

SCTC NO. 687

**COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES
(2006-2007)**

(FOURTEENTH LOK SABHA)

NINETEENTH REPORT

ON

**MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS – INSURANCE DIVISION)**

**“Reservation for and Employment of Scheduled Castes
and Scheduled Tribes in United India Insurance Company Limited.”**

Presented to Lok Sabha on 19.12.2006

Laid in Rajya Sabha on 19.12.2006

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2006 /Agrahayana, 1928 (Saka)

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**COMPOSITION OF THE COMMITTEE ON THE WELFARE
OF SCHEDULED CASTES AND SCHEDULED TRIBES
(2006-2007)**

Shri Ratilal Kalidas Varma - Chairman

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SECRETARIAT

1. Dr.(Smt.) Paramjit Kaur Sandhu - Additional Secretary
2. Shri P.K. Bhandari - Joint Secretary
3. Shri Gopal Singh - Director
4. Ms. J.C. Namchyo - Under Secretary

INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to finalise and submit the Report on their behalf, present this Nineteenth Report (Fourteenth Lok Sabha) on the Ministry of Finance (Department of Economic Affairs – Insurance Division) - “Reservation for and Employment of Scheduled Castes and Scheduled Tribes in United India Insurance Company Limited ”.

2. The Committee took evidence of the representatives of the Ministry of Finance (Department of Economic Affairs – Insurance Division) and United India Insurance Company Limited on 16th November, 2005. The Committee wish to express their thanks to the officers of the Ministry of Finance (Department of Economic Affairs – Insurance Division) and United India Insurance Company Limited for placing before the Committee the material and information the Committee required in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on the 14th December, 2006.

4. A summary of conclusions/recommendations contained in the Report is appended (Appendix).

**New Delhi;
19th December, 2006
28, Agrahayana, 1928(Saka)**

**RATILAL KALIDAS VARMA
Chairman
Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes.**

CHAPTER – I

ORGANISATION AND FUNCTIONS

A. Organisational set-up

1.1 The United India Insurance Company Limited is one of the four public sector general insurance companies under the control of Department of Economic Affairs, Ministry of Finance, Government of India. It is a Board run Company headed by the Chairman-cum-Managing Director transacting general insurance business. The Head Office of the Company is situated at Chennai. The Company operates through a network of 24 Regional, 364 Divisional and 705 Branch Offices and 248 Micro Offices spread all over the country. The Divisions, Branches and Micro Office are operating offices while Regional Offices and Head Office are controlling offices.

1.2 To a query over the number of offices headed by SC/ST officers, the Committee have been informed in the post evidence reply that 3 of the 24 Regional Offices are headed by SCs/STs. As regards Divisional Offices, 71 of the total 364 Divisional Offices are headed by SCs/STs. So far as Branch Offices are concerned, 239 of the total 705 Branch Offices are headed by SCs/STs.

1.3 In reply to a query to quantify the number of offices in urban and rural locations, it has been submitted that none of the Regional, Divisional or Branch Offices are located in rural areas. It has further been stated that according to Insurance Regulatory & Development Authority (IRDA) guidelines, a place, which meets the following criteria as per the latest census, is defined as rural area:

- i) A population of less than five thousand;
- ii) A density of population of less than four hundred per square kilometre and;

- iii) More than 25% of the male working population is engaged in agricultural pursuits.

1.4 The Ministry of Finance (Department of Economic Affairs) – Insurance Division exercise administrative control over the United India Insurance Company Limited. It formulates policy for the orderly growth of insurance sector. These *inter-alia* include monitoring of performance of the nationalized insurance companies, framing of rules and regulations in respect of service conditions of employees of these companies and appointment of Chief Executives and Directors on their Boards.

1.5 When asked about the existence of any separate division in the Ministry to look after the reservation aspects in United India Insurance Company, the Ministry stated in their post evidence reply that Insurance II Section of the Insurance Division of the Ministry of Finance looks after the implementation of reservation guidelines in all Public Sector Insurance Companies including United India Insurance Company Ltd. As for a query relating to the adequacy of the present manpower to cope with the work entrusted, no clear view has been rendered except stating that the manpower of Insurance II Section comprises of a Under Secretary, a Section Officer and two clerical staff for assistance.

B. Board of Directors

1.6 The Committee have been informed that the appointment on the Board of Directors are made under the Articles of Association of the Public Sector General Insurance Companies. Elaborating on the issue, the representative of the Ministry of Finance submitted during the evidence that the Board of Directors of the General Insurance Companies consist of 11 Directors of which 3 are official and 8 are nominated non-official Directors. The three official Directors include one Chairman and Managing Director and two Directors of General Manager level. The present Board is

headed by the Chairman and Managing Director and includes one Director of General Manager level, one Bank representative and one Bank nominee. On being asked about the status about vacant posts, the Ministry stated during evidence that the process is on to fill rest of the vacant posts on the Board of Directors. They also submitted that the Board does not have any member belonging to SC/ST community. Replying further, the representative of the Ministry of Finance, Department of Economic Affairs (Insurance Division) during evidence stated:-

“We have information about last panel which has been sent. As far as my information is concerned, any separate category panel has not been forwarded”.

1.7 The Committee have also been informed that there is no provision in the General Insurance Company (GIC) Act of 1972 for appointment of Scheduled Caste and Scheduled Tribe candidates to the post of Chief Executive/Member on the Board of Directors and non-official Directors. To a specific query, it has been stated in the post evidence replies that neither any similar proposal to include an SC/ST member on the Board of Directors has ever been mooted nor any SC/ST has ever been appointed to the Board of the United India Insurance Company since inception. The representative while throwing more light on the issue during evidence stated:

“From the Ministry side, my clarification was only this. This question has not been put earlier and so I am not in a position to reply to it. The question is whether, over the last 30 years, anybody has been proposed to this... I will certainly verify that aspect and place that before the august Committee. But off the cuff, I cannot say... I will inform the Committee tomorrow itself”.

1.8 When the Committee wanted to know about the number of Scheduled Castes and Scheduled Tribes officers nominated by the Ministry of Finance to the various

Boards of other financial institutions under their control, the representative of the Ministry further clarified:

“Government can nominate... Government nominees are non-official. An ex-officio is selected from the Insurance Division. It is a small Division. Like me there are Deputy Secretary and an Under Secretary. These people are nominated as ex-officio Government nominee.... we will provide the number”.

1.9 In this connection it may be recalled that the Ministry of Finance in their Action Taken Replies on the recommendations contained in the Committees' 33rd Report (10th Lok Sabha) had apprised that the proposal was considered at the highest level. In the Final Action Taken notes, it was stated that the Appointments Committee of the Cabinet (ACC) had given their clearance for appointment of non-official Directors on the Board of LIC of which one of the Directors belonged to SC/ST category.

1.10 In reply to a question over the feasibility of introducing a rotation system to select a SC/ST officer to hold the post of Chairman-cum-Managing Director/Membership in the Board of Directors automatically after a certain number of years, the Ministry of Finance stated that it is not feasible to introduce such a system owing to its non-existence anywhere else in the Government Ministry/Departments or Public Sector Undertakings. Adding further the Ministry stated that it implied a policy decision and required consideration by Department of Personnel and Training, being the nodal department on the reservation policy.

1.11 To an enquiry about the periodical reviews undertaken by the Board for implementation of the reservation policy in the United India Insurance Company, it has been stated that reviews are undertaken at the time of publication of Annual Report only. The Annual Reports also do not show the details of unfilled SC/ST posts and

the progress made to fill them up. It only contains a statement that guidelines extending the concession/relaxation and reservation in posts are being followed.

1.12 As regards, fixing of responsibility against officials obstructing reservation policy, it has been clarified that being an administrative matter it falls within the jurisdiction of the Company.

1.13 The Committee note that the United India Insurance Company Limited operating through a network of 24 Regional Offices, 364 Divisional Offices, 705 Branch Offices and 248 Micro Offices has no presence in the rural areas.

1.14 The Committee observe that there is neither any specific provision in the General Insurance Company (GIC) Act, 1972 for appointment of Scheduled Caste and Scheduled Tribe candidates on the Board of Directors nor any member belonging to these communities has ever been appointed on the Board of Directors of the United India Insurance Company. The Committee also find that the Government can nominate non-official members on the Board. Regarding nomination of non-official members on the Board of Directors, the Ministry of Finance, Department of Economic Affairs (Insurance Division) in their final Action Taken Notes on the recommendations contained in the 33rd Report (10th Lok Sabha) of the Committee had informed that the Appointments Committee of the Cabinet (ACC) had given their clearance for appointment of non-official Directors on the Board of LIC of which one of the Director belonged to SC/ST category. The Committee, therefore, cannot understand what restricts the Government to issue guidelines based on the decision of Appointments Committee of the Cabinet (ACC) for whole of the insurance sector. They are surprised to note that the Ministry have not taken into consideration the decision of the Appointments Committee of the Cabinet(ACC) regarding the appointment

of one SC/ST member on the Board of Life Insurance Corporation (LIC) based on the recommendation of this Committee which could have been made applicable to the whole insurance sector. The Committee, therefore, desire the Government to adopt a serious approach to find a workable solution towards appointment of SC/ST members on the Board of Directors of Insurance Companies either by way of an amendment to the GIC Act, 1972 or by issuing specific instructions regarding their appointment.

1.15 The Committee note that the Board of General Insurance Companies consists of 11 Directors including 3 official and 8 non-official Directors. The present Board of the United India Insurance Company comprise of only two official and two non-official Directors. Six posts of non-official Director and one post of official Director are still vacant. The Committee are surprised to find that the present board is not even half of its actual strength. They, therefore, desire that immediate action be taken to fill up the posts of official and non-official Directors with sincere efforts toward finding an SC/ST member in the non-official Directors category also.

1.16 The Committee find that the reviews on the implementation of the reservation policy are undertaken on yearly basis that also at the time of preparation of annual reports. The Committee feel that such an exercise when all energies of the management are concentrated towards finalisation of the annual reports may be futile until and unless the details of the unfilled posts of SCs/STs both in recruitment and promotions are not highlighted therein. Moreover, if such an exercise is carried out on half yearly basis, the Management would get ample time to identify the actual and anticipated shortfalls and plan their strategy to fill them in the next half leaving no room for backlogs. The Committee,

therefore, recommend that half yearly reviews be undertaken in place of yearly reviews and details of vacant posts, if any should be highlighted in the Annual Reports along with the steps to be taken/ initiated to fill them up.

1.17 The Committee feel that there is an urgent need to lay down policy guidelines for appointments to the Boards of various insurance companies which encourage appointment of SCs/STs as Chairman and members of the Board. The Committee fail to understand as to why no SC/ST officer could make it to the Board of United Insurance Company when 3 Regional and 71 Divisional Offices are being held by SCs/STs. The Committee desire that a study in this regard should be made by the Ministry of Finance and a report be sent to this Committee within 6 months.

CHAPTER – II

RESERVATION IN SERVICES

A. Recruitment

2.1 The Committee have been informed that reservation is provided for SC/ST in recruitment to all categories of posts. In Group 'A' Officers Cadre the United India Insurance Company provides 15% reservation for the Scheduled Castes and 7½% reservation for the Scheduled Tribes. In Group 'B' Development Officers Cadre, Group 'C' Clerical staff and Group 'D' Sub-Staff category reservation is applicable as per the scales laid down for the State in which the recruitment zone is located.

2.2 The Committee have further been informed that recruitment to the Officers cadre is done through advertisement in national and regional newspapers followed by competitive written examinations and final selection is done through interviews. The same procedure is followed in respect of recruitment to Development Officer's cadre. The Clerical Staff are normally recruited through local Employment Exchange but sometime through advertisement in the newspapers. Selection is made through written competitive tests, skill test and interviews. Sub-staff are recruited by interviewing candidates sponsored by the Employment Exchange.

