1<sup>st</sup> day of November, 1993 but who retired prior to the publication of this scheme, on the day immediately following the date of his retirement, where the application is made within the period;

specified by clause (b) of sub-paragraph (2) of paragraph 3;

- (f) who retired on or after the 1<sup>st</sup> day of November, 1993 but died prior to the notified date, on the day immediately following the date of his retirement where the application for commutation is made by the family of the deceased within the period specified by clause (a) of sub-paragraph (5) of paragraph 3;

- (g) in respect of whom invalid pension under paragraph 31 or compassionate allowance under paragraph 32 is admissible, commutation shall become absolute on the date of the medical certificate given by the medical officer approved by the Corporation or Company concerned.

## CHAPTER – IX

### GENERAL CONDITIONS

**41. Pension subject to future good conduct** - Future good conduct shall be an implied condition of every grant of pension and its continuance under this scheme.

**42. Withholding or withdrawal of Pension** - The competent authority may by order in writing, withhold or withdraw pension or a part thereof, whether permanently or for a specified period, if the pensioner is convicted of a serious crime or is found guilty of grave misconduct:

Provided that where a part of pension is withheld or withdrawn, the amount of such pension shall not be reduced below the minimum pension per mensem payable under this scheme.

**43. Conviction by Court** - Where a pensioner is convicted of a serious crime by a Court of Law, action shall be taken in the light of the judgment of the court relating to such conviction.

**44. Pensioner guilty of grave misconduct** - In a case not falling under paragraph 43 if the Competent Authority considers that the pensioner is prima facie guilty of grave misconduct, it shall, before passing an order, follow the procedure specified in the General Insurance (Conduct, Discipline and Appeal) Rules framed by the Board of the Corporation or of the Company.

**45. Provisional pension -**

(1) An employee who has retired on attaining the age of superannuation or otherwise and against whom any departmental or judicial proceedings are instituted or where departmental proceedings are continued, a provisional pension equal to the maximum pension which would have been admissible to him, would be allowed subject to adjustment against final retirement benefits sanctioned to him, upon conclusion of the proceedings but no recovery shall be made where the pension finally sanctioned is less than the provisional pension or the pension is reduced or withheld etc., either permanently or for a specified period.

(2) In such cases the gratuity shall not be paid to such an employee until the conclusion of the proceedings against him. The gratuity shall be paid to him on conclusion of the proceedings subject to the decision of the proceedings. Any recoveries to be made from an employee shall be adjusted against the amount of gratuity payable.

Explanation - In this chapter,

- (a) the expression 'serious crime' includes a crime involving an offense under the Official Secrets Act, 1923 (19 of 1923);
- (b) The expression "grave misconduct" includes the communication 'or disclosure of any secret, official code or password or any sketch, plan, model, article, note, document or information such as is mentioned in section 5 of the Official Secrets Act, 1923 (19 of 1923) (which was obtained while holding office in the Corporation or the Company concerned) so as to prejudicially affect the interests of the general public or the security of the State.

**46. Commutation of pension during departmental or judicial proceedings** - An employee, against whom the departmental or judicial proceedings have been instituted before the date of his retirement or a person against whom such proceedings are instituted -after the date of his retirement, shall not be eligible to commute a fraction of his provisional pension or pension, as the case may be, authorised under this scheme, during the pendency of such proceedings

**47. Recovery of Pecuniary loss caused to the Corporation or a Company -**

- (1) The Competent Authority may withhold or withdraw a pension or a part thereof, whether permanently or for a specified period, and order recovery from pension of the whole or part of any pecuniary loss caused to the Corporation or a Company if in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service :

Provided that the Board of the Corporation or a Company shall be consulted before any final orders are passed:

Provided further that departmental proceedings, if instituted while the employee was in service, shall, after the retirement of the employee, be deemed to be proceedings under this paragraph and shall be continued and concluded by the authority by which they were commenced in the same manner as if the employee had continued in service:

Provided also that no departmental or judicial proceedings, if not initiated while the employee was in service, shall be instituted in respect of a cause of action which arose or in respect of an event which took place more than four years before such institution.

- (2) Where the competent authority orders recovery of the pecuniary loss from the pension the recovery shall not ordinarily be made at a rate exceeding one-third of pension admissible on the date of retirement of the employee;

Provided that where a part of pension is withheld or withdrawn, the amount of pension drawn by a pensioner shall not be less than the minimum pension payable under this scheme.

**48. Recovery of dues of the Corporation or a Company** - The Corporation or a Company shall be entitled to recover the dues to the Corporation or a Company on account of housing loans, advances, license fee, other recoveries and recoveries due to employees' co-operative credit Societies from the commutation value of the pension or the pension or the family pension.

**49. \* Commercial employment after retirement -**

(1) If a pensioner who, immediately before his retirement was holding the post of Scale IV or above and wishes to accept any commercial employment before the expiry of two years from the date of his retirement, he shall obtain the previous sanction of competent authority, to such acceptance:

Provided that an employee who was permitted by competent authority to take up a particular form of commercial employment during his leave preparatory to retirement or during refused leave shall not be required to obtain subsequent permission for his continuance in such employment after retirement.

(2) Subject to the provisions of sub-paragraph (3), competent authority, may by order in writing, on the application by a pensioner, grant, subject to such conditions, if any, as it may deem necessary, permission, or refuse, for reasons to be recorded in the order, permission to such pensioner to take up the commercial employment specified in the application.

(3) In granting or refusing permission under sub-paragraph (2) to a pensioner for taking up any commercial employment, competent authority shall have regard to the following factors, namely:-

(a) the nature of the employment proposed to be taken up and the antecedents of the employer;

(b) whether his duties in the employment which he proposes to take up might be such as to bring him into conflict with the Corporation or a Company as the case may be;

(c) whether the pensioner while in service had any such dealing with the employer under whom he proposes to seek employment as it might afford a reasonable basis for the suspicion that such pensioner had shown favours to such employer;

(d) whether the duties of the commercial employment proposed involve liaison or contact work with the Corporation or a Company as the case may be;



- (e) whether his commercial duties will be such that his previous official position or knowledge or experience under the Corporation or a Company as the case may be could be used to give the proposed employer an unfair advantage;
- (f) the emoluments offered by the proposed employer; and
- (g) any other relevant factor.

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**\*in paragraph 49, the words “the Corporation or a Company, as the case may be” are replaced at certain places by the words “competent authority” vide S.O. 1086(E) dated 2<sup>nd</sup> November, 2001.**

- (4) Where within a period of sixty days of the date of receipt of an application under sub-paragraph (3), competent authority does not refuse; to grant the permission applied for or does not communicate the refusal to the applicant, competent authority shall be deemed to have granted the permission applied for:

Provided that in any case where defective or insufficient information is furnished by the applicant and it becomes necessary for competent authority to seek further clarifications or information from him, the period of sixty days shall be counted from the date on which the defects have been removed or complete information has been furnished by the applicant.

- (5) Where competent authority grants the permission applied for subject to any conditions or refuses such permission, the applicant may, within thirty days of the receipt of the order of competent authority to that effect, make a representation against any such condition or refusal and competent authority may make such orders thereon as it deems fit:

Provided that no order other than an order cancelling such condition or granting such permission without any conditions shall be made under this sub-paragraph without giving the pensioner making the representation an opportunity to show cause against the order proposed to be made.

- (6) If any pensioner takes up any commercial employment at any time before the expiry of two years from the date of his retirement without the prior permission of competent authority, or commits a breach of any condition subject to which permission to take up any commercial employment has been granted to him under this paragraph, it shall



be competent for competent authority to declare by order in writing and for reasons to be recorded therein that he shall not be entitled to the whole or such part of the pension and for such periods as may be specified in the order:

Provided that no such order shall be made without giving the pensioner concerned an opportunity of showing case against such declaration:

Provided further that in making any order under this sub-paragraph, competent authority shall have regard to the following factors, namely:-

- (i) the financial circumstances of the pensioner concerned;
  - (ii) the nature of, and the emoluments from, the commercial employment taken up by the pensioner concerned; and
  - (iii) any other relevant factor.
- (7) Every order passed by competent authority under this paragraph shall be communicated to the pensioner concerned.
- (8) In this paragraph,
- (a) the expression “commercial employment” means -
    - (i) an employment in any capacity including that of an agent, under a company, co-operative society, firm or individual engaged in trading, commercial, industrial, financial or professional business and includes also a directorship of such company and partnership of such firm, but does not include employment under a body corporate, wholly or substantially owned or controlled by the Central Government or a State Government;
    - (ii) setting up practice, either independently or as a partner of a firm, as adviser or consultant in matters in respect of which the pensioner -
      - (A) has no professional qualifications and the matters in respect of which the practice is to be set up or is carried on are relatable to his official knowledge, or experience, or
      - (B) has professional qualifications but the matters in respect of which such practice is to be set up are such as are likely to give his clients an unfair advantage by reason of his previous official position, or
      - (C) has to undertake work involving liaison or contact with the offices or officers of the Corporation or a company as the case may be.

**Explanation** For the purpose of this clause, the expression “employment under a cooperative society” includes the holding of any office, whether elective or otherwise, such as that of President, Chairman, Manager, Secretary, Treasurer and the like, by whatever name called in such society.

**50. Nomination -**

- (1) The trust shall allow every employee governed by this scheme to make a nomination conferring on one or more persons the right to receive the amount of pensionary benefits under this scheme in the event of his death before that amount becomes payable or, having become payable, has not been paid. Such nomination shall be made in such form as may be 'specified by the Corporation or the Company, as the case may be from time to time.
- (2) If any employee nominates more than one person under sub-paragraph (1), he shall, in his nomination, specify the amount or share payable to each of the nominees in such a manner as to cover the whole of the amount of the pensionary benefits that may be payable in the-event of his death.
- (3) A nomination made by an employee may, at any time, be modified or revoked by him after giving a written notice to the trustees of his intention of doing so in such form as the Corporation or the Company, as the case may be, may from time to time specify.
- (4) A nomination or its revocation or its modification shall take effect to the extent it is valid on the date on which it is received by the trust.

**51. Date from which pension becomes payable -**

- (1) Except in the case of an employee to whom the provisions of paragraph 42 and paragraph 45 apply a pension other than family pension shall become-payable from the date following the date on which an employee retires.
- (2) Family pension shall become payable from the date following the date of death of the employee or the pensioner.
- (3) Pension including family pension shall be payable for the day on which its recipient dies.

**52. Currency in which pension is payable -** All pensions admissible under this scheme shall be payable in rupees in India only.

**53. Manner of payment of pension -** A pension fixed at a monthly rate shall be payable monthly on or after the first day of the following month.

**54. Power to issue instructions -** The \*\*\*Chairman-cum-Managing Director of the Corporation or the concerned Company, may from time to time issue instructions as may be considered necessary or expedient for the implementation of this scheme.

**\*54A. Power to Relax -**

Where the Central Government is satisfied that the operation of any of the para of the Scheme causes undue hardship in respect of any class or categories of persons, it may, by order for reasons to be recorded in writing relax the requirement of the provision of that para in a manner not inconsistent with this Scheme.

**\*\*54B.Pensionary benefits to employee mentioned in proviso to clause (k) of paragraph 2 who was in service on or after 1.1.1996 —**

Notwithstanding anything contained in this Scheme, in respect of employee covered by the proviso to clause (K) of paragraph 2, who was in service on or after 1<sup>st</sup>January, 1996, the pensionary benefits shall be calculated in accordance with the provisions contained in the Central Civil Services (Pension) Rules, 1972 and the Central Civil Services (Commutation of Pension Rules, 1981), as applicable to Central Government servants and in accordance with the instructions issued by the Central Government thereunder from time to time.

Provided that where such an employee, who has retired on or after 1.1.1996 and before the date of publication of this Scheme in the Gazette or the family of such employee in the event of death of such employee gives a notice in writing within 90 days of the publication of this Scheme, expressing an option not be governed by the provisions of this paragraph, then, the provisions of the above paragraph shall not apply in respect of such employee or the family of such employee, as the case may be. Option once exercised under this proviso shall be final.

**\* Inserted vide S.O.1221(E) dated 6<sup>th</sup> December 1999 w.e.f.6.12.1999**

**\*\*Inserted vide S.O. 775(E) dated 13<sup>th</sup> August 2001 w.e.f. 01.01.1996\*\*\*The words “Chairman and Managing Director or Chairman-cum-Managing Director” replaced with “Chairman cum Managing Director” vide S.O.636(E) dated 4.5.2005 w.e.f. 1.2.2005**

**55. Residuary provisions** - Matters relating to pension and other benefits in respect of which no express provision has been made in this scheme shall be governed by the corresponding provisions contained in the Central Civil Services (Pension) Rules, 1972 or the Central Civil Services (Commutation of Pension) Rules,1981, applicable for Central Government employees.

**APPENDIX - I**

(See Explanation in paragraph 30)

	<b>Category of employees</b>	<b>Appointing Authority</b>

*i)	**Chairman-cum-Managing Director of the Corporation and Chairman-cum-Managing Director of the Company	Central Government
ii)	General Manager (Scale VII), Deputy General Manager (Scale VI) and equivalent cadres	**Chairman-cum-Managing Director of the Corporation
iii)	Chief Manager / Regional Manager (Scale V), Manager (Scale IV) and equivalent cadres	General Manager (Scale VII)
iv)	Deputy Manager (Scale III) , Assistant Manager (Scale II), Administrative Officer (Scale I) and equivalent cadres	Deputy General Manager (Scale VI)
v)	Development Officers	Chief Manager / Regional Manager (Scale V)
vi)	Senior Assistant, Stenographer and equivalent cadres	Chief Manager / Regional Manager
vii)	Assistant and equivalent cadres	Manager (Scale IV)
viii)	Subordinate Staff and equivalent cadres	Deputy Manager (Scale III)

\* Sub-item (I) to (vii) renumbered as sub-item (ii) to (viii) and sub-item (I) inserted vide SO. 475(E) dated 3<sup>d</sup>July, 1996.

\*\*The words "Chairman and Managing Director or Chairman-cum-Managing Director" replaced with "Chairman-cum-Managing Director" vide S.O.636(E) dated 4.5.2005 w.e.f. 1.2.2005.

## APPENDIX II

( See paragraph 28 )

Actual service rendered on Permanent Part-time basis.	Length of corresponding qualifying service for each year of service rendered on permanent part time basis for calculating the amount of pension
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(2)	(2)
Less than 3 hours;	1/4 <sup>th</sup> of a year
3 hours or more but less than 4 hours;	3/8 <sup>th</sup> of a year
4 hours or more but less than 5 hours;	1/2 of a year
5 hours or more but less than 6 hours;	5/8 <sup>m</sup> of a year
6 hours or more but less than 7 hours;	3/4 <sup>m</sup> of a year
7 hours or more but less than 8 hours;	7/8 <sup>h</sup> of a year

### Appendix – III

(see paragraph 34)

The formula of updating basic pension and additional pension in respect of employees who retired between the 1<sup>st</sup> day of January 1986 and the 31<sup>st</sup> day of July, 1987 shall be as under:-

(1) Basic pension shall be increased by an amount of -

- |     |  |              |
|-----|--|--------------|
| (a) | 50 per cent of first Rs.1000 of the average emoluments reckonable for pension                        | Rs._____     |
| (b) | 45 per cent of next Rs.500   | Rs._____     |
| (c) | 40 per cent of the average " emoluments reckonable for pension exceeding Rs.1500                     | Rs._____     |
| A.  | Total of (a + b + c)   | Rs._____ (A) |
| B.  | 50 per cent of the average monthly emoluments for the last 10 months in service prior to retirement. | Rs._____ (B) |
| C.  | Dearness relief at index number 600  | Rs._____ (C) |

in the All India Average Consumer Price Index for Industrial Workers in the series 1960=100, on basic pension calculated at (1) above, as per Table given below.

D. Total increased basic pension

$$= (B) + (C) \frac{\text{number of years qualifying service (Max. 33 years)}}{33} = \text{Rs.} \underline{\hspace{2cm}} \text{ (D)}$$

E. Basic pension as on 1.11.1993 (rounded off to the next higher rupee) Rs.            (E)

(2) For increase in the additional pension, amount of special allowances counted for making contributions to Provident Fund will be increased with reference to the quantum of special allowances ranking for Provident Fund as per the relevant Rationalisation Scheme.

### TABLE

Rates of dearness relief worked out at index no. 600 in the All India Average Consumer Price Index for industrial Workers in the series 1960=100 for all classes of employees who retired during the period 1.1.1986 to 31.07.1987:

(a) Subordinate staff	80.40 per cent of pension calculated at (1) above
(b) Supervisory and clerical staff drawing pension upto Rs.757/- per month	67 per cent of pension calculated at (1) above

(b) Supervisory and clerical staff drawing pension of Rs.757/- per month and above will be eligible for dearness relief as under:-

Amount of basic pension drawn p.m. (Rs.)	The amount of dearness relief admissible (Rs.)
757 to 796	508.00
797 to 804	534.00
805 to 824	540.00
825 to 844	553.00
845 to 864	567.00
865 to 884	580.00
885 to 904	593.00
905 to 924	607.00
925 to 944	620.00

945 to 964	634.00
965 to 984	647.00
985 to 1 004	660.00
1025 to 1044	687.00
1045 to 1064	701.00
1065 to 1084	714.00
1085 and above	727.00

(d) Officers and Development Staff shall be eligible for dearness relief as under:

a)	For those drawing basic pension upto Rs.765 per month;	66 per cent of the amount of pension] calculated as at (1) above subject to a j maximum of Rs. 500/-
b)	For those drawing basic pension from Rs.766 to Rs.1165 per month;	Rs. 500.
c)	For those drawing basic pension of Rs. 1 1 66 per month or above;	42.90 per cent of the amount of pension calculated as at (1) above subject to a maximum of Rs. 715

## Appendix-IV

(See paragraph 36)

Dearness relief on basic pension shall be as under :-

(1) In the case of employees who retired on or after the 1<sup>st</sup> day of January.. 1986, but before the 1<sup>st</sup> day of November, 1993, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 600 points in the quarterly average of the All India Average Consumer Price Index for Industrial Workers in the series 1960=100. Such increase or decrease in dearness relief for every said four points shall be calculated in the manner given below :-

	Scale of basic pension per month	The rate of dearness relief as a percentage of basic pension
	(1)	(2)
(i)	UptoRs. 1250	0.67 per cent.
ii)	Rs. 1251 to Rs. 2,000	0.67 per cent of Rs.1250 plus 0.55 percent of basic pension in excess of Rs.1250.
(iii)	Rs. 2001 to Rs. 2130	0.67 per cent of Rs.1250 plus 0.55 percent of the difference between I Rs.2000 and Rs.1250 plus 0.33 per cent of basic pension in excess of Rs.2000.

(iv)	above Rs. 2130	0.67 percent of Rs.1250 plus 0.55 percent of the difference between Rs.2000 and Rs.1250 plus 0.33 per cent of the difference between Rs.2130- and Rs.2000 plus 0.17 per cent of basic pension in excess of Rs. 2 130.

(2) In the case of employees who retire on or after the 1<sup>st</sup> day of November, 1993, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 1148 the series 1960 = 100. Such increase or decrease in dearness relief for every said four points shall be calculated in the manner given below :-

	Scale of basic pension per month	The rate of dearness relief as a percentage of basic pension
	(1)	(2)
(i)	uptoRs. 2,400	0.35 percent.
(ii)	Rs. 2,401 to Rs. 3,850	0.35 per cent of Rs. 2,400 plus 0.29 per cent of basic pension in excess of Rs.2,400
(iii)	Rs. 3,851 to Rs. 4,100	0.35 per cent of Rs . 2,400 plus 0.29 per cent of the difference between Rs. 3,850 and Rs.2,400 plus 0.17 per cent of basic pension in excess of Rs. 3,850.
(iv)	above Rs. 4,100	0.35 per cent of Rs.2,400 plus 0.29 per cent of the difference between Rs.3,850 and Rs.2,400 plus 0.17 per cent of the difference between Rs.4,100 and Rs.3,850 plus 0.09 per cent of basic pension in excess of Rs. 4,100.

**\* (3) \*\*Notwithstanding** anything contained in sub-paragraph (1) and sub-paragraph (2) in respect of employees belonging to Supervisory, Clerical and Subordinate cadre who have retired on or after the 1<sup>st</sup> day of August, 1992 and in respect of Officer and Development Officer, retired on or after 1<sup>st</sup> day of April, 1993, dearness relief shall be payable or be recoverable as may be determined from time to time.



**#(3A)** In the case of employees who have retired or died on or after the 1<sup>st</sup> day of August, 1997, the dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every four points over 1740 points in the quarterly Average Consumer Price Index for Industrial Workers in the series 1960=100. Such increase or decrease in dearness relief for every said four points shall be at the rate of 0.23 per cent of basic pension.

**##** In the case of employees who have retired or died on or after the 1<sup>st</sup> day of August, 2002, the dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every four points over 2328 points in the quarterly Average Consumer Price Index for Industrial Workers in the series 1960=100. Such increase or decrease in dearness relief for every said four points shall be at the rate of 0.18 per cent of basic pension.

**###** In the case of employees who have retired or died on or after the 1<sup>st</sup> day of August, 2007, the dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every four points over 2944 points in the quarterly Average Consumer Price Index for Industrial Workers in the series 1960=100. Such increase or decrease in dearness relief for every said four points shall be at the rate of 0.15 per cent of basic pension.

**####** In the case of employees who have retired or died on or after the 1<sup>st</sup> day of August, 2012, the dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every four points over 4708 points in the quarterly

Average Consumer Price Index for Industrial Workers in the series 1960=100. Such increase or decrease in dearness relief for every said four points shall be at the rate of 0.10 per cent of basic pension.

**#(3B)** in case of any wage revision in future the rate of dearness relief payable to an employee shall be determined by the Corporation or the Company as the case may be Corresponding to the index to which the scales will be linked;

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*\*Sub-paragraph (3) inserted and sub-paragraph (3), (4), (5), (6) renumbered as (4), (5), (6) & (7) vide SO 342(E) dated 22<sup>nd</sup> April, 1997.*

*\*\* paragraph substituted vide S.O.461 (E) dated 18<sup>th</sup> June, 1999 w.e.f. 1.11.1993.*

*#Sub-paragraph (3A) and (3B) inserted vide S.O.590(E) dated 22.6.2000 w.e.f.1.8.1997'*

*## Inserted vide A.I.dated 08.02.2006 w.e.f.01.08.2002*

###Inserted vide A.I.dated 18.01.2011 w.e.f.01.08.2007

###Inserted vide A.I. dated 01.03.2016 w.e.f.01.08.2012

- (4) Dearness relief shall be payable for the halt" year commencing from the 1<sup>st</sup> day of February/ and ending with 31<sup>st</sup> day of July on the quarterly average of the index figures published for the months of October, November and December of the previous year and for the half year commencing from the 1<sup>st</sup> day of August and ending with the 31<sup>st</sup> day of January on the quarterly average of the index figures published for the months of April, May and June of the same year.
- (5) In the case of family pension, invalid pension and compassionate allowance, dearness relief shall be payable in accordance with the rates mentioned above.
- (6) Dearness relief will be allowed on full basic pension even after commutation.
- (7) Dearness relief is not payable on additional pension.

### Appendix – V

(see paragraph 38)

The ordinary rates of family pension shall be as under:

(a) in respect of employees retired before 1.11.1993

Scale of pay per month	Amount of monthlv family pension
(1)	(2)
UptoRs.1500	30 per cent of the 'pay' shall be the basic family pension plus 30 per cent of allowances which are counted for making contributions to Provident Fund but not or dearness allowance shall be additional family pension. The aggregate of basic and additional family pension shall not be less than Rs.375 per month.
Rs.1501 toRs.3000	20 per cent of the 'pay' shall be the basic family pension plus 20 per cent of allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the family pension. The aggregate of basic and additional family pension shall not be less than Rs.450 per month.

Above Rs.3000	15 per cent of the 'pay' shall be the 'basic I family pension plus 15 per cent, of allowances which are counted for making contributions to Provident Fund but not for dearness allowance, shall be the additional family pension. The aggregate of basic and additional family pension shall not be less than Rs.600 per month and more than Rs. 1250 per month.
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(b) In respect of employees retired or retiring on or after 1.11.1993

Scale of pay per month	Amount of monthly family pension
(1)	(2)
Upto Rs.2870	30 per cent of the 'pay' shall be the basic family pension plus 30 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.720 per month.
Rs.2871 to Rs.5740	20 per cent of the 'pay' shall be the basic family pension plus 20 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.860 per month.
Above Rs.5740	15 per cent of the 'pay' shall be the basic family pension plus 15 per cent of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum Rs. 1150 per month and a maximum of Rs.2400 per month.

- \*(c) \*\* Notwithstanding anything contained in paragraph (a) or paragraph (b), in respect of employees belonging to Supervisory, Clerical and Subordinate cadre who have retired on or after the 1<sup>st</sup> day of August, 1992 or in respect of Officer and Development Officer, who have retired on or after 1<sup>st</sup> April, 1993, the ordinary rates of family pension shall be calculated as per the rates prescribed in paragraph (b) above.

\*Para (c) added vide S.O.342(E) dated 22nd April, 1997.

\*\*paragraph substituted vide S.O.461 dated 18th June, 1999 w.e.f. 1.11.1993.

- #(d) In respect of employees retired on or after 1<sup>st</sup> day of August, 1997, the rate of ordinary family pension shall be as under:

Scale of pay per month	Amount of monthly family pension
(1)	(2)
Upto Rs.4360	30 per cent of the 'pay' shall be the basic family pension plus 30 per cent of the allowances which are counted for making contributions to provident fund but not for dearness allowance shall be the I additional pension. The aggregate of basic and additional family pension shall be subject to minimum of Rs. 1,1 007- per month
Rs.4361 to Rs.8700/-	20 per cent of the 'pay' shall be the basic family I pension plus 20 per cent of the allowances which are counted for making contributions to provident fund but not for dearness allowance shall be the j additional pension. The aggregate of basic and additional family pension shall be subject to minimum of Rs. 1,31 07- per month
Rs.8701 and above	15 per cent of the 'pay' <sup>1</sup> shall be the basic family pension plus 15 per cent of the allowances which are counted for making contributions to provident fund but not for dearness allowance shall be the additional pension. The aggregate of basic and additional family pension shall be subject to minimum of Rs.1,740/- per month

#(e) In case of any wage revision in future the rate of ordinary family pension payable to an employee shall be determined by the Corporation\***or the Company as the case may be** corresponding to the index to which the scales will be linked.

# paragraph (d) and (e) inserted vide S.O.590 dt 22.6.2000 w.e.f. 1.8.1997

\*Added vide S.O.1794(E) dated 19<sup>th</sup> October 2006

Notes: (1) Dearness relief is not payable on additional family pension.

- a. "Scale of pay" for the purpose of calculation of family pension as above shall be aggregate of "pay" as defined in sub-clause (p) of paragraph 2 and "allowances" as defined in the explanation to sub paragraph (3) of paragraph 34.

In terms of clause (e), the rate of ordinary family pension are amended vide A.I. dated 8.2.2006, in respect of employees retired and/or died on or after 1.8.2002, as under :-

Upto Scale of Pay	Amount of Family Pension
Upto Rs.5840/-	30% of the "Pay" shall be the basic family pension plus 30% of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.1480/-p.m.
Rs.5841/-toRs.11640/-	20% of the "Pay" shall be the basic family pension plus 20% of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.1760/- p.m.
Rs.11641/-and above	15% of the "Pay" shall be the basic family pension plus 15% of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.2330/-p.m.

- NOTES:-
- (1) Dearness Relief is not payable on additional family pension.
  - (2) If the surviving child or children are eligible to draw two family pension, both pensions shall be limited to Rs.10,830/-- in respect of employees who have retired or died while in service, on or after 1.8.2002.

**F.No. 2(4)/Ins. III/94-(ii)**

-- S/D --

**Joint Secretary (Insurance)**

In terms of clause (e), the rate of ordinary family pension are amended vide A.I. dated 18.01.2011, in respect of employees retired and/or died on or after 1.8.2007, as under :-

<b>Upto Scale of Pay</b>	<b>Amount of Family Pension</b>
Upto Rs.7390/-	30% of the "Pay" shall be the basic family pension plus 30% of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.1880/-p.m.
Rs.7391/-toRs.14720/-	20% of the "Pay" shall be the basic family pension plus 20% of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.2230/- p.m.
Rs.14721/-and above	15% of the "Pay" shall be the basic family pension plus 15% of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.2950/-p.m.

- NOTES:-
- (1) Dearness Relief is not payable on additional family pension.
  - (2) If the surviving child or children are eligible to draw two family pension, both pensions shall be limited to Rs.17,955/-- in respect of employees who have retired or died while in service, on or after 01.08.2007.

In terms of clause (e), the rate of ordinary family pension are amended vide A.I. dated 01.03.2016, in respect of employees retired and/or died on or after 1.8.2012, as under :-

<b>Upto Scale of Pay</b>	<b>Amount of Family Pension</b>
Upto Rs11820/-	30% of the "Pay" shall be the basic family pension plus 30% of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The

	aggregate of basic and additional family pension shall be subject to a minimum of Rs.3010/-p.m.
Rs.11821/-toRs.23540/-	20% of the "Pay" shall be the basic family pension plus 20% of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.3570/- p.m.
Rs.23541/-and above	15% of the "Pay" shall be the basic family pension plus 15% of the allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall be subject to a minimum of Rs.4720/-p.m.

- NOTES:-
- (1) Dearness Relief is not payable on additional family pension.
  - (2) If the surviving child or children are eligible to draw two family pension, both pensions shall be limited to Rs.37,290/-(twice the 15% of the maximum scale i.e.Rs.1,24,295/-) in respect of employees who have retired or died while in service, on or after 01.08.2012.

### **Explanatory Memorandum**

Employees in GIC are governed by the General Insurance (Employees') Pension Scheme, 1995 notified in the Gazette by the Central Government vide S.O. No. 585(E) dated 28.6.1995. In terms of the provisions of the said Scheme, employees recruited in GIC on or after 28.6.1995 are governed by the provisions of the said Pension Scheme.

The Ministry of Finance vide its O.M. No.1(13)/EV/2001 dated 13.11.2003 introduced a new Pension Scheme based on defined contributions for new entrants recruited in Central Government service on or after 1.1.2004 and further vide O.M. No.1(13)/EV/2001 dated 15.3.2004, it was clarified that all new entrants joining any autonomous body/PSU under the administrative control of different Ministries/Departments on or after 1.1.2004 will compulsorily be covered by the New Pension Scheme.

The Central Government has decided to implement the New Pension Scheme based on defined contribution in the Corporation and the Companies with effect from the 1<sup>st</sup> day of April 2010. The General Insurance (Employees') Pension Scheme, 1995 is, accordingly amended to give effect to the New Pension Scheme for the employees of the Corporation and the Companies with effect from the 1<sup>st</sup> day of April,2010.



Accordingly, the provisions of General Insurance (Employees') Pension Scheme, 1995 are amended enabling the employees joining Corporation/Company on or after 1.4.2010 to be covered under the New Pension Scheme.

It is certified that no employee of the Corporation or of the concerned Company is likely to be affected adversely by the introduction of the New Pension Scheme with effect from 1<sup>st</sup> April, 2010..

FOOT NOTE :- The Principal Scheme was published vide Notification No.S.O.585(E) dated 28th June, 1995 and subsequently amended by notification No.

1. S.O. 475(E) dated 3rd July, 1996
2. S.O. 342(E) dated 22nd April, 1997
3. S.O. 461 (E) dated 18th June 1999 and
4. S.O. 1221 (E) dated 6th December, 1999
5. S.O. 590(E) dated 22nd June, 2000
6. S.O. 775(E) dated 14<sup>th</sup> August, 2001
7. S.O. 1086 (E) dated 2<sup>nd</sup> November, 2001
8. S.O. 778(E) dated 5<sup>th</sup> July, 2004
9. S.O. 636(E) dated 4<sup>th</sup> May, 2005
- 10 S.O. 1794 (E) dated 19<sup>th</sup> October 2006
11. S.O. 2473 (E) dated 8<sup>th</sup> October 2010
12. S.O. 236 (E) dated 23<sup>rd</sup> January 2016

The Principal Scheme was published vide Notification No. S.O. 585(E) dated 28<sup>th</sup> June, 1995 and subsequently amended by notification No.

1.	475(E) dated 3 <sup>rd</sup> July, 1996	2(9), (k), (l), (o), (p), Appendix I
2.	342(E) dated 22 <sup>nd</sup> April, 1997	2(p), 3, 7, 34, 35, 39 (4)(c), Appendix IV, V
3.	461 (E) dated 18 <sup>th</sup> June, 1999	2(p), 35, 39, Appendix IV, V
4.	1221(E) dated 6 <sup>th</sup> December, 1999	54A inserted
5.	590(E) dated 22 <sup>nd</sup> June, 2000	2(p), 35, Appendix IV, V
6.	775(E) dated 13 <sup>th</sup> August, 2001	2(p), 54B inserted
7.	1086(E) dated 2 <sup>nd</sup> November, 2001	49 the words "the Corporation or a Company, as the case may be" substituted by "competent authority"
8.	778(E) dated 5 <sup>th</sup> July, 2004	13(a) regarding purchase of annuities from Life Insurance
9.	636 (E) dated 4 <sup>th</sup> May, 2005	For paras 2(g) (i) (ii) Appendix I (i) (ii), the words 'Chairman' or 'Managing Director' of the Corporation have been substituted by the words 'Chairman-cum-Managing Director' of the Corporation.



10	1794 (E) dated 19 <sup>th</sup> October, 2006	I
11	2473 (E) dated 8 <sup>th</sup> October, 2010	I Para 2(l), Para 39(i) clause (e),(f) I Para (3) Sub-para (4), Note (1)
12	236(E) dated 23 <sup>rd</sup> January, 2016	I Para 3(4), Note 2

The Principal Scheme was published vide Notification No. S.O. 585(E) dated 28<sup>th</sup> June, 1995 and subsequently amended by notification No.

	S.O. NOS.	EFFECTIVE FROM	PROVISIONS
1.	475(E) dated 3 <sup>rd</sup> July, 1996	1.11.1993	
2.	342(E) dated 22 <sup>nd</sup> April, 1997	1.11.1993	
3.	461(E) dated 18 <sup>th</sup> June, 1999		
4.	1221(E)*dated 6 <sup>th</sup> December, 1999	6.12.1999	
5.	590(E) dated 22 <sup>na</sup> June, 2000	1.8.1997	
6.	775(E) dated 13 <sup>th</sup> August, 2001	1.1.1996	
7.	1086(E) dated 2 <sup>nd</sup> November, 2001	2.11.2001	
8.	778(E) dated 5 <sup>th</sup> July, 2004	31.3.2004	
9.	636 (E) dated 4 <sup>th</sup> May, 2005	1.2.2005	
10.	1794 (E) dated 19 <sup>th</sup> October 2006	21.03.2003	
11.	2473 (E) dated 8 <sup>th</sup> October 2010	01.10.2010 01.01.2004	Para 2(l), Para 39(1) clause (e) ,(f) Para(3) Sub para (4), Note 1
12	236(E) dated 23 <sup>rd</sup> Jan'2016	01.04.2010	Para 3(4), Note 2

### Qualifying Service:-

Paragraph 16 and Paragraph 19 include the period of probation and training for the purpose of qualifying service if the period of such probation or training is following by regular service.

There may be cases where a person might have worked as a regular part-time employee immediately before he was appointed as a regular whole-time employee. In such cases for determining the qualifying service for the purpose of payment of pension, the entire period of service put in by such an employee on a permanent part-time basis will count, provided there was no break between the two appointments. However, for the purpose of calculating the service for determining the quantum of pension only the proportional service, as indicated in Appendix V to the General Insurance(Employees') Pension Scheme, 1995 be taken into account. The following illustration will clarify the above provision-

Example:

A regular full-time Sweeper has retired from the services of the Corporation/Subsidiary Company after putting 9 years of service. Prior to his appointment as a full-time Sweeper he worked as regular part-time Sweeper having duty of 4 hours (i.e. drawing half scale wages in the scale of pay of Sweeper) for 15 years. The qualifying service for the purpose of eligibility of pension in this case is  $9+15 = 24$  years. Since the employee has put in more than 10 years of qualifying service he is entitled for pension. For the purpose of calculating the actual qualifying service for calculating the quantum of pension the qualifying service will be

$15/2 = 7 \frac{1}{2}$  years on a part-time basis + 9 years on a full-time basis

Total  $16 \frac{1}{2}$  years i.e. 17 years.

## NATIONAL INSURANCE COMPANY (CONDUCT, DISCIPLINE & APPEAL) RULES, 2014

### 1. Short title, Commencement and Application:-

- (1) These rules shall be called the National Insurance Company (Conduct, Discipline and Appeal) Rules, 2014.
- (2) These rules shall come into force with immediate effect and replace General Insurance (Conduct, Discipline & Appeal) Rules 1975 and National Insurance Company (Conduct, Discipline & Appeal) Rules, 2012. The proceedings which were initiated and continuing under the erstwhile General Insurance (Conduct, Discipline & Appeal) Rules 1975 and National Insurance (Conduct, Discipline & Appeal) Rules, 2012 shall continue to remain operative and binding till conclusion of the proceedings initiated under the erstwhile Rules. No provision of the disciplinary proceedings under the erstwhile Rules shall become in-operative consequent upon coming into operation of the National Insurance Company (Conduct, Discipline & Appeal) Rules, 2014. All provisions of the erstwhile CDA Rules shall continue with the same force as it was operative under the erstwhile CDA Rules.
- (3) Save as otherwise provided, these rules shall apply to every person appointed to any post under National Insurance Company Limited, including officials posted on transfer from The New India Assurance Company Limited, the Oriental Insurance Company Limited, United India Insurance Company Limited, General Insurance Corporation of India and Agriculture Insurance Company Limited.
- (4) These Rules shall also apply to a person governed by General Insurance (Employees') Pension Scheme 1995 to the extent provided under the said Scheme.

### 2. Definitions :-

- (a) 'Act' means the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972) and subsequent amendments thereto.
- (b) 'Appellate or Appointing or Disciplinary or Memorial Authority' means the authorities specified in the Schedule – A, appended to these rules.
- (c) 'Board or Board of Directors' means the Board of the Company including the Directors of the Board .
- (d) 'CMD' means the Chairman-cum-Managing Director of the Company.
- (e) 'Company' means National Insurance Company Ltd.
- (f) 'Competent Authority' shall ordinarily mean the Superior Authority to whom the employee reports.
- (g) 'Employee' means any employee of the Company other than the casual, work-charged or

contingent staff.

(h) 'Family' in relation to an employee includes :

(i) the wife or husband, as the case may be of the employee, whether residing with him or not but does not include a wife or husband, as the case may be, separated from the employee by a decree or order of a competent court.

(ii) sons or daughters or step-sons or step-daughters of the employee and wholly dependent on him, but does not include a child or stepchild who is no longer in any way dependent on the employee or of whose custody the employee has been deprived by or under any law.

(iii) any other person related, whether by blood or marriage, to the employee or to such employee's wife or husband and wholly dependent on such employee.

(i) 'Board Sub-Committee(HR)' means a sub-committee of Directors of the Board nominated by the Board.

(j) 'Public Servant' shall mean and include a person as mentioned in Section 21 of Indian Penal Code as amended from time to time.

(k) 'Retired Officer' shall mean and include a person who has retired from the services of the Company either voluntarily or on reaching superannuation, including retired officers of other Public Sector Undertaking/Organizations/Government.

(l) 'Sexual Harassment' means sexual harassment as defined under 'the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'.

(m) 'Work Place' means work place as defined under 'the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'.

#### **Explanation :**

The words "he", "him" and "his" wherever appearing in these Rules are to be read as "she", "her" and "her" respectively, in respect of a female employee.

### **3. General :-**

(1) Every employee shall at all times:

(i) maintain absolute integrity ;

(ii) maintain devotion to duty ;

(iii) do nothing which is unbecoming of a public servant;

(iv) conform to and abide by these Rules and shall observe, comply with and obey all orders and directions which may, from time to time, be given to him, in the course of his official duties by any person or persons under whose jurisdiction, superintendence or control he

may, for the time being, be placed;

- (2) Every employee holding a supervisory post shall take all possible steps to ensure the integrity and devotion to duty of all employees for the time being under his control and authority.
- (3) No employee shall, in the performance of his official duties or in the exercise of powers conferred on him, act otherwise than in his best judgment except when he is acting under the direction of his official superior and shall, where he is acting under such direction, obtain the direction in writing, wherever practicable and where it is not practicable to obtain the direction in writing, he shall obtain written confirmation of the direction as soon thereafter as possible.

**Explanation :**

Nothing in sub-rule (3) shall be construed as empowering an employee to evade his responsibility by seeking instructions from, or approval of, superior officer or authority when such instructions are not necessary under the schemes of distribution of powers and responsibilities.

**4. Misconduct :-**

Without prejudice to the generality of the term (Misconduct), the following acts of omission and/or commission shall be treated as misconduct:-

- (1) Theft, fraud or dishonesty in connection with the business or property of the Company of the property of another person within the premises of the Company.
- (2) Taking or giving bribes or any illegal gratification or providing undue favor to anybody at the cost of the Company.
- (3) Possession of pecuniary resources or property disproportionate to the known sources of income by the employee or on his behalf by another person which the employee cannot satisfactorily account for.
- (4) Furnishing false information regarding name, age, Caste, father's name, qualifications, ability or previous service or any other matter germane to the employment at the time of employment or during the course of employment.
- (5) Acting in a manner prejudicial to the interest of the Company.
- (6) Willful insubordination or disobedience, whether or not in combination with others, or any lawful and reasonable order of his superior.
- (7) Absence without leave or over-staying the sanctioned leave for more than four consecutive days without sufficient grounds or proper or satisfactory explanation.
- (8) Habitual late or irregular attendance.
- (9) Neglect of work or negligence in the performance of duty including malingering or slowing down of work.
- (10) Damage to any property of the Company, including interference or tampering with any safety

devices, installed in or around the premises of the Company.

(11) Drunken or riotous or disorderly or indecent behavior in the premises of the Company or outside such premises.

(12) Gambling within the premises of the Establishment.

(13) Collection without the permission of the Competent Authority of any money within the premises of the Company except as sanctioned by any law of the land for the time being in force or rules of the Company.

(14) Sleeping while on duty.

(15) Commission of any act which amounts to a criminal offence involving moral turpitude.

(16) Absence from the employee's appointed place of work without permission or sufficient cause.

(17) Smoking within the premises of the office.

(18) Purchasing properties, machineries, stores etc. from, or selling properties, machineries, stores, etc. to the Company without express permission in writing from the Competent Authority.

(19) Commission of any act subversive of discipline or of good behaviour..

(20.) Abetment of or attempt at abetment of any act which amounts to misconduct.

(21) Sharing of computer password with others without written sanction from the Competent Authority.

(22) Any wrongful/illegal activity committed through the use of Computer/Internet and/or violation of the provisions of the Information Technology Act, 2000 and / or the IT Policy of the Company, as amended from time to time.

(23) Indulging in any act of sexual harassment of any woman at workplace.

(24) Possession of or consuming of or being under the influence of narcotics or drugs of similar nature, in the premises of the Company or outside such premises.

**Note:**

The above instances of misconduct are indicative in nature and not exhaustive.

**5. Scope of an Employee's Service:-**

Unless, in any case, it is otherwise distinctly provided, the whole time of an employee shall be at the disposal of the Company, as the case may be, and he shall serve the Company in its business in such capacity and at such places as he may, from time to time, be directed.

**6. Employees not to seek outside Employment:-**

No employee shall accept, solicit or seek any outside employment or office whether stipendiary or honorary, without the previous sanction of the Competent Authority.

**7. Part-time work:-**

No employee shall undertake part-time work for a private or public body or a private person or accept fees therefor without the sanction of the Competent Authority which shall grant sanction only in exceptional cases when it is satisfied that the work can be undertaken without detriment to his official duties and responsibilities. The Competent Authority may, in cases in which it thinks fit to grant such sanction, stipulate that any fees received by the employee for undertaking the work shall be paid, in whole or part, to the company.

**8. Obligation to maintain Secrecy:-**

No employee shall, while in service or after his retirement, resignation or discharge, except in accordance with any general or special order of his superior officer/s or Company or in performance in good faith, of the duties assigned to him, communicate directly or indirectly any official document or information to any employee/s or any other person/s to whom he is not authorized to communicate such document or information.

**9. Evidence before Committee or any other authority:-**

(1) Save as provided in sub-rule (3) below, no employee shall, except with the previous sanction of the Competent Authority, give evidence in connection with any inquiry conducted by any person, Committee or Authority.

(2) Where any sanction has been accorded under sub-rule (1), no employee giving such evidence shall criticize the policy or any action of the Company or of the Government.

(3) Nothing in this shall apply to :

(a) evidence given to an inquiry before an authority appointed by the Government, by Parliament, or by a State Legislature, or Company ; or

(b) evidence given in any judicial inquiry ; or

(c) evidence given at any departmental inquiry ordered by the Company or by any authority subordinate to it or by the Government.

**10. Prohibition against participation in politics and contesting for Election by filing for nomination:-**

(1) It shall be the duty of every employee to endeavour to prevent any member of his family from taking part in, subscribing in aid of or assisting in any other manner, any movement which is or tends directly or indirectly to be subversive of the company or of the Government as by law established, and where an employee is unable to prevent a member of his family from taking part in, or subscribing in aid of, or assisting in any other manner, any such movement or activity, he shall make a report to that effect to the Company as the case may be.

- (2) If any question arises whether any movement or activity falls within the scope of this rule, the decision of the Company thereon shall be final.
- (3) No employee shall take part in any election to any legislature or local authority.

Provided that

- (i) An employee qualified to vote at such election may exercise his right to vote, but where he does so, he shall give no indication of the manner in which he proposes to vote or has voted.
- (ii) An employee shall not be deemed to have contravened the provisions of this rule by reason only that he assists in the conduct of an election in the due performance of a duty imposed on him by or under any law for the time being in force.

### **Explanation**

The display by an employee on his personal vehicle or residence, of any electoral symbol shall amount to using his influence in connection with an election within the meaning of any sub rule.

### **11. Participation in Demonstration:-**

No employee of the Company shall engage himself or participate in any demonstration which involves incitement to an offence nor shall he resort to or abet any form of strike.

### **12. Connection with Press and Radio:-**

- (1) No employee shall except with the previous sanction of the Company, own wholly or in part, or conduct or participate in the editing or managing of any newspaper or other periodical publication.
- (2) No employee shall, except with the previous sanction of the Company or any other Authority empowered in this behalf, or in the bonafide discharge of his duties, participate in a Radio broadcast or contribute any article or write any letter anonymously, pseudonymously or in his own name or in the name of other person to any newspaper or periodical.

Provided that no such sanction shall be required if such broadcast or such contribution is occasional or is of a purely literary, artistic or scientific character.

Provided further that this rule will not apply to any statements to the press made by office-bearers of a registered Trade Union of the employees in any matter which is of the nature of a trade dispute and does not contravene the provisions of rule 8.

### **13. Acceptance of Gifts:-**

- (1) Save as otherwise provided in these Rules, :-
  - (i) An employee of the Company shall avoid acceptance of lavish gifts and / or frequent hospitality from any individual or firm having official dealings with him;
  - (ii) No employee of the Company shall accept or permit any member of his family or any person



acting on his behalf to accept any gift;

**Explanation:**

The expression 'gift' shall include free transport, board, lodging or other service or any other pecuniary advantage when provided by any person other than a near relative or a personal friend having no official dealings with the employee'.

- (2) On occasions such as weddings, anniversaries, funerals or religious functions when the making of gifts is in conformity with the prevailing religious or social practice, an employee of the Company may accept gifts from his near relatives but he shall make a report to the Competent Authority if the value of the gift exceeds Rs.10,000/-.
- (3) On such occasions as are specified in sub-rule (2) above, an employee of the Company may accept gifts from his personal friends having no official dealings with him but he shall make report to the Competent Authority if the value of any such gifts exceeds Rs.7,000/-.
- (4) In any other case, an employee of the Company shall not accept any gifts without the sanction of the Competent Authority if the value thereof exceeds Rs.5,000/-.

Provided that when more than one gift has been received from the same person / firm within a period 12 months the matter shall be reported to the Competent Authority if the aggregate value of the gifts exceeds Rs.5,000/-.

**14. Private Trading:-**

- (1) No employee shall act as an insurance agent, nor shall he allow any member of his family to act as an insurance agent.
- (2) No employee shall except with the previous sanction of the Company, engage directly or indirectly in any trade, business, or profession.
- (3) No employee shall canvass in support of any business, trade, commission agency etc. owned or managed by his spouse or any other member of his family.
- (4) No employee shall without the previous sanction of the Company except in the discharge of his official duties, take part in the registration, promotion or management of any bank or other Company which is required to be registered under the Company's Act, 1956 or any other law for the time being in force or any Co-operative Society for commercial purposes.

Provided that an employee may take part in registration, promotion or management of a Cooperative Society, substantially for the benefit of employees, registered under the Cooperative Society's Act, 1912 or any other law for the time being in force **or any non-commercial, non-profit making institution, organization or body of cultural, social, educational or philanthropic nature.**

**15. Speculating in Stocks, Shares etc.:-**

No employee shall speculate in any stock, share or other investment.

**Explanation:**

Frequent purchase and sale of stock, shares, securities or other investment shall be deemed to be speculation within the meaning of this rule.

#### **16. Restriction on Borrowing and Investments:-**

No employee shall, save in the ordinary course of business with a bank or a public limited company, either himself or through any member of his family or any other person acting on his behalf :

- (a) lend or borrow or deposit money, as a principal or an agent, to or from, or with any person or firm of private limited company within the local limits of his authority or with whom he is likely to have official dealings or otherwise place himself under any pecuniary obligation to such person or firm or private limited company.
- (b) lend money to any person at interest or in a manner whereby return in money or in kind is charged or paid ;

Provided that an employee may, give to, or accept from, a relative or a personal friend, a purely temporary loan of a small amount free of interest, or operate a credit account with a bonafide tradesman or make an advance of pay to his private employee.

Provided further that nothing in this sub-rule shall apply in respect of any transaction entered into by an employee with the previous sanction of the Company.

#### **16 A. Submission of Property Returns:-**

- (1) Every employee shall submit a return of his/her Assets & Liabilities in the form of Property Returns in the prescribed format, giving full particulars regarding :
  - (a) The immovable property inherited, owned or acquired by him or held by him either in his own name or in the name of any other person, solely or jointly.
  - (b) Shares, Debentures and Cash including Bank Deposits inherited by him or similarly owned, acquired or held by him.
  - (c) Other movable property inherited by him similarly owned, acquired or held by him if the value of such property exceeds two months Basic Salary.
  - (d) Debts and other Liabilities incurred by him directly or indirectly.
- (2) Every employee shall submit to the Competent Authority an Annual return referred to in sub-rule (1) above before a date as may be prescribed by the Competent Authority.
- (3) Every employee shall thereafter submit to Competent Authority an Annual return of immovable property acquired by him either in his own name or in the name of any member of his family, solely or jointly during the year. The Annual Return shall be submitted by 30th April each year for the period ending 31st March immediately preceding.
- (4) No employee shall, except with the previous sanction of Competent Authority, enter into any

transactions concerning any immovable or movable property with a person or firm having official dealings with the employee concerned or his subordinate/ (s).

- (5) No employee shall except with the previous knowledge of the Competent Authority, acquire or dispose of any immovable property by lease, mortgage, purchase, sale, gift or otherwise, either in his own name or in the name of any member of his family.
- (6) Every employee shall report in the prescribed format to the Competent Authority all transactions concerning movable property owned by him in his own name or in the name of a member of his family if the value of such movable property exceeds two months Basic Salary. Such returns shall be furnished within 30 days of the transactions.
- (7) The Competent Authority may, at any time, require an employee to submit within a period to be specified a full and complete statement of immovable or movable property held or acquired by him/her or on his/her behalf by any member of his/her family including details of the means by which or the sources from which such property was acquired.

#### **17. Employees in debt:-**

An employee shall so manage his private affairs as to avoid habitual indebtedness or insolvency. An employee who is in debt shall furnish to the Competent Authority a signed statement of his position half-yearly on the **31 March and 30 September**, and shall indicate in a statement the steps he is taking to rectify his position. An employee who makes false statement under this rule or fails to submit the prescribed statement or appears unable to liquidate his debts within a reasonable time or applies for the protection of an insolvency court, shall be liable to disciplinary action.

#### **Explanation**

- (1) For the purpose of this rule an employee shall be deemed to be in debt if his total liabilities exclusive of those which are fully secured or those taken from the Employee's Co-operative Credit Society exceeds his salary for six months.
- (2) An employee shall be deemed to be unable to liquidate his debts within a reasonable time if it appears, having regard to his personal resource and unavoidable current expenses, that he will not cease to be in debt within a period of three years.

#### **18. Employees not to be absent from Duty without permission or be late in Attendance:-**

- (1) An Employee shall not absent himself from his duties without having obtained the permission of the Competent Authority, nor shall he absent himself in case of sickness or accident without submitting a medical certificate satisfactory to the Competent Authority.

Provided that in case of an emergency an employee may be allowed to avail of one day's casual leave without prior sanction, subject to the condition that the Competent Authority is promptly advised of the circumstances in which prior sanction could not be obtained.

- (2) An Employee who absents himself from duty without leave or overstays his leave shall not be entitled to draw any pay or allowance during such absence or overstay and shall further be liable to

such disciplinary measures as the Competent Authority may deem necessary. Provided, however, that the Competent Authority may treat such period of absence or overstay, if not followed by termination of service, as period spent on Casual Leave, Earned Leave, Sick Leave or Leave on Loss of Pay, but the employee shall not be entitled as of right to such treatment.

Provided further that Competent Authority may treat such absence or overstay as period spent on Leave on Loss of Pay, irrespective of whether the employee has any other leave to his credit or not.

#### **19. Absence from Station:-**

No employee shall absent himself from his station overnight, without the prior sanction of the Competent Authority.

#### **20. Suspension:-**

- (1) **The Appropriate Authority** may place an employee under suspension
  - (a) Where a disciplinary proceeding against him is contemplated or is pending ; or
  - (b) Where a case against him in respect of any criminal offence is under investigation or trial.
- (2) An employee who is detained in custody, whether on a criminal charge or otherwise, for a period exceeding 48 hours shall be deemed to have been suspended with effect from the date of detention, by an order of the Appropriate Authority and shall remain under suspension until further orders.
- (3) Where a penalty of dismissal, removal or compulsory retirement from service imposed upon an employee under suspension, is set aside on appeal or on review under these rules and the case is remitted for further inquiry or action or with any other directions, the order of his suspension shall be deemed to have continued to be in force on and from the date of the original order of dismissal, removal or compulsory retirement and shall remain in force until further orders.
- (4) Where a penalty of dismissal, removal or compulsory retirement from service imposed upon an employee is set aside or declared or rendered void in consequence of or by a decision of a court of law and the Competent Authority, on consideration of the circumstances of the case, decides to hold a further inquiry against him on the allegations on which the penalty of dismissal, removal or compulsory retirement was originally imposed, the employee shall be deemed to have been placed under suspension by the Appropriate Authority from date of the original order of Dismissal, Removal or Compulsory Retirement and shall continue to remain under suspension until further orders.
- (5) An order of suspension made or deemed to have been made under this rule may at any time be revoked by the Authority which made or is deemed to have made the order or by any authority to which that authority is subordinate.

#### **Note:**

Review of suspension order may be made by the Competent Authority at least once in three

months, who may take appropriate decision for consideration of revocation of suspension or payment appropriate subsistence allowance on merits.

## 21. Subsistence Allowance:-

- (1) An employee under suspension shall be entitled to draw Subsistence Allowance equal to 50% of the monthly/gross emoluments (comprising of basic salary, dearness allowance, city compensatory allowance, house rent allowance, hill station allowance, qualification pay, personal pay, special pay and deputation allowance) drawn on the date immediately prior to the date on which the employee is suspended.
- (2) Where the period of suspension exceeds six months, the authority which made or is deemed to have made the order of suspension shall be competent to vary the amount of Subsistence Allowance for any period subsequent to the period of the first six months as follows:-
  - (i) The amount of subsistence Allowance may be increased to 75% of the monthly gross emoluments (Comprising of basic salary, dearness allowance, city compensatory allowance, house rent allowance, hill station allowance, qualification pay, personal pay, special pay and deputation allowance) drawn on the date prior to the date on which the employee is suspended, if in the opinion of the said authority, the period of suspension has been prolonged due to the reasons to be recorded in writing, not directly attributable to the employee under suspension. **However, the suspended employee shall not have a right to claim for increase in subsistence allowance immediately after completion of 6 months.**
  - (ii) The amount of Subsistence Allowance may be reduced to 25% of the monthly gross emoluments (comprising of basic salary, dearness allowance, city compensatory allowance, house rent allowance, hill station allowance, qualification pay, personal pay and deputation allowance) drawn on the date prior of the date on which the employee is suspended, if in the opinion of the said authority, the period of suspension has been prolonged due to the reasons to be recorded in writing, directly attributable to the employee under suspension.
- (3) If an employee is arrested by the Police on a criminal charge and bail is not granted, no Subsistence Allowance is payable. On grant of bail, if the Appropriate Authority decides to continue the suspension, the employee shall be entitled to Subsistence Allowance from the date he is granted bail.

### Note:

For Rules 20 and 21, the "Appropriate Authority" shall be the authority competent to impose a major penalty on the concerned employee as specified in the Schedule provided that the Appropriate Authority, in case of Assistant, Record Clerk, Sub-Staff and equivalent cadres, shall be the head of concerned office or department.

## 22. Treatment of the period of suspension:-

When the suspension of an employee is held to be unjustified or not wholly justified, or when an employee who has been dismissed, removed or suspended is reinstated, the Competent Authority,

whose decision shall be final, may grant to him for the period of his absence from duty:

- (a) If he is honorably acquitted, the full pay and allowances which he would have been entitled to if he had not been dismissed, removed or suspended, less the subsistence allowance ;
- (b) If otherwise, such proportion of pay and allowances as the Competent Authority may prescribe.

In a case falling under clause (a), the period of absence from duty will be treated as period spent on duty. In a case falling under clause (b), the period of absence shall not be treated as period spent on duty, but the Competent Authority may, at its discretion, grant leave for the period to the extent admissible to the employee under the rules. Any period of absence which has not been treated as period spent on duty or on leave shall not count as service for any purpose under these rules but will not constitute break in service.

No order passed under this rule shall have the effect of compelling any employee to refund the subsistence allowance payable under rule 21.

### **23. Penalties:-**

Without prejudice to the provision of other rules, any one or more of the following penalties for good and sufficient reasons, and as herein after provided, be imposed by the Disciplinary Authority on an employee who commits a breach of discipline, or who is guilty of any other act prejudicial to good conduct:

#### **Minor Penalties**

- (a) Censure.
- (b) Withholding of one or more increments for a specified period.
- (c) Recovery of the whole or part of any pecuniary loss caused to the Company by negligence or breach of orders from pay or such other amount as may be due to him.
- (d) Reduction to a lower stage in the time-scale for a period not exceeding three years without cumulative effect.

#### **Major Penalties**

- (e) Withholding of one or more increments permanently.
- (f) Reduction to a lower service or post or to a lower time-scale or to a lower stage in a time-scale.
- (g) Compulsory retirement.
- (h) Removal from service which shall not be a disqualification for future employment.
- (i) Dismissal which shall ordinarily be a disqualification for future employment.

#### **Explanation**

The following shall not amount to a penalty within meaning of this rule :-

- (i) withholding of increment of an employee on account of his/her work being found unsatisfactory or not being of the required standard, or for failure to pass a prescribed test or examination
- (ii) stoppage of an employee at the efficiency bar in a time-scale, on the ground of his unfitness to cross the bar ;
- (iii) non-promotion, whether in an officiating capacity or otherwise, of an employee, to a higher post for which he/she may be eligible for consideration but for which he is found unsuitable after consideration of his/her case ;
- (iv) reversion to a lower grade or post, of an employee officiating in a higher grade or post, on the ground that he/she is considered, after trial, to be unsuitable for such higher grade or post, or on administrative grounds unconnected with his / her conduct ;
- (v) reversion to his/her previous grade or post of an employee appointed on probation to another grade or post, during or at the end of the period of probation, in accordance with the terms of his/her appointment ;
- (vi) Termination of Service
  - (a) of an employee appointed on probation, during or at the end of the period of probation, in accordance with the terms of his appointment ;
  - (b) of an employee appointed in a temporary capacity otherwise than under a contract or agreement, on the expiration of the period for which he was appointed, or earlier in accordance with the terms of his appointment ;
  - (c) of an employee appointed under a contract or agreement, in accordance with the terms of such contract or agreement ; and
  - (d) of any employee on reduction of establishment.

#### **24. Disciplinary Authority:-**

The Disciplinary Authority, as specified in these Rules or in the Schedule or any authority higher than it may impose any of the penalties specified in Rule 23 on any employee.

#### **25. Procedure for Imposing major Penalties:-**

- (1) No order imposing any of the major penalties specified in Clauses (e), (f), (g), (h) and (i) of Rule 23 shall be made except after any inquiry is held in accordance with this rule.
- (2) Whenever the Disciplinary Authority is of the opinion that there are grounds for inquiring into



the truth of any imputation or misconduct or misbehavior against an employee, it may itself inquire into or appoint a retired Officer or any Public Servant (hereinafter called the inquiring Authority) to inquire into the truth thereof.

- (3) Where it is proposed to hold an inquiry, the Disciplinary Authority shall frame definite charges on the basis of the allegations against the employee. The charges together with a statement of the allegations, on which they are based, a list of documents by which and a list of witness by whom, the articles of charge are proposed to be substantiated, shall be communicated in writing to the employee, who shall be required to submit within such time as may be specified by the Disciplinary Authority (not exceeding 15 days), a written statement whether he admits or denies any of or all the Articles of Charge.

Provided where departmental action has been initiated by framing of charge sheet and the same is pending & continuing on the date of retirement or superannuation of an employee, the departmental inquiry shall not be deemed to be concluded on exit from the Company due to retirement or superannuation of an employee and shall be continuing as if the employee continues in service. However, continuation of departmental inquiry under this rule shall not give *per se* right for extension of services beyond retirement age or age of superannuation prescribed under service rules. Provided further where departmental inquiry is continuing/pending after retirement, the same shall be concluded within three months of retirement or superannuation of the employee. However, any departmental inquiry cannot *ipso-facto* be deemed to be concluded on expiry of three months of time from retirement/superannuation.

- (4) On receipt of the written statement of the employee, or if no such statement is received within the time specified, an enquiry may be held by the Disciplinary Authority itself, or a Retired Officer or by any Public Servant appointed as an Inquiring Authority under sub-clause (2).

Provided that it may not be necessary to hold an inquiry in respect of the charges admitted by the employee in his written statement. The Disciplinary or Inquiring Authority shall however, record its finding on each such charge.

- (5) Where the disciplinary authority itself inquires or appoints an inquiring authority for holding an inquiry it may, by an order appoint any Public Servant to be known as "Presenting Officer" to present on its behalf the case in support of the articles of charge.

However, Officers are not to be appointed as Inquiring Authority and Presenting Officers against whom disciplinary proceedings are pending. The Inquiring Authority should always be one step higher than the Presenting Officers.

- (6) The employee may take the assistance of any other employee of the company but may not engage a legal practitioner for the purpose. In case, the Presenting Officer appointed by the DA is a legal practitioner, the DA may also be allowed a legal practitioner as Defence Assistant. However, employees from other organizations, including PSGICs, cannot act as Defence Assistant in any disciplinary proceedings initiated against any employee of the Company.



No employee while on duty shall act as Defence Assistant in any disciplinary proceedings conducted outside the Regional Office where he is posted; nor shall he act as a Defence Assistant in more than two cases at a time. However, this rule does not apply in the cases where more than one Regional Office is situated in the same city and selection of Defence Assistant is made from the same city but from a different Regional Office within the city. An employee acting as Defence Assistant in breach of this rule shall not be entitled to any TA/DA in connection with the disciplinary proceeding.

- (7) On the date fixed by the inquiring authority, the employee shall appear before the inquiring authority at the time, place and date specified in the notice. The inquiring authority shall ask the employee whether he pleads guilty or has any defence to make and if he pleads guilty to any of the articles of charge, the inquiring authority shall record the plea, sign the record and obtain the signature of the employee concerned thereon. The inquiring authority shall return a finding of guilty in respect of those articles of charge to which the employee concerned pleads guilty.
- (8) If the employee does not plead guilty, the inquiring authority shall adjourn the case to later date not exceeding 30 days, after recording an order that the employee may, for the purpose of preparing his defence :
- (i) inspect the documents listed with the charge-sheet ;
  - (ii) submit a list of additional documents and witness that he wants to examine ; and
  - (iii) be supplied with the copies of statements of witness, if any listed in the charge-sheet

**Note:** Relevancy of the additional documents and the witness referred to in sub-clause (8) (ii) above will have to be given by the employee concerned and the documents and the witnesses shall be summoned if the inquiring authority is satisfied about their relevance to the charges under enquiry.

- (9) The inquiry authority shall ask the authority in whose custody or possession the documents are kept, for the production of the documents on such date as may be specified.
- (10) The authority in whose custody or possession the requisitioned documents are available, shall arrange to produce the same before the inquiring authority on the date, place and time specified in the requisition notice.