2.3 In a further written reply, it has been stated that the continuance of the cadre of Development Officers has however been reviewed in the wake of opening up of the Insurance Sector. The Insurance Regulatory and Development Authority (IRDA) has framed regulations for development of new intermediaries like brokers and corporate agents. It is expected that with the growth of new intermediaries, the role of Development Officers as direct sales force would diminish over a period of time. As such, a special voluntary retirement package was given to Development Officers to

down size this cadre and the strength of this cadre has been frozen at post-SVRS level by the Board of the Company.

2.4 In reply to another question, the Company has stated that no reservation for SCs/STs is provided in appointment and training of agents since they are not employees of the Company. The Company could not provide details of SC/ST agents presently earning business for them except stating that about 55,000 agents are representing United India Insurance Company on plea that there is no provision for caste status in the application form for enrolment of agents. It has also been stated that no specific facilities are granted to agents doing extraordinary business except that incentive schemes are declared from time to time without discrimination.

2.5 As regards qualifications for recruitment in Group 'C' and 'D', it has been stated that in notification to Employment Exchanges specific educational and other criteria for selection are stipulated so that Employment Exchange sponsor only those candidates who fulfill the required educational qualification and age. The details of selection are intimated to the concerned Employment Exchange after the recruitment exercise.

2.6 When the Committee specifically wanted to know from the United India Insurance Company as to whether they had ever resorted to campus recruitment or sought candidates from outside States, it was stated that campus recruitment had never been undertaken. As regards, outside candidates, it was submitted that since recruitment mostly takes place through local employment exchanges candidates from outside State are not considered generally. However, when advertisements are published in Newspapers that have circulation in more than one State, candidates from outside the State also apply.

2.7 As regards advertisements, the number of posts reserved for SC/ST are clearly indicated in the advertisement for direct recruitment and copies of the same are sent to

concerned Employment Exchange, Welfare Associations and Organisations of SCs and STs. In response to a specific query, it has however been intimated that the vacancies for SCs and STs are not advertised over All India Radio or Doordarshan. When asked to elaborate on the reasons for not announcing the vacancies on All India Radio or Doordarshan, the Company intimated that there is no specific reason for not doing so. The recruitment procedure of the Company stipulating notification to Employment Exchange and/or publication of advertisement in Newspapers is strictly followed. However, the Company have taken action to announce the vacancies on All India Radio and Doordarshan in recently concluded backlog drive in Chennai. To a query, it has been stated that in many cases Employment Exchanges have been unable to sponsor the requisite number of candidates, especially in ST category.

2.8 The Committee have further been informed that the following concessions/relaxations are extended to the SC/ST candidates in the matter of direct recruitment:-

- i. The minimum educational qualification for recruitment of Officers is graduation with 50% marks. For SC/ST candidates, it is relaxed to graduation with 40% marks.
- ii. The educational qualification for recruitment in Clerical Cadre is graduation or HSC with 60% marks. For SC/ST candidates, qualification standard is Graduation or HSC with 50% marks.
- iii. In respect of Assistant (Typist), the required educational qualification is graduation or HSC with 55% for General Category, which is relaxed to Graduation or HSC with 45% marks for SC/ST candidates.
- iv. The upper age limit for SC/ST candidates is relaxed by five years.

- v. Pass percentage in pre-recruitment tests for clerical staff has been reduced by 10% marks for SC/ST candidates viz. 50% for General and 40% for SC/ST.
- vi. SC/ST candidates are exempted from payment of application fees.
- vii. SC/ST candidates called for test/interview from outstation are reimbursed travelling expenses.
- viii. Interviews for SC/ST candidates are carried out separately.
- ix. Merit list of selection for SC/ST categories is prepared separately.

2.9 When specifically asked whether educational and other criteria for selection are further relaxed to wipe out shortfalls in ST category, it was stated that criteria stipulated under the recruitment procedure of United India Insurance Company Limited had not been relaxed earlier. The Company, however, relaxed the same for ST candidates in recruitment to the post of Stenographers in the current special drive.

2.10 The Committee note with concern that advertisement for recruitment in the United India Insurance Company are only advertised in the national and regional newspapers and not normally announced through All India Radio or Doordarshan. Even vacancies notified to local employment exchange are not announced through these media. The Insurance Company has also not specified any reason for not doing so. Further, the copies of the advertisements are sent to the Welfare Associations and Organisations of Scheduled Castes and Scheduled Tribes. The Committee desire that the advertisement for recruitment should invariably be announced on All India Radio and Doordarshan in terms of Para 7.1 (iv) of the “Brochure on Reservation for Scheduled Castes and Scheduled Tribes in Services”. The Committee also desire that copies of the advertisements should be endorsed to them in future.

2.11 The Committee observe that in view of the fresh regulations framed by the Insurance Regulatory Development Authority (IRDA) for development of new intermediaries like brokers and corporate agents, the role of Development officers as direct sales officers would diminish. The Company has accordingly decided to freeze this cadre. The Committee note with concern that the Government seem to decline reservation among Brokers and Corporate Agents that have been introduced in place of Development Officers merely on grounds that they are not their employees totally in contrast of the extant guidelines which provide reservation for SCs and STs, upto the lowest rung of Group 'A' posts (i.e. lowest rung of Class I posts). The Committee feel that in normal course also only a negligible number of Scheduled Castes and Scheduled Tribes may get appointed as brokers or corporate agents since the Insurance sector has been unable to provide visible representation to these categories in the appointment of agents till now as noted by the Committee in discussions with the Management of various institutions during their study visits. The United India Insurance Company have even failed to provide details of the number of SC/ST agents among the 55,000 agents presently earning business for the Company for the reasons best known to them. The Committee, therefore, insist that a serious effort should be made to restructure and re-work the terms and conditions for appointment of brokers and corporate agents so as to give adequate representation to the Scheduled Caste and Scheduled Tribe communities.

2.12 The Committee note that on various occasions Employment Exchanges have failed to sponsor sufficient number of candidates especially in ST category leading to backlogs. The Company neither undertakes campus recruitment in

such situations nor they generally resort to considering candidates from outside States. The Committee, therefore, desire that in case local employment exchanges fail to nominate adequate number of candidates, the candidates from adjoining States should also be sought through specific advertisements. The Company should also resort to campus recruitment to generate adequate number of candidates.

2.13 The Committee are dismayed to note that further relaxation in the standards of suitability are not extended to wipe out SC/ST shortfall during recruitment in the absence of such a stipulation in the recruitment rules of the United India Insurance Company Limited. The Committee are, however, pleased to note that the Company which had not relaxed the criteria on any occasion earlier had done so for ST candidates in recruitment to the post of stenographers. The Committee would like to draw the attention of the Company to the provision contained in Para 6.5 of the "Brochure on Reservation for SCs and STs in Services" which stipulate that in direct recruitment, whether by examination or otherwise, if sufficient number of SCs/STs are not available to fill all the vacancies reserved for them, candidates belonging to these communities should be selected on relaxed standards to fill up the remaining vacancies reserved for them. The Committee observe that perhaps this stipulation has never been given thought of by the Company. This stipulation, in the first place, leaves no scope for shortfall and secondly shortfall left, if any, needs to be filled in a similar manner. The Committee, therefore, recommend the Ministry to issue necessary advice to the United India Insurance Company to carry out the necessary changes in their recruitment procedure in this regard.

B. Promotion

2.14 Reservation is provided in promotion up to lowest rung of Class I Cadre i.e. Assistant Administrative Officer (AAO) grade for which codified promotion policies have been laid. Clerical and Subordinate Staff become eligible for promotion on the basis of completed years of service and/or educational/technical qualifications. Selection is made from the employees empanelled for the vacancies declared by rating them under three separate criteria viz. seniority, qualification and work record and interview wherever applicable. Development Officers become eligible for promotion only on completing minimum years for service (depending on their educational qualifications) and producing the stipulated premium within the cost parameters. The eligible candidates are selected against promotional vacancies available in the Officers cadre depending on the marks scored by them under four separate criteria namely seniority, qualification, work record and interview. Officers have to complete minimum service in their present cadre before becoming eligible for promotion. The eligible officers are then empanelled and considered by Committees constituted as per the promotion policy for selection against promotional vacancies depending on the marks scored by them for seniority, qualification, work record and interview, wherever applicable.

2.15 Promotion from Class IV to Class III is done within the Division and Class III to Class I is done on Regional basis. A separate 200 point roster envisage reservation of 15% for Scheduled Castes and 7 ½ % for Scheduled Tribes in promotion uniformly.

2.16 Elaborating on the concessions/relaxations in promotion, the Committee have been informed in the post evidence replies that concession is given to SC/ST candidates in pass percentage in departmental tests for promotions. However, no concession/relaxations are given to SC/ST candidates in seniority, work record or interview for selection.

2.17 It has further been stated that there is a provision of “Protection Clause” for officers from Administrative Officer to Deputy Manager level in the codified promotion policy. As per these provisions, those SC/ST officers who are senior enough in the zone of consideration for promotion so as to be within the number of vacancies are included in the list provided they are not considered unfit for promotion. For purpose of this provision, the officer shall be considered fit only if he is rated ‘fit’ in the Annual Confidential Report (ACR) either (i) in the latest report for the year immediately preceding the year in which promotion is being considered or (ii) in two out of the latest three years. For this purpose of determining whether the officer is rated ‘fit’ reference is to be made to items V(3) of Annual Confidential Reports keeping in view the clarification that if there are differences in the remarks of the Reporting Officer and Reviewing Officer(s), the remarks of the last Reviewing Officer will prevail.

2.18 On being asked whether adverse or negative remarks amount to ‘unfit’ for promotion, the Committee were informed that mere adverse or negative remarks *per se* do not make an officer ‘unfit’ for promotion. The Confidential Report of an officer is assessed holistically to decide about the fitness of the officer for promotion. Adverse remarks in certain important traits like financial integrity, discipline etc., however, can not be overlooked. Besides, Reviewing Officer reviews the negative/adverse remarks of Reporting Officers. The review is usually done at two levels by two Reviewing Officers who are superior in rank to Reporting Officer. At the time of promotion, the Promotion Committee scrutinises the Confidential Report ratings of officers and they generally agree with the view of reviewing authorities. Furthermore the Promotion Committee invariably includes one member from SC/ST community who ensures that prejudicial reporting against an SC/ST officer, if any, do not hamper his promotional

prospects. Besides there is a provision for appeal against non-promotion and the Reviewing Authority examines such cases in detail to ensure justice.

2.19 While replying to another query relating to the marking system in use, it has been submitted that the system of decimal marking prevalent in the Company is adopted while assessing employees for promotion. According to the Codified Promotion Policy, marks to be allotted involve numerical quantification of ratings given in the Confidential Reports. This necessarily gives rise to decimal markings.

2.20 When asked whether any comparative analysis of ACR grading of SC/ST vis-à-vis general category officers has ever been done, it was informed that no such comparative analysis has been done. As for providing details of officers assessed unfit in their ACRs prior to promotion during the last 3 years, the United India Insurance Company stated that there may not be many cases of such nature and agreed to provide the information separately, but have been unable to fulfil their assurance till the finalisation of the Report. As regards final assessment of officers, it has been stated that confidential reports have several columns relating to behavioural traits, performance, growth potential etc., and it is difficult to quantify about 4000 officers as 'Outstanding', 'Very Good', etc in each trait as it will become a voluminous exercise.

2.21 To a specific query as to whether the codified promotion policy does not amount to deprivation of SC/ST candidates of their reservation rights upto the lowest rung of Group 'A' posts, it has been stated that codified promotion policy does not amount to deprivation of SC/ST candidates of their reservation rights. In fact para 43 of the Promotion Policy explicitly provides for 15%-7.5% of reservation in total vacancies for SC/ST. The codified Promotion Policy further provides several relaxations and concessions to SC/ST candidates vis-à-vis general candidates.