Provided that the authority having the custody or possession of the requisitioned documents may claim privilege, if the production of such documents will be against the public interest or the interest of the Company. In that event, it shall inform the inquiring authority accordingly.

- (11) On the date fixed for the inquiry, the oral and documentary evidence by which the articles of charge are proposed to be proved shall be produced by or on behalf of the Disciplinary Authority. The witnesses shall be examined by or on behalf of the Presenting Officer and may be cross-examined by or on behalf of the employee. The presenting officer shall be entitled to

- re-examine the witnesses on any points on which they have been cross-examined, but not on a new matter, without the leave of the Inquiring Authority. The Inquiring Authority may also put such questions to the witnesses as it thinks fit.
- (12) Before the close of the prosecution case, the inquiring authority may, in its discretion, allow the presenting officer to produce evidence not included in the charge-sheet or may itself call for new evidence or recall or re-examine any witness. In such case, the employee shall be given opportunity to inspect the documentary evidence before it is taken on record; or to cross-examine a witness, who has been so summoned.
- (13) When the case for the Disciplinary Authority is closed, the employee may be required to state his defence, orally or in writing, as he may prefer. If the defence is made orally, it shall be recorded and the employee shall be required to sign the record. In either case, a copy of the statement of defence shall be given to the Presenting Officer, if any, appointed.
- (14) The evidence on behalf of the employee shall then be produced, the employee may examine himself in his own behalf if he so prefers. The witnesses produced by the employee shall then be examined and shall be liable to cross-examination, re-examination and examination by the inquiring authority according to the provision applicable to the witnesses for the Disciplinary Authority.
- (15) The inquiring authority may, after the employee closes his case, and shall, if the employee has not examined himself, generally question him on the circumstances appearing against him in the evidence for the purpose of enabling the employee to explain any circumstances appearing in the evidence against him.
- (16) After the completion of the production of the evidence, the employee and the Presenting Officer may file written briefs of their respective cases within 15 days of the date of completion of the production of evidence.
- (17) If the employee does not submit the written statement of defence referred to in sub-rule (3) on or before the date specified for the purpose or does not appear in person, or through the assisting officer or otherwise fails or refuses to comply with any of the provision of these rules, the inquiring authority may hold the inquiry ex-parte.
- (18) Whenever any inquiring authority, after having heard and recorded the whole or any part of the evidence in an inquiry, ceases to exercise jurisdiction therein, and is succeeded by another inquiring authority which has, and which exercises, such jurisdiction, the inquiring authority so succeeding may act on the evidence so recorded by its predecessor, or partly recorded by its predecessor and partly recorded by itself.

Provided that if the succeeding inquiring authority is of the opinion that further examination of any of the witnesses whose evidence has already been recorded is necessary in the interest of justice, it may recall, examine, cross-examine and re-examine any such witnesses as hereinbefore provided.

- (19) (i) After the conclusion of the inquiry, report shall be prepared and it shall contain :
- (a) a gist of the article of charge and the statement of the imputations of misconduct or misbehavior;
  - (b) a gist of the defence of the employee in respect of each article of charge ;
  - (c) an assessment of the evidence in respect of each articles of charge ;
  - (d) the findings on each article of charge and reason there for.

**Explanation:**

If in the opinion of the inquiring authority the proceedings of the inquiry establish any article of charge different from the original article of the charge, it may record its findings on such article of charge.

Provided that the findings on such article of charge shall not be recorded unless the employee has either admitted the facts on which such article of charge is based or has had a reasonable opportunity of defending himself against such article of charge.

- (ii) The inquiring authority, where it is not itself the Disciplinary Authority shall forward to the Disciplinary Authority the records of inquiry which shall include:
- (a) the report of the inquiry prepared by it under sub-clause (1) above
  - (b) the written statement of evidence, if any, submitted by the employee referred to in sub-rule(13) ;
  - (c) the oral and documentary evidence produced in the course of the inquiry ;
  - (d) written briefs referred to in sub-rule (16), if any ; and
  - (e) the orders, if any, made by the Disciplinary Authority and the inquiring authority in regard to the inquiry.

**26. Action on the inquiry report:-**

- (1) The Disciplinary Authority, if it is not itself the inquiry authority, may, for reasons to be recorded by it in writing, remit the case to the inquiring authority for fresh or further inquiry and report and the inquiring authority shall thereupon proceed to hold the further inquiry according to the provisions of rule 25 as far as practicable.

It is obligatory on the part of the Disciplinary Authority to furnish a copy of the Inquiry Report to the delinquent employee inviting his representation on the findings of the Inquiry Officer where the charges against the employees have been proved. The time period for forwarding observation by the charged employee should normally be limited to 15 days of the receipt of

the inquiry report.

- (2) The Disciplinary Authority shall, if it disagrees with the findings of the inquiring authority on any article of charge, record its reasons for such disagreement and record its own findings on such charges, if the evidence on record is sufficient for the purpose.
- (3) If the Disciplinary Authority having regard to its findings on all or any of the article of charge is of the opinion that any of the penalties specified in rule 23 should be imposed on the employee, it shall, notwithstanding anything contained in rule 27 make order imposing such penalty.
- (4) If the Disciplinary Authority having regard to its findings on all or any of the articles of charge is of the opinion that no penalty is called for, it may pass an order exonerating the employee concerned.

#### **27. Procedure for imposing minor penalties:-**

- (1) Where it is proposed to impose any of the minor penalties specified in clauses (a) to (e) of rule 23, the employee concerned shall be informed in writing of the imputation of misconduct or misbehavior against him/her and given an opportunity to submit his/her written statement of defence within a specified period not exceeding 15 days. The defence statement, if any, submitted by the employee shall be taken into consideration by the Disciplinary Authority before passing orders.
- (2) The record of the proceeding shall include:
  - (i) a copy of the statement of imputations of misconduct or misbehavior delivered to the employee;
  - (ii) his/her defence statement, if any, and
  - (iii) the orders of the Disciplinary Authority together with the reasons there for.

#### **28. Communication of orders:-**

Orders made by the Disciplinary Authority under Rule 26 or Rule 27 shall be communicated to the employee, who shall also be supplied with a copy of the Report of Inquiry, if any.

All communications under Rules 23, 24, 25, 26 and 27 and copies of orders passed there under may be delivered personally to the employee if he/she is attending the office; otherwise they shall be sent by registered post to the address noted in the service record. Where such communications or copies of orders cannot be served on him/her personally or by registered post, copies thereof shall be affixed on the notice board of the office in which the employee is employed, and on such affixing, such communications and orders shall be deemed to have been properly served on him.

#### **29. Common proceedings:-**

Where two or more employees are concerned in a case, the authority competent to impose a major penalty on the employee of the **highest cadre**, may make an order directing that disciplinary proceedings against all of them may be taken in a common proceeding and the specified authority may function as the Disciplinary Authority for the purpose of such common proceedings.

### 30. Special procedure in certain cases:-

Notwithstanding anything contained in Rule 25 or 26 or 27, the Disciplinary Authority may impose any of the penalties specified in Rule 23 in any of the following circumstances:

- (i) The employee has been convicted on a criminal charge, or on the strength of facts or conclusions arrived at by a judicial trial, the Disciplinary Authority may order appropriate penalty on an employee who has been convicted in a criminal court, without holding any inquiry in any form.
- (ii) Where the Disciplinary Authority is satisfied for reasons to be recorded by it in writing that it is not reasonably practicable to hold an inquiry in the manner provided in these rules
- (iii) Where the Disciplinary Authority is satisfied that in the interest of the security of the Company, it is not expedient to hold any inquiry in the manner provided in these rules.
- (iv) Where an employee has abandoned his post, the Disciplinary Authority may consider the circumstances of the case and pass such orders thereon as it deems fit.

#### Explanation :

For the purpose of this rule, an employee shall be deemed to have abandoned his post if he absents himself from duty without leave or overstays his leave for a continuous period of 90 days without any intimation there for in writing.

### 31. Right of Appeal:-

Every employee shall have a right of appeal to the Appellate Authority against an order imposing upon him any of the penalties specified under Rule 23. An appeal against an order of suspension passed under Rule 20 shall be on the authority to which the authority which made or is deemed to have made the order of suspension is immediately subordinate. Notwithstanding anything contained in this rule and subject to the provisions of the act and the Rules framed there under, no appeal shall lie against an order made by the Company under Rule 20 or Rule 23.

### 32. Period of Limitation for Appeals:-

No appeal under these rules shall be entertained unless it is submitted within a period of three months from the date on which the appellant receives a copy of the order appealed against.

### 33. Form and Contents of Appeal:-

- (1) Every person submitting an appeal shall do so separately and in his own Name.

- (2) The appeal shall be addressed to the authority to whom the appeal lies, shall contain all material statements and arguments on which the appellant relies, shall not contain any disrespectful or improper language and shall be complete in itself.

#### **34. Submission of Appeal:-**

- (1) Every appeal shall be submitted through the authority which made the order appealed against.

Provided further that a copy of the appeal may be submitted direct to the Appellate Authority.

#### **35. Withholding of Appeals:-**

- (1) The authority which made the order appealed against may withhold the appeal if :
  - (i) it does not comply with any of the provisions of Rule 33 ; or
  - (ii) it is not submitted within the period specified in Rule 32 and no cause is shown for the delay ; or
  - (iii) it is a repetition of an appeal already decided and no new facts of circumstances are adduced.

Provided that an appeal withheld under this sub-rule shall be returned to the appellant and if resubmitted within one month thereof after complying with the provisions of Rule 33 shall not be withheld.

- (2) Where an appeal is withheld, the appellant shall be informed of the facts and the reasons therefor.
- (3) At the commencement of each quarter, a list of the appeals withheld by any authority during the previous quarter, together with the reasons for withholding them, shall be furnished by that Authority to the Appellate Authority.

#### **36. Transmission of Appeals:-**

- (1) The authority which made the order appealed against shall, without any avoidable delay, transmit to the appellate authority every appeal which is not withheld under rule 35 together with its comments thereon and the relevant records.
- (2) The authority to which the appeal lies may direct transmission to it of any appeal withheld under Rule 35 and thereupon such appeal shall be transmitted to that authority together with the comments of the authority withholding the appeal and relevant records.

#### **37. Consideration of Appeals:-**

- (1) In the case of an appeal against an order of suspension, the appellate authority shall consider whether in the light of the provisions of Rule 20 and having regard to the

circumstances of the case, the order of suspension is justified or not and confirm or revoke the order accordingly.

- (2) In the case of an appeal against an order imposing any of the penalties specified in Rule 23, the appellate authority shall consider:
- (a) Whether the procedure prescribed in these Rules has been complied with, and if not, whether such non-compliance has resulted in failure of justice ;
  - (b) Whether the findings are justified ; and
  - (c) Whether the penalty imposed is excessive, adequate, or inadequate, and pass orders :
    - (i) setting aside, reducing, confirming or enhancing the penalty ; or
    - (ii) remitting the case to the authority which imposed the penalty or to any other authority with such direction as it may deem fit in the circumstances of the case.

Provided that :

- (i) the appellate authority shall not impose any enhanced penalty which neither such authority nor the authority which made the order appealed against is competent in the case to impose;
  - (ii) no order imposing an enhanced penalty shall be passed unless the appellant is given an opportunity of making any representation which he may wish to make against such enhanced penalty ; and
  - (iii) If the enhanced penalty which the appellate authority proposes to impose is one of the penalties in clause (b) to (i) of Rule 23, and an inquiry under the said rule has not already been held in the case, the appellate authority shall itself hold such inquiry or direct that such inquiry be held and thereafter on consideration of the proceedings of such inquiry and after giving the appellant an opportunity of making any representation which he may wish to make against such penalty, pass such orders as it may deem fit.
- (3) All appeals should be disposed of as expeditiously as possible and in any event not later than 6 months from the date of receipt of the appeal by the Appellate Authority.

### **38. Appeal against Other Orders:-**

- (1) An employee may appeal against an order which :
- (a) denies or varies to his disadvantage his salary or other conditions of service as regulated by any orders, regulations, rules or agreement ; or
  - (b) interpret to his disadvantage the provisions of such orders, regulations, rules or agreements, to the Company if the order is passed by the authority which made the



orders or regulations or rules or agreements, as the case may be, or by any authority to which such authority is subordinate, and to the authority which made such orders or regulations or rules or agreements if the order is passed by any other authority.

(2) An appeal against an order :

- (a) stopping an employee of the efficiency bar in the time scale on the ground of his unfitness to cross the bar;
- (b) determining the salary and allowance for the period of suspension to be paid to an employee on his reinstatement or determining whether or not such period shall be treated as period spent on duty for any purpose, shall lie to the authority to whom an appeal against an order imposing upon him the penalty of dismissal from service would lie.

(3) In the case of an appeal under this rule, the appellate authority shall consider all the circumstances of the case and pass such orders as it deems just and equitable.

### 39. Review:-

(1) Notwithstanding anything contained in these Rules, the Company may, on its own motion or otherwise, after calling for the records of the case, review any order which is made or appealable under these Rules, and

- (a) confirm, modify or set aside the order;
- (b) impose any penalty or set aside, reduce, confirm or enhance the penalty imposed by the order;
- (c) remit the case to the authority which made the order or to any other authority directing such further action or inquiry as it considers proper in the circumstances of the case ; or
- (d) pass such other orders as it deems fit.

Provided that an order imposing or enhancing a penalty shall not be passed unless the person concerned has been given an opportunity of making any representation which he may wish to make against such enhanced penalty.

(2) The authority to which an appeal against an order imposing any of the penalties specified in Rule 23 lies may, of its own motion or otherwise, call for the records of the case in a disciplinary proceeding, review any order passed in such a case and pass such orders as it deems fit, as if the employee had preferred an appeal against such order. Provided that an order imposing or enhancing a penalty shall not be passed unless the person concerned has been given an opportunity of making any representation which he may wish to make against such enhanced penalty.

Provided further that no action under this sub-rule shall be initiated more than six months after the date of the order to be reviewed.



- (3) The CMD may on his own motion or otherwise call for the records of the case of any employee in any proceedings pending before any competent or appellate authority subordinate to him, and remit the case to any authority in any office who, if the employee had been working in that office, would have adequate disciplinary powers to deal with the case, with such direction as the CMD may deem fit in the circumstances of the case with regard to further proceedings in the case.

#### **40. Memorial:-**

An employee whose appeal under these Rules has been rejected by the appellate authority or in whose case such appellate authority has enhanced the penalty either on appeal under Rule 37 or on review under Rule 39(2), may address a Memorial to the appropriate Memorial Authority as per schedule of authorities within a period of 6 months from the date the appellant received a copy of the order of such appellate authority

#### **41. Canvassing non official or outside influence:-**

- (1) No employee shall bring or attempt to bring any political or outside influence to bear upon any superior authority to further his interests in respect of matters pertaining to his service in the company.
- (2) No appeal, petition, memorial shall be addressed by any employee to the members of the Company by name or to any outside authority or an authority not prescribed in these rules.

#### **42. Interpretation:-**

If any question arises relating to the interpretation of these rules, it shall be referred to the Board whose decision thereon shall be final.

#### **43. Amendments:-**

The Board may amend, modify or add to these rules, from time to time, and all such amendments, modifications or additions shall take effect from the date stated therein.

#### **44. Authority to issue administrative instruction:-**

The CMD of the Company may from time to time issue instructions or directions as may be necessary to give effect to and carry out the provisions of these rules and in order to secure effective control over the employees.

## NATIONAL INSURANCE COMPANY (CONDUCT, DISCIPLINE & APPEAL) RULES, 2014

### SCHEDULE - A

#### SCHEDULE OF AUTHORITIES

Category of Employees/Officers	Appointing Authority	Disciplinary Authority	Appellate Authority	Memorial Authority
Sub-Staff/Driver & Equiv. Cadres	An Officer in Scale-IV	An Officer in Scale-II	An Officer in Scale-V	CMD
Record Clerk/ Assistant & Equiv. Cadres	An Officer in Scale-IV	An Officer in Scale-III	An Officer in Scale-V	CMD
Sr. Assistant & Equiv. Cadres / Superintendent / Development Officer	An Officer in Scale-V	An Officer in Scale-IV	An Officer in Scale-VI	CMD
For Officers in Scale I & Scale II	An Officer in Scale-VI	An Officer in Scale-V	An Officer in Scale-VI	CMD
For Officers in Scale-III	An Officer in Scale-VI	An Officer in Scale-VI	An Officer in Scale-VII	CMD
Officers in Scale-IV & V	An Officer in Scale-VII	An Officer in Scale-VII	CMD	Board Sub-Committee (HR)
Officers in Scale- VI & VII	CMD	CMD	Board Sub-Committee (HR)	Board

Notwithstanding the provisions contained in this Schedule, the penalty of removal from service and dismissal shall be awarded by an authority not lower than the Appointing Authority. In such cases, the next higher Authority shall be the Appellate Authority.

## National Insurance Company (Conduct, Discipline & Appeal) Rules, 2014

### ADMINISTRATIVE GUIDELINES/CLARIFICATIONS

1. The CDA rules have been made applicable to all the employees recruited in India, whether posted in India or posted outside India. In matter of employees recruited outside India and posted in the foreign countries, such employees shall be governed by the state of the country in which they are working and the National Insurance Company (Conduct, Discipline and Appeal) Rules, 2014 will be applicable to them.
2. **Permission to contribute articles and/or reports to periodicals and for writing and publishing a book may be granted to the employees subject to the following conditions:-**
  - i). Grant of permission
    - a) The employees shall undertake such work without detriment to their normal duties.
    - b) The employees shall seek previous sanction from the Competent Authority.
    - c) Script shall be approved by the company before it is sent to the publishers for publication. No amendment/alternations/additions shall be made in the approved script without prior permission of the company.
  - ii). Retention of Honorarium

The employee maybe allowed to retain recurring or non recurring fee/honorarium or more than one such fee put together upto an amount of **Rs.20000/-** in one calendar year and where the recurring or non-recurring fee or fees received in one calendar year are in excess of **Rs. 20000/-**, **1/3<sup>rd</sup>** of the total of such fee or fees shall be paid to the Company provided that the total amount of such fee or fees retained by the employee is not reduced below **Rs.20000/-**

#### 1. Permission to participate in Radio and/or Electronic Media programme and retention of honorarium thereof

The permission to participate in Radio and/or Electronic Media programme may be granted to the employees subject to the following conditions:

a) Grant of permission

No employee shall, except with the previous sanction of Company or any other Authority empowered in this behalf or in the bonafide discharge of his duties participate in Radio Broadcasting and/or Electronic Media telecast in any manner whatsoever. The Competent Authority for this purpose is General Manager [P] of the Company. Provided that no such sanction shall be required if such broadcasting and/or telecast is occasional or is of a purely literary, artistic or scientific character.

Permission may be granted subject to the condition that the employee shall undertake such participation without detriment to his normal duties and outside the office hours and does not violate the provisions of Rule 8 of National Insurance Company (Conduct, Discipline and Appeals) Rules, 2014.

b) Retention of honorarium

No employee shall be allowed to retain honorarium if such participation is during office hours and in bonafide discharge of his duties. However, the employee may be allowed to retain recurring or non recurring fees/honorarium or more than one such fee put together up to an amount of **Rs.20000/-** in one calendar year and where the recurring or non recurring fee or fees received in one calendar year are in excess of **Rs.20000/-**, 1/3<sup>rd</sup> of the total of such fee or fees shall be paid to the Company provided that the total amount of such fee or fees retained by the employee is not reduced below **Rs.20000/-**.

### 3.SUSPENSION OF EMPLOYEE(S)

The word 'suspension' refers to that state when any employee is temporarily debarred by the employer, for the time being, from performing his/her official functions/duties or for that matter, enjoying his privileges. Since the employee does not cease to be a public servant, he/she cannot seek outside employment and at the same time his/her office or rank is not lost. He/she continues to be subject to the same discipline as he/she was bound to be before the Suspension.

It must be ascertained that the employee is not gainfully engaged in any other profession during the period of suspension. If necessary an undertaking to this effect should be taken from him before making payment of " Subsistence Allowance".

The deduction which may be effected from "Subsistence Allowances" are given below:

- a) The compulsory deductions like the following are to be made from the subsistence allowance:
- (i) Income-tax / Service Tax;
  - (ii) Fee/Monthly Rent for Residential Accommodation & allied charges, i.e. electricity, water charges etc;
  - (iii) Repayment of Loan & advance taken from the Company ;
  - (iv) Premium for Group Mediciam policy ;
  - (v) Contribution towards GSLIP;
  - (vi) Premium for LIC policies under salary saving scheme.

*(Note: The above listed deductions are illustrative in nature, but not exhaustive)*

**b) No deductions in respect of following items should be made from Subsistence Allowance.**

- i. Subscription towards provident fund
- ii. Amount due under court attachment
- iii. Recovery of any loss which employee may have caused to the Company

(c) As no leave is granted to the employees under suspension, he/she is not entitled to LTS or/and leave encashment during the period of Suspension, inspite of having leave to his credit.

**d) Leaving Head-Quarter during Suspension:**

As the suspended employee is still bound by the regular discipline, he/she cannot leave station without due permission.

**e) Communication of Suspension Order:**

Normally, the suspension orders are supposed to be handed over in person with due acknowledgement. However, in case the employee is not available the order may be sent by Registered Post to his last known address and will be effective from date of receipt thereof. If the suspended employee refuses to accept the Registered Letter, the envelope returned by the Postal Authorities may be retained unopened and a copy of the Order be pasted on the " Notice Board" of his/her office. If whereabouts of the suspended employee are not known, an Advertisement should be placed in local newspapers to this effect.

**f) End of Suspension:**

In case the suspension order specifies the period of suspension, the same comes to an end automatically at the end of that period. If unspecified, then the Appropriate Authority has to specifically pass an Order revoking the suspension. If the employee is still under

suspension at the end of the departmental inquiry then the Appropriate Authority is required to pass an Order either confirming the suspension or revoking the same. It is also the duty of the Appropriate Authority to state what pay & allowances are finally to be given to the employee for the period of suspension. **While revoking suspension of an employee, the Appropriate Authority should also mention as to how the period of suspension is to be treated.**

## 1. Facilities available to charge sheeted employee and the Witness

### A. Charge sheeted employee

- i) Shall be treated as being on duty for the period he spends in participating in the enquiry and also for the period spent in the journey to and from the place of enquiry.
- ii) Shall be paid Travelling Allowance and Halting Allowance as applicable to him as if he is on tour. Provided no travelling allowance or halting allowance will be payable to the charge sheeted employee if the enquiry is held at a place other than his Headquarter expressly at his own request.

### B. Witnesses:

Employee summoned as witness may be allowed TA/DA as applicable and to be treated as being on duty for the days of enquiry.

## 4. TERMINATION UNDER RULE 30(iv) OF THE CDA RULES

The act of employee remaining absent from duty without leave or overstaying the sanctioned leave for a continuous period of 90 days without any intimation in writing, as of now is dealt with by the Competent Authority by taking appropriate action under Rule 30(iv) of CDA Rules.

The Hon'ble Supreme Court of India has decided that no employer can claim the right to automatically terminate the service of an employee who remains absent without leave or overstays the sanctioned leave without affording an opportunity to him (i.e. without issuing charge-memo).

Henceforth, the cases of employees remaining absent or overstaying the sanctioned leave may be dealt with in the same manner as any other misconduct committed by the employees by holding a regular departmental enquiry under Rule 25 of CDA Rules. Even if the employee does not choose to participate in the enquiry, the enquiry proceedings may be held ex-parte and thereafter suitable action may be taken by the Competent Authority.

**5. Limits of Honorarium payable to Inquiry Officer (Retired from the Company).  
Honorarium to the Inquiry Officer/ Presenting Officer (In service)**

Honorarium will be payable to the retired and serving officers functioning as Enquiry/ Presenting Officers as under:-

**Inquiry Officers (Serving officials)**

- Lump-sum Honorarium to the Inquiry Officer – Rs. 5,000/-
- Lump-sum Honorarium to the Presenting Officer –Rs. 4,000/-

**Inquiry Officers (Retired officials)**

- Lump-sum Honorarium to the Inquiry Officer –Rs.10,000/- plus Rs.1,500/- for every additional charged officer (in case of common proceedings) .
- National Insurance Company [CDA] Rules 2014 prohibits appointment of Retired Officials as PO.

- a) The above honorarium is to be paid to the IOs & POs in the event of completion of the case within six months and if not, the serving IOs/POs would not be entitled to receive any honorarium at all. However, for retired Inquiry Officers, the same would be reduced by 50%, provided that the delay is not due to non-cooperation of the charged officer or due to the operation of law, Courts etc.
- b) Except in exigencies, the serving officials from the panel to be allotted only four (4) cases in a year with not more than two(2) cases at a time. The retired officials from the panel to be allotted six (6) cases in a year with not more than two (2) cases at a time.
- c) The full amount of honorarium is to be paid to the concerned officials (IO & PO) subject to completion of the inquiry proceedings and submission of inquiry reports with all other related documents to the Disciplinary Authority
- d) The payment of honorarium of serving IO/PO and retired IO would be borne by the concerned Regional Offices. The TA/DA, if any, in respect of retired officers would be paid as per their entitlement in the post they last held.

**Standard Procedure to be followed in case of Strike/Bandh Etc.**

When a call for Strike/Bandh etc. is given by any Unions/Associations in the Industry or by any other Organisation, Personnel Department has to take the following steps :

1. Notice may be displayed in advance at all Offices that leave of any kind will not be granted for the day of Strike/Bandh and that employees who are absent will be liable for deduction of wages on the principle of 'No Work- No Pay'.
2. Officer-in charge of Offices may be advised not to entertain any applications for leave for that day.
3. Discussions may be held with employees Unions/Associations to impress upon them the need for normal functioning of offices and seek their co-operation. Staff should also be informed that the offices will be kept open on the day of strike and that adequate arrangements have been made for their protection in and around the office premises.
4. A meeting of Regional Officers-In-Charge is to be convened so as to make necessary arrangements for smooth functioning of offices on the day of Strike/Bandh. At places where it is felt that there could be picketing, physical obstructions of employees from entering the office or violent incidents, necessary assistance may be sought from the Police Authorities well in advance for maintaining free ingress and egress to the office and providing adequate protection to employees attending office.
5. Officers In-charge should ensure that they remain in office on the day of strike. Tours outside headquarters may not be undertaken unless specifically approved by Regional/Head Office when considered absolutely unavoidable. In such cases, before proceeding on tour the officer-in-charge should entrust the responsibility of keep the office open on his immediate subordinate officer, who would take all steps necessary for the purpose.

The Officer-in-charge should review all arrangements on the day previous to the strike and also before commencement of office hours on the day of strike to ensure smooth functioning of the office on that day.

### **ACTION TO BE TAKEN IN CASES WHERE EMPLOYEES ARE CONVICTED BY CRIMINAL COURTS**

Special procedure to be followed, in case, employees of our Company have been convicted on a criminal charge, particularly when the Judgement of the Trial Court is challenged in appeal and conviction stayed.

The same has been examined by the Department of Personnel and Training, Government of India, in consultation with the Ministry of Law and the Central Vigilance Commission and the position is clarified as under:



"Legally speaking, when a person is convicted by a Criminal Court, the same shall remain in force until and unless it is reversed or set aside by a Competent Court in Appeal. The mere filing of an Appeal and/or stay of the execution of the sentence do not take away the effect of conviction, unless the Appeal is allowed and the conviction is set aside by the Appellate Court. In the case of Om Prakash Narang vs. Union of India and Ors. (1990) 12 ATC 365, the Full Bench of the CAT held that during pendency of an Appeal in a criminal case, only the sentence is suspended and not the conviction itself. In view of this, the Competent Disciplinary Authority may proceed with the institution/completion of disciplinary proceedings, including imposition of the penalty as prescribed in the relevant disciplinary rules, on the basis of conviction imposed on a public servant by a Criminal Court, notwithstanding the fact that a higher Court on an Appeal filed by the public servant concerned, may order suspension of the "Sentence" passed by the Trial Court till the final disposal of the Appeal."

**14. QUARTERLY REPORT ON PENDING DOMESTIC ENQUIRY CASES .....**

ROs have to maintain a Register for keeping track of pending domestic enquiries. Further they have to send quarterly report to HO in the prescribed format within 10 days of close of Quarter: -

SR. NO	NAM E	EMP . NO.	CADR E	OFFIC E	DATE OF CHARGE MEMO AND DETAILS OF CHARGE S	DATE OF APPOINTMEN T OF IO & PO	DETAILS OF PROCEEDIN G	REMARK S	Date of Retirement

**Annexure**

**Draft Model Chargesheet for**  
**Unauthorised Absence under Rule 30 (IV)**

Mr./Mrs./Km. \_\_\_\_\_  
\_\_\_\_\_

Dear Sir,

1. You have been working at the material time as a -----in the -----  
of the Company's office at -----and are governed by the National  
Insurance Company (Conduct Discipline & Appeal) Rules 2014.

2. You are reported to me highly irregular in attendance and indiscipline in remaining  
absent (frequently) without obtaining either any prior permission for absence or sanction  
of leave or even authorization to remain absent. It has therefore, been decided to initiate  
disciplinary action against you and accordingly you are hereby served with these  
Articles of charges as mentioned in this charge sheet and charged as under:-

A. you have remained unauthorisedly absent without prior permission or sanction of leave  
or intimation thereof for the following periods:

a. From \_\_\_\_\_ to \_\_\_\_\_ for \_\_\_\_\_ days \_\_\_\_\_

b. From \_\_\_\_\_ to \_\_\_\_\_ days \_\_\_\_\_

(A) you were granted leave for absence with/without pay from-----to-----and  
were due to resume duties on-----but you failed and neglected to report for duties  
and have unauthorisedly remained absent without taking any sanction or permission or  
even without intimating of your absence to the office for the following periods:

i). From \_\_\_\_\_ to \_\_\_\_\_ for \_\_\_\_\_ days.

ii). From \_\_\_\_\_ to \_\_\_\_\_ for \_\_\_\_\_ days.

- B.** Your attention is invited to Rules 4 (7)(17) and (20)r, w, Rule 18 of the aforesaid NIC(CDA) Rules 2014 in this respect and to inform you that your unauthorized absence for \_\_\_\_\_ days have not only dislocated the work but also affected the discipline.
- C. By your authorized absence from duty without leave (or overstay of leave) for a continuous period of 90 days without any intimation therefore in writing to the company and the attendant circumstances thereto you also appear to have abandoned your post as provided in rule 30(iv) explanation of above NICL (CDA) Rules, 2014.
3. Your, therefore, appear to have committed gross misconducts of unauthorized absence without leave absence without employer permission sufficient cause, continuous unauthorized absence for more than 90 days without any intimation therefore in writing to the employer as provided for in Rules 4(7)(17) and (20), Rule 18 and Rule 30(iv) explanation.
4. It is proposed to hold an inquiry into the above charges. The statement of the allegation on which these charges are based and a list of documents by which and a list off-whites by whom the above articles of charges are proposed to be sustained are annexed hereto this charge sheet.
5. You are called upon to submit your written statement to the above articles of charges stating inter alia whether you admit or deny the above or any of the above Articles of charges such written statement be submitted to the undersigned within \_\_\_\_\_ days of the receipt of this charge sheet by you. Please note that if you fail to submit your written statement as called for it will be presumed that you have no explanation/ statement to offer and that you admit the above charges.

Yours faithfully

**GENERAL INSURANCE (PUBLIC SECTOR) OFFICERS' GOLDEN GATE SCHEME  
FOR VOLUNTARY SEPARATION , 2009**

**1. Introduction and Preamble:-**

Para 17 of the Promotion Policy for Officers – 2006 provides for officers superseded in promotion in 3 consecutive promotion exercises to be excluded from the zone of consideration for two immediately succeeding promotion exercises. In addition, for officers in Scale VII cadre also, in terms of the Guidelines for Appointment of Chief Executives of Public Sector Insurance Companies, as approved by the Department of Personnel and Training, Government of India, not more than 3 chances are available for inclusion in the zone of consideration and appearing in the interview for selection to the post of CMD, if otherwise eligible.

In May, 2006 when the 1st Approach Paper for initiating debate on evolving the Promotion Policy for Officers – 2006 was floated, and the idea leading to para 17, as aforesaid, was expressed, it was also indicated therein that the basic purpose of the said paragraph is to introduce an element of continuous shuffling of the manpower before subjecting it to the process of sieve for the purpose of selecting the best available manpower for undertaking the higher responsibilities. It was understood that once a person is sieved out and rested for two exercises, an opportunity would be made available to him to have a self-assessment also including an introspection with a view to decide if, having regard to his potential, capabilities, strengths and weaknesses, ambitions, personal and family obligations, health conditions, aptitude, enthusiasm, the changed scenario at the workplace, technological advancements etc., in his own opinion, he feels he should seek an honourable exit from the Company with or without the option of an alternative employment elsewhere. To cater to the needs of those officers who find the answer to this poser in the affirmative, it was envisaged to construct a "Golden Gate" to enable such officers to opt for an honourable exit from the Company. In other words, the Golden Gate seeks to provide a Voluntary Separation Scheme for specified class of officers in the mutual interests of these officers, the other officers and the Company itself, in the long run.

With the conclusion of the 3rd promotion exercise under the provisions of the Promotion Policy for Officers - 2006, a stage had arisen when the specified class of officers as discussed above is available and the time for formulating the said Scheme had, accordingly, arrived. The Board of the Company, therefore, has approved the following Scheme:-

## 2. Short title and commencement –

- (a) This Scheme may be called the General Insurance (Public Sector) Officer's Golden Gate Scheme for Voluntary Separation, 2009.
- (b) This Scheme shall come into force from a date to be notified by the Chairman-cum-Managing Director (CMD) after its adoption by the Board of the Company.

## 3. Definitions.-

In this Scheme, unless the context otherwise requires, -

- (a) "Act" means the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972);
- (b) "Appendix" means an appendix annexed to this Scheme;
- (c) "Company" means National Insurance Company Limited;
- (d) "Competent Authority" means Chairman-cum-Managing Director of the Company;
- (e) "Nominee" means the persons nominated by the officer in writing in terms of paragraph 8 (xii) of this Scheme;
- (f) "Officer" means a person to whom the Rationalization Scheme applies ;
- (g) "Rationalization Scheme" means General Insurance (Rationalization of Pay Scales and Other Conditions of Service of Officers) Scheme, 1975, as amended from time to time;

- (h) "Salary" means the aggregate of Basic Pay (including Stagnation Increment), Dearness Allowance and Fixed Personal Allowance wherever applicable;
- (i) "Scheme" means the General Insurance (Public Sector) Officer's Golden Gate Scheme for Voluntary Separation, 2009.
- (j) Words and expressions used in this Scheme and not defined, but defined in the Act, or in the Rationalization Scheme, shall have the same meaning respectively assigned to them in the Act or in the Rationalization Scheme.

#### 4. Eligibility. –

- a. All permanent full time officers upto Scale VI will be eligible to seek Voluntary Separation under this Scheme provided they have attained the age of 50 years, are facing or have faced exclusion from the zone of consideration for promotion to the next higher cadre as a result of operation of Para 17 of the Promotion Policy for Officers – 2006 and opt for availing of the Scheme. It shall also apply to Scale VII officers, who have completed 50 years of age, have been empanelled on 3 occasions for being interviewed (irrespective of whether they have attended it or not) for selection to the post of CMD, and opt for availing of the Scheme.
- b. An officer who is under suspension or against whom disciplinary proceeding / criminal case is pending or contemplated shall not be eligible to opt for the Scheme:  
Provided that the case of an officer who is under suspension or against whom disciplinary proceeding / criminal case is pending or contemplated may be considered by a sub-Committee constituted / nominated by the Board of the Company for this purpose, having regard to the facts and circumstances of each case and the decision taken by the Board sub-Committee shall be final.
- c. Officers who are posted abroad or on deputation abroad shall not be eligible to opt for the Scheme. Further, officers, who, after posting abroad or on deputation abroad in the past and still within the bond period as per the terms of such posting/deputation abroad, happen to apply for availing the Scheme and are found eligible for the same, may be allowed to avail the Scheme subject to their fulfilling the conditions of the bond, in particular, the monetary condition and

deduction/recovery of the requisite bond money from the Terminal Benefits of the officer concerned.

#### **5. Period of Operation:-**

The Scheme, after coming into force, in terms of Para 2(b) above, shall remain in force till it is withdrawn by way of a three months" notice issued on behalf of the CMD by a duly authorized official of the Company.

#### **6. Amount of ex-gratia. –**

- A. An Officer seeking Voluntary Separation under this Scheme shall, on approval by the Competent Authority, be entitled to the ex-gratia amount equivalent to the least of the three amounts as given below, namely :-

One month's salary for each completed year of service;

Or

Salary for the number of months of remaining service;

Or

Salary for 24 months

- B. The ex-gratia shall be computed on the basis of his/her salary as on the date of relieving.

#### **7. Other benefits. –**

- a. An Officer opting for the Scheme shall also be eligible for the following benefits in addition to the ex-gratia amount mentioned in Para 6, namely: -

- i) Provident Fund as per the relevant Rules ;
- ii) Gratuity as payable under the Rationalization Scheme;
- iii) Pension (including commuted value of pension) as per General Insurance (Employees') Pension Scheme, 1995, if eligible. Further, the Voluntary Separation under this Scheme shall also be treated as Voluntary Retirement for the purpose of granting the notional benefit of additional qualifying years of service as stipulated in Para 30 of the said Pension Scheme while determining the quantum

of pension and commutation of pension;

iv) Leave Encashment;

v) All other benefits as are admissible to an Officer seeking Voluntary Retirement in terms of Para 4 (4A) of the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976 as amended from time to time.

**b.** In case, wage revision is effected from a date prior to the date of relieving of the officer under this Scheme, the benefit of revised pay for the purpose of payment of ex-gratia under Para 6. and other benefits under Para 7.(a) hereinabove will be allowed.

## **8. General Conditions:-**

- i. An Officer opting for Voluntary Separation under this Scheme shall make an application as per Appendix A, in triplicate, through proper channel addressed to the Competent Authority.
- ii. For the purpose of calculating the amount of ex-gratia payable under Para 6 of the Scheme, the fraction of service for six months and above will be reckoned as one year.
- iii. All leave during service in the Company for which leave salary is payable shall be counted as service for the purpose of eligibility and computation of ex-gratia. Extraordinary leave on loss of pay granted on medical grounds not exceeding twelve months during the entire service shall also be counted as service for eligibility and computation of ex-gratia.
- iv. Mere submission of application by an officer seeking Voluntary Separation under this Scheme shall not be construed to mean such Separation having taken effect until and unless the Competent Authority accepts it in writing.
- v. An officer shall not be eligible to withdraw his or her application for Voluntary Separation under this Scheme after acceptance of the same by the Competent Authority.



- vi. For the purpose of this Scheme, the age and completed years of service of an officer will be reckoned in terms of the date of birth and date of joining, respectively as per the records of the Company which shall be treated as correct and final.
- vii. All payments under this Scheme and any other benefit payable to an officer shall be subject to prior settlement or re-payment or adjustment in full, of loans, advances, returning of Company's property and any other outstanding dues against him/her and payable by him or her to the Company.
- viii. All payments under the Scheme shall be subject to deduction of tax at source as per the relevant statutory provisions.
- ix. An officer who is allowed Voluntary Separation under this Scheme will not be eligible for re-employment in any of the 4 Public Sector General Insurance Companies.
- x. An officer undergoing exit from the services of the Company through Voluntary Separation under this Scheme and wishing to undertake Commercial Employment thereafter shall be governed by the provisions of Para 49 of the General Insurance (Employees") Pension Scheme, 1995 (if opted for the same) or of General Insurance Executives" (Acceptance of Commercial Employment after Retirement) Rules, 1994 (if not opted for Pension), as the case may be.
- xi. The ex-gratia payable to an officer on opting for this Scheme would be paid within sixty days from the date of his/her relieving.
- xii. In the event of death of an officer, whose request for Voluntary Separation under this Scheme has been accepted, the ex-gratia amount, which would have become due and payable to the deceased officer, will be paid to the person nominated to receive the ex-gratia as per the nomination given in Appendix B.
- xiii. Save as provided in Para 7(b), the benefits payable under this Scheme shall be in

full and final settlement of all claims of whatsoever nature, whether arising under the regulation or otherwise to the officer (or to the nominee in case of death). An officer who voluntarily separates under this Scheme shall not have any claims against the Company for re-employment or compensation or employment of any of his or her relative on compassionate grounds in the service of the Company or for any other like benefits.

- xiv. An officer who opts for this Scheme is eligible for retention of residential accommodation if any provided to him/her by the Company or leased accommodation as per the existing rules as applicable to those who retire on attaining the age of superannuation, for a period not exceeding two months from the date of relieving. In such case, the ex-gratia payable to him/her shall be released within sixty days after his vacating of residential accommodation.
- xv. Since the Scheme is aimed at simply providing an honourable exit option to officers with specified profile, and not at right-sizing, the Company shall have the discretion to fill up the vacancies caused as a result of release of officers under the Scheme.
- xvi. The Scheme does not restrict, abridge, limit or curtail the right of the Company to compulsorily retire an officer from the services on grounds of gross inefficiency or such other ground as per the Rules for the time being in force.

#### **9. Power to clarify. –**

If any query, doubt or difficulty arises in giving effect to any of the provisions of this Scheme, it shall be referred to the Board of the Company for its decision / clarification and the same shall be binding.

**APPENDIX-A**

**APPLICATION FOR SEEKING VOLUNTARY SEPARATION FOR OFFICERS**

Chairman-cum-Managing Director  
National Insurance Company Limited  
Head Office  
Kolkata.

Dear Sir,

**Sub : Voluntary Separation**

I hereby offer to seek Voluntary Separation from the services of the Company in accordance with the "General Insurance (Public Sector) Officer's Golden Gate Scheme for Voluntary Separation, 2009" as approved by the Board of the Company.

I have carefully read and understood the contents of the Scheme and I accept the terms and conditions stipulated therein, unconditionally.

I furnish the requisite particulars in the Annexure enclosed for consideration of my offer to seek Voluntary Separation from the services of the Company under the above Scheme.

I hereby agree to vacate the Company owned residential accommodation/leased accommodation within two months from the date of my relieving from the Company's services. \*\*

I hereby authorize the Company to recover and adjust all loans/dues etc. from my terminal benefits including ex-gratia.

Yours faithfully,

Signature .....

Name of the Officer.....

Designation .....

Employee / Salary Roll No.....

Place:

Date:

\*\* Strike out if not applicable

**Annexure to Appendix-A**

**TO BE FILLED IN BY THE OFFICER**

**PART-I**

1. Name of the Officer
2. Employee /Salary Roll Number
3. Designation
4. Office at which posted
5. Date of birth
6. Date of joining the service (excluding temporary period, if any)
7. No. of completed years of service in the company as on
8. Date of superannuation
9. Whether opted for pension
10. Salary as on.....

Basic including stagnation increment

Dearness allowance

Fixed personal allowance

11. Details of bonds if any executed by the Officer

**DECLARATION**

I hereby declare that –

- (a) The information given above is complete and true to the best of my knowledge.
- (b) I agree that in case any of the aforesaid statements is found to be false, the payment made to me by the Company under this Scheme will be recoverable from me without prejudice to any other action that may be taken against me by the Company.

Signature of the Officer:

Place:

Name:

Date:

Office:

## PART-II

### A. I hereby certify that -

- i. the information given as above Shri/Smt.....in his/her.....application of offer of Voluntary Separation is correct on the basis of official records;
- ii. No disciplinary action is pending or contemplated against Shri/Smt.....\*\*

I recommend that the offer of Shri/Smt.....to seek Voluntary Separation from the services of the Company be considered favourably.

Place: Officer in-charge-Branch/Division

Date:

**B. I hereby certify that –**

- (i) The information given by Shri/Smt.....in his/her application of offer of Voluntary Separation is correct on the basis of official records.
- (ii) No disciplinary action is pending or contemplated against Shri/Smt.....\*\*

I recommend that the offer of Shri/Smt.....to seek Voluntary Separation from the services of the Company may be considered favourably.

Place: \_\_\_\_\_  
charge / Departmental Head at Head Office

Regional in-

Date:

\*\* If disciplinary action is pending or contemplated, particulars of the same in brief be attached, if need be in a separate sheet.

**APPENDIX-B**

**NOMINATION FORM-REFER PARA 8 (xii) OF THE SCHEME**

I .....hereby nominate  
the person named below to receive the ex-gratia in the event of my death  
before receiving the ex-gratia.

1. Name of the nominee
2. Address of the nominee
3. Relationship with the Officer
4. Date of birth of the nominee
5. If nominee is a minor, name and address of person

Who may receive the ex-gratia during the nominee's minority

6. Name and address of the other nominee in case of the  
nominee under (1) above predeceases the employee

7. Relationship with the officer
8. Date of birth of the nominee
9. If the other nominee is a minor, name and address  
of person who may receive the ex-gratia during  
the other nominee's minority

10. Contingency on happening of which nomination shall become invalid





(Signature of employee)

Place

Date Name in full

Designation

Office

Region

WITNESS

Signature of witness

Name

Address

## SCHEME OF COMPASSIONATE GROUND APPOINTMENTS

### 1. COVERAGE

- 1.1 To a dependent family member of permanent employee of a Public Sector General Insurance Company (PSGIC) who-
  - a) Dies while In service (including death by suicide) **OR**
  - b) is retired on medical grounds due to incapacitation before reaching the age of 55 years.  
(Incapacitation is to be certified by a duly appointed Medical Board in a Government Medical College/Government District Head Quarters Hospitals/ Panel of Doctors nominated by the Company for the purpose).
- 1.2 For the purpose of the Scheme, "employee" would mean and include only a confirmed regular employee who was serving full time or part-time on scale wages at the time of death/retirement on medical grounds, before reaching age of 55 years and does not include any one engaged on contract/temporary/casual or any person who is paid on commission basis.

### 2. DEPENDENT FAMILY MEMBER

- 2.1 Spouse; or
- 2.2 Wholly dependent son (including legally adopted son); or
- 2.3 Wholly dependent daughter (including legally adopt daughter); or
- 2.4 Wholly dependent brother or sister in the case of unmarried employee

### 3. AUTHORITY COMPETENT TO MAKE COMPASSIONATE APPOINTMENT

- 3.1 Chairman cum Managing Director,
- 3.2 General Managers holding current charge of Chairman & Managing Director,
- 3.3 Board of Directors in special types of cases.
- 3.4 While dealing with proposals for appointment on compassionate grounds in otherwise eligible cases, where disciplinary action was pending against the deceased employee/ employee retired on medical grounds or if the deceased employee was involved in serious financial irregularities, embezzlement of funds, committing frauds etc., the Company will continue to abide by the guidelines issued by the Government of India, requiring consideration and decision in each case by the Board of the Company/Authority appointed by the Board.

### 4. POSTS TO WHICH APPOINTMENTS CAN BE MADE

The appointment shall be made in the clerical and sub-staff cadre only.

**5. ELIGIBILITY**

- 5.1 The family is indigent and deserves immediate assistance for relief from financial destitution; and
- 5.2 Applicant for compassionate appointment should be eligible and suitable for the post in all respects under the provisions of the relevant Recruitment Rules

**6. EXEMPTIONS**

- 6.1 Compassionate Appointment under the Scheme are exempted from observance of the following requirements:
  - 6.1.1 Normal Recruitment Procedure i.e., without the agency of selection like IBPS/Employment Exchange, Recruitment Board of the Company etc.
  - 6.1.2 The ban orders on filling up of posts issued by Government of India or any controlling authority

**7. RELAXATIONS**

Upper age limit could be relaxed wherever found to be necessary. The lower age limit should, however, in no case be relaxed below 18 years of age.

(Note 1 - Age eligibility shall be determined with reference to the date of application and not the date of appointment;

Note 2 - Authority competent to take a final decision for making compassionate appointment in a case shall be competent to grant relaxation of age limit also for making such appointment).

**8. TIME LIMIT FOR CONSIDERING APPLICATIONS**

The Scheme comes into force prospectively from 01st November, 2014. Application for employment under the Scheme from eligible dependent should normally be considered up to 5 (Five) years from the date of death or retirement on medical grounds taking place on or after 01<sup>st</sup> November, 2014 and decision to be taken on merit in each case.

**9. DETERMINATION/ AVAILABILITY OF VACANCIES**

- 9.1 Appointment on compassionate grounds should be made only on regular basis and that too, only if regular vacancies meant for that purpose are available.
- 9.2 Compassionate appointment can be made up to a maximum of 5% of vacancies falling under direct recruitment quota in clerical cadre or vacancies identified in the sub-staff category. The company may hold back 5% of vacancies in the aforesaid categories to be filled by appointment on compassionate grounds. A person selected for appointment on compassionate grounds should be adjusted in the

recruitment roster against appropriate category, viz., SC/ST/OBC/General Category, depending upon the category to which he/she belongs.

- 9.3 Widow appointed on compassionate ground upon re-marriage will be allowed to continue in service, even after re-marriage.

## **10. WHERE THERE IS AN EARNING MEMBER**

- 10.1 In deserving cases, even when there is already an earning member in the family, a dependent family member may be considered for compassionate appointment with the prior approval of the competent authority of the company who, before approving such appointment, will satisfy himself that grant of compassionate appointment is justified, having regard to the number of dependents, assets and liabilities left by the employee, income of the earning member as also his liabilities including the fact that the earning member is residing with the family of the employee and whether he should not be, a source of support to other members of the family.
- 10.2 In cases where any member of the family of the deceased or medically retired employee is already in employment and is not supporting the other members of the family of the deceased employee, extreme caution has to be observed in ascertaining the economic distress of the members of the family of the deceased employee so that, the facility of appointment on compassionate ground is not circumvented and misused by putting forward the ground that the member of the family already employed is not supporting the family.

## **11. MISSING EMPLOYEE**

Cases of missing employees are also covered under the scheme for compassionate appointment subject to the following conditions:

- 11.1 A request to grant the benefit of compassionate appointment can be considered only after a lapse of at least 2 years from the date from which the employee has been missing, provided that.
- i). An FIR to this effect has been lodged with the Police,
  - ii). The missing person is not traceable, and
  - iii). The competent authority feels that the case is genuine.
- 11.2 This benefit will not be applicable to the case of an employee:
- i). Who had less than two years to retire on the date from which he has been missing; or
  - ii). Who is suspected to have committed fraud, or suspected to have joined any terrorist organization or suspected to have gone abroad.

- 11.3 Compassionate appointment in the case of missing employee also would not be a matter of right as in the case of others and it will be subject to fulfillment of all the conditions, including the availability of vacancy, laid down for such appointment under the scheme;
- 11.4 While considering such a request, the results of the Police Investigation should also be taken into account; and
- 11.5 A decision on any such request for compassionate appointment should be taken only at the level of the Chairman & Managing Director of the Company."

## 12. PROCEDURE

- a). The prescribed proforma may be used by the company for ascertaining necessary information and processing the cases of compassionate appointment.
- b). The officer from the **Personnel** Department of the company should meet the members of the family of the employee in question immediately after his death to advise and assist to them in getting appointment on compassionate ground. The applicant should be called in person at the very first stage and advised in person about the requirements and formalities to be completed by him/her.
- c). An application for appointment on compassionate ground should be considered by the Committee of officers consisting of three officers; one Chairman and two members in the rank of General Managers/Deputy General Managers. The officer from the Personnel Department may also be made one of the members of the Committee, depending upon his rank. The Committee may meet during the second week of every month to consider cases, received during the previous month. The applicant may also be granted personal hearing by the Committee, if necessary, for better appreciation of facts of the case. The recommendation of the Committee should be placed before the Competent Authority for a decision. If the Competent Authority disagrees with the Committee's recommendation, the case may be referred to the higher authority for a decision.

## 13. UNDERTAKING FOR MAINTENANCE OF THE FAMILY OF THE DECEASED EMPLOYEE.

The person appointed on compassionate grounds under the Scheme, should give an undertaking in writing (as in Annexure) that he/she will maintain properly the other family members who were dependent on the deceased employee in question, and in case if it is proved subsequently (at any time) that the family members are being neglected or are not maintained properly

by him/her, his or her appointment may be terminated forthwith. This clause should be incorporated as one of the conditions in the offer of appointment applicable only in the case of appointment on compassionate ground.

#### **14. REQUEST FOR CHANGE IN POST/PERSON**

When a person has been appointed on compassionate ground to a particular post, the set of circumstances, which led to such appointment, should be deemed to have ceased to exist. Therefore-

- a). He/she should strive in his/her career like his/her colleagues for future advancement and any request for appointment to any higher post on considerations of compassion should invariably be rejected.
- b). An appointment on compassionate ground cannot be transferred to any other person and any request for the same on consideration of compassion should invariably be rejected.

#### **15. SENIORITY**

A person appointed on compassionate ground in a particular year may be placed at the bottom of all the candidates recruited/appointed through direct recruitment, promotion, etc. in that year, irrespective of the date of joining of the candidate on compassionate ground.

#### **16. TERMINATION OF SERVICE**

The compassionate appointment can be terminated on the ground of non-compliance of any condition stated in the offer of appointment after providing an opportunity to the compassionate appointee by way of issue of show cause notice asking him/her to explain why his/her services should not be terminated for noncompliance of the condition(s) in the offer of appointment and it is not necessary to follow the procedure prescribed in the CDA Rules of the Company.

In order to check its misuse, the power of termination of service for non-compliance of the conditions in the offer of compassionate appointment should vest only with the CMD of the Company.

#### **17. GENERAL**

- i). Appointment made on grounds of compassion should be done in such a way that persons appointed to the post do have the essential educational and technical qualifications and experience required for the post consistent with the requirement of maintenance of efficiency of administration.
- ii). It is not the intention to restrict employment of a family member of the deceased or medically retired sub-staff employee to an erstwhile sub-staff

post only. As such, a family member of such erstwhile Sub-staff employee can be appointed to a clerical post for which he/she is educationally qualified provided a vacancy in clerical post exists for this purpose.

- iii). An application for compassionate appointment should, however, not be rejected merely on the ground that the family of the employee has received the benefits under the various welfare schemes. While considering a request for appointment on compassionate ground a balanced and objective assessment of the financial condition of the family has to be made taking into account its assets and liabilities (including the benefits received under the various welfare schemes mentioned above) and all other relevant factors such as the presence of an earning member, size of family etc.
- iv). 'Compassionate appointment should be made available to the person concerned if there is a vacancy meant for compassionate appointment and he or she is found eligible and suitable under the Scheme.
- v). Requests for compassionate appointment consequent on death or retirement on medical grounds of erstwhile sub-staff may be considered with greater sympathy by applying relaxed standards depending on the facts and circumstances of the case.
- vi). Compassionate appointment will have precedence over absorption of surplus employees and regularization of temporary employees.

**ANNEXURE**

**PROFORMA REGARDING EMPLOYMENT OF DEPENDENTS OF ----- COMPANY  
EMPLOYEES DYING WHILE IN SERVICE /RETIRED ON MEDICAL GROUNDS**

**PART – A**

- I. (a) Name of the Employee  
(Deceased) Retired on Medical Grounds ) -----
- (b) Designation -----
- (c) Date of Birth of the Deceased/Retired Employee -----
- (d) Date of Death/Retirement on Medical Grounds -----
- (e) Whether Permanent/Temporary -----
- (f) Total Length of Service Rendered -----
- (g) Whether belonging to SC/ST/OBC -----
- II. (a) Name of the Candidate for Appointment -----
- (b) His / Her relationship with the Deceased/Retired Employee -----

- (c) Date of Birth -----
- (d) Educational Qualification -----
- (e) Whether any other dependent family member  
has been appointed on compassionate ground -----

III. Particulars of Total Assets left including amount of

- (a) Family Pension -----  
-
- (b) Gratuity -----
- (c) Provident Fund Balance -----
- (d) Life Insurance Policies  
(Including Postal Life Insurance) -----
- (e) Moveable and Immovable properties and annual  
Income earned there from by the family -----
- (f) Insurance -----
- (c) Encashment of leave -----
- (d) Any other Assets -----
- Total -----

(IV) Brief particular of liabilities, if any -----

(V) Particulars of all dependent family members of the deceased employee

(if some are employed their income and whether they are living together or separately)

S.No.	Name(s)	Relationship with the Deceased/Retired Employee	Age	Address	Employed or not (if employed, particulars of employment and emoluments)

VI. DECLARATION /UNDERTAKING

I hereby declare that the facts given by me above are to the best of my knowledge, correct. If any of the facts herein mentioned are found to be incorrect or false at a future date, my services may be terminated.

I hereby also declare that I shall maintain properly the other family members who were dependent on the deceased employee mentioned against I of Part A of this form and in case it is proved at any time that the said family members are being neglected or nor being properly maintained by me, my appointment may be terminated.

Date : Signature of the Candidate

Name -----

Address -----

-----



-----  
 Shri/Smt/Kum -----is known to me and the facts mentioned by him/her are correct and verified by me.

Date

Signature of Witness:-----  
 Name -----  
 Address -----

-----  
 Either any employee in the Senior level of Insurance or Gazetted rank official from State /Central Government

**PART B**

**(TO BE FILLED IN BY OFFICE IN WHICH EMPLOYEMENT IS PROPOSED)**

1.
  - (i) Name of the Candidate for Appointment -----
  - (ii) His / Her relationship with the Deceased/Retired Employee -----
  - (iii) Age (Date of Birth), Educational Qualifications and Experience, if any -----
  - (iv) Post for which employment is proposed -----
  - (v) Whether there is vacancy in that post within the ceiling of 5% prescribed under the Scheme of compassionate Appointment -----
  - (vi) Whether the candidate fulfils the requirement of the Recruitment Rules for the Post -----
  - (vii) Apart from waiver of recruitment procedure What other relaxation are to be given -----
  
2. Whether the Facts mentioned in Part A have been Verified by the Office and is so, indicate the records -----
  
3. Personal recommendation of the Competent Authority (with his signature and office stamp/seal) -----

## Promotion Policy for Officers–2006

### **Introduction:**

The Promotion Policy for Officers (hereinafter referred to as the '1990-Policy') adopted by the Company in February, 1990 has been in force since then, with amendments from time to time. In the meanwhile, a number of changes have taken place in the Insurance Industry, particularly, after the opening up of the sector resulting in creation of a competitive environment. These changes have called for a review of various systems and procedures being followed by the Company with a view to face the new environment effectively. Such a review, inter-alia, reveals that the 1990-Policy falls short of the expectations of the Organisation in the current and the emerging scenario and, therefore, requires replacement by a new policy, which addresses the changing requirements of the Company while taking adequate care of the career prospects of its officers. Accordingly, the 1990-Policy is hereby replaced by the following Promotion Policy:-

#### **1. Preamble:**

This Policy aims to provide requisite manpower competent to hold positions at various levels in the Company to meet the challenges of the contemporary scenario, while providing reasonable opportunities of career growth to its deserving and capable officers in various Scales by allowing them to move up in the hierarchy and shoulder higher responsibilities commensurate with their caliber and competence relevant to the organizational needs from time to time.

#### **2. Short Title and Commencement:**

This Policy shall be known as the "Promotion Policy for Officers-2006" (hereinafter referred to as the 'Policy'), and it shall come into force from a date to be notified by the Chairman-cum-Managing Director after its adoption by the Board of the Company.

#### **3. Definitions:**

(a) "GIC" means General Insurance Corporation of India, established under section 9 of General Insurance Business (Nationalisation) Act, 1972.

(b) "GIPSA" means the Association of the four non-life Public Sector Insurance companies known as General Insurers' (Public Sector) Association of India, having its office at 3<sup>rd</sup> floor (Rear wing), Jeevan Vihar Building, Sansad Marg, New Delhi.

(c) "GIPSA Member Companies" means National Insurance Co. Ltd., The New India Assurance Co Ltd., The Oriental Insurance Co Ltd. and United India Insurance Co Ltd.

(d) "Officer" means a person to whom the General Insurance (Rationalization of Pay Scales and other Conditions of Service of Officers) Scheme, 1975 applies.

(e) Other words and expressions used in this Policy and not defined herein but defined in the General Insurance (Rationalization of Pay Scales and other Conditions of Service of Officers) Scheme, 1975 shall carry the same meaning as assigned to them respectively thereunder.

4. **Applicability:**

The provisions of this Policy are applicable to promotions of Officers upto the cadre of Scale-VII.

5. **Seniority and Span of Promotion:**

5.1 Promotions of officers from Scale-V to Scale-VI and from Scale-VI to Scale-VII shall be within the four GIPSA Member Companies and GIC taken together. For this purpose, all officers in Scale-V in all the five companies taken together shall be ranked in a single seniority list to be maintained by GIPSA. Similarly, a single seniority list of all officers in Scale-VI in all the five companies taken together shall also be maintained by GIPSA.

5.2 Promotions of officers in the Company upto the Scale-V shall be within the company on all India basis. For this purpose, all Officers in each Scale upto Scale IV shall be ranked in a single seniority list on all India basis for the Company.

6. **Determination of vacancies:**

6.1 Promotional vacancies for every financial year shall be determined on the basis of the norms/guidelines adopted by the Company for determining the cadre strength in each Scale from time to time having regard to the organizational needs.

6.2 Promotional Exercise for promotion to each Scale shall ordinarily be conducted for each financial year against the number of vacancies available: Provided however, in the event of sufficient number of vacancies not being available in any particular scale/year, it may not be necessary to conduct the promotional exercise for that particular scale/year.

7. **Broad criteria for promotion:**

7.1 The organizational needs, by way of promotions of officers from one scale to another, shall be fulfilled in such a manner that merit is appropriately recognized while seniority is duly respected to the extent consistent with efficiency of the Organisation.

7.2 While promotions to Scale-VI and Scale-VII shall be based on the sole criterion of merit, promotions upto Scale-V shall be based on the overall ranking obtained under the various parameters for measuring merit and seniority amongst those qualifying the benchmark prescribed under Para 9.

8. **Eligibility and Zone of Consideration:**

8.1 For empanelment for consideration of promotion to the cadres of Scale-VI & Scale-VII, an officer should have completed a minimum two full years of continuous service in the existing cadre and should have minimum of two full years of balance service remaining before attaining the age of superannuation subject to the provisions of Para 17 Provided that out of such eligible officers, a number equal to three times the number of vacancies from the top of the respective Seniority List shall constitute the Zone of Consideration; Provided further that in case of promotion to the cadre of Scale VI, all eligible Officers either belonging to the same batch or selected on the same date, shall be considered even if the total number exceeds three times the number of vacancies, but in no case will exceed four times the number of vacancies.

8.2 To be eligible for being included in the process of consideration of promotion to the cadres of Scale-V, Scale-IV, Scale-III and Scale-II, an officer should have completed minimum three years of continuous service from the date of selection to the existing cadre, as on 31<sup>st</sup> March of the year prescribed for this purpose from time to time: Provided that out of such eligible officers, a number equal to,

(a) five times the number of vacancies, in case of promotion to the cadre of Scale-V,

(b) four times the number of vacancies in case of promotion to the cadre of Scale-IV, and

(c) three times the number of vacancies in case of promotions to the cadres of Scale-III and from the top of the respective seniority list shall constitute the zone of consideration , subject to the provisions of Para 17: Provided further that, subject to the provisions of Explanation (3) to para 17, all eligible officers either belonging to same batch or selected on same date shall be considered even if the total number exceeds the above proportion: Provided also that if the total number of eligible officers is less than the above proportion, all the eligible candidates shall be considered.

**Explanation:** For the purposes of this paragraph, 'continuous service' means a period of duty excluding period (s) of Extraordinary Leave.

9. **Qualifying Benchmarks for consideration of promotions to various cadres:**

9.1 Screening Interview for Promotions to the cadres of Scale VI and Scale VI and Scale VII:

All officers in the eligibility cadre in GIPSA Member Companies and GIC empanelled as per Para 8.1 for consideration of promotion shall be interviewed

by a Screening Committee comprising of 4 or 5 outside experts in the field of, say, Management, HR and Organizational behaviour, Public Administration, Economics, Psychology etc.

The Screening Committee shall assess the officers under the parameters of conceptual level/ vision, depth & range of overview of the Industry/economy, planning ability, decision making ability, management traits, positive attitude, problem solving ability including conflict resolution/ management, overall leadership ability etc and submit their assessment/ recommendations to the Promotion Committee.

## 9.2 Written Test for promotions upto the cadre of Scale – V:

9.2.1 All officers included in the zone of consideration in terms of Para 8 above for promotion from Scale-I to Scale-II, Scale-II to Scale-III, Scale-III to Scale-IV and Scale-IV to Scale-V shall be required to qualify in a Written Test, to be conducted by an independent, professional Examining Body of repute (for example, National Insurance Academy, Pune), before being included in further process for consideration of promotion for the year concerned.

“Provided that with effect from the Promotional Exercise for the year 2011-12, an Officer, who qualifies in a Written Test for consideration of Promotion for a particular year but after reckoning of appraisal under the relevant parameters as indicated in para 14, fails to be included in the Promotion List for that particular year published under the provisions of para 14, shall, irrespective of his qualifying in the Written Test for the respective Promotional Exercises thereafter, be included in the Promotional Process of the next three Promotional Exercises, in which he is included in the zone of consideration in terms of para 8, for the set of promotions determined under Clause (b) of Para 14.2 of these Exercises, along with others being reckoned for the said set of promotions.