2.22 While replying to a query, it has been admitted that no SC/ST member is specifically associated with departmental examination process of promotion. However, Chief Liaison Officer at Head Office and Liaison Officers, at Regional Office level are closely associated with promotion process at various stages. It has further been clarified that setting up of question paper for promotion and the evaluation of answers are done at corporate level. Only in case of test to the post of Record Clerk, the test is conducted at Regional Office level. It has also been submitted that relaxation in the eligibility criteria and the pass percentage is not extended under circumstances where none of the vacancies are reserved for the SC/ST candidates in departmental competitive examination. In case where vacancies are un-reserved, the SC/ST candidates who compete against these vacancies must possess eligibility criteria as applicable to general candidates since relaxation is given only in respect of reserved vacancies.

2.23 To a specific query as to whether the Company has ever resorted to recruitment in the event of not finding suitable candidates for promotion in the feeder grade, the Committee have been informed that Company has resorted to recruitment especially in the cadre of Stenographer through general recruitment after all attempts have failed to find internal candidates for promotion to the cadre of Stenographer. This is done more as an exception than as a rule.

2.24 In reply to a specific query as to whether the United India Insurance Company had ever achieved full reservation percentage for SCs/STs in recruitment and promotion in the vacancy based roster system since inception, it was submitted that the Company achieved the prescribed reservation percentages in recruitment twice i.e. during 1996 and 1998. In promotion, it has been stated that the prescribed percentages were achieved thrice, i.e. during 1992, 1994 and 1999 as per the table given below:

Year	Class-I			Class-III			Class-IV		
	TOT	SC	ST	TOT	SC	ST	TOT	SC	ST
1992	221	57	5	805	243	52	NA	NA	NA
1994	131	28	1	420	122	32	NA	NA	NA
1999	444	11	61	867	39	171	NA	NA	NA

2.25 The Committee note that reservation is provided in promotion upto lowest rung of Class I cadre i.e. upto Assistant Administrative Officer (AAO) grade. For promotions to the grade of Administrative Officer, Assistant Manager and Deputy Manager, there is a provision of “Protection Clause” in the codified promotion policy. However, an officer must be rated ‘fit’ either in two out of his latest 3 years ACRs or in the latest ACR. It is also noted that there a provision for appeal against non promotion and the reviewing authority examine such cases in detail to ensure justice only after the whole exercise has been completed. In contrast to this, the safeguard provided against supersession of SCs/STs in promotions provide that before any officer of these categories is considered ‘unfit’ for promotion, the Departmental Committee/ Selection Committee may satisfy itself that the concerned officer had been advised about his unsatisfactory performance and that his explanation/representation, if any, against this had been considered by the appropriate authorities. The Committee however, do not understand as to how this aspect would be looked after in the light of claim by the Company that the provision of examination of appeal against promotion by the reviewing authority ensure justice in such cases. The Committee further note that negative/adverse remarks of Reporting Officer are viewed at two levels by two Reviewing Officers who are superior in rank to the Reporting Officer. The remarks of the last Reviewing Officer are considered final and the Promotion Committee generally agrees to the views of the Reviewing Officers. The Committee, however, fail to understand as to how the SC/ST

community officer being a member of the same Promotion Committee which generally agree with views of the Reviewing Authorities, can ensure any prejudicial reporting against an SC/ST officer in their ACRs. The Committee feel that the present system of scrutiny by the Promotion Committees should be reviewed and the SC/ST Member associated with it must be given powers to stall the whole process and investigate any negative/adverse remarks awarded to SC/ST Officers declaring them unfit.

2.26 The Committee note with concern that though concession is given to SC/ST candidates in passing percentage in departmental examination for promotion, no concession/relaxation is given to them in work record and interview for selection. This is in contravention to the basic tenet of reservation. The extant provision envisages that in promotion through departmental examinations, those SC/ST candidates who have not acquired the general qualifying standard should also be considered for promotion by relaxing the standards provided they are not found unfit. Furthermore, instructions contained in the Ministry of Finance Letter No. 101/9/86/SCT (B) dated 15th May, 1986 provide for relaxation of 5% marks in examination as well as interviews. The only criterion to be considered while undertaking such exercise are minimum eligibility condition in terms of length service and non-availability of candidates in the feeder cadre. The Committee, therefore, recommend that concession/relaxation should be given to the SC/ST candidates in all the areas.

2.27 The Committee also note that a system of decimal marking is prevalent in the United India Insurance Company for assessing employees for promotion. The codified promotion policy also involves numerical quantification of ratings given in the confidential reports giving the necessity for decimal marking. The

Committee, however, feel that such a marking system can hamper the prospects of an officer since in such a system it may be difficult to establish any prejudicial marking by the candidate because of the fact that final tally may vary only by decimal one (.1) and which may be very easy to substantiate by the Management. The Committee, therefore, desire that the system of decimal marking should be replaced by a liberal system of grading which definitely should fit into the Codified Promotion Policy also.

2.28 The Committee are distressed to note that besides associating the Chief Liaison Officer at head office and Liaison Officer at regional office level in the various stages of promotion process, no SC/ST member is specially associated with the departmental promotion process for the reason that setting of question papers for promotion and the evaluation of answers are done at corporate level except for test to the post of record clerk which is conducted at regional office level. The Committee, therefore, desire that an SC/ST officer should invariably be associated with the actual promotion process involving them in preparation of question papers and evaluation of answers.

2.29 The Committee further note with concern that no relaxation in the eligibility criteria is extended to the SC/ST candidate where none of the vacancies are reserved for these categories. They unanimously feel that relaxation in the eligibility criteria must be extended to the SC/ST candidates even in case none of the vacancies are reserved in order to at least give them a chance for appearing in the exams to compete along with the general candidates and qualify as per the general passing standards.

2.30 The Committee complement the United India Insurance Company for achieving full reservation percentage for SCs/STs in recruitment twice in 1996

and 1998. In promotion they have achieved full reservation percentage only twice during 1992 and 1994 and not thrice as claimed. During the year 1999 the United India Insurance Company could only promote 72 SC/ST candidates as compared to 444 General candidates in Class I category clearly falling short of 27 vacancies. The Committee, however, expect that the good work would be continued in future also. The Committee further desire that in case the company continuously fail to find SC/ST candidates for promotion at any point of time, decision should be taken to fill them through recruitment as a rule and not as an exception.

C. Staff strength and shortfall

2.31 The manpower position in the United India Insurance Company as on 15th November, 2005 provided to the Committee is as follows :

CLASS	CADRE	TOTAL	GEN	SC		ST	
				No.	%	No.	%
I	ASST. ADMN. OFFICER	1963	1432	434	22.11	97	4.94
II	DEVELOPMENT OFFICER*	2272	1919	276	12.15	77	3.39
III	SENIOR ASSISTANT	2240	1585	523	23.35	132	5.89
	STENOGRAPHER	478	405	55	11.51	18	3.77
	ASSISTANT	4858	3456	1071	22.05	331	6.81
	RECORD CLERK	1539	833	573	37.23	133	8.64
	TOTAL	9115	6279	2222	24.38	614	6.74
IV	DRIVER	32	24	4	12.5	4	12.5
	SUB-STAFF	1660	852	658	39.64	150	9.04
	TOTAL	1692	876	662	39.12	154	9.10

(*Cadre Strength freezed)

2.32 The detailed position of cadre strength in the Class-I posts which fall under the Protection Clause of Promotion Policy are given below:-

CLASS	CADRE	TOTAL	GEN	SC		ST	
				No.	%	No.	%
I	DEPUTY MANAGER	174	143	25	14.37	6	3.45
	ASSISTANT MANAGER	626	485	123	19.65	18	2.88
	ADMINISTRATION OFFICER	1383	910	409	29.57	64	4.63
	TOTAL	2183	1538	557	25.52	88	4.03

2.33 The total strength/shortfall in the Development Officer category as on 01.01.2001, 01.01.2002 and 01.01.2003 is given in Appendix IV. The Committee have been informed that with the advent of new intermediaries like brokers, corporate agents, there was a need for repositioning of this cadre and decision was taken not to increase their cadre strength. It has further been stated that a Special Voluntary Retirement Package (SVRP) was offered to Development Officers during the year 2003 wherein a total of 369 Development Officers including only 3 SC/ST Officers opted under the scheme.

2.34 When the Committee wanted to know about the low representation of Scheduled Tribe Categories in almost all posts, the United India Insurance Company stated that shortfall in recruitment was mainly due to non-availability of eligible candidates. When the Committee pointed out at various discrepancies/anomalies in the data furnished to the Committee and desired to know the reasons for the same, it was submitted that there had been some inadvertent anomalies. In reply to a specific query the Ministry stated that the shortfall in ST category were noted while monitoring special drive to clear backlog vacancies reserved for SCs/STs.

2.35 The Chairman and Managing Director of the United India Insurance Company while clarifying on the issue during the evidence stated:

“We have started the procedure and we are running campaigns to find eligible candidates at such places where we could not fill up the posts. Our target is to fill up the backlog and streamline things by December”.

2.36 So far as posts of Deputy Manager, Assistant Manager and Administrative Officer under the ‘Protection Clause’ of the promotion policy are concerned, there is an impressive tally of Scheduled Castes officers in all the posts except a small shortfall at

Deputy Manager level. There are, however, less number of Scheduled Tribes Officers in all the posts falling under 'Protection Clause' also.

(i) Backlog in Recruitment

2.37 As per information provided at the time of evidence, there is no backlog in Class I & IV categories. In Class II, *i.e.* Development Officers' cadre, there are 34 Scheduled Caste and 61 Scheduled Tribe backlog vacancies. So far as Class III category is concerned, the total 167 vacancies were identified in this category, of which 106 vacancies have already been filled and selection process is in hand to fill the remaining 61 vacancies which is expected to be completed by 31.12.2005.

2.38 Replying to a query whether the Ministry ever advised the Insurance Company to clear continuous backlog by further relaxing qualifying standards, the Company stated that except receiving general instructions to make all attempts to clear shortfall no specific advice with regard to relaxing standards has been received from the Ministry of Finance.

(ii) Backlog in Promotion

2.39 The backlog in promotion identified by the United India Insurance Company as on 15.11.2005 is as under:-

Class	Identified			Filled			Unfilled		
	SC	ST	Total	SC	ST	Total	SC	ST	Total
CI-II Development officer	4	7	11	-	-	-	4	7	11
CI-III to I	0	1	1	0	1	1	0	0	0
Within CI-III	18	25	43	13	7	20	5	18	23
CI-IV to III	1	4	5	1	0	1	0	4	4

2.40 Regarding reasons for not filling these backlogs, it has been stated that the vacancies could not be filled due to non-availability of eligible candidates in terms of promotion policy in the respective promotion zone. The Company, therefore, decided to fill up Stenographer and Assistant vacancies through open advertisement/Employment Exchange and the exercise was expected to be completed by 31.12.2005. The Senior Assistant and Record Clerk posts belong to promotional cadre and cannot be filled by recruitment from outside. Feasibility is however being explored to downgrade the posts for direct recruitment. As regards Development Officer grade, the promotion process has already commenced and is expected to be completed by 31.12.2005.