Explanation: An Officer covered by the above proviso shall have the option of appearing in the Written Test for the next 2 years' Promotional Exercises subsequent to the one in which he has qualified the Written Test for the purpose of consideration of his promotion under Clause (a) of para 14.2 in the said Exercise(s) and in the event of his qualifying the Written Test under such Exercise(s), the marks scored in the Written Test for the relevant Exercise(s) shall be reckoned for such consideration.

9.2.2 The nature of the Written Test shall be objective or descriptive or both, and it shall carry a maximum of 100 marks.

9.2.3 An officer shall be declared as having qualified the Written Test provided he secures 35 (31.50 for SC/ST Officers) or more marks, as per the evaluation done by the Examining Body. Officers securing marks below the minimum qualifying marks shall not be considered in the further process of promotion for the year concerned.

9.2.4 The Examining Body shall have absolute discretion with regard to adopting an appropriate technique/ methodology for evaluation and the decision of the Examining Body in this regard as also on the results of evaluation shall be final

and binding.

**10 Criteria for promotions upto Scale V:**

10.1 Selection for promotion upto Scale III shall be based on the overall ranking obtained under the parameters of Merit as judged by the score in the Written Test (subject to the provisions of Para 14.2), Insurance Qualification (for promotions upto Scale III) and Work Record (as per the Annual Performance Appraisal system in force) as well as Seniority.

10.2. In addition to the above, promotion from the cadre of Scale III to Scale IV and from the cadre of Scale IV to Scale V shall be subject to Interview.

10.2.1. The system of Interview may be introduced for promotion to other cadres also, subject to suitable adjustment of Weightage in numerical markings, from a date as may be deemed necessary and approved by the Board of the Company.

**Note:** For the purpose of this paragraph, 'interview' shall include an interview conducted through video conferencing, wherever the Promotion Committee so allows.

**11. Scheme of weight get various parameters in the criteria for promotions upto Scale V:**

11.1 In assessment, maximum Weightage in terms of numerical marks for various criteria shall be worked out as under: -

Parameter		Scale I to Scale II	Scale II to Scale III	Scale III to Scale IV	Scale IV to Scale V
a)	Written Test	20	20	20	20
b)	Insurance Qualification	5	5	--	--
c)	Work Record	35	40	40	50
d)	Seniority	40	35	25	15
e)	Interview	--	--	15	15
<b>Total</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**11.2 Written Test:**

For the purpose of assigning weightage of scores in the Written Test under Para 11.1, for every mark scored in the Written Test, a weightage of 0.2 shall be granted.

**Example :**

An Officer scoring 60 marks in the Written Test shall be assigned 12 marks (out of 20) in the scheme of weightage.

**11.3 Insurance Qualifications:**

11.3.1 The Insurance Qualification marks are to be allotted only for Scale I and Scale II officers. For promotion to the cadre of Scale IV and above, no weightage will be given for Insurance Qualifications.

11.3.2 For promotion from Scale I to Scale II & from Scale-II to Scale-III, marks for Insurance Qualification shall be allotted as under:-

- (a) For Licentiate of I.I.I. NIL  
 (b) For completion of A.I.I.I. or A.C.I.I. 2 Marks  
 (c) For completion of FI.I.I. or F.C.I.I 5 Marks

11.3.3 For first two promotional exercises to be conducted under the provisions of this Policy, the weightage of Insurance Qualification marks shall be available only once (in conjunction and continuation with similar provisions under 1990 Policy). Thereafter, this restriction shall not be applicable.

#### 11.4 WorkRecord:

The work record shall be assessed through the annual confidential reports, the three parts of which shall carry maximum marks in various Scales as under:-

Part of C.R	Scale-I	Scale-II	Scale-III	Scale-
Traits	12	12	10	10
Performance	15	14	15	20
Growth	8	14	15	20
Total	35	40	40	50

#### 11.5 Seniority:-

Evaluation for the parameter of seniority shall be done as under:-

11.5.1 The marks for completed years of service will be allotted as under:-

- (a) For the first three completed years of service (i.e. the minimum eligibility period) in the existing Scale: Nil  
 (b) For each completed year of service (beyond the first three years) in the existing Scale, as per following table:-

Scale	Marks for each completed year of service (beyond the first three years) in the existing Scale as on 31 <sup>st</sup> March of the year referred to in para 8.2	Maximum marks
Scale I	6	40
Scale II	4	35
Scale III	3	25
Scale IV	2	15



11.5.2 To give weightage to inter-se seniority amongst the officers belonging to the same batch, 0.01 mark will be added in the ascending order, starting with 0.00 for the last officer in the list. If there is more than one batch in the same year, all such batches of officers shall be arranged according to the date of selection and marks will be allotted as above.

**11.6 Interview:**

Promotion Committee shall interview candidates and allot appropriate marks, the maximum being 15.

**12. Promotion Committees:**

12.1 The Promotion Committees shall comprise of, as under: -

(a) For promotion to the cadre of Scale-VI and Scale-VII:

CMDs of GIPSA Member Companies and GIC, besides one nominee of Government of India.

(b) For promotion to the Cadre of Scale-V:

CMD, one Director on the Board of the Company, GM (Personnel), one SC/ST representative and one outside expert.

(c) For promotion from Scale-I to Scale-II, Scale-II to Scale-III and Scale-III to Scale-IV: CMD, two GMs (including the one in-charge of Personnel) and one SC/ST representative.

12.2 The Promotion Committee shall also be the Interview Committee for promotion to the cadre, in respect of which Interview is prescribed : Provided that the Interview Committee for promotion to the cadre of Scale IV shall consist of :-

- a) One Director cum General Manager
- b) General Manager (Personnel)
- c) One SC/ST Representative, and
- d) One Outside Expert, preferably from Legal or HR background.

**13.0.0 INSITU Promotions – Placement in immediately Higher Scale of Pay**

13.0.0.1 An Officer subject to compliance with the provisions of the Policy may be considered for placement in the immediately higher scale of pay without offering him regular promotion. Such placement in Higher Scale of pay shall be known as INSITU Promotion.

13.0.0.2 INSITU promotion shall be treated as on ex-cadre basis and such promotion shall not be counted against the regular promotional vacancies. INSITU promotion does not result in creation of additional post in the higher scale of pay.

13.0.0.3 An officer selected for INSITU promotions shall be offered applicable salary in the immediately higher scale of pay (and the consequential retirement benefits). Provisions of Para 20 of the Policy in respect of Fixation of Salary on Promotion, shall



apply to INSITU Promotions also.

13.0.0.4 An Officer selected for INSITU promotion shall continue to be in his existing cadre, i.e., the cadre prior to his placement in higher Scale of pay on INSITU promotion. It shall not result in any change of his cadre.

13.0.0.5 An officer so selected for INSITU Promotion shall not be entitled to the Designation, Financial Powers and the Position attached with such immediately higher scale of pay/cadre.

13.0.0.6 Acceptance of offer for placement in immediately higher scale of pay under INSITU promotion would mean that the concerned officer accepts that his placement in the immediately higher scale of pay does not amount to his promotion to the immediately higher cadre and he is neither entitled to such immediately higher designation nor to the powers vested in the holder of such immediately higher post. He further accepts that in spite of his INSITU promotion, he shall continue in his existing cadre and that his INSITU promotion will not change his cadre.

13.0.0.7 INSITU Promotion is personal to the officer concerned and on his retirement, the said INSITU promotion shall cease to exist.

13.0.1.0 **Placement in Scale VI or Scale VII**

13.0.1.1 **Number of Vacancies :**

Number of vacancies for INSITU promotion for placement in Scale VI or Scale VII, shall be restricted to one third (1/3) of the approved vacancies for regular promotion for the respective Scales, with any fractions thereof being rounded off to the next higher digit.

13.0.1.2 **Eligibility and other Criteria :**

a) On the cut-off date, an officer in the cadre of Scale V or Scale VI shall be eligible for consideration for INSITU promotion provided

- (i) he has completed 02 years of service in the existing cadre;
- (ii) he is left with a balance period of service of less than 02 years before attaining the age of superannuation; and
- (iii) hence he is not eligible for consideration for regular promotion as per provisions under para 8.1 of the Policy.

(b) On completion of Regular Promotional Exercise for promotion to the cadre of Scale VI or Scale VII, out of the officers so selected for regular promotion, the junior most officer in terms of the seniority who is selected for regular promotion in the respective scales, i.e., in scale V for promotion from Scale V to Scale VI and in Scale VI for promotion from Scale VI to Scale VII, shall be determined;

(c) Thereafter, a panel of officers (i) who are eligible for INSITU promotion in Scale V and Scale VI respectively in terms of para 13.0.1.2 (a) above; and (ii) who are senior to the junior most officer so selected for regular promotion in terms of para 13.0.1.2 (b)

above, shall be prepared;

(d) The candidates so empanelled for consideration for INSITU Promotion are not required to go through the screening and interview process;

(e) Officers attracting the provisions of Para 17 of the promotion policy, i.e., having been superseded in promotion in three consecutive promotional exercises shall not be included in the panel for consideration of INSITU promotions for two immediately succeeding promotional exercises as applicable in the case of regular promotions;

#### 13.0.1.3 **Selection:**

The Promotion Committee shall select officers (equal to the number of vacancies determined as per provisions under para 13.0.1.1) for INSITU promotion for placement in Scale VI or Scale VII, as the case may be, based on the overall merit, suitability, growth potential, length of balance service, qualifications, service experience in functional areas and seniority of the empanelled candidates as may be assessed from the performance appraisal and other records. Such selection of officers for INSITU promotion by the Promotion Committee shall be final. A list of officers so selected for INSITU promotions shall be prepared in the order of their inter-se seniority in their existing cadre, which shall be forwarded to the Appointing Authority for issuance of INSITU Promotion Order(s).

### **13.1 Promotion from the cadres of Scale-V to Scale – VI and Scale – VI to Scale – VII:**

#### 13.1.1

Eligible officers, after being interviewed by the Screening Committee, as per para 9.1, shall appear for an interview by the Promotion Committee. The Promotion Committee shall, after taking into account the assessment/ recommendations of the Screening Committee, overall merit, suitability, growth potential, length of balance service, qualifications, service experience in various functional areas and seniority of the candidates, as may be assessed from the performance appraisal records as well as personal interview, prepare a list of officers selected for promotion. The list shall be so prepared as to maintain the inter-se seniority of the concerned officers in the existing cadres. Such selection of officers for promotion by the Committee shall be final. The list shall be to the extent of the vacancies available for the year concerned.

#### 13.1.2

Once the list of officers selected for promotion by the Promotion Committee is available, the Committee of CMDs of GIPSA Member Companies and GIC shall decide upon the postings of these officers on promotion amongst the five companies having regard to the availability of vacancies and other exigencies. Wherever necessary, the Chief Executive, GIPSA shall be required to forward to the Central Government the details of officers to be transferred from one company to another, whereupon the Central Government, in exercise of its authority under section 22 of the General Insurance Business (Nationalisation) Act, 1972, shall

issue the requisite transfer orders.

### 13.1.3

In cases, where an officer is required to join another company in the promoted cadre, upon the officer concerned joining the said company, in pursuance to such transfer orders, the Appointing Authority for Promotion in the said company shall issue the promotion-cum-posting order.

## **14. Promotions from Scale-I to Scale-II, Scale-II to Scale-III, Scale-III to Scale-IV and Scale-IV to Scale V:**

14.1 The Promotion Committee shall examine the information about the officers who have qualified the Written Test under the reckoning parameters contained in the summary sheets and also give suitable weightage either plus or minus for the inconsistencies and / or exaggerated remarks, as may be observed from the confidential reports / work records of the officers concerned. Thereafter, the total marks shall be suitably moderated and recorded by the Committee, taking into account the marks secured in interviews, where applicable, provided that while giving such weightage, the Committee shall also take into account regional imbalances noticed, if any.

14.2 The Committee, on the above basis, shall select officers for promotion in the following manner:-

- (a) The officers shall be ranked in descending order of total marks obtained under the reckoning parameters and from the top of the said list a number equivalent to 75% (fraction of 0.5 and above being taken as 1) of the vacancies available shall be taken out to constitute one part of the Promotion List.
- (b) Thereafter, the remaining officers shall be re-ranked in descending order of total marks obtained under the reckoning parameters (excluding the score in the Written Test) and from the top of the said list a number equivalent to the balance number of vacancies available shall be taken out to constitute the other part of the Promotion List.
- (c) The two parts of the Promotion List shall thereafter be joined together, maintaining the inter- se seniority of the concerned officers in the existing cadres, so as to constitute the complete Promotion List to the extent of the vacancies available for the year concerned.
- (d) The Committee shall then forward the complete Promotion List so prepared to the Appointing Authority. Such selection of officers for promotion by the Committee shall be final.

### **14A. Fast Track Promotions:-**

Notwithstanding anything contained in this policy, starting from the Promotional Exercise for the year 2011-12, for promotion of Officers upto Scale IV in the Company, there shall be, in addition to the already existing channel (to be referred to as the "Normal Channel") for promotions under this policy, another channel of promotions, to be known as "Fast Track Channel", with the following provisions:-

- (a) 20% (fraction of 0.5 and above being taken as 1) of vacancies as determined under para 6 of the Policy for a financial year for promotion to Scale II, Scale III and Scale IV in the Company shall be earmarked for being filled up through Fast Track Channel, the remaining vacancies being available for the Normal Channel.
- (b) Taking out of 20% of the total vacancies for Fast Track Channel shall, however, not affect the constitution of the zone of consideration for Normal Channel under para 8.2 of the policy and the same shall continue to be related to the total vacancies (i.e., including these 20% taken out for Fast Track Channel)
- (c) To be eligible to participate in the Fast Track Channel, an Officer should have completed minimum three years continuous service from the date of selection to the existing cadre, as on 31<sup>st</sup> March of the year prescribed for the purpose of para 8.2 from time to time, besides possessing the qualification of,
  - (i) Associate of Insurance Institute of India or equivalent for promotion to Scale II or Scale III, and
  - (ii) Fellow of Insurance Institute of India or equivalent for promotion to Scale IV.

Provided however, for first two Fast Track Promotional Exercises conducted as per provisions of para 14A of the policy, to be eligible to participate in the Fast Track Channel, an Officer should have completed minimum four years of continuous service from the date of selection to the existing cadre, as on 31<sup>st</sup> March of the year prescribed for the purpose of Para 8.2 from time to time. Irrespective of his possessing the qualifications specified in (i) and (ii) above.

- (d) An Officer eligible to participate in the Fast Track Channel of Promotions and desirous of the same shall have to apply for it against a Notice to be published by the Company for this purpose.
- (e) An Officer applying for the Fast Track Channel of Promotions shall be required to appear in the Written Test held under the provisions of para 9.2.1 of this Policy and secure a minimum of 60 (54 for SC/ST Officers) or more marks before being included in further process of selection under this paragraph.
- (f) In case the number of officers qualifying the Written Test for promotion to any cadre under this Channel is less than 02 times the number of vacancies available for that cadre, the number of vacancies so available shall be suitably reduced so as to ensure that the officers available after qualifying the written test are not less than 02 times the number of such reduced vacancies and the vacancies so released, as also any vacancy remaining unfilled under this Channel, shall be added to the vacancies available under Normal Channel for that particular cadre.

- (g) Officers qualifying the Written Test under the Fast Track Channel as per (e) above, shall be subjected to assessment under the parameters of Qualification, Work Record, Score in the Written Test and Interview carrying the following scheme of weightage:-

Parameters	Scale I to II	Scale II to	Scale III to
Written Test	40	40	40
Qualification	5	5	Nil
Work	40	40	40
Interview	15	15	20
Total	100	100	100

- (h) Within the Scheme of Weightage as indicated in (g) above, allocation of marks under various parameters shall be as follows:-

- (1) Written Test: - For every mark scored in the Written Test, a score of 0.40 in the scheme of weightage shall be allotted. For example, for a score 60 in the Written Test, the Officer shall be allotted 24 marks out of 40 in the above scheme of weightage.
- (2) Qualification: - Scale I and Scale II Officers possessing the qualification of Fellow of Insurance Institute of India or equivalent shall be allotted 5 marks for the same while no other marks shall be allotted in the scheme of weightage.
- (3) Work Record: -The work record shall be assessed through the annual confidential reports as per the annual performance appraisal system in force, after applying an appropriate factor so as to translate the score from the Normal Channel level of weightage to the Fast Track level of weightage. (For example, for promotion to Scale II, the weightage for Work Record under Normal Channel is 35 and under Fast Track Channel 40. In such a case, the score of Work Record assessed under Normal Channel as per annual performance appraisal system in force shall be multiplied by a factor of 40/35 to arrive at the score of Work Record under Fast Track Channel.)

Interview : Interview Committee(s) each comprising of one GM as Chairman, 2 DGMs and one SC/ST representative to be constituted by the Chairman Cum Managing Director of the Company, shall interview candidates and allot appropriate marks.

Provided that the Interview Committee for promotions to Scale IV shall be the same as stipulated in the Provision to Para 12.2 of the Policy.

- (i) The promotion Committee and Appointing Authority for promotions under Fast Track Channel shall be the same as that for promotions under the Normal Channel for the respective cadre indicated in para 12 and para 16 respectively.
- (j) The Chairman of the Interview Committee shall submit the details of the marks allotted to various candidates in the Interview to the Promotion Committee (herein

after called 'The Committee'), which shall thereafter examine the information about the officers who have qualified in the Written Test under the reckoning parameters contained in the summary sheets and also give suitable weightage either plus or minus for the inconsistencies and/ or exaggerated remarks, as may be observed from the confidential reports / work records of the officer concerned. Thereafter, the total marks shall be suitably moderated and recorded by the Committee, taking into account the marks secured in interviews.

- (k) The Committee shall thereafter rank the Officers in descending order of total marks obtained under the reckoning parameters and from the top of the said list a number equivalent to the number of vacancies available under the Fast Track Channel shall be taken out to constitute the Promotion List under this Channel.
- (l) The Committee shall then forward the Promotion List so prepared under this Channel to the Appointing Authority. Such selection of officers for promotion by the Committee shall be final.
- (m) The Appointing Authority for promotion shall cause simultaneous publication of the Promotion List both under the Normal Channel and the Fast Track Channel so as to ensure maintenance of inter-se seniority of the Promotes under 02 Channels in the promoted cadre.

Only 02 attempts shall be allowed for promotion to a particular cadre under the Fast Track Channel. Which shall be counted within the overall 03 attempts (including those availed under the Normal Channel) for the purpose of determining "supersession" with the meaning of the paragraph 17 of the Promotion Policy.

Provided however that if a candidate's attempt results in qualifying the written test for promotion under Fast Track Channel and he is not included in the final selection list, for promotion, such an attempt shall not be counted in reckoning 02 attempts available to him for Fast Track or 03 overall attempts including those availed under the Normal Channel.

Note: The provisions of the above Proviso shall have retrospective effect in so far as his eligibility for appearing in written test under either channel is to be determined in a promotional exercise for the year 2015-16 onwards.

- (n) Instance of an Officer refusing promotion under Fast Track Channel shall result in counting of his participation in the Fast Track Channel of promotions as an attempt within the limits of 03 attempts for the purpose of determining "supersession" within the meaning of Para 17 notwithstanding his having qualified in the Written Test.
- (o) Officers eligible under the Normal Channel of promotion and applying for the Fast Track Channel of promotions, if selected for promotion under both the Channels, shall be retained only in the Promotion List for the Normal Channel of Promotions.

**14B .Fast Track Promotions to Scale V w.e.f PE 2015-16:-**



With effect from the Promotion Exercise 2015-16, the provisions of Fast Track Promotion as stipulated in para 14A above shall be applicable, mutatis mutandis, for promotion to the cadre of Scale V also with the same eligibility parameters and scheme of weightage as prescribed for Fast Track Promotion from Scale III to Scale IV.

Provided that the Interview Committee for promotions to Scale V under Fast Track Channel shall be the same as that for promotions under the Normal Channel for promotions to Scale V as indicated under para 12 of the policy.

**14C. Reserve Promotion List to the Cadres upto Scale V :-**

The respective Promotion Committee for Promotions upto Scale V, both under Normal Channel and Fast Track Channel, after selecting the officers equal to the number of vacancies, and drawing the Main Promotion List with such Officers, will identify those officers, in the said Promotion List, who will be retiring on or before 31st March, immediately following the date of Promotion List. The Committee will then prepare a Reserve Promotion List comprising of as many Officers from the top of the ranking order, after the last officer included in the Main Promotion List, as are equal to the number of such retiring Officers. Officers placed in the Reserve Promotion List shall be offered promotion along with the Officers placed in the Main Promotion List.

Provided that while drawing the said Reserve Promotion List, in the ranking order, such Officer(s), who is/are found to retire on or before 31st March, immediately following the date of Promotion List, shall be ignored and Officer(s) next below in the ranking order shall be included in the Reserve Promotion List.

**14D. Contingency List For Promotion to the Cadre upto Scale V:-**

The respective Promotion Committees for Promotion upto Scale V, both under Normal Channel and Fast Track Channel, after selecting the Officers equal to the number of vacancies, and drawing the Main Promotion List with such Officers, and the Reserve Promotion List as per Para 14C, will also select Officers equal to 10% of the respective number of vacancies in each Scale under both Channels separately (a fraction of 0.5 or above will be taken as 01 while the fraction below 0.5 will be ignored) from the top of the ranking order, after the last officer included in the Reserve Promotion List and place them in order of their ranking to constitute the Contingency List for Promotion, to be published in the ranking order. The Officers so selected in the Contingency List will be offered promotion in order of their ranking only against refusal of offer of promotion by any officers selected in Main List or Reserve List. The unutilized portion of the Contingency List would lapse on 31st March, without carrying any preferential treatment in any subsequent Promotional Exercise.

Provided that while drawing the said Contingency List, in the ranking order, such Officer(s), who is/are found to retire on or before the 31st March, immediately following the date of Promotion List, shall be ignored and Officer(s) next below in the ranking order shall be included in the Contingency List.

**15. Special provisions for SC/ST officers:**

The guidelines/ directives/ administrative instructions issued by the Department of Personnel and Training, Government of India on the subject, as received by

the Company from its administrative Ministry, from time to time shall be deemed to be a part of this policy and given effect to accordingly, *mutatis- mutandis*.

**16. Appointing Authority for promotion:**

The Appointing Authority for various cadres of officers shall be as under:-

Sr.No.	Promotion to the cadre	Appointing Authority
i.	Scale-VII & Scale-VI	Chairman-cum-Managing Director
ii.	Scale-V & Scale-IV	General Manager (Scale-VII)
iii.	Scale-III & Scale-II	Deputy General Manager (Scale-

**17. Effect of Super session:**

Officers who are superseded in promotion in three consecutive promotional exercises shall not be included in the zone of consideration for two immediately succeeding promotional exercises. If, as a result of such exclusion, the condition of the requisite multiple of number of vacancies for constituting the zone of consideration as per Para 8 is violated, a number equal to such shortfall shall be included in the zone of consideration from the immediately lower order of the seniority list, subject to such officers in lower order being otherwise eligible:

Provided that inclusion of a number equal to such shortfall shall not be done so long as the remaining zone of consideration, after the said exclusion, continues to have a number of officers which is at least 2.5 times the number of vacancies for promotions to Scale II/III, 3.5 times the number of vacancies for promotion to Scale IV and 4.5 times the number of vacancies for promotion to Scale V.

**Explanations:**

- (1) For the purpose of this paragraph, an officer "A" shall be deemed to have been superseded if, in a particular year, another officer junior to him in the seniority list for that cadre has been promoted to the higher cadre, but "A" has not been promoted:

Provided however, in case of promotions upto Scale-V, an officer who has qualified in the Written Test in a particular year, but not included in the final selection list for promotion, shall not be deemed to have been superseded for that year:

Provided further in case of promotion to Scale VI and Scale VII, an officer who applies for being excluded from the process of promotion for a particular year sufficiently in advance before holding the interviews by the screening committee and has accordingly been so allowed, shall not be deemed to have been superseded for that year, and the shortfall, if any, in the zone of consideration as a result of excluding such officers from the process of promotion in that particular year may be made up by including officers from the immediately lower order of seniority as per the discretion of the committee referred to in the Proviso to Para 8.1.

(1.A) From 2009-10 Promotional Exercise and onwards, in case of promotions up to Scale-V, an officer shall have an option for being



excluded from the process of promotion for a particular year/ exercise provided such an option is exercised within the time limit prescribed for such purpose by the Company, in which event the particular year / exercise for the promotional process of which such an option has been availed shall be excluded from the counting of 3 consecutive promotional exercises for the purpose of this paragraph:

Provided however, that such an option can be availed by an officer not more than once while in particular Scale for promotion up to Scale-V:

Provided further, that such exclusion of officers from the process of promotion in any particular year / exercise shall not affect the constitution of the zone of consideration for that particular process of promotion already constituted in terms of Para-8.2.

- (2) For the purpose of counting three occasions under this paragraph, the first supercession to be reckoned shall be under the promotional exercises conducted under the provisions of this Policy.
- (3) The inclusion of Officers in the zone of consideration from the lower order of the Seniority List in terms of this paragraph is limited only for the purpose of filling up the shortfall in the requirement of requisite multiple of number of vacancies, and shall not be applicable for the purposes of second proviso to Para 8.2 relating to batch consideration.

**18. Probation on promotion:**

Officers promoted to the cadre of Scale-V and above shall be on probation for a period of one year.

**19. Seniority in promoted cadre:**

Promotion shall take effect only after the officer takes charge of the post in the promoted cadre at the place of posting. However, the date of taking charge of the post shall not affect the seniority in the promoted cadre which shall be reckoned from the date of selection, provided such date of taking charge is not later than the 31<sup>st</sup> of March of the promotion year.

**20. Fixation of salary on promotion:**

- 20.1 Fixation of salary on promotion shall be governed by the provisions of General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Officers) Scheme, 1975, as amended from time to time.
- 20.2 The officers shall have option to select a date, ranging between the date of taking charge in the higher cadre and the date of next annual increment, from which his/her salary is to be fixed in higher scale. Such an option shall be required to be exercised within one month from taking charge in the higher cadre, failing which the fixation of salary shall be done from such date of taking charge.

**21. Effect of non-acceptance of promotion:**

Where an officer declines to accept promotion, such refusal shall be taken into account when considering his/her case for promotion for next one promotion exercise.

**Explanation:**

Notwithstanding anything contained herein to the contrary, for the purpose of this paragraph, similar provisions appearing under Para 16 of the 1990-Policy shall be deemed to have continuous effect, in conjunction with the provisions of this paragraph.

**22. Removal of doubts and Clarifications:**

In case of any doubt on any provision requiring clarification, Chairman-cum-Managing Director of the Company is authorised to issue necessary clarification/s.

**23. Overriding effect:**

Unless expressly so specified herein, the provisions of this policy shall have effect notwithstanding anything to the contrary in any rules, or policy, framed by the Company for the time being in force.

## **Promotion Policy for supervisory, clerical and subordinate staff, 2008**

### **Introduction: -**

The Promotion Policy for Supervisory, Clerical & Subordinate Staff was first formulated in 1978 and thereafter revised in 1990-1991 (hereinafter referred to as the "previous Promotion Policy"). In between, certain amendments were made therein from time to time to address the contemporary requirements. However, the developments that have taken place in the Insurance Industry since then, particularly after opening up of Insurance sector leading to emergence of a competitive environment, have called for a review of various systems and procedures being followed by the Company so as to face the new environment effectively. Such a review, inter-alia, reveals that the previous Promotion Policy falls short of the expectations of the Organization in the current and the emerging scenario and, therefore requires replacement by a new Promotion Policy, which suitably addresses the fast changing requirements of the Company, while taking adequate care of the career prospects of its employees in the cadres of Supervisory, Clerical & Subordinate staff. Accordingly the previous Promotion Policy is hereby replaced by the following Promotion Policy: -

### **1. Preamble**

This Policy aims to serve as a tool to provide requisite and reasonably competent manpower in the relevant cadres to meet the contemporary requirements of the Company while providing suitable avenues of motivation including reasonable opportunities of career growth to its deserving and capable employees in the cadres of Supervisory, Clerical & Subordinate Staff, as per the cadre rationalization provided herein, by allowing them to move up in the hierarchy and shoulder higher responsibilities commensurate with their caliber and competence relevant to the organizational needs from time to time.

### **2. Short title and commencement**

This Policy shall be known as the 'Promotion Policy for Supervisory, Clerical & Subordinate Staff, 2008' (hereinafter referred to as the Policy) and it shall come into effect from a date to be notified by the Chairman-cum-Managing Director (CMD) after its adoption by the Board of the Company.

### 3. Definitions

- a) "Employee" means a person to whom the General Insurance (Rationalization & Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical & Subordinate Staff) Scheme, 1974, as amended from time to time, applies.
- b) "Scale-I Officer" etc. shall carry the same meaning as assigned to them under The General Insurance (Rationalization of Pay Scales and Other Conditions of Service of Officers) Scheme, 1975, as amended from time to time.
- c) Other words and expressions used in this Policy and not defined herein but defined in the General Insurance (Rationalization & Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical & Subordinate Staff) Scheme, 1974, as amended from time to time, shall carry the same meaning as assigned to them respectively thereunder.

### 4. Applicability

The provisions of this Policy are applicable to all persons to whom the General Insurance (Rationalization & Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical & Subordinate Staff) Scheme, 1974, as amended from time to time, applies.

### 5. Cadre Structure & its Rationalization

5.1 Before this Policy coming into force, the Company has six regular cadres amongst Supervisory, Clerical & Subordinate staff known as Sub staff, Driver, Record Clerk, Assistant, Stenographer & Senior Assistant, out of which, the cadres of Sub-staff and Assistant were treated as entry/ recruitment grades, while the remaining four cadres were treated as promotional grades, except to the extent that such vacancies which remain unfilled after the promotion exercise might be filled up by recruitment.

From the date this Policy comes into force, the Company shall have only the cadre of Senior Assistant as the regular promotional grade while the remaining three cadres in promotional grade i.e. the cadres of Driver, Record Clerk and Stenographer shall hereinafter cease to be regular promotional grades in as much as suitable employees from these cadres shall be eligible for promotion to higher cadres, in terms of the provisions of this Policy, but no employee will henceforth be inducted to these cadres by way of promotion from lower cadres.

5.2 The cadre of Assistant is to be treated as entry/ recruitment grade, except that some vacancies in this cadre, to the extent it does not result in exceeding the proportion of promotee entrants in this cadre beyond 15% on overall basis at the relevant point of reference, may be allowed to be filled in by way of promotions from employees who satisfy the eligibility criteria as prescribed in this Policy. Promotional vacancies that

remain unfilled after a Promotional Exercise may be filled in by recruitment.

5.3 The cadre of Senior Assistant is to be treated as entirely a promotional grade.

5.4 The cadre of Scale-I Officer is to be treated as "Entry cum Promotional" grade, and vacancies in this cadre are to be filled in partly by direct recruitment and partly by promotions. The objective will be to make direct recruitment in this cadre along with promotions effected from employees eligible for promotion partly under this Policy and partly by promotions effected under the Promotion Policy for Development Staff, so as to ensure an appropriate blending, into the cadre, of good academic and technical skills with experience and qualifications, as deemed fit by the Management from time to time.

5.4.1 Of the promotional vacancies in Scale-I Officer cadre declared under this policy, 50% will be filled up from employees eligible under Paragraphs 13.1 and balance 50% under Paragraph 13.2. Vacancies remaining unfilled under either of these paragraphs due to lack of availability of adequate number of suitably qualified candidates for promotion under that paragraph in any Promotional Exercise shall be carried forward to next Promotional Exercise for adding to the number of vacancies under the respective paragraph therein.

## 6. Probation & Training

6.1 All employees promoted to higher grades may be required to undergo training and appear for periodical tests as may be conducted during the training period. Further, employees promoted to the cadre of Scale-I officer under this Policy shall be placed on probation for a period not exceeding one year, which may be extended by the Promoting Authority at its discretion, for a further period of 6 months. During the period of probation, the employee may be required to attain any technical/computer qualification, as may be prescribed by the Management from time to time.

6.2 An employee on probation shall be liable to be reverted at any time: Provided however, before so reverting an employee, an opportunity shall be granted to the employee to show cause, as to why such reversion should not be effected in his case and the cause, if any, so shown by the employee shall be kept in view by the competent authority while deciding on the reversion so proposed.

6.3 During the period of probation, an employee retains his lien on his lower post and the period shall count as permanent service for all purposes.

7. **Geographical Zone of Promotion**

Promotion to various cadres shall be considered from amongst the eligible employees in the Geographical Zone of Promotion, as under: -

- a) For Promotion to the cadre of Scale-I officer, there shall be the following four Zones of Promotion: -
- (i) **Northern Zone** comprising of offices of the Company in the States of Jammu & Kashmir, Himachal Pradesh, Punjab, Haryana, Uttar Pradesh, Uttarakhand and Rajasthan and Union Territories of Chandigarh and Delhi.
  - (ii) **Eastern Zone** comprising of offices of the Company in the States of Bihar, Jharkhand, West Bengal, Sikkim, Tripura, Manipur, Mizoram, Arunachal Pradesh, Meghalay, Nagaland, Assam & Odisha.
  - (iii) **Southern Zone** comprising of offices of the Company in the States of Andhra Pradesh, Tamilnadu, Karnataka, Kerala & Union Territory of Puducherry.
  - (iv) **Western Zone** comprising of offices of the Company in the States of Maharashtra, Gujarat, Goa, Madhya Pradesh, Chattisgarh, Union Territories of Dadra & Nagar Haveli and Daman & Diu.

**Note:**

Offices of the Company in Andaman & Nicobar and Lakshadweep & Minicoy, if any, shall be included in the respective zone in which the controlling Regional Office of such offices is situated.

- b) For Promotion to the cadre of Senior Assistant, there shall be the following seventeen Zones of Promotion: -
- (i) **Northern Zone-I** comprising of offices of the Company in the State of Punjab .
  - (ii) **Northern Zone-II** comprising of offices of the Company in the States of J & K, Himachal Pradesh and U.T. of Chandigarh.
  - (iii) **Northern Zone-III** comprising of offices of the Company in the States of Haryana and U.T. of Delhi.
  - (iv) **Northern Zone-IV** comprising of offices of the Company in the State of U.P. and Uttarakhand.
  - (v) **Northern Zone-V** comprising of offices of the Company in Rajasthan.
  - (vi) **Eastern Zone-I** comprising of offices of the Company in the States of Bihar and Jharkhand.

- (vii) **Eastern Zone-II** comprising of offices of the Company in the States of West Bengal and Sikkim.
- (viii) **Eastern Zone-III** comprising of offices of the Company in the State of Odisha.
- (ix) **Eastern Zone-IV** comprising of offices of the Company in the States of Assam, Tripura, Manipur, Mizoram, Arunachal Pradesh, Meghalaya and Nagaland.
- (x) **Southern Zone-I** comprising of offices of the Company in the States of Andhra Pradesh and Telangana
- (xi) **Southern Zone-II** comprising of offices of the Company in the States of Tamilnadu and Union Territory of Puducherry.
- (xii) **Southern Zone- III** comprising of offices of the Company in the State of Karnataka.
- (xiii) **Southern Zone- IV** comprising of offices of the Company in the State of Kerala.
- (xiv) **Western Zone- I**—Offices in the company in Mumbai UA.
- (xv) **Western Zone-II-** Offices of the Company in Mofussil Maharashtra and in the state of Goa which are controlled by NPRO and PRO.
- (xvi) **Western Zone-III** comprising of offices of the Company in the States of Gujarat, Union Territories of Dadra & Nagar Haveli and Daman & Diu.
- (xvii) **Western Zone- IV** comprising of offices of the Company in the States of Madhya Pradesh and Chhattisgarh.

**Note:**

Offices of the Company in Andaman & Nicobar and Lakshadweep and Minicoy, if any, shall be included in the respective zone in which the controlling Regional Office of such offices is situated.

- c) For Promotion to the cadre of Assistant, the Zone of Promotion shall be Regional Office area. If any Regional Office covers more than one State, Promotion Zone shall be the State. However, if at a centre there are more than one Regional Offices, such Regional Offices shall be clubbed to form a Zone of Promotion.

Provided that under specific orders issued in this regard from time to time by CMD, some of the smaller States/Union Territories under any Regional Office may be clubbed together to form a Zone of Promotion.



## 8. Promoting Authority & Promotion Committees

The Promoting Authorities and Promotion Committees shall be nominated / Constituted as under: -

For promotion to the cadre	Promoting Authority	Promotion Committee to be constituted by Promoting Authority
<b>Scale-I Officers</b>	Officer not below the rank of Scale-VI nominated by CMD	An officer not below the rank of Scale-V to act as Chairman and two other Officers not below the rank of Scale-IV
<b>Senior Assistants</b>	Officer not below the rank of Scale-V nominated by Officer in-charge (Scale-VI/Scale-VII) of Personnel Department at Head Office	An Officer not below the rank of Scale-IV to act as Chairman and two other Officers not below the rank of Scale-III
<b>Assistants</b>	Officer not below the rank of Scale-IV nominated by Regional In charge	An Officer not below the rank of Scale-III to act as Chairman and two other Officers not below the rank of Scale-II

Provided that CMD may at his discretion nominate Promoting Authority/(ies) and/or Constitute Promotion Committee/(s) for promotion to any cadre in respect of one or more zones of promotions otherwise than as stipulated in this Paragraph.

### Note:

- At least one member of the Promotion Committee shall be an Officer from the Personnel Department.
- One Member of the Promotion Committee shall be an Officer from the SC/ST Community.
- Promotion Committee shall also be the Interview Committee for promotion to the cadres where interviews are prescribed.



## 9. Declaration of Vacancies

- 9.1 Promotional vacancies shall be determined on the basis of norms/guidelines adopted by the Company for determining the cadre strength in each cadre from time to time having regard to the organizational needs.
- 9.2 Promotional Exercise for promotion to each cadre shall ordinarily be conducted for each calendar year against the number of vacancies so determined.  
Provided however, in the event of sufficient number of vacancies not being available in any particular cadre/year, it may not be necessary to conduct the Promotional Exercise for that particular cadre/year.

## 10. Preparation of Panels

After promotional vacancies are announced, the concerned Personnel Department shall prepare panels of persons eligible for consideration of promotion in terms of eligibility criteria and record the total marks obtained for Seniority and Qualifications. The panel shall be equal to five times the number of promotional vacancies.

Provided that if two or more employees score equal total marks for Seniority and Qualification, then all employees scoring equal total marks at the cut-off point may be included in the panel notwithstanding the stipulation limiting the panel strength to five times the number of vacancies.

Provided further that for preparing panel for promotion to the cadre of Scale I Officer under competitive channel (para 13.2 of the Promotion Policy ), the marks obtained in the Competitive Examination after assigning a weightage of 35 marks to the Maximum Marks (i.e. assigning a weightage of 0.175 mark to each mark secured in Competitive Examination) shall also be reckoned.

## 11. Dispensation for employees rated 'below average'

Out of the employees included in the panel those employees who get below average work record in any of the Confidential Reports for the last three years shall not be considered for promotion. However, in such cases, it shall be necessary to place the Confidential Reports of such candidates before the Promoting Authority to decide whether or not the employee has prima facie drawn a below average report. For this purpose, the Promoting Authority shall take into account the overall aspects of the reports including the nature of characteristics reported to be below average, rating in respect of other characteristics etc. and if in the opinion of the Promoting Authority the employee does not fall to be classified as having drawn a below average work record, it may allow the case of the employee to be considered for promotion. If, however, in the opinion of the Promoting Authority, the employee falls to be classified

as having prima facie drawn a below average record, it may not allow the case of the employee to be considered for promotion.

## 12. Provision for employees involved in CDA/ Vigilance/ Criminal cases

12.1 In case of an employee against whom any Disciplinary or Vigilance Proceedings/ Criminal case is pending but not concluded, and in case of an employee under suspension, the consideration of promotion shall be governed by "Sealed Cover Guidelines" issued by Department of Personnel & Training, Govt. of India, from time to time.

12.2 In regard to employees against whom disciplinary action has been taken and a final order has already been passed imposing a penalty, the Promoting Authority may consider the circumstances of the case such as the gravity of the offence with which he was charged, the penalty imposed, period elapsed, his service record etc. and pass an appropriate order as to whether or not the candidate should be considered for promotion.

## 13. Promotion to the cadre of Scale-I officer

There shall be two channels of promotion to this cadre known as "Departmental" and "Competitive" channels, each having distinct eligibility criteria described in the succeeding subparagraphs.

13.1 Departmental channel: The following employees shall be eligible to be considered for promotion to the cadre of Scale-I Officer under this channel:-

- a) Senior Assistants and Stenographers who have put in 7 years service in the cadre; or
- b) Senior Assistants and Stenographers who have put in at least 5 years service in the cadre and have passed the Licentiate Examination of the I.I.I. or who have passed **one** subject of Institute of Actuaries or Post Graduate Diploma (minimum one year duration) in Computer Applications / Business Administration / Management of recognized University or Institute with AICTE approval for the course; or
- c) Senior Assistants and Stenographers who have put in at least 3 years service in the cadre and are qualified as AIII or ACII or who have passed three subjects of Institute of Actuaries; or
- d) Senior Assistants and Stenographers who have passed F.I.I.I. or F.C.I.I. or ACA or ACWA or who have passed five subjects of Institute of Actuaries or

Graduates in Engineering or Master of Business Administration (MBA) qualification from a recognized University or Post Graduation Diploma (Minimum two year duration) in Business Administration/Management (PGDBM) or Master in Computer Applications (MCA) from a recognized University/Institute with AICTE approval for the course, or Chartered Financial Analyst (CFA) qualification from the Institute of Chartered Financial Analysts of India or Associate of Institute of Company Secretary (ACS) qualification from the Institute of Company Secretaries of India.

**Note:**

Senior Assistants means all employees in the scale of Senior Assistants including Senior Assistant (Programmer).

13.1.1 Selection under this channel shall be based on seniority, qualification, work record and interview.

13.2 Competitive channel: Graduate and Post-Graduate employees, employees holding F.I.I.I. or F.C.I.I. Diploma (A.I.I.I or A.C.I.I. in case of SC/ST employees), employees who have passed five subjects of Institute of Actuaries, employees who are ACA or ACWA and employees who have acquired Master of Business Administration (MBA) qualification from a recognized University or Post Graduation Diploma (Minimum two year duration) in Business Administration/Management (PGDBM) or Master in Computer Applications (MCA) from a recognized University/Institute with AICTE approval for the course, or Chartered Financial Analyst (CFA) qualification from the Institute of Chartered Financial Analysts of India or Associate of Institute of Company Secretary (ACS) qualification from the Institute of Company Secretaries of India, shall be allowed to appear for not more than four (five for SC/ST employees) occasions in the entire period of service for the Competitive Examination and those securing at least 60% marks (50% in case of SC/ST employees) shall be declared successful and included in further process for consideration of promotion to the cadre of Scale-I Officers under this channel.

13.2.1 Selection under this channel shall be made on the basis of Seniority, Qualification, Work Record, and Interview as also the marks obtained in the Competitive Examination.

The marks for the four criteria of Seniority, Qualifications, Work Record and Interview shall be according to the scheme of Weightage given in Para 16, and to the total of the marks so obtained shall be added the marks (reduced to base 100) for the Competitive Examination. The employees who have secured at least 120 marks (100 marks in case of SC/ST employees) out of a maximum of 200 shall be drawn in a ranking list arranged in descending order of marks. A successful attempt at the Competitive Examination by an employee who does not earn selection in

the ranking list shall not count for computing the number of attempts permitted to him.

13.2.2 For the purpose of counting the number of attempts under this sub paragraph, the attempts availed by an employee under Para 31 of the previous Promotion Policy shall be taken into account. For example, if an employee has availed two attempts under Para 31 of the previous Promotion Policy, he shall be entitled to avail further two (three for SC/ST employees) attempts under this Policy.

The CMD may issue administrative instructions for holding the Competitive Test.

13.3 Separate Ranking Lists shall be prepared for those qualifying under the provisions of sub-paragraph 13.1 and those qualifying under the provisions of sub-paragraph 13.2.

#### **14. Promotion to the cadre of Senior Assistant**

Employees in the Assistant's scale who have:-

a) Qualified as F.I.I.I or F.C.I.I or passed five subjects of the Institute of Actuaries

OR

b) Put in at least 3 years in the cadre and are qualified as A.I.I.I. or A.C.I.I. or have passed 3 subjects of the Institute of Actuaries,

OR

c) Put in at least 5 years service in the cadre and have passed Licentiate Examination of the I.I.I or have passed one subject of the Institute of Actuaries.

OR

d) Put in at least 7 years service in the cadre,

OR

- e) Reached the ceiling of the Assistants' scale,

Shall be eligible for consideration of promotion to the cadre of Senior Assistants.

14.1 Selection shall be made on the basis of Seniority, Qualifications and Work Record.

**15. Promotion to the cadre of Assistant**

Confirmed Subordinate Staff/Drivers/Record Clerks who satisfy the following conditions shall be eligible for consideration of promotion to the cadre of Assistant:

Posses minimum education qualifications laid down for direct recruitment of Assistants provided they have passed with English/Hindi as one of the subjects at SSC/Graduation level,

OR

Passed the Departmental Test for promotion to the cadre of Assistant with 45% (36% for SC/ST) during any of the Promotion Exercise conducted upto Promotion Exercise 2015-16

OR

Put in at least 10 years of service as a Full Time Employee and has passed the Matriculate Examination (Xth Standard) from a recognized institute

AND

- b) Passed the Computer-literacy-and-proficiency-test as prescribed by the Management for the relevant Promotion Exercise or any of the two (02) Promotion Exercises immediately prior to the relevant Promotion Exercise.

15.1 Employees who satisfy any of the following conditions shall be eligible to appear in the Departmental Test for promotion to the cadre of Assistant:-

- a) Record Clerks who have put in at least 5 years service in the cadre of Record Clerk
- b) Subordinate staff / Drivers who have passed at least VIII standard examination and have put in at least 10 years service as a Full Time Employee in the Company.

Provided that a Subordinate Staff/Driver, who before becoming a Full time employee was employed in the Company on a permanent part time basis (without constituting any break in service) and was contributing to the Provident Fund in the Company, shall also be eligible to appear in the Departmental Test for promotion to the cadre of Assistant, in case, the combined length of service so rendered by him in the Company as a full time employee taken together with the pro rata weightage allowed to him for the service rendered as a permanent part time employee, as provided in column (2) of table given under sub-paragraph 17.1 iv), satisfies the said eligibility criteria.

15.2 The Departmental Test for the purpose of this paragraph is different from the Departmental Test for promotion to the cadre of Assistant provided in the previous Promotion Policy and accordingly, an employee who has passed Departmental Test under the previous Promotion Policy will not be entitled to claim exemption from passing the Departmental Test referred to in this Policy.

Provided that in the first promotional exercise to be conducted under this paragraph, the CMD may prescribe a Special One Time "Bridge Test" for employees who had passed Departmental Test under the previous Promotion Policy, and the passing of such "Bridge Test" by an employee shall entitle him to claim exemption from passing the Departmental Test referred to in this Policy. The standard of the "Bridge Test" shall be in between that of the Departmental Test under the previous Policy and that under this Policy.

15.3 The CMD is authorized to issue administrative instructions relating to the conducting of the Departmental Test under this paragraph.

15.4 Selection for promotion shall be made on the basis of Seniority, Qualification & Work Record.

#### 16. Scheme of Weightage

The following shall be the scheme of Weightage for various criteria of promotion to different cadres:-

Criteria	Maximum Marks for promotion to the Cadre of		
	Scale I	Sr. Asstt.	Assistant
Seniority	35	50	50
Qualifications	30	30	30

Work Record	20	20	20
Interview	15	--	--
Total	100	100	100

## 17. Accrual of marks

The accrual of marks under each criterion for promotion to different cadres shall be as per the provisions of sub paragraphs hereunder.

### 17.1 Seniority

- (i) For promotion to the cadre of Scale-I officer (under Para 13.1) and Senior Assistant, two marks for each completed year of service in the cadre as on the 31<sup>st</sup> December of the preceding year shall be allotted.
- (ii) For promotion to the cadre of Scale-I officer (under Para 13.2) and Assistant, two marks for each completed year of service in the Company as on 31<sup>st</sup> December of the preceding year shall be allotted.
- (iii) Both for Weightage and eligibility criteria, period of six months or more shall be treated as one completed year of service, while service less than six months shall be ignored.
- (iv) A Full Time Employee shall be allowed pro rata weightage of service, for the length of service rendered by him as a Permanent Part Time Employee (immediately before his appointment as Full Time Employee without any break in service) and the same shall be determined as given in the following table.

Working hours per day in respect of an employee who rendered services on Permanent Part-time basis in the Company before his appointment on Full	Corresponding pro rata weightage of Service allowed for Seniority / Eligibility in Promotion for each completed year of service rendered
(1)	(2)
Less than 3 hours;	1/4th of a year
3 hours or more but less than 4	3/8th of a year
4 hours or more but less than 5	1/2 of a year
5 hours or more but less than 6	5/8th of a year
6 hours or more but less than 7	3/4th of a year
7 hours or more but less than 8	7/8th of a year

**Note:**

Service rendered on permanent full time basis by the employee and Pro rata weightage of service allowed in promotion for services rendered on permanent part time basis shall first be aggregated (including fractional periods of service) and thereafter provisions under sub-paragraph 17.1 iii) shall be applied.

**17.2 Qualifications**

Marks for academic and technical qualifications shall be assigned separately but the limitations on the maximum for qualifications shall operate on the total marks. In the Scheme of Weightage for qualifications, the marks for the highest qualification only shall be given.

**17.2.1 Academic Qualifications:**

The maximum marks for academic qualifications shall be 15 and shall accrue as under:-

1	Below S.S.C.E (below 10 <sup>th</sup> Std.)	0
2	S.S.C.E (10 <sup>th</sup> Std.)	5
3	HSC/Intermediate (12 <sup>th</sup> Std.)	7
4	Graduate	12
5	Post Graduate or Double Graduate	15

**17.2.2 Technical Qualifications:**

The maximum marks for technical qualifications shall be 15 and shall accrue as under:

	<b>Qualification</b>	<b>Marks</b>
i)	Licentiate of Insurance Institute of India or one subject of Institute of Actuaries or Post Graduate Diploma ( minimum one year duration) in Computer Applications of Recognised University/Institute having AICTE approval for the Course or Master of Business Administration(MBA) qualification from a recognized University or Post Graduation Diploma(Minimum two year duration) in Business Administration/Management(PGDBM)	5
ii)	Associate of Insurance of India or Associate of Chartered Insurance Institute or three subject of Institutes of Actuaries.	10
iii)	Fellowship of Insurance Institute of India or Fellowship of Chartered	15



	<p>Insurance Institute of Associate of the Institutes of Chartered Accountants of India or Cost and Works Accountants of India or passing at least 5 subjects of Institutes of Actuaries or Master in Computer Applications (MCA) from a recognized University /Institute having AICTE approval for the course or Chartered Financial Analyst (CFA) qualification from the Institute of Chartered Financial Analysts of India or Associate of Institute of Company Secretary (ACS) qualification from the Institute of Company Secretaries of India.</p>		
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**Note:**

- To secure the marks for technical qualifications and / or eligibility for promotion on the basis of technical qualifications the membership of the concerned Institute should be in force as on the date for reckoning the eligibility.
- To secure the marks for technical qualifications and/ or eligibility for promotion on the basis of technical qualification acquired through Distance Learning Programme, appropriate approval from the Distance Education Council for the same should be in force.

17.3 **Work Record:** The Confidential Reports for the past three years will be taken into consideration and they shall be rated by the Promotion Committee as per the Scheme of Rating the Confidential Reports. For the purpose of the Scheme of appraisal the averages of the three years shall be taken. Where however, the reports are available for less than three years, the average shall be taken over the years for which the reports are available.

17.4 **Interview:** The Promotion Committee shall give marks for interview on the basis of the performance of the candidate at the interview. No candidate shall be included in the Ranking List for promotion to the cadre of Scale-I Officer unless he has appeared for Interview.

**18. Selection & Ranking**

18.1 The Committee shall first finalize the recommendations on the basis of marks gained on all the criteria entering into for appraisal and arrange the list in the descending order of the marks gained. For being ranked the candidate must secure at least 40 marks (30 marks in case of SC / ST candidates) in the aggregate. However, this proviso shall not apply to ranking list prepared under Para 13.2.

18.2 The list referred to shall include the number of candidates equal to the number of vacancies declared. The entire list of candidate shall be in the descending order of the total marks gained by the candidates on all counts of Seniority,

Qualification, Work Record and, wherever prescribed, Interview. Selection for promotion shall be made in order of the rank so gained.

- 18.3 **Contingency List:** The Committee after selecting the candidates equal to the number of vacancies, will also select candidates equal to 10% of the respective number of vacancies in each cadre and in each category ( a fraction of 0.5 or above will be taken as 01 while the fraction below 0.5 will be ignored) from the top of the ranking order, after the last candidate included in the list referred to in the above para and place them in order of their ranking to constitute the Contingency List for Promotion, to be publish in the ranking order. The candidate so selected in the Contingency List will be offered promotion in order of their ranking only against refusal of offer of promotion by any candidate selected in the respective Promotion List. The unutilized portion of the Contingency List would lapse on 31<sup>st</sup> March, without carrying any preferential treatment in any subsequent Promotional Exercise

## 19. Special provisions for SC/ST employees and Persons with Disability

In order to increase opportunities of promotions and to safeguard the interests of employees belonging to Scheduled Castes, Scheduled Tribes and Persons with Disability, the following reservations, concessions and relaxations are made available to them in the matter of promotions from the Subordinate Staff, within Clerical Staff cadres and from Clerical Cadres to Scale-I officers grade:

- a) As per the guidelines of Department of Personnel & Training, Govt. of India issued on the subject from time to time, 15% and 7-1/2% reservation shall be provided for SC and ST employees respectively in all promotions made to promotional grades under this Policy. The rosters shall be maintained separately for each promotion zone as laid down in Paragraph 7.
- b) As per the guidelines of Department of Personnel & Training, Govt. of India issued on the subject from time to time, 3% reservation for persons with disability (1% each for Visual disability, Hearing disability and Locomotor disability) whilst undertaking promotion exercise for promotion to the cadre of Senior Assistant.

The applicability of the reservation, will however, be limited to the promotion being made to those posts that are identified as being capable of being filled / held by appropriate category of Persons with Disability.

- c) The eligibility criteria for SC / ST employees for Competitive Examination for promotion to the cadre of Scale-I Officer, as laid down in Para 13.2, shall be graduation or AIII or ACII, as against graduation or FIII or FCII for General category candidates.

- d) The number of attempts allowed to SC/ST employees for the Competitive Examination under Para 13.2 shall be 5, as against 4 allowed to General category candidates.
- e) The passing percentage in the Departmental Test to be held under Para 15 for acquiring eligibility for consideration of promotion to the cadre of Assistant shall be 40% in the case of SC/ST candidates as against 50% for General candidates. The passing percentage in Competitive Examination to be held under para 13.2 for promotion to the cadre of Scale-I Officer shall be 50% in the case of SC/ST candidates as against 60% for General candidates and minimum marks to be scored for inclusion in the Ranking List for SC/ST candidates shall be 100 marks, as against 120 marks for General candidates out of the total 200 marks.  
The Competent Authority for de-reservation shall be the CMD.

## 20. Publication of Ranking List

On receipt of the recommendations of the Promotion Committee, the Promoting Authority shall examine the recommendation and pass appropriate orders. Where the Promoting Authority is unable to accept the recommendations of the Committee, it shall record in writing the reasons for disagreeing with the recommendations of the Committee and pass such orders as it may deem fit. Thereafter the Promoting Authority shall cause the publication of the Ranking List.

### 20A. Filling up Unfilled Vacancies under Competitive Channel of Promotion to the cadre of Scale I ( para 13.2) in a Promotion Zone:

- a) Unfilled vacancies for promotion to the cadre of Scale I under Competitive channel (Para 13.2 of Promotion Policy) under any category (General /SC/ST) in Zone, after promotions have been offered from the Promotion List as well as the Contingency List, shall be filled up by selecting candidates from other Zones who are eligible to be considered for the promotion and give consent for Out of Zone posting on promotion.
- b) For this purpose, an option from the candidates shall be obtained at the time of their applying for promotion as to whether they wish to be considered for Out of Zone promotion and if yes, the order of preferences.
- c) After promotions have been offered from the Promotion List as well as the Contingency List in all the Zones, a Common Ranking List, separately for each category, shall be prepared, in the descending order of marks obtained, of the candidates who have opted for consideration for Out of Zone promotion and have not been offered promotion in their respective Zones due to either of the following 02 reasons:-

(i) Although they meet the benchmark prescribed in Para 13.2.1 they are not placed in the Promotion List or the Contingency List for want of sufficient number of vacancies in their respective category in their respective Zone.

(ii) Although they were placed in the Contingency List, they remained unutilized due to nil or less number of refusals for promotion from the Promotion List.

d) The candidates placed in the above said Common Ranking List shall be selected for promotion in the order of their common ranking order provided there exists a vacancy in the Zone preferred for Out of Zone Promotion by the Candidate when his turn comes up.

**Example:-**

If the zone-wise position of unfilled vacancies and the number of candidates eligible for consideration Out of Zone Promotion under General category is as under:-

Zone	West	South	North	East
Unfilled Vacancies	0	4	0	2
No of Candidates	5	-	3	-

And common Ranking List of the said 08 candidates as also the order of their preference of the Zones for Out of Zone is as under :-

Ranking order in Common Ranking List	Zone	Name	Preference in Other Zone			
			West	South	North	East
1	West Zone	A	NA	3rd	2nd	1st
2	West Zone	B	NA	2nd	1st	3rd
3	North Zone	C	1st	-	NA	2nd
4	West Zone	D	NA	1st	-	-
5	North Zone	E	2nd	-	NA	1st
6	North Zone	F	2nd	3rd	NA	1st
7	West Zone	G	NA	-	2ND	1st
8	West Zone	H	NA	-	1st	-

Then, selection of candidates for promotion shall be as under:-

Candidate	Vacancy
A	East Zone Vacancy No.1
B	South Zone Vacancy No .1
C	East Zone Vacancy No.2
D	South Zone Vacancy No.2
F	South Zone Vacancy No.3

Candidates E, G and H were not considered as when their turn came up for consideration as per their common ranking order, there were no vacancies in the Other Zone (s) opted by them. Also, Vacancy No.4 in South Zone remained unfilled because of non-availability of any further candidate for this Zone.

e) The candidates selected for promotion and taking charge of the post in the promoted cadre under this Para under a particular Promotion Exercise shall be deemed to have been selected from the date of selection of the other candidates selected for promotion under Para 13 under that Promotion Exercise.

## 21. Posting from Ranking List

Postings of employees included in the Ranking List shall be made in accordance with the requirements of the Company. Further, all employees selected for promotion, irrespective of their length of stay at the existing station, shall be liable to be posted, within the zone of promotion, to another station in the promoted cadre.

Provided however, for promotion to the cadre of Assistant, where the zone of promotion happens to be a single station/agglomeration, posting on promotion shall necessarily be made from one office to another within the zone of promotion, irrespective of their length of stay at the existing office.

## 22. Effect of non-acceptance of promotion

No employee will have a right to reject the offer of promotion involving posting to a different place. If an employee feels that he is unable to accept promotion involving posting to a different place, he should represent in writing to the Promoting Authority within one week from the date of receipt of the posting order, giving the reasons why he cannot accept the promotion. The Promoting Authority may, if satisfied with explanation allow him to forego promotion. In such event, the name of the employee will be eliminated from the Ranking List and he will forfeit his right to be considered for promotion to that cadre in the next one Promotional Exercise:

Provided however, if the employee feels aggrieved for forfeiture of his right to be considered for promotion in the next one promotional exercise, he may, within one week from the date of receipt of the promoting authority's order allowing him to forego promotion, appeal in writing to the General Manager (Personnel) for waiving or relaxing the provision of such forfeiture in his case

on grounds of reasons to be cited and substantiated by him, in which event, The General Manager(Personnel), having regard to the merit of the individual case, may waive or relax the said provision in such a manner and to such an extent, as he may deem necessary for doing justice in the individual case.

### 23. Seniority in the promoted cadre

The promotion shall take effect only after the employee takes charge of the post in the promoted cadre. However, the date of taking charge of the post shall not affect the Seniority in the promoted cadre but the same shall be computed from the date of promotion order.

### 24. Fixation on promotion

On promotion to a higher cadre, the basic pay of an employee shall be initially fixed at one stage above the stage in the higher scale, which is next above his basic pay in the lower scale.

Provided however, that where the basic pay in the lower scale is a stage in the higher scale, the basic pay shall be fixed at the stage in the higher scale, which is next above his basic pay in the lower scale.

Provided further that the basic pay shall be fixed at the minimum of the higher scale where such fixation results in an increase in basic pay of at least one grade increment obtaining at the minimum of the higher scale.

24.1 The employee shall have option to select a date, ranging between the date of taking charge in the higher cadre and the date of next annual increment from which his salary is to be fixed in higher scale.

### 25. Assured Career Progression Scheme (ACPS) for employees in the cadres of Sub staff, Driver & Record Clerks:-

25.1 Employees in the Pay Scale of Sub-staff and Driver, who have reached the ceiling of the respective pay scale as applicable to them from time to time shall, on completion of twelve months' continuous service from the date of reaching such ceiling or from the first of the month following coming of this Policy in force, whichever is later be placed in the pay scale of Record Clerk at an appropriate stage and shall continue in that scale, without being treated as Record Clerk, till they undergo exit from their existing cadre in the normal course.

25.2 Employees in the Pay Scale of Record Clerk and who have reached the ceiling of the pay scale Record Clerk from time to time shall, on completion of twelve months' continuous service from the date reaching such ceiling, or from the first of the month following coming of this Policy in force, whichever is later, be placed in the pay scale of Assistant at an appropriate stage and shall continue in that scale, without being treated as Assistant, till they undergo exit from their existing cadre in the normal course

25.3 The fixation of pay in the pay scale of the higher cadre (without being granted the cadre as such) in terms of this paragraph shall be in the same manner in which fixation of pay is done on promotion as per Para 24 of the Policy.

25.4 Placement of an employee in the pay scale of higher cadre under this paragraph shall not entitle him to any benefit, designation, duties and responsibilities attached to the said higher cadre, and he shall, for all purposes, other than the pay scale, be continue to be treated in the existing cadre.

#### **25.A Special provision of minimum one promotion in life time for Assistants**

Such of the employees who joined the service of the Company in the cadre of Assistant have put in 20 completed years of service in the same cadre, are not below 50 completed years of age and have not received a single promotion, would be considered for promotion to the cadre of Senior Assistant to the extent of and against specific vacancies, as may be approved be the Chairman-cum-Managing Director of the Company for the purpose, on completion of normal promotion exercise, on the following basis:-

- (i) Eligibility would be restricted to employees who have put in minimum of 20 years of service in the cadre of Assistant, without receiving a single promotion so far in their entire service career
- (ii) Such employees shall not be below the age of 50 completed years to be reckoned as on the cut-off date (31st December) of the preceding year.
- (iii) Selection would be subject to satisfactory work record and the concerned employee not being unfit for promotion. Any employee who is (a) under suspension; (b) in respect of whom charge-sheet has been issued and the disciplinary proceedings are pending; and (c) in respect of whom prosecution for a criminal charge is pending, would be deemed to be ineligible for consideration under this paragraph.



- (iv) Selection made under this paragraph would not reckon against regular vacancies but would be against the specific additional vacancies as may be sanctioned by the Chairman-cum-Managing Director of the Company.
- (v) Selection under this paragraph from amongst the eligible employees in the cadre of Assistant would be based on the marks obtained as provided for under the existing criteria for Seniority, Qualification & Work Record in relation to promotion to the cadre of Senior Assistant. However, weightage for Seniority would be to the extent of 3 marks for each completed year of service in the cadre beyond 20 years of service in the cadre.
- (vi) For employees who are 'ex-servicemen' within the meanings of the Ex-servicemen( Re-employment in Central Civil Services and Posts) Rules, 1979, as amended from time to time, the service rendered in the Armed Forces of Union in the past before joining the services of the Company, shall be counted, up to a maximum of 5 years, as service rendered with the Company for the purpose of determining eligibility (i.e. calculating 20 years), as also for the purpose of grant of weightage for service under this paragraph.

## **25 Power to modify / relax the Promotion Policy**

The CMD may by order and for reasons to be recorded in writing dispense with or relax the provisions of this Promotion Policy to such extent he may consider necessary for dealing with individual cases in a just and equitable manner or for meeting exigencies of work situation or for complying with official guidelines that may be issued from time to time.

## **26 Removal of doubts and clarifications**

In case of any doubt on any provision requiring clarification, the CMD is authorized to issue necessary clarification(s).

## **27 Overriding effect**

Unless expressly so specified herein, the provisions of this Policy shall have effect notwithstanding anything to the contrary in any rules, regulations or Policy framed by the Company for the time being in force.