2.41 It has further been stated that the promotion from Class-III/II to Class-I is done on Region wise/Promotion Zone wise basis. A promotion from Class IV to Class III is done within Division. For promotions, a separate 200-point roster envisaging 15% reservation for SCs and 7.5% for STs exists uniformly. But there is a mis-match between recruitment roster and promotion roster at State level. Therefore, since the promotion exercise is undertaken region wise, the shortfall in certain regions is due to non-availability of personnel owing to different percentage of reservation at recruitment level for each State as per provisions in Brochure. Besides, promotions take place regularly from entry cadres to promotion cadres and the resultant vacancies in the entry cadres could not be filled up immediately due to paucity of ST candidates. Further, there was provision in DOPT guidelines for interchange of vacancies between Scheduled Castes and Scheduled Tribes in the event of vacancies remaining unfilled in either category, which was helpful in filling up shortfalls for both the categories. Now this provision is not available since 6th November, 2003.

2.42 The representative of the Ministry of Finance, Department of Economic Affairs (Insurance Division) during evidence further stated:-

“There are some posts to which promotion is made from the feeder cadre and appointment to which can be made by promotion. We shall first consider internal candidates. In case no candidate is available from amongst them, candidates of the same category shall be recruited by the Board by converting the promotion quota posts into recruitment posts”.

(iii) Special Drive

2.43 The United India Insurance Company Limited had initiated a backlog clearance drive during the year 2002 for filling up shortfall in Scheduled Castes/Scheduled Tribes categories. This has now been followed up with another Special Drive based on Government of India directive to fill up the backlog vacancies in recruitment and promotion quota existing as on 01/07/2004. The exercise has been completed and the backlog vacancies both in promotion and recruitment cadres, barring a few, have been filled as per tables given below:-

RECRUITMENT

Class	Identified		Filled		Unfilled	
	SC	ST	SC	ST	SC	ST
I	1	1	1	1	0	0
III	84	83	84	82	0	1
IV	0	1	0	1	0	0

PROMOTION

Class	Identified		Filled		Unfilled	
	SC	ST	SC	ST	SC	ST
I	0	1	0	1	0	0
III	19	28	19	25	0	3
IV	0	0	0	0	0	0

2.44 So far as non-filling of backlog posts of Development Officers in recruitment is concerned, it has been clarified that they have been recruited for the purpose of procurement of premium and the terms and conditions governing their service are different from those of officers and other clerical staff. Also, there has been no recruitment to this cadre for the last several years. Some Scheduled Castes/Scheduled Tribes Development Officers have been promoted as Assistant Administrative Officer and some have retired during the intervening period leading shortfall in this category.

2.45 Besides, the continuance of the cadre of Development Officers is under review in the wake of opening up of insurance sector. The Insurance Regulatory and Development Authority has framed regulations for development of new intermediaries like brokers and corporate agents. It is expected that with the growth of new intermediaries, the role of Development Officers as direct sales force would diminish over a period of time. A special Voluntary Retirement package was given to Development Officers to down size this cadre and the strength of this cadre has been frozen at post-SVRS level by the Board. As such it may not be possible to recruit any more Development Officers in the changed scenario.

2.46 The Committee note that there is an impressive tally of Scheduled Castes Officers in the posts of Administrative Officer, Assistant Manager and Deputy Manager which are covered under the protection clause of the Promotion Policy adopted by the United India Insurance Company Limited. The overall percentage of the ST officers in these posts is however 4.03% only. The Committee, hope that in the coming years this tally is further improved to contain at least 15% SCs and 7.5% STs in these posts.

2.47 The Committee note that the shortfall in the Class-I and Class-IV categories have been filled up. The backlog of SCs/STs in the Development Officers cadre has continued for the last few years. The figures relating to the Development Officers for the last few years provided to the Committee, show a shortfall of 163 Scheduled Caste and 163 Scheduled Tribe officers as on 01.01.2001. The shortage stood at 153 Scheduled Caste and 158 Scheduled Tribe as on 01.01.2002, which slightly came down to 139 Scheduled Caste and 156 Scheduled Tribe Development Officers as on 01.01.2003. The Committee also note that Special Voluntary Package (SVRP) offered for the Development Officer category during 2003 was opted by a total 369 Development Officers including only 3 SC/ST officers. The present figures show a backlog of 34 SC and 61 ST in recruitment. In promotion there is a backlog of 4 SC and 7 ST. Inability to fill the continuous backlog in this category proves the negligible efforts made by the United India Insurance Company. It has now been told that further recruitment cannot be opened in the cadre owing to opening up of the insurance sector and introduction of new intermediaries as per the Insurance Regulatory Development Authority guidelines. The Committee also note that process is on to fill all the posts except those in Class II category (i.e. Development Officers).

It is evident to the Committee that no sincere efforts had been made by the United India Insurance Company to fill the vacant posts of Development Officers in the previous years and the backlog continued to accumulate during the consecutive years. The Committee apparently believe that the decision to offer Special Voluntary Retirement Scheme to the Development Officers and subsequent decision to freeze the cadre at the post SVRs level is a step aimed at doing away with the accumulated backlog. The Committee observe that had the

Company presented the efforts initiated to fill backlog before deciding to freeze the cadre it would have been a much satisfactory explanation instead of arbitrarily doing away with reservation in the Class-II cadre. The Committee, therefore, urge upon the Ministry to present the whole case as to how this backlog was allowed to be accumulated to such high levels.

2.48 The Committee further deplore the new set-up to be introduced in the Class II posts and question whether there will be any reservation among the new intermediaries stated to be introduced in place of Development Officers. The Committee feel that the process is simply against the basic tenet of reservation. The Committee, therefore, recommend that decision should be taken to first fill all the backlog in the Development Officers cadre and then evolve a system to introduce reservation among the new intermediaries expected to take up the job of Development Officers as discussed in para 2.11.

2.49 The Committee are happy to note that the United India Insurance Company have taken positive action to fill the backlog in Class III category by filling 106 out of the total identified 167 unfilled vacancies before coming for oral evidence. They are further satisfied with their submission that the process of filling the remaining backlog vacancies will be completed soon. The Committee hope that all the vacancies in this category have been filled by now. They desire that the details of the same are communicated at the time of submitting action taken notes.

2.50 The Committee note that the United India Insurance Company is facing a practical problem in filling up the promotion posts for the reasons that the exercise is undertaken region-wise and the shortfall in certain regions accrue firstly due to non-availability of candidates owing to variation in reservation

percentages in the recruitment level for each State whereas promotion percentages are the same as 15% for SCs and 7 ½ % for STs for all the posts throughout the country. Besides, promotions take place regularly from entry cadre to promotion cadre making impossible to fill resultant vacancies in the feeder cadre. The Committee also note that the provision in DOPT's guidelines for interchange of vacancies between Scheduled Castes and Scheduled Tribes in the event of vacancies remaining unfilled in either category which came handy in filling up shortfalls in both the categories is not available since 6th November, 2003. The Committee also take note of the solution to the issue offered by the representative of the Ministry of Finance during evidence that in case no candidates are available internally for promotions, candidates of the same category shall be recruited by the Board by converting the promotion quota posts into recruitment posts. The Committee, therefore advise the Ministry of Finance to examine the whole issue and arrive at a possible system as to how the practical problems being faced by the United India Insurance Company in achieving reservation percentages in different States are addressed in the first place itself.

2.51 The Committee also believe that there should be no problem in achieving the different reservation percentages applicable in States as they have been worked out on the basis of the population of Scheduled Castes and Scheduled Tribes in those States. The Committee also believe that in case eligible Scheduled Caste/Scheduled Tribe candidates are not available in the feeder cadre through recruitment in a particular State owing to its backwardness, special provisions should be made to impart extensive pre-recruitment trainings.

Concession/relaxation should be further extended and candidates from adjoining States be allowed to apply so as to fully achieve the goal.

2.52 The Committee are pleased to note that the United India Insurance Company has been successful in complying with almost all the assurances given for filling backlog in recruitment as well as promotions during evidence. The Committee, further hope that a workable solution as regards problems being faced in clearing ST backlog in recruitment and backlog in promotions (3 Scheduled Tribe) in the Class III categories in certain regions will be found soon and the backlog cleared subsequently.

CHAPTER – III

A. SC/ST Cell and Liaison Officer

3.1 The Committee have been informed that SC/ST Cell has been set up at head office level. A Chief Liaison Officer of the rank of Manager and the Liaison Officer of the rank of Administrative Officer at Head Office level are in charge of the Cell. They ensure due compliance of the orders and instructions pertaining to reservation and concession in favour of Scheduled Castes/Scheduled Tribes. Besides, Liaison Officers of the rank of Assistant Administrative Officer to Deputy Manager are also appointed at Regional level. At present 24 Liaison Officers are serving at Regional level. They meet periodically to sort out problems of respective regions.

3.2 To a query as to the number of SC/ST Officers appointed as Chief Liaison Officer/Liaison Officers, it has been submitted in the post evidence replies that except for the Chief Liaison Officer all the other liaison officers belong to these categories in United India Insurance Company Limited.

3.3 The Committee have further been informed that there was no liaison officer in the Ministry of Finance (Department of Economic Affairs) – Insurance division at the relevant time of submission of the preliminary material and the discrepancies therein were therefore, not noted by the liaison officer. However, a Liaison Officer has since been appointed to avoid such recurrences.

3.4 On a query relating to eligibility criteria for appointment as Liaison Officer, it has been submitted that knowledge of the reservation provisions, good work record and impartiality are counted for their appointment. When specifically asked about the training being given to acquaint them with the reservation provisions etc., it was clarified that no specific training is given before appointment of a liaison officer.

However, after appointment they are sent for training on reservation provisions etc. conducted by outside institutions. Commenting on the functioning of liaison officers, it has been stated that they function independently of all management interference. They are, however, given additional responsibilities so as to keep them in the mainstream. As to a categorical enquiry about any direct liaison between the Ministry and the Chief Liaison Officer, it has been clarified that no direct liaison is in existence at present.

3.5 It has also been stated that periodical and regular meetings are held with Scheduled Castes/Scheduled Tribes Welfare Association at different levels of Management and the point raised during the meeting are noted for necessary action. It is only when structural meetings are held with the Chief Executive, the minutes thereof, are recorded.

3.6 The Committee are happy to note that except the Chief Liaison Officer all the 24 Liaison Officers appointed by the United India Insurance Company belong to SCs/STs. They however, note with concern that no direct liaison exists between the Chief Liaison Officer and the Ministry of Finance whereas Para 15.1(4) (vi) of the "Brochure on Reservation for the SCs and STs in Services" clearly specify that the Liaison Officer would act as a liaison between the Bank/Financial Institution and the Ministry of Finance for supply of information, answering questions and queries and clearing doubts in regard to matters covered by the reservation orders. The Ministry of Finance Letter No. 7/80/69-SB dated 06.11.70 also stipulates furnishing the name, address and telephone number of the Liaison Officer to the Ministry of Finance for establishing a direct contact among them. The Committee, therefore, recommend that directions should be immediately issued by Ministry of Finance establishing direct liaison between the Liaison Officer and the Ministry.

3.7 The Committee note that the post of Liaison Officers in the Ministry of Finance (Department of Economic Affairs) – Insurance Division, an important position, to monitor and keep track of the implementation of the reservation policy was vacant for quite a long time. This was one of the main reasons that resulted in submission of preliminary material to this Committee containing various discrepancies. The Committee therefore desire that the post of Liaison Officer should not be kept vacant for long and should be filled up immediately after it falls vacant.

3.8 The Committee further note that no specific training is given to liaison officers before their appointment. However, after appointment they are sent for training on reservation provisions conducted by outside institutions. The Committee further observe that though liaison officers are independent of management interference, they are given additional responsibilities so as to keep them in the mainstream. The Committee firstly opine that sending a Liaison Officer for training to outside institutions after appointment is likely to create a vacuum by stalling the work falling under his charge. Secondly, the Committee while endorsing the concept of keeping Liaison Officer independent of management interference feel that putting additional responsibilities beyond his capacity may dilute the whole purpose of appointment of a Liaison Officer and it may be difficult for him to concentrate on his specific duties enumerated in Para 15.1 of the “Brochure on Reservation for Scheduled Castes and Scheduled Tribes in Services” which itself is cumbersome enough to keep him engaged. The Committee, therefore, recommend that a select list of officers to be appointed as liaison officers should be drawn and they be sent for training to outside institutions before appointment as Liaison Officers so that their work

does not suffer in their absence. It may also be ensured that the liaison officers are not overburdened so that their specific duties remain unaffected.

B. Rosters

3.9 The Committee have been informed that rosters are being maintained separately for direct recruitment and promotion. The Liaison Officer makes periodical inspection of rosters for recruitment and promotion maintained at regional level and submits his inspection report subsequently to the respective Regional Offices. In response to the periodicity of such inspections, it has been stated that they are carried out on annual basis. Rosters are also shown to office bearers of SC/ST Employees' Welfare Association whenever demanded for perusal. However, no reply has been furnished as to when the last exercise was carried out and the type of discrepancies noted. While responding to a specific point regarding preparation and circulation of cadre-wise seniority lists among staff, it has been stated that seniority lists are prepared and circulated only in respect of Class I Officers.

3.10 During examination of the preliminary material, the Committee came across a discrepancy in the backlog both in recruitment and promotions on change over from vacancy based roster system to post based roster system which resulted in decrease in the number of posts in officer and sub-staff categories and increase in Senior Assistant, Stenographer and Record Clerk categories. When asked to explain the anomalies noticed, the Company stated that this might have arisen due to erroneous understanding of the post based roster system when it was newly introduced. After the introduction of post based roster with effect from 2.7.1997, the surplus/shortfall are to be worked out in each cadre in promotion zone separately. The system was introduced from 1999 onwards and at that time shortfall was equated with backlog and shortfall

was reckoned as backlog plus current reservation, as was done under the earlier vacancy-based roster system. The DOP&T OM No.36038/3/2004-Estt.(Res.) dated the 13th October, 2005 has fully clarified the position of shortfall *vis-a-vis* backlog which will be implemented correctly hereafter. Besides, the difference consequent to change over to post based roster has not appeared to be much.

3.11 When the Ministry was asked to offer views, the representative during evidence stated:

“We have prepared a system for Banking Companies and implemented it. A separate system for Insurance Companies will be ready to be put in use by 31st March. We could not carry out inspection last year on account of shortage of staff. Now, we have the staff and two Deputy Secretaries have been detailed for it. We also have a Chief Liaison Officer. He will inspect and 31st March has been fixed as a deadline for it”.

3.12 In reply to a specific query over the feasibility of developing a software system for the purpose of maintenance of rosters capable of reminding about accrual of a vacancy in an Organisation through a visual signal, it has been stated that it is feasible to develop a software for the purpose.

3.13 The Committee are pained to note that though rosters are maintained on annual basis without fail, no replies as to when the last such exercise was carried out and the type of discrepancies noted have been furnished. Moreover, the inability of the Company Management, including the Liaison Officer, in correctly understanding the post based roster system leave the Committee with no option but to believe that rosters are not being maintained properly. The Committee, therefore, impress upon the United India Insurance Company and the Ministry of Finance to take note of the situation and initiate necessary steps in

the direction of proper maintenance of the rosters. The Committee hope that the Ministry of Finance have fully complied with the assurance given during evidence regarding introduction of a separate system for maintenance of rosters and periodic inspections as also develop a software for the purpose. The Committee should be informed of the steps taken in this regard within three months of this reports.

3.14 The Committee seriously note the anomalies found in the backlog positions in recruitment and promotion while shifting over from vacancy based roster system to post based roster system and the inability of the Liaison Officer to either impress upon the United India Insurance Company to rectify the discrepancies and fill backlog or call for/ expedite action against the delinquent officers responsible for such discrepancies and backlog. The Committee, therefore, advise the United India Insurance Company to be extra vigilant in future and empower the Chief Liaison Officer to take active part in identifications of delinquent officials who fail to implement the reservation safeguards properly.

C. Training

3.15 The Committee have been informed that so far as in-service training is concerned, all the candidates are given induction training. United India Insurance Company also train employees in the functional and management areas. Training is imparted to SC/ST candidates prior to holding of promotional tests to prepare them and enhance their chances of success. As regards foreign training, the company does not impart much training programmes.

3.16 In reply to a query as to whether pre-recruitment training is imparted to SC/ST candidates for recruitment to various categories of posts, it has been stated that

no such training has so far been imparted to these candidates for recruitment. As regards, promotion trainings, it has been stated that 72 such training programmes were conducted in the year 2002 and 72 were conducted in the year 2003. Departmental examinations were thereafter held in 24 centres in 2002 and 2003. No promotion exercise was conducted during the year 2004-2005 subsequent to implementation of SVRS.

3.17 In reply to a query relating to the criteria adopted for nominating officers for various training programmes, the Committee have been informed that no specific criteria has been laid for selection of candidates for training programmes. The requirement of intensive knowledge in a particular field and the officers' need for self-development are the criteria adopted for selecting a candidate for training. However, since foreign training is imparted in specialized areas like re-insurance, engineering etc., the job knowledge and track record of an officer are taken into consideration while nominating them for training abroad.

3.18 About the duration and effectiveness of such training programmes, the Committee have been informed that duration of a training varies depending upon the cadre. Induction training for officers is for a duration of about 2-3 months whereas the duration of training for Class III is only for a week. As far as effectiveness of trainings is concerned, it has been stated that they are quite effective through which a new entrant gets good exposure of the working of the General Insurance industry.

3.19 An assurance has been given by the United India Insurance Company Limited to implement the instructions relating to the training of SC/ST officers and ensure that the requisite number of SC/ST officers are nominated for the training programmes in future.

3.20 The Committee are pleased to note that induction training on functional and management skills, pre-promotional training and foreign training are

imparted to the employees of the United India Insurance Company. The Committee are also happy to note that the desired number of SCs/STs are nominated for various training programmes and hope that the same trend will be maintained in future also.

3.21 The Committee are however unhappy to note that no pre-recruitment training is being imparted and this may have led to shortfalls in recruitment in some regions. As such, the Committee recommend that pre-recruitment training should also be started to help the SC/ST candidates to prepare themselves for the recruitment examinations held by the United India Insurance Company for various posts.

3.22 The Committee note that foreign training is imparted in specialized areas like re-insurance engineering etc., for which the job knowledge and track record of an officer are taken into consideration while nominating them for training abroad. The Committee recommend the Ministry of Finance to issue specific instruction in terms of Para 17.15 of the “Brochure on Reservation for SCs and STs in Services” which envisage that it would be useful to include eligible SC/ST officers in such training programmes to broaden their outlook and also build up specialised knowledge thereby boosting up the morale of the officers of these communities.

3.23 The Committee are unable to understand the logic behind keeping a short duration of the training for Class III employees in comparison to the training of 2-3 months duration being imparted to the officers. The Committee feel that the staff belonging to the Class II and Class III categories form the backbone of any organisation and depriving these essential employees of the proper training may affect the functioning of an organisation. The Committee, therefore, recommend

that the duration of the training of employees belonging to the Class II and especially Class III categories is increased at least upto 1 month so as to enable them to gain expertise to function more effectively.

CHAPTER – IV
MISCELLANEOUS

A. Cases of False Caste Certificate

4.1 The Committee have been informed that there are instances where people have obtained employment on the basis of false caste certificate. 3 such cases have been reported and action has been initiated as depicted below:-

Name of the Employee	Action Taken
Prakash Anthony, Asst.(T),RO-I, New Delhi.	Removed from Service
M. Parthasarathy, Steno, RO-Chennai	Removed from service. Continuing after stay order from Court.
Mrs. Vasanthi, Steno, DO-7, New Delhi	Removed from Service

4.2 So far as the action taken in the case of the person continuing in service after obtaining stay from court is concerned, the company moved court for vacation of stay. As a result, the Madras High Court disposed off the matter with the direction that the case be referred to State Level Scrutiny Committee.

4.3 The data furnished to the Committee during tour in October, 2004, however showed that 9 court cases relating to false caste certificates were pending. On enquiring the Committee were informed that these cases came to light following the complaints received from individuals and SC/ST Welfare Associations. The pendency of the cases has been stated to be around 5-6 years.

4.4 When asked to comment on the reasons for false caste certificate cases specifically pertaining to Scheduled Tribes and relating to a particular State, the Company was unable to submit any explanation except stating that the number of cases are more in Scheduled Tribe category and therefore precautions have been

taken to prevent them by scrupulous scanning of antecedents of Scheduled Tribe candidates.

4.5 To a query as to whether FIRs are registered in such cases, it has been stated that as soon as the Company receives communication from Revenue Authorities regarding cancellation of caste certificates, action is taken to terminate the employees from service. The Company also resort to criminal action by filing FIR whenever the Revenue Authorities direct for proceeding against the employees.

4.6 The Committee are concerned with the fact that a majority of false caste certificate cases pertain to Scheduled Tribes relating to a particular State. The Committee are pained to find that persons appointed on the basis of false caste certificate are still continuing in service. They are further distressed to observe that firstly the cases relating to false caste certificates take extraordinary time in disposal and secondly the United India Insurance Company hesitate to file FIRs against such employees as soon as the cases come to their knowledge. The process of filing FIRs is undertaken only after direction from Revenue Authorities. The Committee, therefore, desire the United India Insurance Company to firstly take precaution and prevent such cases by scrupulous scanning of antecedents of Scheduled Tribe candidates and secondly if the appointing authority finds genuine difficulty in getting the caste certificate verified at the time of appointment, the appointing authority should verify the claim through the District Magistrate concerned. The doubtful cases, however, may be referred to Ministry of Finance for further clarifications from the Ministry of Social Justice and Empowerment in terms of Para 12.3 of the “Brochure on Reservation for SCs and STs in Services”. The Central Vigilance Commission

should also be consulted whenever necessary. The Committee also desire that FIRs are invariably filed in all such cases.

4.7 The Committee further recommend the United India Insurance Company to move Court for vacation of stay obtained against removal from service by the employees recruited on the basis of false caste certificate. The Committee desire that the time taken should also be cut short in such cases by impressing upon the importance of the matter in the courts.

B. Compassionate Appointments

4.8 The Committee have been informed that out of the 210 compassionate appointments made during 1998-99 to 2002-2003, 15 SC and 3 ST dependents of deceased were offered appointments. The pending compassionate cases in respect one Scheduled Caste and two Scheduled Tribes due to non-receipt of required documents have also been cleared.

4.9 On a separate question relating to the number of Scheduled Castes/Scheduled Tribes employees expired during the last 5 years and the number of dependants offered employment, the Company submitted that a total of 112 Scheduled Castes/Scheduled Tribes employees died during the last 5 years (from 2000 to 2004). In case of employees who died prior to 31.05.2002, the dependents have been given compassionate appointment subject to their fulfilling the eligibility conditions and the general guidelines laid down by the Supreme Court governing these appointments. Compassionate appointments have been discontinued by the Company w.e.f. 01.06.2002 and a system of lump sum payment has been introduced, subject to fulfillment of certain conditions.

4.10 The Committee note that the United India Insurance Company has discontinued the scheme of compassionate appointments w.e.f. 1st June, 2002 and introduced a system of lump sum payment to the family of the deceased employees. The Committee also note that the dependants of all the employees who died prior to 31st May, 2002 have been given compassionate appointment subject to their fulfilling the eligibility conditions and general guidelines laid down by the Supreme Court governing these appointments. The Committee, however, feel that no amount of money can compensate the loss of life of the head of a family who may be their sole bread winner. The Committee opine that since the deceased employee renders service during his prime years of life to an organisation, they also have a certain obligation towards his family besides compensation which cannot be overlooked. The Committee, as such, consider that associating one member of the family of the deceased, directly or indirectly, by appointing him/her as broker/corporate agent/direct service agent or providing them employment on contractual basis should be the foremost duty of the company besides lump sum payment in such cases. The Committee, accordingly desire the Ministry of Finance and the United India Insurance Company to seriously examine the issue and come up with a more appropriate and appealing solution.