## **Clarification on Promotion Policy.**

### **1. Recognition of Graduation/Post Graduation without previous academic record**

The Department of Higher Education, Ministry of Human Resource Development has notified that "all the degrees/diplomas/certificates including technical education degrees/diplomas/certificates awarded through Open and Distance Learning mode of education by the Universities established by an Act of Parliament or State Legislature, Institutions Deemed to be Universities under Section 3 of the University Grants Commission Act, 1956 and Institutions of National Importance declared under an Act of Parliament stand automatically



recognized for the purpose of employment to posts and services under the Central Government, provided they have been approved by the University Grants Commission".

As per UGC Regulations, "No student shall be eligible for admission to the 1st Degree Course through non-formal/distance education unless he has successfully completed 12 years schooling through an examination conducted by a Board/University. In case, if there is no previous academic record, he shall be eligible for admission if he has passed an entrance test conducted by the University provided that he is not below the age of 21 years as on 1st July of the year of admission.

In view of the above, it has been decided that Graduate qualification without any previous academic record will be considered for grant of (a) Graduation Increments/Allowance subject to Scheme provisions and (b) marks in Promotion Exercise provided the admission to the course is after passing the entrance test conducted by the University.

It is also decided that Post Graduate qualification through Open University without any previous academic record will be considered as first degree for the benefit of (a) Graduation Increments/Allowance subject to Scheme provisions and (b) marks in the Promotion Exercise provided the admission to the course is after passing the entrance test conducted by the University. This Circular comes into effect prospectively.

## **TRANSFER & MOBILITY POLICY FOR CLASS- I OFFICERS**

### **A. PREAMBLE**

In the context of the need to adopt ourselves to emerging scenario of competition, restructuring of organization, introduction of total computerization of our operations and the likely exit of experienced manpower, the placement and transfer policy is evolved.

This policy aims:

- I. To provide for an opportunity in improving competency, self development and career path of Officers;
- II. To ensure grooming up of an Officer for taking position in higher rank by following job rotation;
- III. To achieve organizational goals;
- IV. To maintain sectoral balance in all regions with a view to providing adequate service to insuring public.

### **B. APPLICABILITY**

- (i) These guidelines will come into effect from the date of its notification.
- (ii) These guidelines are applicable to all Officers up to and including the rank of Manager. Transfers/postings of Officers in the rank of Chief Manager and above shall be at the discretion of the Management keeping in view office exigencies and distinct nature of duties of Officers of these cadres and in the interest of the organization.
- (iii) These guidelines are not applicable to Officers (a) posted/deputed to foreign operation (b) deputed to other organizations in India and abroad during their tenure of such posting/deputation. These guidelines are also not applicable in the case of local transfers.

### **C. DEFINITIONS**

- (1) Transfer shall mean relocation of an Officer from one town/city/urban agglomeration to another town/city/urban agglomeration, anywhere in India.
- (2) Metro centers shall mean and include;

Mumbai (including New Mumbai, Sub-Urban areas upto Virar on Western Railway and upto Kalyan on Central Railways)  
Kolkata (entire Urban agglomeration)

Chennai (including Tambaram, Avadi, Red hills & Manali)  
Delhi (including Gurgaon, Bahadurgarh, Noida & Faridabad)

Regional Centers shall mean – centers other than Metro centers where our Regional Offices are located,

(3) Geographical Zones shall mean as under:

Northern Zone – national capital territory of Delhi, States of Haryana, Punjab, Rajasthan, U.P., Uttaranchal, Jammu and Kashmir, H.P. and Union territory of Chandigarh.

Western Zone – States of Maharashtra, Gujarat, M.P. Chhattisgarh, Goa, Union territory of Daman & Diu, Dadra & Nagar Haveli.

Eastern Zone – States of West Bengal, Bihar, Jharkhand, Orissa, Sikkim, Assam, Meghalaya, Nagaland, Tripura, Mizoram, Manipur, Arunachal Pradesh and Andaman & Nicobar.

Southern zone – States of Tamil Nadu, Karnataka, Kerala, Andhra Pradesh, Union territories of Pondicherry and Lakshadweep & Minicoy.

- (4) Normal period of posting (NPP) shall mean continuous posting in all cadres of Class-I taken together for a period of **5 years in respect of all centers.**
- (5) Local transfer shall mean a transfer of an Officer from one Department to another in the same Office or from one Office to another within the same town/city/urban agglomeration.
- (6) Sensitive assignments will mean and include claims including Service & TP Hubs, Estate and in-charges of DO/BO, excluding Micro Offices/ Business Extension Counters I/Cs.
- (7) 'Difficult area' would mean the area declared as such by the Chainman-cum- Managing Director.
- (7) 'Year' would mean 'financial year'

#### D. GENERAL REGULATIONS

- (i) The Company shall on annual basis, determine the cadre strength in each cadre in terms of norms adopted, Distribution of such cadre strength among the individual Regions and HO in each cadre shall be determined by a Committee of General Managers (Personnel & Marketing) so as to ensure need based and equitable distribution of available manpower.
- (ii) On completion of NPP, an Officer may be considered for transfer from existing place of posting irrespective of assignment. This exercise shall be

done during the first quarter of every year,

Nothing contained herein shall be construed to limit the powers of the Management to transfer any Officer before completion of the normal period of posting, due to exigencies of work or in the interest of the organization.

- (iii) While considering transfers on accounts of NPP under Para C(4) above, if the number of Officers for consideration of such transfer in any cadre is found to be large at a particular station, and transfers of all at one time is likely to dislocate the operation of the Company, CMD may allow consideration of such transfers in a phased manner.

While restricting transfers in such a phased manner the order of transfer shall be in accordance with the length of continuous posting i.e. the longer the posting, the first to be considered for transfer.

- (iv) After earmarking the exits, due to proposed transfers on account of NPP as provided herein above, the position of vacancies at these stations from where the exits would take place shall be examined having regard to the regional cadre strength determined.

Vacancies thus identified would be filled up by considering transfers on account of office exigencies, voluntary transfer requests, transfers under revolving plan, transfers based on NPP, postings on promotion and transfers on account of job rotation.

- (v) Officers in the rank of AO & AM shall ordinarily be considered for transfer within the Geographical Zone indicated in C (3) and/or adjoining States. In respect of other cadres the transfers will be on All India basis.
- (vi) Succession Planning:- It shall be ensured that replacement officer is posted to a specialized/ sensitive post sufficiently in advance prior to the incumbent's expected transfer under TMP/ Job Rotation/ Retirement.

## **E) JOB ROTATION**

No Officer shall ordinarily continue in a sensitive assignment for a period exceeding 5 years at a stretch. BMs/ DMs may be shifted from one office to another in the same location on completion of 5 years.

## **F. REQUEST TRANSFERS**

- (1) No transfer request shall ordinarily be considered until an Officer

has completed a minimum of 3 years at his present place of posting. However, in case of extreme hardship involving serious health problem of the individual concerned or spouse or dependent children, the Board of the company/Sub-Committee may relax this provision recording the reasons therefore.

A lady officer in Scale I, II or III transferred under TMP only shall be eligible to seek request transfer after completion of 02 years, excluding period of LOP, if any, subject to availability of vacancy in that cadre in the desired place of posting as also keeping in view the exigencies of office. It is clarified that a lady officer on her first posting on recruitment or transferred on promotion shall not be eligible for the above relaxation.

- (2) Not more than 3 request transfers shall be considered from an Officer in the entire service career, the first such request transfer being counted since 1<sup>st</sup> March, 1990.
- (3) Where the number of transfer requests for a particular station is more than the number of vacancies available at that station, the selection out of the available transfer requests for the vacancies shall be made on the basis of the length of stay of Officers at their present places of posting. The longer the stay, the first to be considered.
- (4) If and under any circumstances, a transfer request is considered after 5 years of posting, at the present place, the transfer shall not be considered as a request transfer.

(5) **Spouse cases:**

Cases of transfer/postings where the Officer wishes to join his/her spouse in different locations may be given preferential treatment as far as possible, but shall not be considered as enforceable right.

(6) **PERSONS WITH DISABILITIES:**

a) CMD may examine the individual cases of officers who fall in the definition of 'Person with benchmark disability' under clause 2(r) of the Rights of Persons with Disabilities Act 2016 and decide to exempt an officer from transfer to another station on merits. Such officer, however, shall be liable to be shifted/ rotated within the station as and when he enters TMP list.

b) CMD may examine the individual cases of officer with a differently-abled dependent spouse/ son/ daughter who falls in the definition of 'Person with benchmark disability' under clause 2(r) of the Rights of Persons with Disabilities Act 2016 and decide to exempt an officer from transfer to another station on merits. Such officer, however, shall be liable to be shifted/ rotated within the station as and when he enters TMP list.

(7) **DIFFICULT AREAS:**

Officers who have been transferred and posted to difficult areas from other parts of the Country shall be considered, after the expiry of two years excluding period of LOP, if any, for posting to one of the three places of their choice, subject to availability of vacancies at the places of their choice. Such choice posting if made, shall be considered as a Company transfer. This provision will not apply to Officers whose, home town falls within the difficult area.

**(8) CASE OF HARDSHIP DUE TO MAJOR DISEASES:**

An officer, who himself or whose spouse/any of the dependent children is suffering from any of the thirteen specified major diseases i.e. diseases of Malignant Cancer, Leprosy, Tuberculosis., Paralysis, Brain Tumor, CABG/Heart Valve Replacement/ Angioplasty (Max.1 year), Chronic Kidney disease, AIDS, Mental disease, Total replacement of Joints (exemption- Max 1 year), Spinal Surgery, Diseases of liver leading to Hepatic failure or transplantation, Thalassaemia Major), subject to the satisfaction of the Internal Committee(s) on the basis of documentary evidence to that effect, may not be transferred from one station to another, for the period specified by the said Committee, but he/she will continue to be liable to job rotation in terms of Para-5.

Further, exemption from transfer shall be subject to Company nominated doctor certifying that the officer, his/ her spouse or dependent child is suffering from one of the above diseases which requires continuous treatment/ follow up treatment necessitating posting of the concerned officer at the existing station. The exemption so granted shall be subject to review every year.

**(9) DEFICIT OFFICES:**

- a) The Company may, if so required, declare and publish a list of Maximum 25 Divisional Offices as Deficit Offices in a year ( RO-wise) with acute requirement of scale-wise officers (Scale I, II and III) on or before 30<sup>th</sup> April of the year.
- b) Offices located in Metro Cities as per CCA Rules and at RO Centres shall not be declared as Deficit Offices.
- c) If so found necessary, applications from willing officers with desired profile for transfer to a Deficit Office may be invited.
- d) The officer transferred to a Deficit Office shall be eligible to apply for request transfer after completion of 2 years stay in a Deficit Office, excluding the period of LOP, if any, to a place of his/ her choice.
- e) The above provisions shall not apply to an officer on his/her first posting after recruitment or transferred to the said office on promotion.

For any year CMD may declare a specified area/ RO/ City which is facing an acute deficit of officers as exempt from TMP for that year.

**10 EXEMPTION FROM TMP DUE TO OFFICE EXIGENCIES:**

In cases of constraints due to office exigencies (relating to specialized/ niche

functions/ posts) to transfer an officer under TMP, a maximum exemption of 1 year may be given, with the approval of CMD, during which period a suitable replacement officer shall be identified and deployed.

**G. OFFICERS DUE FOR RETIREMENT WITHIN 2 YEARS:**

Officers up to Scale III who are due for retirement on Superannuation within 2 years reckoned from 1st April of the year in which transfer/posting is effected may not be transferred unless necessitated by exigencies of administration, provided he will not be holding a sensitive post.

*“Request for transfer from an Officer upto scale-III to his declared hometown or place of choice during the last 1 years of his service would be considered subject to vacancy provided no further transfer benefit shall be allowed at the time of retirement.”*

**H. TRANSFER BENEFITS:**

- (i) An Officer transferred from one station to another is entitled to transfer benefits as may be allowed from time to time as per guidelines issued by the Company, For local transfers within the City, no transfer benefit is allowed. In the case of request transfers, if considered before completion of 3 years, no transfer benefits shall be allowed.
- (ii) In cases of Officers under orders of transfer, who have represented to the transferring authority on grounds of extreme hardships, if any, for extension of time to join at the new place, the authority concerned may, at his discretion, grant a maximum of additional 30 days beyond the date specified in the Transfer Order or the 30 days ordinary available when no such date is specified.

**I. CONVERGENCE OF POSTING:**

The Company shall endeavour to ensure that posting of officers on promotion and transfer of officers under TMP/ Job Rotation and on request are all converged into a single exercise for the year.

**J. POWER TO MODIFY/RELAX THE PROVISIONS OF THIS POLICY:**

The authority to relax the provisions under the Policy in respect of an individual officer on grounds of genuine hardship or to meet office exigencies of an office shall be vested in CMD.

**K. COMPETENT AUTHORITY FOR TRANSFERS:**

Sl.No	Cases of transfer	Competent Authority
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1.	AO ,AM & Dy. Managers within the region (excluding the Officers-in-Charge and those with dev. Functions)	Regional Chiefs concerned, with the approval of Overseeing Executives at HO. In his absence GM(Pers.)
2.	AOs/AMs/Dy. Managers/Managers within HO and inter region (without development functions)	GM (P) & the concerned GM/AGM of HO Deptt. Or the Overseeing Executive of the concerned RO, as the case may be.
3.	All transfers of Officers up to the level of Manager with development functions including Officers-in-Charge.	Committee of GM(P) & GM(Mktg.) along with the concerned Overseeing Executive of the RO concerned.
4.	Chief Managers and above	CMD

**Note: For this purpose, Head Office will be considered as a separate region.**

L. Nothing contained herein above shall affect any transfer necessitated due to adverse factors such as CDA/Vigilance cases.

**M. Removal of doubts & Clarifications:**

In case of any doubt on any of the provision of these guidelines, the Chairman-cum- Managing Director may issue necessary clarifications.



## **Transfer and Mobility Policy for Supervisory, Clerical and Subordinate staff**

In order to meet the organizational needs of the company including judicious distribution of manpower in the present competitive environment, ensuring career growth, multi-skilling and overall development of employment through, adequate exposure to various functions areas of the Company and in exercise of the powers vested in it by para 18 of the General Insurance (Rationalization and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff)Scheme, 1974, the Board of the Company hereby frames the following policy namely:-

### **1. Short title, commencement and applicability**

- 1.1 This Policy may be called the Job Rotation, Transfer and Mobility Policy for Supervisory, Clerical and Subordinate Staff(hereinafter called “the Policy”).
- 1.2 This Policy shall be deemed to have come into force with immediate effect.
- 1.3 This Policy shall be applicable to all employees to whom the General Insurance(Rationalization and Revision of Pay Scales and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff)Scheme, 1974(hereinafter called “the Scheme”)applies.

### **2. Definitions**

- 2.1 “Company” means, the National Insurance Company Limited.
- 2.2 “Employees” means, a person to whom this policy applies.
- 2.3 “Job Rotation” means, transfer of an employees from one department to another in the same office or from one office to another in the same station on completion of period of stay specified in the Policy.
- 2.4 “Major disease” means one of the nine diseases listed in the proviso to sub-paragraph 5 of para 5of the Scheme for the purpose of consideration of grant of Special Sick Leave.
- 2.5 “Physically handicapped” means, one who suffers from physical disability of 40% or more

- 2.6 "Radius" in relation to distance between two stations, means, the distance by road as per Survey of India records or by rail as per Indian Railway records, whichever is less.
- 2.7 "Relocation", in relation to an office, means, merger or closure of an office.
- 2.8 "Station" means, a city/town including its urban agglomerations.
- 2.9 "Zone of Promotion" means, Zone of Promotion as provided for in the Promotion Policy for Supervisory, Clerical and Subordinate Staff, as amended from time to time.
- 2.10 Other terms and phrases shall have the same meaning as assigned to them in the Scheme.

### 3. General Regulations

- 3.1 The Policy shall be implemented on a regular basis as an exercise.
- 3.2 The cutoff date for the purpose of eligibility under the Policy shall be taken as 31st December of immediately preceding year in which the exercise is conducted and the exercise shall as far as possible be completed by the 30<sup>th</sup> April of the year under consideration.
- 3.3 The employees who are due to retire within a period of less than three years may not be transferred from one station to another but they will continue to be liable to job rotation.
- 3.4 An employee who is physically handicapped subject to the satisfaction of the Competent Authority on basis of documentary evidence to that effect may not be transferred from one station to another but he will continue to be liable to job rotation.
- 3.5 An employee who himself or whose spouse/any of the dependent children is suffering from a major disease subject to the satisfaction of the Competent Authority on basis of documentary evidence to that effect may not be transferred from one station to another for the period specified by such Authority but he will continue to be liable to job rotation.
- 3.6 All employees on promotion either from Class-IV to Class-III, within Class-III and/or from Class-III to Class-I irrespective of their length of stay at the existing station will be subject to transfer from one station to another within the Zone of Promotion and in case the Zone of Promotion happens to be a single station/agglomeration such transfer will necessarily be done from one office to another office within the Zone of Promotion.

- 3.7 Nothing contained herein shall be construed to limit, curtail or abridge the authority of the Chairmen-cum-Managing Director, or any other officer authorized in this behalf by him, to transfer an employee in terms of sub-paragraph(2) of 18 of the Scheme.

#### **4. Job Rotation (within the same station)**

- 4.1 Every employee in the cadres of Supervisory, Clerical and Subordinate Staff shall be subject to job rotation in terms of the policy.
- 4.2 Every employee who has completed 3 years continuous working in a particular department shall be liable for transfer to another department within the same office.
- 4.3 Every employee who has completed 5 years continuous working in a particular office shall be liable for transfer to another office within the same station. (Provided that the total numbers of such transfers from an office is limited to a maximum of 25% of the total class-wise (Class-III & IV separately) strength of employee in that office, fraction of 0.5 and above being taken as 1.) (Provided further that minimum 1 such transfer shall be mandatory)
- 4.4 In situations where limitations of 25% as indicated in para 4.3 is to be applied, a class-wise list of employees for such office, who have completed 5 years of continuous stay in that office may be prepared in descending order of length of stay and from the top of such list a number equivalent to such 25% may be taken out.

#### **5. Transfer from one station of another**

- 5.1 The Chairman-cum-Managing Director of the Company is empowered to determine the requirement and need of the Company in its various offices at various stations from time to time.
- 5.2 Transfer from one station to another shall, to begin with, be resorted to for the purpose of fulfilling the need of the Company in workforce at various station as determined vide para 5.1 and achieving a judicious deployment of the same.
- 5.3 Every employee in the cadre of Senior Assistant, Stenographer, Assistant and Record Clerk, who has completed 10 years of continuous stay at a particular station, shall be liable to transfer to another station in

terms of the Policy. (Provided that, in respect of employees in the cadre of Record Clerk, the Competent Authority shall have the discretion to relax or dispense with the provision of the Policy to an extent considered necessary to meet the office exigencies. (Provided further that, in situations involving relocation of an office, employees in the cadre of Sub-staff, besides employees in the cadres in that office, irrespective of their length of stay, shall also be subject to transfer from one station to another in terms of the Policy.

- 5.4 "Continuous stay" for the purpose of the para 5.3 above shall mean the stay of an employee at a particular station in his existing cadre and that in the previous cadre(s) in Supervisory, Clerical and Subordinate Staff taken together.
- 5.5 The Competent Authority, if it considers so to do to meet the office exigencies, shall have the discretion of restricting the number of transfer from a particular station to maximum of 25% of the total class-wise (Class- III & IV separately) strength of employees at that station.
- 5.6 In situations where limitations of 25% as indicated in para 5.5 is to be applied, a class-wise list of employees, for each station, who have completed 10 years of continuous stay at that station may be prepared in descending order of length of stay and from the top of such list a number equivalent to such 25% may be taken out.
- 5.7 Transfer of an employee from one station to another shall ordinarily be restricted to a radius of 150 kms from his present station of posting. However, in exceptional circumstances, where the requirement or need of the Company are not found to be met by restricting a particular transfer to a radius of 150kms. The General Manager (Personnel) may approve transfer of an employee beyond the radius of 150 kms. but not beyond 200 kms.:

Provided that where, for the purpose of fulfilling organizational requirements, the Competent Authority considers it absolutely necessary to transfer employees between two stations, say A and B, located beyond a distance of 150 kms., (or 200 kms., as the case may be), such transfer shall be effected by involving an intermediary station(s), say C, i.e. transferring one employee from A to C and then another employee transferred from C to B, so as to ensure that the distance between A and C and also between C and B is not more than 150 kms (or 200 kms., as the case may be)."

- 5.8 An employee transferred under the Policy from one station to another may be considered for transfer back to his previous station of posting ( except in the case of transfer resulting from relocation of office) or any other place of his choice ( the number of such choices being limited to

three) subject to availability of vacancy after completion of a minimum period of 3 years at the station of his transfer: Provided that The Chairman-cum-Managing Director, on being satisfied on the basis of documentary evidence, may relax the minimum period of 3 years, if so requested by the employee on grounds of the sickness of the employee himself or spouse or any of the dependent children from any of the major diseases.

- 5.9 An employee transferred under the Policy (excluding request transfer and/or posting on promotion) shall be entitled to the benefits as provided for under sub-paragraph (1) of paragraph 18 of the scheme, in addition the transfer benefits as per TE Rules. (Provided that, no other benefit other than these benefits shall be available to him.

## 6. Request Transfers

- 6.1 Request for transfer can be considered only to a place where there is a vacancy and subject to the relieving office being in a position to relieve the employee having regard to the workforce available there.
- 6.2 No transfer request shall be considered until an employee completed a minimum of 3 years at his present place of posting: (Provided that, The Chairman-cum-Managing Director, on being satisfied on the basis of documentary evidence, may relax the minimum period of 3 years. if so requested by the employee on grounds of the sickness of the employee himself or spouse or any of the dependent children from any of the major diseases.
- 6.3 Not more than 3 such transfers shall be allowed during the service period of the employee in the Supervisory, Clerical and Subordinate Staff cadres.
- 6.4 Where the number of transfer request for a particular station is more than the number of vacancies available at the station, the station out of such transfer request, for a number equal to such vacancies, shall be made on the basis of the length of continuous stay at the existing station counted from the date of his first reporting at the station, the longer the stay, the first to be preferred: (Provided that, where the length of the stay happens to be identical in 2 or more cases, the seniority in age, on the basis of date of birth, shall decide the order of preference. The senior being the first to be considered.

## 7. Competent Authority and Administrative Instructions

The General Manager (Personnel) of the Company is authorized to prescribe the Competent Authorities for issuance of various types of transfer orders under this Policy, besides framing the Administrative Instructions for implementations of various provisions of this Policy.

## **8. Interpretation**

Where any doubt or difficulty arises as to the interpretation of any of the provisions of this Policy, it shall be referred to the Board of the Company for decision and the decision of the Board shall be final.

## **9. Overriding effect**

The Provisions of this Policy shall have effect notwithstanding anything to the contrary contained in any rules or policy framed by the Company for the time being in force.

## Pay and Allowances

### Pay Scales (Basic Pay): (Officer)

(1) Scale VII

Rs. 99835-2685(2)-105205-2880(1)-108085-3150(1)-111235-3265(4)-124295

(2) Scale VI

Rs. 89095-2685(8)-110575

(3) Scale V

Rs. 79605-2300(3)-86505-2590(6)-102045

(4) Scale IV

Rs. 65805-2300(9)-86505

(5) Scale III

Rs. 53725-1610(1)-55335-1745(6)-65805-2300(4)-75005

(6) Scale II

Rs. 44065-1610(7)-55335-1745(6)-65805

(7) Scale I

Rs. 32795-1610(14)-55335-1745(4)-62315

### Scales of Pay (Basic Pay) – (Development Officer)

(1) Development Officer Grade I

Rs. 23075-1445(8)-34635-1495(9)-48090-1570(2)-51230-1610(4)-57670

(2) Development Officer Grade II

Rs. 15650-1030(3)-18740-1175(4)-23440

### Scales of Pay (Basic Pay):

#### A. Supervisory and Clerical Staff

(1) Senior Assistant

Rs. 20210-1445(4)-25990-1610(15)-50140

(2) Stenographer

Rs. 20210-1445(4)-25990-1610(15)-50140

(3) Assistant, Typist, Telephone Operator, Telex Operator, Receptionist, Punch Card Operator, Unit Record Machine Operator, Comptist and other equivalent posts

Rs. 14435-840(1)-15275-915(2)-17105-1030(5)-22255-1195(2)-24645-1455(3)- 29010-1510(2)-32030-1610(5)-40080

(4) Record Clerk

Rs.13380-580(2)-14540-620(5)-17640-665(1)-18305-745(2)-19795-820(3)-22255-915(5)-26830-1015(9)-35965

## **B. Subordinate Staff**

(1) Driver

Rs. 13380-580(2)-14540-600(14)-22940-665(2)-24270-745(9)-30975

(2) Other Subordinate Staff

Rs. 11660-475(5)-14035-505(8)-18075-600(1)-18675-620(2)-19915-745(9)-26620

### **Allowances: -**

#### **Dearness Allowance:**

(1) The scale of dearness allowance applicable to the officers/employees shall be determined as under: -

**Index:** All India Average Consumer Price Index for Industrial Workers

**Base:** Index No.4708 in the series 1960 = 100

Rate of dearness allowance: - For every four points in the quarterly average over 4708 points, the dearness allowance shall be calculated at the rate of 0.10 per cent of Basic Pay.

Revision of dearness allowance: - Revision of dearness allowance shall be made on quarterly basis for every four points rise or fall.

(2) There shall be an upward revision of the dearness allowance payable for every four points rise in the quarterly average (hereinafter referred to as the "current average figure") of the All India Consumer Price Index for Industrial Workers (Base 1960) above 4708 points in the sequence 4708-4712-4716-4720 and so on and there shall be downward revision of the dearness allowance payable if the current average figure falls by four points below the index figure in the above sequence with reference to which the dearness allowance has been paid for the last preceding quarter. On the downward revision, the dearness allowance payable shall correspond to the current average figure if such current average figure is a figure in the above sequence and if such current average figure is not a figure in the above sequence, the dearness allowance payable shall correspond to the figure in the above sequence immediately preceding the current average figure.

(3) The final figures of All India Consumer Price Index for Industrial Workers (Base 1960) as published in the Indian Labour Journal or the Gazette of India, whichever publication is available earlier, shall be the index figure which shall be taken for the purpose of calculation of dearness allowance.



(4) The revision in dearness allowance corresponding to the changes in the current average figure for any particular quarter shall take effect only from the second succeeding month following the end of the quarter.

**Explanation:-** For the purposes of this item, "quarter" shall mean a period of three months ending on the last day of the month of March, June, September or December.

### House Rent Allowance (HRA)

➤ **For Officers, Development Officers & Clerical Staff**

House Rent Allowance shall be payable as per the scale given below w.e.f.01.08.2012:-

Place of Posting	Rate	Maximum Amount in Rs. (per month)	Minimum amount in Rs. only for Supervisory, Clerical & Subordinate Staff(per month)
A Cities of Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmedabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida, Gurgaon	10% of pay	5320	-
B Cities with Population exceeding 12 lacs except cities mentioned at Serial no. 'A', and all cities in the State of Goa.	8% of pay	4490	1000
C All other Places.	7% of pay	4320	950

**Note 1:**For the purpose of this item, the population figures shall be those in the latest Census Report.

**Note 2:**Cities shall include their Urban Agglomerations.

**Note 3:**'Pay' means basic salary and stagnation increments as per paragraph 8A for Class - I Officers, sub-paragraphs (3) and (4) of paragraph 13 for Development Staff and sub-paragraph (2) of paragraph 7 for Class - III and IV employees.

**Note 4:**Payment of House Rent Allowance to Class - III and IV employees transferred under the Transfer and Mobility Policy under Paragraph 18 shall be subject to provisions of sub-paragraph (1), Clause (c) of the said paragraph.

- (i) Employees who are allotted Residential Accommodation / Staff Quarters shall not be entitled to any house rent allowance, but they

shall pay to the Company, for such accommodation, the appropriate license fee as may be decided by the Board of the Company from time to time. The revised rate of license fee shall be 0.75% of the minimum of the revised scale with effect from 01.02.2016. Upto 31<sup>st</sup> January, 2016, the amount of license fee which is being deducted at present on the basis of pre-revised basic and pre-revised rate shall continue.

- (ii) However, a Class – III / IV employee who has been allotted Residential Accommodation / Staff Quarters before the 1<sup>st</sup> day of April, 1983, and who has been in receipt of House Rent Allowance as on date immediately preceding the date of publication of this scheme in the Official Gazette in terms of item VI of the Fourth Schedule of the said scheme shall continue to receive such House Rent Allowance so long as he continues to occupy the same Residential Accommodation/Staff Quarters allotted by the Company.

### City Compensatory Allowance (CCA)

#### For Officers, Development Officers & Employees

The City Compensatory Allowance shall be payable w.e.f 01.08.2012 as per the scale given here under :-

Class of City	Place of Posting	RATE	Officers	Development	SCS
			Maximum Rs. (per month)	Officers maximum Rs.(per month)	Maximum Rs.(per month)
METRO	Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmedabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida, Gurgaon.	3.0 % of pay	1330	1125	1055

A	Cities with Population exceeding 12 Lacs except cities mentioned under Metro Cities and all Cities on the State of Goa	2.5 % of pay	1265	1040	990
B	Cities with Population of 5 Lacs & Above but not exceeding 12 Lacs, State Capitals with population not exceeding 12 Lacs Chandigarh, Mohali, Panchkula, Pondicherry, Port Blair	2.0 % of pay	980	910	850
C	All other cities	Nil	Nil	Nil	Nil

Note 1: For the purpose of this item, the population figure shall be as per the latest Census Report.

Note 2: Cities shall include their Urban Agglomerations.

Note 3: 'Pay' means basic salary and stagnation increments as per paragraph 8A for Class - I Officers, sub-paragraphs (3) and (4) of paragraph 13 for Development Staff and sub-paragraph (2) of paragraph 7 for Class – III and IV employees.

Note 4: Payment of City Compensatory Allowance to Class – III and IV employees transferred under the Transfer and Mobility Policy under Paragraph 18 shall be subject to provisions of sub-paragraph (1), clause (c) of the said paragraph.

## Hill Station Allowance

### For Class I / Class II / Class III & IV

The Hill Station Allowance shall be payable w.e.f 01.02.2016 as under:

Place of Posting	RATE	MAXIMUM AMOUNT (in Rs.) per month		
		Officers	Development Officer	Supervisory, Clerical & Subordinate Staff
Posted at places situated at a height of 1500 metres and over above mean sea	2.5 % of Pay	765	615	615
Posted at places situated at a height of 1000 metres and over, but less than 1500 metres above mean sea level, at Mercara and at places which are specifically declared as "Hill Station" by Central Government or State Government for their employees.	2.0 % of Pay	615	485	485
Posted at places situated at a height of not less than 750 metres above mean sea level which are surrounded by and accessible only through hills with a height of 1000 metres and over above	2.0 % of Pay	615	485	485

**Note:** 'Pay' means basic salary and stagnation increments as per paragraph 8A for Class -I Officers, sub-paragraphs (3) and (4) of paragraph 13 for Development Staff and sub-paragraph (2) of paragraph 7 for Class - III and IV employees.

For the period of 01.08.2012 to 31.01.2016 Hill Station allowance shall continue to be paid based on pre-revised scale of Pay as per Item VI of 13<sup>th</sup> Schedule for Officers, as per Item VI of the Schedule I for Development Officers.

## Transport Allowance

### A. (i) Officers

According to Item IX of the 14th Schedule of the Second Amendment Scheme, 2016, every Officer who is not in receipt of any other Conveyance Allowance / Transport Allowance or reimbursement of Conveyance / Transport Expenses under any other Conveyance Scheme of the company shall be paid Transport Allowance of ₹ 1330/- (Rupees One Thousand Three Hundred only) per month w.e.f. 01.08.2012 or the actual date of fixation in revised scales of pay, whichever is later.

### B. (i) Development Officers (Administration) :

The Second Amendment Scheme, 2016 has revised the Allowance to Rs. 625/- per month w.e.f. 01.08.2012

### C. (i) Supervisory, Clerical & Subordinate Staff

According to Item XI of the 10th Schedule, every confirmed employee in the Supervisory, Clerical & Subordinate Staff cadre shall be paid Transport Allowance @ ₹ 460/- (Rupees Four hundred Sixty only) per month w.e.f. 01.08.2012 or date of appointment, whichever is later.

## Fixed Personal Allowance (FPA)

Quantum of the FPA applicable for different categories of employees w.e.f. 01.08.2012 is given below:-

SCALE	Employees in the Scale of Pay (as on 01.11.1993)
1	2
VII	3265
VI	2685
V	2590
IV	2300
III	2300
II	1745
I	1745
Grade I	1610

Grade II	1175
Senior Assistant / Stenographer	1610
Assistant & other equivalent posts	1610
Record Clerk	1015
Driver	745
Other Sub Staff	745

The entire amount of Fixed Personal Allowance shall reckon as Basic Pay for the purpose of House Rent Allowance, Provident Fund, Pension ,Gratuity and Leave Encashment.