C. Complaints and grievances

4.11 The Committee have been informed that there is an elaborate procedure for redressal of grievances of the employees in United India Insurance Company Limited. Assistant Liaison Officers in all Regional Offices, Chief Liaison Officer and Liaison Officers of Head Offices, hear and liaise with the concerned department to redress the

grievance of SC/ST employees. All grievances are maintained in a grievance register at Head Office level. They are dealt with promptly and are reviewed periodically by the Liaison Officer and Chief Liaison Officer.

4.12 The United India Insurance Company in their preliminary material have stated that most of the complaints relate to non-promotion and non-transfer to the place of choice. When asked to elaborate the reasons thereof, the Company in their post evidence replies have stated that due to restricted number of vacancies for promotions, an employee who has not been selected, has a grievance of non-promotion. Further since promotion involves transfer, the transferred employees submit representation for stopping transfer or for posting to a place of his choice. These are service matters, which are raised as Scheduled Castes and Scheduled Tribes grievances. Although preference is given in place of posting to a SC/ST employee both on promotion and under Transfer & Mobility Policy/Job Rotation, such postings may involve some displacement from their earlier place of work thereby resulting into a grievance. Moreover, since the United India Insurance Company has a de-centralised set up of nearly 1100 offices including few very small offices, people cannot be accommodated at places of their choice for want of vacancy.

4.13 The Company has so far received 4 cases of harassment of employees belonging to SC/ST category. As regards the action taken against officers responsible, it has been submitted in the post evidence reply that departmental proceedings have been initiated in one case. In other two cases, no action has been taken against the concerned officers since no prima-facie case of harassment could be established in the enquiry instituted for the purpose. The fourth case is under examination. To a query with regard to filing of the harassment cases under provisions of the Scheduled Castes

and Scheduled Tribes (Prevention of Atrocities) Act 1989, it has been stated that the complainants themselves normally register FIRs under the Act.

4.14 It has further been stated in the post evidence replies that grievances received from individual employees are only registered in the grievance register maintained at Head Office. To the apprehension of the Committee about the delay that may occur while maintaining grievance register at Head Office level, the Company stated adopting such a system helps in receiving attention of Management at a higher level so that remedial action can be taken more effectively and efficiently. Moreover, the grievances not redressed at departmental level are taken up by Associations, which are examined by Chairman-cum-Managing Director. As for the number of grievances, 18 grievances were received in 2002 and 17 during the year 2003. During 2004 only 11 grievances were received.

4.15 The Committee find that 4 cases of harassment of SC/ST employees have so far been received. In one case departmental proceedings have been initiated against the officer responsible. The two other cases did not attract any action, as no *prima facie* case of harassment could be established against the officers responsible for alleged harassment. The fourth case is under examination. The Committee further find that the United India Insurance Company did not file or supplement filing cases of harassment under the provisions of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 except making a plain statement that FIRs are normally registered by the complainants themselves. The Committee believe that an organisation has an imperative role to support an aggrieved employee who has faced humiliation and harassment. The Committee, therefore, recommend that the SC/ST Employees Welfare Association should be encouraged by the United India Insurance Company to

take initiative in helping the victimised persons and supporting them in filing FIRs.

4.16 The Committee find that the grievances received from individual employees only are registered in the grievance register. The grievances not redressed at departmental level are taken up by the Association and are examined by the Chairman and Managing Director. The Committee are surprised that representation given by Association are not registered contrary to the Ministry of Finance instructions contained in their Order No. 101/1/83-SCT (B) dated 18.1.1983 mandating registration of all such representations in a register along with the action taken thereon. The Committee, therefore, recommend that representations received from SC/ST Employees' Welfare Association should also be registered.

4.17 The Committee further take serious note of the large number of complaints especially related to posting/transfer despite the contention of the United India Insurance Company that preference is given in place of posting to the SC/ST employees on promotion and under Transfer and Mobility policy/job rotation is in vogue. The Committee draw the attention of the United India Insurance Company to the instructions contained in Para 17.17 of the Brochure on "Reservation for SCs and STs in Services", emphasising Government servants to desist from any act of discrimination against members of SC/ST communities and prevent them from transferring the SC/ST employees to far-off places or insignificant positions on the grounds of their social origin. The Committee, therefore, urge upon the United India Insurance Company to ensure that the Scheduled Caste/Scheduled Tribe employees are not posted far away from their native places.

D. Socio-economic Development

4.18 The Committee have been informed that the Insurance Company has established a Public Charitable Trust known as Dr. B.R. Ambedkar Welfare Trust with a corpus of Rs. 50 lakhs contributed by all the four subsidiaries and GIC for the benefit of SC/ST employees. The modalities of utilization of the fund have been worked out by the board of trustees and benefits have been given in the form of reimbursement of costs of books purchased for children of Part-Time-Sweepers and higher education grant for children of SC/ST/OBC employees.

4.19 The Committee note that except for contribution in the corpus of Rs. 50 Lakh deposited by the four subsidiaries of the General Insurance Companies with a Public Charitable Trust known as Dr. B.R. Ambedkar Welfare Trust, no other scheme or activity has been exclusively undertaken by the United India Insurance Company for the socio-economic development of the SCs and STs. The Committee understand that the Company being one of the premier profit making insurance companies has a social obligation towards the development of the Nation. The Committee, therefore, recommend that the Company should at least adopt villages from time to time, with a predominant population of the SCs/STs, and work for their socio-economic development as is being done by various other Organisations and Banks.

New Delhi;
19th December, 2006
28, Agrahayana, 1928 (Saka)

RATILAL KALIDAS VARMA
Chairman
Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes

APPENDIX-D**Statement Showing Staff Strength as on 01.01.2001**

Category of Posts	Total No. of Employees	No. of Employees		Percentage		No. of Shortfall		Percentage of Shortfall	
		SC	ST	SC	ST	SC	ST	SC	ST
		1	2	3	4	5	6	7	8
Officers	4326	785	130	18.14	3	0	194	0	4.5
Dev. Officers	2955	280	59	9.5	2	163	163	5.5	5.5
Clerical Staff	11266	2372	639	21.1	5.67	0	206	0	1.8
Sub-Staff	2340	884	220	37.77	9.4	0	0	0	0
P.T.Sweeper	1009	595	147	58.96	14.56	0	0	0	0
Total	21896	4916	1195	22.45	5.45	0	447	0	2.05

Statement Showing Staff Strength as on 01.01.2002

Category of Posts	Total No. of Employees	No. of Employees		Percentage		No. of Shortfall		Percentage of Shortfall	
		SC	ST	SC	ST	SC	ST	SC	ST
		1	2	3	4	5	6	7	8
Officers	4694	879	155	18.72	3.3	0	197	0	4.2
Dev. Officers	2851	275	56	9.6	1.96	153	158	5.4	5.5
Clerical Staff	10908	2356	617	21.59	5.66	0	201	0	1.9
Sub-Staff	2423	1009	188	41.64	7.75	0	0	0	0
P.T.Sweeper	675	469	48	69.5	7.11	0	3	0	0.4
Total	21551	4988	1064	23.14	4.94	0	552	0	2.56

Statement Showing Staff Strength as on 01.01.2003

Category of Posts	Total No. of Employees	No. of Employees		Percentage		No. of Shortfall		Percentage of Shortfall	
		SC	ST	SC	ST	SC	ST	SC	ST
		1	2	3	4	5	6	7	8
Officers	4861	925	160	19.1	3.29	0	204	0	4.2
Dev. Officers	2778	278	52	10.1	1.87	139	156	4.9	5.7
Clerical Staff	10736	2362	643	22.1	5.98	0	162	0	1.5
Sub-Staff	2450	1055	196	43.1	8.1	0	0	0	0
P.T.Sweeper	519	363	36	69.9	6.93	0	3	0	0.6
Total	21344	4983	1087	23.34	5.1	0	514	0	2.4

APPENDIX 'B'**MINUTES****COMMITTEE ON THE WELFARE OF SCHEDULED CASTES
AND SCHEDULED TRIBES
(2005-2006)****(FOURTEENTH LOK SABHA)****SIXTH SITTING
(16.11.2005)****The Committee sat from 1530 hrs. to 1730 hrs.****PRESENT****Dr. Satyanarayan Jatiya - Chairman****MEMBERS – LOK SABHA**

2. Shri M. Appadurai
3. Dr. P.P. Koya
4. Shri Ashok Kumar Pradhan
5. Shri Ashok Kumar Rawat
6. Shri Bajju Ban Riyan
7. Dr. (Col.) Dhani Ram Shandil
8. Shri Sugrib Singh
9. Shri Lalit Mohan Suklabaidya

MEMBERS – RAJYA SABHA

10. Shri Sharad Anantrao Joshi
11. Shri Narayan Singh Kesari
12. Shri Robert Kharshiing
13. Shri Moolchand Meena
14. Shri Faquir Chand Mullana
15. Shri Nandi Yellaiah

SECRETARIAT

1. Shri P.K. Bhandari, Joint Secretary
2. Shri Gopal Singh, Deputy Secretary
3. Ms.J.C. Namchyo, Under Secretary

WITNESSES

MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS – INSURANCE DIVISION)

1. Shri Vinod Rai, Additional Secretary (FS)
2. Shri G.C. Chaturvedi, Joint Secretary (B&I)
3. Shri Lalit Kumar, Deputy Secretary (Insurance)

UNITED INDIA INSURANCE COMPANY LIMITED

1. Shri M.K. Garg, Chairman-cum-Managing Director
2. Shri M.S. Pratap, General Manager
3. Shri R.V. Ravishankar, Manager & CLO
4. Shri G. Nandakumar, Administrative Officer (LO SC/ST Cell)

2. At the outset, the Chairman welcomed the representatives of the Ministry of Finance (Department of Economic Affairs – Insurance Division) and United India Insurance Company Limited.

3. The Committee then took evidence of the representatives of the Ministry of Finance (Department of Economic Affairs – Insurance Division) and United India Insurance Company Limited on the subject “Reservation for and Employment of Scheduled Castes and Scheduled Tribes in United India Insurance Company Limited”.

The evidence was concluded.

4. The witnesses then withdrew.

5. A verbatim record of the proceedings was kept.

The Committee then adjourned.

MINUTES**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES
AND SCHEDULED TRIBES
(2006-2007)****(FOURTEENTH LOK SABHA)****NINTH SITTING
(14.12.2006)****The Committee sat from 1500 to 1600 hrs.****PRESENT****Shri Ratilal Kalidas Varma - Chairman****MEMBERS – LOK SABHA**

2. Shri Anandrao Vithoba Adsul
3. Shri Biren Singh Engti
4. Shri G.V. Harsha Kumar
5. Shri Ashok Kumar Pradhan
6. Shri Lalit Mohan Suklabaidya
7. Shri Vanlalzawma

MEMBERS – RAJYA SABHA

8. Shri Sharad Anantrao Joshi
9. Shri Robert Kharshiing
10. Shri Nabam Rebia
11. Shri Nandi Yellaiah

SECRETARIAT

1. Shri P.K. Bhandari, Joint Secretary
2. Shri Gopal Singh, Director,
3. Ms. J.C. Namchy, Under Secretary

2. At the outset, the Hon'ble Chairman welcomed the Hon'ble Members of the Committee. The Committee then considered the draft report on the subject "Reservation for and Employment of Scheduled Castes and Scheduled Tribes in United India Insurance Company Limited" and adopted the same.
3. The Committee also authorised the Chairman to finalise and present the report to both the Houses of Parliament.
4. The Committee also decided to undertake a study tour during the month of January or February, 2007.

The Committee then adjourned.

APPENDIX - D

(Vide para of Introduction)

Summary of Conclusions/Recommendations

Sl. No.	Para No.	Conclusions/Recommendations
1.	2.	3.
1.	1.13	The Committee note that the United India Insurance Company Limited operating through a network of 24 Regional Offices, 364 Divisional Offices, 705 Branch Offices and 248 Micro Offices has no presence in the rural areas.
2.	1.14	The Committee observe that there is neither any specific provision in the General Insurance Company (GIC) Act, 1972 for appointment of Scheduled Caste and Scheduled Tribe candidates on the Board of Directors nor any member belonging to these communities has ever been appointed on the Board of Directors of the United India Insurance Company. The Committee also find that the Government can nominate non-official members on the Board. Regarding nomination of non-official members on the Board of Directors, the Ministry of Finance, Department of Economic Affairs (Insurance Division) in their final Action Taken Notes on the recommendations contained in the 33 rd Report (10 th Lok Sabha) of the Committee had informed that the Appointments Committee of the Cabinet (ACC) had given their clearance for appointment of non-official Directors on the Board of LIC of which one of the Director belonged to SC/ST category. The Committee, therefore, cannot understand what restricts the Government to issue guidelines based on the decision of Appointments Committee of the Cabinet (ACC) for whole of the insurance sector. They are surprised to note that the Ministry have not taken into consideration the decision of the Appointments Committee of the Cabinet(ACC) regarding the appointment of one SC/ST member on the Board of Life Insurance Corporation (LIC) based on the recommendation of this Committee which could have been made applicable to the whole insurance sector. The Committee, therefore, desire the Government to adopt a serious approach to find a workable solution towards appointment of SC/ST members on the Board of Directors of Insurance Companies either by

way of an amendment to the GIC Act, 1972 or by issuing specific instructions regarding their appointment.

3. 1.15
The Committee note that the Board of General Insurance Companies consists of 11 Directors including 3 official and 8 non-official Directors. The present Board of the United India Insurance Company comprise of only two official and two non-official Directors. Six posts of non-official Director and one post of official Director are still vacant. The Committee are surprised to find that the present board is not even half of its actual strength. They, therefore, desire that immediate action be taken to fill up the posts of official and non-official Directors with sincere efforts toward finding an SC/ST member in the non-official Directors category also.
4. 1.16
The Committee find that the reviews on the implementation of the reservation policy are undertaken on yearly basis that also at the time of preparation of annual reports. The Committee feel that such an exercise when all energies of the management are concentrated towards finalisation of the annual reports may be futile until and unless the details of the unfilled posts of SCs/STs both in recruitment and promotions are not highlighted therein. Moreover, if such an exercise is carried out on half yearly basis, the Management would get ample time to identify the actual and anticipated shortfalls and plan their strategy to fill them in the next half leaving no room for backlogs. The Committee, therefore, recommend that half yearly reviews be undertaken in place of yearly reviews and details of vacant posts, if any should be highlighted in the Annual Reports along with the steps to be taken/ initiated to fill them up.
5. 1.17
The Committee feel that there is an urgent need to lay down policy guidelines for appointments to the Boards of various insurance companies which encourage appointment of SCs/STs as Chairman and members of the Board. The Committee fail to understand as to why no SC/ST officer could make it to the Board of United Insurance Company when 3 Regional and 71 Divisional Offices are being held by SCs/STs. The Committee desire that a study in this regard should be made by the Ministry of Finance and a report be sent to this Committee within 6 months.
6. 2.10
The Committee note with concern that advertisement for recruitment in the United India Insurance Company are only advertised in the national and regional newspapers and not normally announced through All India Radio or Doordarshan. Even vacancies notified to local employment exchange are not announced through these media. The

Insurance Company has also not specified any reason for not doing so. Further, the copies of the advertisements are sent to the Welfare Associations and Organisations of Scheduled Castes and Scheduled Tribes. The Committee desire that the advertisement for recruitment should invariably be announced on All India Radio and Doordarshan in terms of Para 7.1 (iv) of the "Brochure on Reservation for Scheduled Castes and Scheduled Tribes in Services". The Committee also desire that copies of the advertisements should be endorsed to them in future.

7. 2.11

The Committee observe that in view of the fresh regulations framed by the Insurance Regulatory Development Authority (IRDA) for development of new intermediaries like brokers and corporate agents, the role of Development officers as direct sales officers would diminish. The Company has accordingly decided to freeze this cadre. The Committee note with concern that the Government seem to decline reservation among Brokers and Corporate Agents that have been introduced in place of Development Officers merely on grounds that they are not their employees totally in contrast of the extant guidelines which provide reservation for SCs and STs, upto the lowest rung of Group 'A' posts (i.e. lowest rung of Class I posts). The Committee feel that in normal course also only a negligible number of Scheduled Castes and Scheduled Tribes may get appointed as brokers or corporate agents since the Insurance sector has been unable to provide visible representation to these categories in the appointment of agents till now as noted by the Committee in discussions with the Management of various institutions during their study visits. The United India Insurance Company have even failed to provide details of the number of SC/ST agents among the 55,000 agents presently earning business for the Company for the reasons best known to them. The Committee, therefore, insist that a serious effort should be made to restructure and re-work the terms and conditions for appointment of brokers and corporate agents so as to give adequate representation to the Scheduled Caste and Scheduled Tribe communities.

8. 2.12

The Committee note that on various occasions Employment Exchanges have failed to sponsor sufficient number of candidates especially in ST category leading to backlogs. The Company neither undertakes campus recruitment in such situations nor they generally resort to considering candidates from outside States. The Committee, therefore, desire that in case local employment exchanges fail to nominate adequate number of candidates, the candidates from adjoining States should also be sought through specific

advertisements. The Company should also resort to campus recruitment to generate adequate number of candidates.

9. 2.13

The Committee are dismayed to note that further relaxation in the standards of suitability are not extended to wipe out SC/ST shortfall during recruitment in the absence of such a stipulation in the recruitment rules of the United India Insurance Company Limited. The Committee are, however, pleased to note that the Company which had not relaxed the criteria on any occasion earlier had done so for ST candidates in recruitment to the post of stenographers. The Committee would like to draw the attention of the Company to the provision contained in Para 6.5 of the "Brochure on Reservation for SCs and STs in Services" which stipulate that in direct recruitment, whether by examination or otherwise, if sufficient number of SCs/STs are not available to fill all the vacancies reserved for them, candidates belonging to these communities should be selected on relaxed standards to fill up the remaining vacancies reserved for them. The Committee observe that perhaps this stipulation has never been given thought of by the Company. This stipulation, in the first place, leaves no scope for shortfall and secondly shortfall left, if any, needs to be filled in a similar manner. The Committee, therefore, recommend the Ministry to issue necessary advice to the United India Insurance Company to carry out the necessary changes in their recruitment procedure in this regard.

10. 2.25

The Committee note that reservation is provided in promotion upto lowest rung of Class I cadre i.e. upto Assistant Administrative Officer (AAO) grade. For promotions to the grade of Administrative Officer, Assistant Manager and Deputy Manager, there is a provision of "Protection Clause" in the codified promotion policy. However, an officer must be rated 'fit' either in two out of his latest 3 years ACRs or in the latest ACR. It is also noted that there a provision for appeal against non promotion and the reviewing authority examine such cases in detail to ensure justice only after the whole exercise has been completed. In contrast to this, the safeguard provided against supersession of SCs/STs in promotions provide that before any officer of these categories is considered 'unfit' for promotion, the Departmental Committee/ Selection Committee may satisfy itself that the concerned officer had been advised about his unsatisfactory performance and that his explanation/representation, if any, against this had been considered by the appropriate authorities. The Committee however, do not understand as to how this aspect would be

looked after in the light of claim by the Company that the provision of examination of appeal against promotion by the reviewing authority ensure justice in such cases. The Committee further note that negative/adverse remarks of Reporting Officer are viewed at two levels by two Reviewing Officers who are superior in rank to the Reporting Officer. The remarks of the last Reviewing Officer are considered final and the Promotion Committee generally agrees to the views of the Reviewing Officers. The Committee, however, fail to understand as to how the SC/ST community officer being a member of the same Promotion Committee which generally agree with views of the Reviewing Authorities, can ensure any prejudicial reporting against an SC/ST officer in their ACRs. The Committee feel that the present system of scrutiny by the Promotion Committees should be reviewed and the SC/ST Member associated with it must be given powers to stall the whole process and investigate any negative/adverse remarks awarded to SC/ST Officers declaring them unfit.

11. 2.26

The Committee note with concern that though concession is given to SC/ST candidates in passing percentage in departmental examination for promotion, no concession/relaxation is given to them in work record and interview for selection. This is in contravention to the basic tenet of reservation. The extant provision envisages that in promotion through departmental examinations, those SC/ST candidates who have not acquired the general qualifying standard should also be considered for promotion by relaxing the standards provided they are not found unfit. Furthermore, instructions contained in the Ministry of Finance Letter No. 101/9/86/SCT (B) dated 15th May, 1986 provide for relaxation of 5% marks in examination as well as interviews. The only criterion to be considered while undertaking such exercise are minimum eligibility condition in terms of length service and non-availability of candidates in the feeder cadre. The Committee, therefore, recommend that concession/relaxation should be given to the SC/ST candidates in all the areas.

12. 2.27

The Committee also note that a system of decimal marking is prevalent in the United India Insurance Company for assessing employees for promotion. The codified promotion policy also involves numerical quantification of ratings given in the confidential reports giving the necessity for decimal marking. The Committee, however, feel that such a marking system can hamper the prospects of an officer since in such a system it may be difficult to establish any prejudicial marking by the candidate because of the fact

that final tally may vary only by decimal one (.1) and which may be very easy to substantiate by the Management. The Committee, therefore, desire that the system of decimal marking should be replaced by a liberal system of grading which definitely should fit into the Codified Promotion Policy also.

13. 2.28 The Committee are distressed to note that besides associating the Chief Liaison Officer at head office and Liaison Officer at regional office level in the various stages of promotion process, no SC/ST member is specially associated with the departmental promotion process for the reason that setting of question papers for promotion and the evaluation of answers are done at corporate level except for test to the post of record clerk which is conducted at regional office level. The Committee, therefore, desire that an SC/ST officer should invariably be associated with the actual promotion process involving them in preparation of question papers and evaluation of answers.
14. 2.29 The Committee further note with concern that no relaxation in the eligibility criteria is extended to the SC/ST candidate where none of the vacancies are reserved for these categories. They unanimously feel that relaxation in the eligibility criteria must be extended to the SC/ST candidates even in case none of the vacancies are reserved in order to at least give them a chance for appearing in the exams to compete along with the general candidates and qualify as per the general passing standards.
15. 2.30 The Committee complement the United India Insurance Company for achieving full reservation percentage for SCs/STs in recruitment twice in 1996 and 1998. In promotion they have achieved full reservation percentage only twice during 1992 and 1994 and not thrice as claimed. During the year 1999 the United India Insurance Company could only promote 72 SC/ST candidates as compared to 444 General candidates in Class I category clearly falling short of 27 vacancies. The Committee, however, expect that the good work would be continued in future also. The Committee further desire that in case the company continuously fail to find SC/ST candidates for promotion at any point of time, decision should be taken to fill them through recruitment as a rule and not as an exception.
16. 2.46 The Committee note that there is an impressive tally of Scheduled Castes Officers in the posts of Administrative Officer, Assistant Manager and Deputy Manager which are

covered under the protection clause of the Promotion Policy adopted by the United India Insurance Company Limited. The overall percentage of the ST officers in these posts is however 4.03% only. The Committee, hope that in the coming years this tally is further improved to contain at least 15% SCs and 7.5% STs in these posts.