FPA is granted one year after reaching the ceiling of scale of pay.

**Note 1:** The amount of FPA applicable to a particular employee shall be the amount as stated against the cadre. For this purpose, the cadre of the employee as on 01.11.1993 or 01.07.2000 (for employees joined on and after 02.11.1993 but before 22.06.2000) has to be taken into consideration. Thus an employee say in the Record Clerk cadre as on 01.11.1993 would get an amount equivalent to Record Clerk's eligibility for FPA one year after reaching the ceiling of scale irrespective of the fact that he/she has become eligible for payment of FPA as an Assistant/as a Senior Assistant. Similarly, an Officer who stays in the Assistant Manager cadre as on 01.11.1993 would get FPA as applicable for officers in the AM's cadre one year after reaching the ceiling of the scale irrespective of the fact that he/she is a Deputy Manager/Manager at the time of becoming eligible for FPA payment.

**Note 2:** The payment of FPA once started will continue throughout the service period of the officer/employee even if he/she gets promoted thereafter and does not remain in the ceiling of the scale applicable to the promoted cadre.

**Note 3:** Since the payment of FPA does not stop even after promotion, the same is not to be taken into account for the purpose of fixation of Basic Salary in the promoted cadre.

**Note 4:** Employees joining after 21.6.2000 are not eligible for FPA.

## Qualification Pay

### i) Technical Qualification

#### Allowance for Technical Qualification to Development Officers:

A confirmed Development Officer who qualifies or has qualified in an examination mentioned in column (2) of the Table below shall be paid with effect from the date of publication of the results of the examination or the 1<sup>st</sup> day of August, 2012, whichever is later, the allowance for technical qualifications mentioned in column (3) of the said table, namely, -

S. No.	Examination	Allowance for Technical Qualification (per month)
(1)	(2)	(3)
1.	Insurance Institute of India Or Chartered Insurance Institute: On completion of: i) Licentiate ii) Associateship iii) Fellowship	₹ 340/- ₹ 925/- ₹ 1550/-
2.	Institute of Actuaries: On passing each subject	₹ 340/-
3.	Institute of Chartered Accountants or Institute of Cost and Works Accountant: On completion of: i) Intermediate Examination ii) Final Group A or Group B iii) Final Group A and Group B	₹ 665/- ₹ 1135/- ₹ 1550/-

Provided that not more than one qualification pay shall be permissible to an employee.

- (1) The grant of allowance for technical qualifications shall not affect the seniority of the Development Officer concerned.
- (2) Where the Development Officer has already been given an advance increment or any other recurring monetary benefit for having qualified in any of the said examinations, the amount of allowance for technical qualification shall be suitably reduced or may not be admissible depending on the quantum of benefit already received.
- (3) Such Development Officer on completion of service of one year after reaching the maximum of the scale shall receive the allowance for technical qualification amounting to not less than one-half of the full rate and after a

further service of one year; the said allowance for technical qualification shall be paid in full.

- (4) The allowance for technical qualification as mentioned in column (3) of the table above, or any part thereof, shall not be counted for the purpose of any allowance or for any service or terminal benefit.

**Explanation:** For the purpose of entry mentioned at serial number 4, in column(2), "Recognized University or Institution" shall mean a University or Institution recognized by the University Grants Commission.

**Allowance for technical qualification to supervisory, clerical and subordinate staff**

A confirmed employee in the category of Supervisory, Clerical and Subordinate Staff who qualifies or has qualified in an Examination mentioned below shall be paid w.e.f. the date of publication of the result of the Examination or the 1<sup>st</sup> day of August,2012 whichever is later, the amount of qualification pay as indicated in the Table given below:

Qualification allowance is payable to the confirmed employees only subject to their satisfying the stipulated terms and conditions and no such allowance is payable, for the period he/she under probation.

Provided that not more than one qualification pay shall be permissible to an employee.

S. No.	Examination	Allowance for Technical Qualification (per month)
(1)	(2)	(3)
1.	Insurance Institute of India Or Chartered Insurance Institute: On completion of: i) Licentiate ii) Associateship iii) Fellowship	₹ 340/- ₹ 925/- ₹ 1550/-
2.	Institute of Actuaries: On passing each subject	₹ 340/-
3.	Institute of Chartered Accountants or Institute of Cost and Works Accountant: On completion of: i) Intermediate Examination ii) Final Group A or Group B iii) Final Group A and Group B	₹ 665/- ₹ 1135/- ₹ 1550/-
4.	On Completion of Master of Business Administration of a recognized University or Institution (All India Council for Technical Education approved course)	₹ 1550/-



- Note 1:** Not more than one Allowance for Technical Qualification shall be permissible to an employee at a time. If an employee completes more than one qualification, the allowance with the higher monetary value will be admissible from the date of passing the examination.
- Note 2:** The grant of Allowance for Technical Qualification shall not affect the seniority of the employee concerned.
- Note3:** Where the employee has already been given an advance increment or any other recurring monetary benefit for having qualified in any of the said examinations, the amount of allowance for technical qualification shall be suitably reduced or may not be admissible depending on the quantum of benefit already received.
- Note4:** Such employee on completion of service of one year after reaching the maximum of the scale shall receive the allowance for technical qualification amounting to not less than one-half of the full rate and after a further service of one year, the said allowance for technical qualification shall be paid in full.
- Note 5:** It is clarified that the employee will be eligible for technical qualification allowance from the date of his confirmation or date of his passing the examination, whichever is later.
- Note 6:** On promotion to Class I cadre, the amount of allowance for technical qualification shall be withdrawn from the date the concerned employee's salary is fixed in Class I cadre on promotion.
- Note 7:** It is clarified that those employees who are selected as Development Officers from Class III cadre and were drawing Qualification Allowance in Class-III may be allowed to draw qualification allowance while on probation in Class II cadre.
- Note 8:** The allowance for Technical Qualification as mentioned in column (3) of the table above, or any part thereof, shall not be counted for the purpose of any allowance or for any service or terminal benefit.

**Explanation:**

For the purpose of entry mentioned at serial number 4, in column (2), "Recognized University or Institution" shall mean a University or Institution recognized by the University Grants Commission.

## Graduation Increment or Allowance:

With effect from 01.08.2012, the Graduation Increment or Allowance to employees in the scale of Assistant shall be paid as under:-

### A. Graduation Increments / Allowance to employees in the scale of Assistant

- a) An employee who is appointed or promoted to any post in the scale of Assistant and who has qualified as a Graduate of a recognized University on or after the first day of January 1973 but before the 1<sup>st</sup> day of August 2007, and has not reached the maximum of the scale shall be granted two increments in the scale with effect from the publication of the results of the examination, or 1<sup>st</sup> day of month following the publication of the General Insurance( Rationalization and Revision of Pay Scales and other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Second Amendment Scheme,2016 in the Official Gazette or the date of appointment in the scale of Assistant, whichever is later, provided that he/she has not already received Graduation Increment or qualification pay for having qualified as such Graduate or any advance increment on appointment, otherwise than by-way of protection of emoluments granted to Ex-servicemen.

Provided that if an employee entitled to increments for graduation is drawing Basic Salary of ₹ 38470/-, only one increment for Graduation shall be granted to him/her.

- b) An employee in the scale of Assistant who is a Graduate from a recognized University before the 1<sup>st</sup> day of August, 2007 and has reached the maximum of the scale shall be paid revised Graduation Allowance with effect from the 1<sup>st</sup> day of August, 2012 as under :-

Number of Year after reaching maximum of Scale	Revised Graduation Allowance per month (₹)
One year after reaching the maximum of the scale	₹ 565/-
Two years after reaching the maximum of the scale	₹ 1000/-

- c) The revised Graduation Allowance as shown above shall not count for the purpose of any allowance or for any service or terminal benefit.

### Explanation:

For the purpose of above sub-item "recognized University" shall mean a University recognized by the University Grants Commission.

## B. Graduation Allowance to Record Clerks

An employee in the scale of Record Clerk, who has qualified as a Graduate of a recognized university before the 1<sup>st</sup> day of August, 2007 shall be paid Graduation Allowance of ₹ 375/- per month w.e.f. the date of publication of results of the examination or from the date of promotion as Record Clerk or the 1<sup>st</sup> day of August, 2012 whichever is later.

**Note 1:** The Graduation Allowance payable to employees in the scale of Record Clerk shall not be treated as Special Allowance nor shall it be treated or counted as Basic Salary for any purpose and it shall be withdrawn on promotion of the employee.

**Note 2:** If such employee is promoted to the cadre of Assistant, he/she will be eligible for the benefit of Graduation Qualification in terms of the provisions given under "Graduation Increments/Allowance to employees in the scale of Assistant".

**Note 3:** On promotion to the cadre of Senior Assistant, graduation allowance will stand withdrawn from the date of fixation on promotion.

**Explanation:** For the purpose of this item "recognized University" shall mean a University recognized by the University Grants Commission.

## Functional Allowance

### Functional Allowance to Supervisory, Clerical and Subordinate Staff

- (1) With effect from the 1<sup>st</sup> day of August, 2012, the employees performing the following functions shall be paid Functional Allowances as under :-

(i)	Subordinate Staff engaged in either as Key Holder or for carrying cash to or from Bank, as his regular and main function, where the amount of cash carried during a calendar month is ordinarily ₹ 25,000/- or more.	₹ 700/- p.m.
(ii)	Other Subordinate Staff working as Liftmen, Machine Operators, Head Peons, Jamadars, Daftaries, AC Plant Operators and Heavy Vehicle Drivers, who were assigned these functions before 1 <sup>st</sup> day of January, 2006.	₹ 165/- p.m.
(iii)	Assistant (or Senior Assistant, in the event of non-availability of Assistant) engaged in handling cash in an office, as his regular and main function, where the amount of cash transactions during a calendar month is ordinarily ₹ 25,000/- or more.	₹ 1500/- p.m.

(iv)	Telex Operators, Punch Card Operators, Unit Record Machine Operators and Comptists, who were assigned these functions before 1 <sup>st</sup> day of January, 2006.	₹ 60/- p.m.
(v)	Stenographer to Chairman-cum-Managing Director, Scale VII, Scale VI and equivalent positions.	₹ 75/- p.m.

- (2) With effect from 01.02.2016 employees performing the functions of Audit Assistants shall be paid Functional Allowance @ ₹ 850/- per month.

**Note 1:** The number and names of persons eligible to draw the Functional Allowance shall be determined by the Chairman-cum-Managing Director or by an Officer authorized by him in this behalf, depending upon the load of work and administrative requirements.

**Note 2:** An employee shall draw only one Functional Allowance at a time.

**Note 3:** An employee proceeding on leave shall be paid the Functional Allowance during his leave period other than periods of extra ordinary leave, provided that he resumes work in the same position on the expiry of his leave.

**Note 4:** No employee shall, as a matter of right, claim to be allotted a particular portfolio of work in order to avail of the Functional Allowance attaching to that position or post.

**Note 5:** No employee shall refuse to work in a position carrying a Functional Allowance or make it a condition that he be paid such allowance where, because of absence of the incumbent or temporary pressure of work, the employee is assigned such work by the Head of his Office.

**Note 6:** Functional Allowance under any of the above clauses or any part thereof, shall not be treated as part of basic salary and shall not be counted for the purpose of any allowance or for the purpose of any other service or terminal benefits.

#### ❖ Functional Allowance to Officers

Functional allowance of ₹ 1150/- per month is payable to Officers working in Internal Audit department and Investigating Officers in Vigilance department w.e.f. 01.02.2016.

#### Paradeep Port Allowance

- **Class I (Officers)/ Class II (Development Officers/ Class III and IV (Supervisory, Clerical and Subordinate Staff) :**

With effect from 01.02.2016 or date of appointment, whichever is later, every confirmed Officer/Employee posted in the office of the Company in Paradeep Port shall be paid an allowance of ₹ 185/- per month so long

as he is posted in that office. This allowance shall not be treated as Basic Pay for any purpose.

## KIT ALLOWANCE

- **Class I (Officers) :**

With effect from 01.02.2016, Kit Allowance to an Officer transferred to any of the hill stations at which Hill Station Allowance is payable has been revised to ₹ 6000/-. The Kit Allowance is payable only once during the entire service of an Officer.

- **Class III and IV (Supervisory, Clerical and Subordinate Staff) :**

With effect from 01.02.2016, Kit Allowance to an employee in the Supervisory, Clerical and Subordinate cadre transferred to any of the hill stations at which Hill Station Allowance is payable has been revised to ₹ 1500/-. The Kit Allowance shall not be payable on transfer from one hill station to another if the same was drawn at any time during the preceding three years.

## Non Practicing Allowance to Scale- I Officers ( Medical):

NPA is payable to such Medical Officers @ 25% of the Basic Pay subject to the condition that the Basic Pay plus NPA does not exceed the ultimate Basic Pay of a Scale-IV Officer.

## CONVEYANCE ALLOWANCE FOR PWD EMPLOYEES

1. An Orthopedically handicapped or blind employees (including employees on probation) shall be entitled to conveyance allowance of uniform amount of Rs. 400/- p.m. for all classes of employees.
2. An employee shall be eligible for conveyance allowance if he/she has a minimum of 40% permanent/partial disability of either upper or lower limbs or 50% permanent/partial disability of both upper and lower limbs together.

### NOTE:

For purpose of estimate of disability, the standards as contained in the Manual of Orthopaedic Surgeon in Evaluating Permanent Physical Impairment brought out by the American Academy of Orthopaedic Surgeons, U.S.A. and published on their behalf by artificial limbs Manufacturing Corporation of India, G.T. Road, Kanpur, shall apply.

It is further clarified that where it is difficult in getting the American Manual percentage incorporated in the disability certificates for the purpose of deciding grant of above allowance, the case may be considered in case of deserving employees on the basis of the medical certificate subject to the condition that the officer-in-charge is satisfied with regard to the disability mentioned and recommends.

3. An employee shall be deemed to be blind when his/her vision is less than 3/60 or field vision is less than 10 in both eyes.
4. The deaf are those persons in whom the sense of hearing is non-functional for ordinary purposes of life i.e. total loss of hearing in both ears. They do not hear; understand sounds at all even with amplified speech. Hearing impairment means loss of sixty decibels or more in the better ear in the conversational range of frequencies.
5. The Head of the Orthopaedics department or the Ophthalmological Department or ENT Department of a Govt. Civil Hospital should recommend the case of the orthopedically handicapped or blind employee as the case may be for the purpose of entitlement of the conveyance allowance. Whenever the handicapped or blind employees are deputed to Govt. Civil Hospitals located at station outside their headquarters for getting recommendations for grant of Conveyance Allowance, they should be paid the actual travelling expenses as admissible to them on official tour but without any daily allowance for the period of journey and for halts. The fees as may be charged by the Govt. Hospital in this regard shall be borne by the Company.

The Conveyance Allowance shall be payable from the date of recommendation of the medical authority as mentioned above.

The employees concerned should apply to their R.O. through proper channel for the grant of conveyance allowance. Such requests will be dealt with at the Regional Office and should not be sent to the Head Office, Personnel Department

The Conveyance Allowance shall be payable to all categories of PWD employees who are not otherwise eligible for conveyance facilities under any other rules of the Company.

The Conveyance Allowance shall not be payable under the following circumstances:

- a) During any period of leave (except Casual Leave),
- b) While on joining time
- c) During suspension.

### Entertainment Allowance:

#### I. Officers

- (a) The Officers in-charge of Divisions and Branches shall be paid entertainment allowance as specified below:-

In-Charge	Entertainment Allowance per month
Officer In-charge of Division	₹ 1,500/-
Officer In-charge of Branches	₹ 1,250/-

- (b) The actual entertainment expenditure incurred by the other Officers not below the rank of Manager within the budget allocated by Chairman-cum-Managing Director will be permitted to be reimbursed on the strength of vouchers for the expenditure on entertainment.
- (c) The allowance specified above will be paid only if the aggregate for the Company falls within the overall limits laid down by the Government. Otherwise the Chairman-Cum-Managing Director shall reduce them suitably.

#### Entertainment Allowance to Officers on Leave

- (a) If an Officer eligible to receive entertainment allowance proceeds on leave for a continuous period not exceeding 30 days, no adjustment in the payment of entertainment allowance shall be made.
- (b) If, however, the continuous period of leave exceeds 30 days, entertainment allowance shall not be paid for the entire period of leave.
- (c) An Officer officiating as In-charge of Division/Branch during the period Officer In-charge of a Division/Branch is on leave, may also be paid entertainment allowance.

#### Special Area Allowance

Special Area Allowance is payable to the employees posted at the specified stations as per the scale of the allowance stated against each place and based on the Basic Pay ranges as given below :-



	NAME OF THE SPECIAL AREA	RATE OF SPECIAL AREA ALLOWANCE FOR EMPLOYEES DRAWING BASIC PAY		
		Upto ₹ 13700/-	Above ₹ 13700/-	
		₹	₹	
<b>MIZORAM</b>				
1.	a.	Chimptuipui District of Mizoram and areas beyond 25 kms. from Lungali Town in Lunglei District of Mizoram	2000	2600
	b.	Throughout Lungeli District excluding areas beyond 25 kms. from Lungeli Town of Mizoram	1600	2100
	c.	Throughout Aizawal District of Mizoram	1200	1500
2.	<b>NAGALAND</b>		1600	2100
<b>ANDAMAN &amp; NICOBAR ISLANDS</b>				
3.	a.	South Andaman (Including Port Blair)	1600	2100
	b.	North and Middle Andaman, Little Andaman, Nicobar and Narcondum Islands	2000	2600
4.	<b>SIKKIM</b>		2000	2600
5.	<b>LAKSHADWEEP</b>		2000	2600
6.	<b>ASSAM</b>		320	400
7.	<b>MEGHALAYA</b>		320	400
<b>TRIPURA</b>				
8.	a.	Difficult areas of Tripura as notified by the State Government from time to time	1600	2100
	b.	Throughout Tripura except difficult areas	1200	1500
9.	<b>MANIPUR</b>		1200	1500
<b>ARUNACHAL PRADESH</b>				
10.	a.	Difficult areas of Arunachal Pradesh as notified by the State Government from time to time	2000	2600



	b.	Throughout Arunachal Pradesh except difficult areas	1600	2100	
11	<b>JAMMU &amp; KASHMIR</b>				
	i)	Kathua District		2000	2600
		a.	NiabatBani		
		b.	Lohi		
		c.	Malhar		
	ii)	d.		2000	2600
		Machodi			
		Udhampur District			
		a.	DuduBasantgarh		
		b.	Lender Bhamaglllaqa		
		c.	Thakrakote		
	iii)	d.		1600	2100
		Nagote			
		Tehsil Mahone			
	iv)	a.	From areas uptoGool, from Kamban side and areas upto areas from Keasi side	2000	2600
		b.	For the rest of the areas		
	v)	Doda District		2000	2600
		a.	Illaqas of Poddar in Kishtwar Tehsil		
	vi)	b.	NiabatBowgam in Kishwar Tehsil	2000	2600
		Leh District			
	vii)	a.	Zanskar, Noyama&Nubra	2000	2600
		b.	All other places in the Dist.		
viii)	Baramulla and Rupwera Districts		2000	2600	
	a.	Entire Gurez-Niabat, Tangdar Sub-Division &Keralllaqa			
ix)	b.	Matchill	1600	2100	
	Poonch and Rajouri District Areas in Poonch and RajouriDisricts excluding the towns of Poonch and Rajouri and Sunderbani and other Urban areas in these two Districts				1200

	vii )	Areas not include in (i) to (vi) above, but which are within the distance of 8 kms. from the line of Actual Control or at places which may be declared as qualifying for border allowance from time to time by State Government for their own staff	1200	1500	
	<b>HIMACHAL PRADESH</b>				
12 .	i).	a.	Pangi Sub-Division of Chamba District	2000	2600
		b.	Bharamour Sub-Division of ChambaDisstt.	2000	2600
		c.	Lahaul and Spiti District	2000	2600
		d.	Kinnaur District	2000	2600
		e.	Dodra-Kawar area of Rohru Tehsil, Parganas of Pandrabis and Atharabis Gram Panchayat of MunishDarkali and Kashapat of Rampur Tehsil of Simla Dist.	2000	2600
		f.	Pargana of PandrabisofKulu District.	2000	2600
		g.	ChhotaBhangal and Bara Bhangal area of Palampur Sub-Division of Kangra District	2000	2600
		h.	JhandruPanchayat Area of Bhatiayat Tehsil of Chamba District	2000	2600
		i.	Mahob, Farhan, Gopalpur, Teban, Pokhi, Nauj, Khanoj, Bagra, Sainjahudi&BalidharPanchayats of KarsogDistt.	2000	2600
		j.	Shimla Town and its suburbs (Mashorbra, Dhalli, Taradevi, Kusumpti, Jatog and Tutu)	2000	2600
		k.	Gram PanchayatiDeothi (Takech areas) and ParganasChhaibis, Naubis, Sarabhan and Barabis of Rampur Tehsil of Simla District	2000	2600

	i.	Chhuhar Valley of Jogindernagar Tehsil, Panchayats of Gatto, Bagraa, Chhatri, ThachadharGaragusHain, Kalhani, Thama, SilibagiChhetdhar, Chanvar, Tachi, JoharKholanal, Somachan Loth Jaryar, Janjheli and Kalwanr of Thunag Tehsil of Mandi District	2000	2600	
		m.	MangalPanchayat Area of Solan District	2000	2600
		n.	Outer-Seraj and MalanaPanchayat area of Kulu District	2000	2600
		o.	Trans-giri tract of Sirmor District	2000	2600
	ii).	a.	Jamjehli Block (excluding area covered in 1(i) above) of Chachot Tehsil of Mandi District	1200	1500
		b.	TrahChopal Tehsil of Simla District	1200	1500
		c.	Churah Tehsil of Chamba District	1200	1500
		d.	MunrPanchayat and BelrajPargana of Chamba Tehsil of Chamba District	1200	1500
		e.	Dalhousie Town	1200	1500
		f.	Rampur Tehsil	1200	1500
		g.	Karsog Tehsil minus the Panchayat indicated under (1) (i) above	1200	1500

	h.	<p>Dharamshala Town of Kangra District and the following offices located outside its Municipal limits but included in Dharamshala Town</p> <ul style="list-style-type: none"> <li>• Women's ITI, Dari,</li> <li>• Mechanical Workshop, Ramnagar,</li> <li>• Child Welfare and Town and Country Planning Offices, Sakoh,</li> <li>• CRSF Office at lower Sakoh,</li> <li>• Kangra Milk Supply Scheme, Dugiar,</li> <li>• HRTC workshop, Sadher,</li> <li>• Zonal Malaria Office, Dari,</li> <li>• Forest Corporation Office, Shamnagar,</li> <li>• Tea Factory, Dari,</li> <li>• I.P.H. Sub-Division, Dan,</li> <li>• Settlement Office, Shamnagar,</li> <li>• Binwa Project, Shamnagar,</li> </ul>	1200	1500
	i.	<p>Palanpur Town of Kangra District including HPKVV Campus at Palanpur and the following offices located outside its Municipal limits, but included in Palanpur Town-H.P.</p> <p>KrishiVishvavidyalay Campus, Cattle Development Office/Jersey Farm, Banuri, Sericulture Office/Indo-German Agriculture Workshop/HPPWD Division, Bundla, Electrical Sub-Division, Lohna, D.P.O. Corporation, Electrical HPSEE Division, Ghuggar.</p>	1200	1500
iii).		<p>Manali - Ujhi area, Parvati and Lagg Valley and Banjar Block of Kulu District</p>	320	400

	iv).	Remaining areas of Himachal Pradesh not included in (1) to (3) above	320	400
13	<b>UTTARAKHAND</b>			
		Areas under Chamoli, Pithoragarh, Uttarkashi, Rudraprayag and Champavat Districts (including area of Lohaghat)	2000	2600

**Note:** The rates of Special Area Allowance stated above are in lieu of the Hill Station Allowance if payable at specified places. Thus, if any of the Special Area as indicated in the payable above is also treated as Hill Station, the employee shall be paid either the Special Area Allowance or the Hill Station Allowance, whichever is higher. Both these Allowances can therefore not be paid to any particular employee at a time.

## Officiating Allowance

### I. Introduction:

Sometimes, when the circumstances so warrant, an Officer/employee holding a substantive post, is required to hold charge of a post in a higher category, and is consequently required to shoulder higher responsibility. Under such circumstances, the concerned Officer/employee may be paid officiating allowance for the period he officiates in a higher post.

### II. Officers:

The following rules govern the payment of officiating allowance to the Officers:-

- (i) The Officer is eligible for payment of officiating allowance only if he has officiated in a higher post at the instance of the In-charge of RO and has been issued a letter to that effect. A copy of the order making officiating arrangement should be placed in the personal file of the Officer concerned.
- (ii) The Officer concerned is eligible for the payment of officiating allowance only if he officiates in higher position for a period of 15 days.
- (iii) The quantum of officiating allowance per month is to be determined as under :-

- (a) If the Officer officiates for a period of 15 days but not exceeding 60 days, the allowance shall be @ 10% of the basic pay drawn by the Officer in his substantive post subject to a maximum of ₹ 150/- per month.
- (b) If the Officer officiates for a period exceeding 60 days, the allowance shall be @ 20% of the basic pay drawn by the Officer in his substantive post subject to maximum of ₹ 200/- per month. The allowance at this rate is payable for the entire period during which he officiates in a higher category.
- (iv) The Officer in whose position the officiating arrangement is to be made should be performing functions, exercising authority and shouldering responsibilities distinctively different and higher from the Officers who are to be considered to officiate.
- (v) There should be no possibility of another Officer of equal / higher rank holding additional charge/looking after the functions of the Officer who will be on leave or away from office for any other reason.
- (vi) The officiating officer can be granted leave during officiating period without effecting the officiating arrangements and officiating allowance as under:-
  - (a) When Officiating arrangement is for more than 30 days but less than 60 days = 4 days.
  - (b) When Officiating arrangement is for more than 60 days = 6days.Officiating arrangement as also payment of officiating allowance will cease if and when the officiating officer goes on leave beyond the limit stipulated above and the officer concerned should be informed accordingly.
- (vii) Entertainment allowance of Rs. 150/- p.m. and on pro-rata for part of the month is payable to officiating Divisional In-Charges and Rs. 125/- p.m. and pro-rata for a part of month to officiating Branch In-Charge, only if the officiating period is for a period exceeding 30 days. Entertainment allowance may be paid irrespective of whether or not officiating allowance is paid.

### **III Supervisory, Clerical and Sub-ordinate Staff:**

An employee may be required to hold officiating charge of a post in a higher category or additional charge of an equivalent post whenever considered necessary and where such

officiating charge or additional charge is held for a continuous period of 15 days or more, the employee shall be paid a pro-rata allowance as follows, namely :

- (i) Officiating in a higher category of post : 20% of his basic salary , subject to a maximum amount of Rs. 100/- per month ;
- (ii) Additional charge of an equivalent post : 10% of his basic salary , subject to a maximum amount of Rs. 50/- per month.

**NOTE 1:**Where the post in which the employee officiates or the post of which he holds additional charge carries a functional allowance, the employee may receive a pro-rata functional allowance for the period he officiates or holds charge.

**NOTE 2:** The employee shall be eligible for officiating allowance if he has officiated in a higher post at the instance of the Company and has been issued a letter to that effect.

## INCREMENT

### GENERAL PRINCIPLES (OFFICERS AND SUPERVISORY, CLERICAL & SUBORDINATE STAFF)

1. Increments to an employee in the grade applicable to him shall be due every year on the first day of the month in which the last increment was drawn or on the first day of the month in which he completes 12 months of continuous service. Twelve months of continuous service means a period of duty equal to twelve months excluding the periods of extraordinary leave/leave on loss of pay/period of unauthorized absence/period of suspension not treated as period spent on duty.

Example:

(i) 'A' whose annual increment normally falls due on 1<sup>st</sup> January of every year, remained absent during the year 2015 for a total number of 30 days and his absence was treated as Leave on Loss of Pay for the said days. 'A' would still get his annual increment on 1.1.2016.

(ii) 'B' whose annual increment normally falls due on 1<sup>st</sup> February every year remained absent during the year 2015 for a total number of 30 days and his absence was treated as Leave on Loss of Pay for the said days, 'B' shall get his annual increment on 1.3.2016.

#### EXPLANATION:

Under these rules 'A' completed 12 months of continuous service counted from the date of his previous Increment (1.1.2015) on 30<sup>th</sup> January, 2016. As such his increment fell due on the first day of the months in which he completed 12 months of continuous service, i.e. 1.1.2016.

Whereas 'B' under these rules completed 12 months of continuous service counted from the date of his previous increment (1.2.2015) on 2<sup>nd</sup> March, 2016. As such his next increment fell due on the 1<sup>st</sup> day of March 2016.

3. In case of all employees including officers whose probationary period is extended or confirmation is delayed either on recruitment or promotion and if such employee is entitled to increment in terms of the relevant Rationalisation Scheme, increment may be released on due date, notwithstanding extension of probation or delay in confirmation. Provided, however that such grant of increment shall not confer on employee any right of confirmation in service or in the promoted cadre, as the case may be.

It is further clarified that if the employee on promotion is not confirmed and is reverted to a cadre from which he was promoted, his basic salary/pay will be re-fixed from the date of reversion, at the stage at which his basic pay/salary would have been but for his promotion to the higher cadre. Thus neither his promotion nor the grant of increment, if any, in the promoted cadre before his reversion shall have any effect on the basic salary/pay, he would have drawn in the lower scale as on the date of reversion.



## Stagnation Increments

### A. Officers

- a. An Officer in the scale of pay of **Administrative Officer (Scale-I)**, on completion of three years of service after reaching the maximum of the scale of pay applicable and subject to work record being found satisfactory may be granted a Stagnation Increment equal to the last increment drawn by him/her in the scale of pay subject to a maximum of three such increments.
- b. An Officer in the scale of pay of **Assistant Manager (Scale-II)**, on completion of three years of service after reaching the maximum of the scale of pay applicable and subject to work record being found satisfactory may be granted a Stagnation Increment equal to the last increment drawn by him/her in the scale of pay, subject to a maximum of five such increments.
- a. An Officer in the scale of pay of **Deputy Manager (Scale-III)**, on completion of three years of service after reaching the maximum of the scale of pay applicable and subject to work record being found satisfactory may be granted a Stagnation Increment equal to the last increment drawn by him/her in the scale of pay, subject to the maximum of two such increments.

### B. Development Officer

- a. A Development Officer Grade-I who has reached the maximum of the scale of pay may be granted for every three completed years of service a stagnation increment equal to the last increment drawn by him/her in the scale of pay and not more than four such increment shall be granted subject to fulfillment of stipulated conditions.
- b. A Development Officer Grade-II: Not more than three such increments shall be granted subject to fulfillment of stipulated conditions.

### C. Supervisory, Clerical and Subordinate Staff

- a. An employee in the scale of pay of **Assistants** on completion of two years of service after reaching the maximum of scale and subject to work record being found satisfactory may be granted a Stagnation Increment equal to the last increment drawn by him/her in the scale of pay and not more than seven such increments shall be granted.

- b. An employee in the scale of pay of **Senior Assistants or Stenographers**, on completion of three years of service after reaching the maximum of scale and subject to work record being found satisfactory may be granted a Stagnation Increment equal to the last increment drawn by him/her in the scale of pay and not more than six such increments shall be granted.

### FIXATION ON PROMOTION

The basic pay of an employee on promotion to a higher cadre shall be fixed as given below :

- (a) Where the basic pay in the lower scale is a stage in the higher scale the basic pay shall be fixed at the stage in the higher scale which is next above his basic pay in the lower scale.
- (b) Where the basic pay in the lower scale is not a stage in the higher scale the basic pay shall be fixed at one stage above the stage in the higher scale which is next above his basic pay in the lower scale.
- (c) The basic pay shall be fixed at a minimum of the higher scale when such fixation results in an increase in the basic pay of at least one grade increment obtaining at the minimum of the higher scale.
- (d) The employee shall have the option to select a date between the date of taking charge in the higher cadre and the date of next annual increment in the lower cadre.
- (e) If the employee opts for date of next annual increment in the lower cadre for his fixation in the higher cadre, the fixation shall be effected after granting the increment due in the lower cadre.
- (f) To allow fixation of pay from Stagnation Stage in the lower cadre to another Stagnation Stage in the higher cadre in cases where the said Stagnation Stage in the lower cadre happens to be above the ceiling of the Pay Scale (i.e. before entering the Stagnation stage) in the higher cadre. For such purpose, the period already spent by the employee at the Stagnation Stage in the lower cadre may be allowed to be carried forward towards reckoning of the period for drawing the next Stagnation Increment in the higher cadre.