17. 2.47

The Committee note that the shortfall in the Class-I and Class-IV categories have been filled up. The backlog of SCs/STs in the Development Officers cadre has continued for the last few years. The figures relating to the Development Officers for the last few years provided to the Committee, show a shortfall of 163 Scheduled Caste and 163 Scheduled Tribe officers as on 01.01.2001. The shortage stood at 153 Scheduled Caste and 158 Scheduled Tribe as on 01.01.2002, which slightly came down to 139 Scheduled Caste and 156 Scheduled Tribe Development Officers as on 01.01.2003. The Committee also note that Special Voluntary Package (SVRP) offered for the Development Officer category during 2003 was opted by a total 369 Development Officers including only 3 SC/ST officers. The present figures show a backlog of 34 SC and 61 ST in recruitment. In promotion there is a backlog of 4 SC and 7 ST. Inability to fill the continuous backlog in this category proves the negligible efforts made by the United India Insurance Company. It has now been told that further recruitment cannot be opened in the cadre owing to opening up of the insurance sector and introduction of new intermediaries as per the Insurance Regulatory Development Authority guidelines. The Committee also note that process is on to fill all the posts except those in Class II category (i.e. Development Officers).

It is evident to the Committee that no sincere efforts had been made by the United India Insurance Company to fill the vacant posts of Development Officers in the previous years and the backlog continued to accumulate during the consecutive years. The Committee apparently believe that the decision to offer Special Voluntary Retirement Scheme to the Development Officers and subsequent decision to freeze the cadre at the post SVRs level is a step aimed at doing away with the accumulated backlog. The Committee observe that had the Company presented the efforts initiated to fill backlog before deciding to freeze the cadre it would have been a much satisfactory explanation instead of arbitrarily doing away with reservation in the Class-II cadre. The Committee, therefore, urge upon the Ministry to present the whole case as to how this backlog was allowed to be accumulated to such high levels.

18. 2.48 The Committee further deplore the new set-up to be introduced in the Class II posts and question whether there will be any reservation among the new intermediaries stated to be introduced in place of Development Officers. The Committee feel that the process is simply against the basic tenet of reservation. The Committee, therefore, recommend that decision should be taken to first fill all the backlog in the Development Officers cadre and then evolve a system to introduce reservation among the new intermediaries expected to take up the job of Development Officers as discussed in para 2.11.
19. 2.49 The Committee are happy to note that the United India Insurance Company have taken positive action to fill the backlog in Class III category by filling 106 out of the total identified 167 unfilled vacancies before coming for oral evidence. They are further satisfied with their submission that the process of filling the remaining backlog vacancies will be completed soon. The Committee hope that all the vacancies in this category have been filled by now. They desire that the details of the same are communicated at the time of submitting action taken notes.
20. 2.50 The Committee note that the United India Insurance Company is facing a practical problem in filling up the promotion posts for the reasons that the exercise is undertaken region-wise and the shortfall in certain regions accrue firstly due to non-availability of candidates owing to variation in reservation percentages in the recruitment level for each State whereas promotion percentage are the same as 15% for SCs and 7 ½ % for STs for all the posts throughout the country. Besides, promotions take place regularly from entry cadre to promotion cadre making impossible to fill resultant vacancies in the feeder cadre. The Committee also note that the provision in DOPT's guidelines for interchange of vacancies between Scheduled Castes and Scheduled Tribes in the event of vacancies remaining unfilled in either category which came handy in filling up shortfalls in both the categories is not available since 6th November, 2003. The Committee also take note of the solution to the issue offered by the representative of the Ministry of Finance during evidence that in case no candidates are available internally for promotions, candidates of the same category shall be recruited by the Board by converting the promotion quota posts into recruitment posts. The Committee, therefore advise the Ministry of Finance to examine the whole issue and arrive at

a possible system as to how the practical problems being faced by the United India Insurance Company in achieving reservation percentages in different States are addressed in the first place itself.

21. 2.51 The Committee also believe that there should be no problem in achieving the different reservation percentages applicable in States as they have been worked out on the basis of the population of Scheduled Castes and Scheduled Tribes in those States. The Committee also believe that in case eligible Scheduled Caste/Scheduled Tribe candidates are not available in the feeder cadre through recruitment in a particular State owing to its backwardness, special provisions should be made to impart extensive pre-recruitment trainings. Concession/relaxation should be further extended and candidates from adjoining States be allowed to apply so as to fully achieve the goal.
22. 2.52 The Committee are pleased to note that the United India Insurance Company has been successful in complying with almost all the assurances given for filling backlog in recruitment as well as promotions during evidence. The Committee, further hope that a workable solution as regards problems being faced in clearing ST backlog in recruitment and backlog in promotions (3 Scheduled Tribe) in the Class III categories in certain regions will be found soon and the backlog cleared subsequently.
23. 3.6 The Committee are happy to note that except the Chief Liaison Officer all the 24 Liaison Officers appointed by the United India Insurance Company belong to SCs/STs. They however, note with concern that no direct liaison exists between the Chief Liaison Officer and the Ministry of Finance whereas Para 15.1(4) (vi) of the "Brochure on Reservation for the SCs and STs in Services" clearly specify that the Liaison Officer would act as a liaison between the Bank/Financial Institution and the Ministry of Finance for supply of information, answering questions and queries and clearing doubts in regard to matters covered by the reservation orders. The Ministry of Finance Letter No. 7/80/69-SB dated 06.11.70 also stipulates furnishing the name, address and telephone number of the Liaison Officer to the Ministry of Finance for establishing a direct contact among them. The Committee, therefore, recommend that directions should be immediately issued by Ministry of

Finance establishing direct liaison between the Liaison Officer and the Ministry.

24. 3.7 The Committee note that the post of Liaison Officers in the Ministry of Finance (Department of Economic Affairs) – Insurance Division, an important position, to monitor and keep track of the implementation of the reservation policy was vacant for quite a long time. This was one of the main reasons that resulted in submission of preliminary material to this Committee containing various discrepancies. The Committee therefore desire that the post of Liaison Officer should not be kept vacant for long and should be filled up immediately after it falls vacant.
25. 3.8 The Committee further note that no specific training is given to liaison officers before their appointment. However, after appointment they are sent for training on reservation provisions conducted by outside institutions. The Committee further observe that though liaison officers are independent of management interference, they are given additional responsibilities so as to keep them in the mainstream. The Committee firstly opine that sending a Liaison Officer for training to outside institutions after appointment is likely to create a vacuum by stalling the work falling under his charge. Secondly, the Committee while endorsing the concept of keeping Liaison Officer independent of management interference feel that putting additional responsibilities beyond his capacity may dilute the whole purpose of appointment of a Liaison Officer and it may be difficult for him to concentrate on his specific duties enumerated in Para 15.1 of the “Brochure on Reservation for Scheduled Castes and Scheduled Tribes in Services” which itself is cumbersome enough to keep him engaged. The Committee, therefore, recommend that a select list of officers to be appointed as liaison officers should be drawn and they be sent for training to outside institutions before appointment as Liaison Officers so that their work does not suffer in their absence. It may also be ensured that the liaison officers are not overburdened so that their specific duties remain unaffected.
26. 3.13 The Committee are pained to note that though rosters are maintained on annual basis without fail, no replies as to when the last such exercise was carried out and the type of discrepancies noted have been furnished. Moreover, the inability of the Company Management, including the Liaison Officer, in correctly understanding the post based roster system leave the Committee with no option but to believe that rosters are not being maintained properly. The

Committee, therefore, impress upon the United India Insurance Company and the Ministry of Finance to take note of the situation and initiate necessary steps in the direction of proper maintenance of the rosters. The Committee hope that the Ministry of Finance have fully complied with the assurance given during evidence regarding introduction of a separate system for maintenance of rosters and periodic inspections as also develop a software for the purpose. The Committee should be informed of the steps taken in this regard within three months of this reports.

27. 3.14 The Committee seriously note the anomalies found in the backlog positions in recruitment and promotion while shifting over from vacancy based roster system to post based roster system and the inability of the Liaison Officer to either impress upon the United India Insurance Company to rectify the discrepancies and fill backlog or call for/ expedite action against the delinquent officers responsible for such discrepancies and backlog. The Committee, therefore, advise the United India Insurance Company to be extra vigilant in future and empower the Chief Liaison Officer to take active part in identifications of delinquent officials who fail to implement the reservation safeguards properly.
28. 3.20 The Committee are pleased to note that induction training on functional and management skills, pre-promotional training and foreign training are imparted to the employees of the United India Insurance Company. The Committee are also happy to note that the desired number of SCs/STs are nominated for various training programmes and hope that the same trend will be maintained in future also.
29. 3.21 The Committee are however unhappy to note that no pre-recruitment training is being imparted and this may have led to shortfalls in recruitment in some regions. As such, the Committee recommend that pre-recruitment training should also be started to help the SC/ST candidates to prepare themselves for the recruitment examinations held by the United India Insurance Company for various posts.
30. 3.22 The Committee note that foreign training is imparted in specialized areas like re-insurance engineering etc., for which the job knowledge and track record of an officer are taken into consideration while nominating them for training abroad. The Committee recommend the Ministry of Finance to issue specific instruction in terms of Para 17.15 of the "Brochure on Reservation for SCs and STs in Services" which envisage that it would be useful to include

eligible SC/ST officers in such training programmes to broaden their outlook and also build up specialised knowledge thereby boosting up the morale of the officers of these communities.

31. 3.23

The Committee are unable to understand the logic behind keeping a short duration of the training for Class III employees in comparison to the training of 2-3 months duration being imparted to the officers. The Committee feel that the staff belonging to the Class II and Class III categories form the backbone of any organisation and depriving these essential employees of the proper training may affect the functioning of an organisation. The Committee, therefore, recommend that the duration of the training of employees belonging to the Class II and especially Class III categories is increased at least upto 1 month so as to enable them to gain expertise to function more effectively.

32. 4.6

The Committee are concerned with the fact that a majority of false caste certificate cases pertain to Scheduled Tribes relating to a particular State. The Committee are pained to find that persons appointed on the basis of false caste certificate are still continuing in service. They are further distressed to observe that firstly the cases relating to false caste certificates take extraordinary time in disposal and secondly the United India Insurance Company hesitate to file FIRs against such employees as soon as the cases come to their knowledge. The process of filing FIRs is undertaken only after direction from Revenue Authorities. The Committee, therefore, desire the United India Insurance Company to firstly take precaution and prevent such cases by scrupulous scanning of antecedents of Scheduled Tribe candidates and secondly if the appointing authority finds genuine difficulty in getting the caste certificate verified at the time of appointment, the appointing authority should verify the claim through the District Magistrate concerned. The doubtful cases, however, may be referred to Ministry of Finance for further clarifications from the Ministry of Social Justice and Empowerment in terms of Para 12.3 of the "Brochure on Reservation for SCs and STs in Services". The Central Vigilance Commission should also be consulted whenever necessary. The Committee also desire that FIRs are invariably filed in all such cases.

33. 4.7

The Committee further recommend the United India Insurance Company to move Court for vacation of stay obtained against removal from service by the employees

recruited on the basis of false caste certificate. The Committee desire that the time taken should also be cut short in such cases by impressing upon the importance of the matter in the courts.

34. 4.10

The Committee note that the United India Insurance Company has discontinued the scheme of compassionate appointments w.e.f. 1st June, 2002 and introduced a system of lump sum payment to the family of the deceased employees. The Committee also note that the dependants of all the employees who died prior to 31st May, 2002 have been given compassionate appointment subject to their fulfilling the eligibility conditions and general guidelines laid down by the Supreme Court governing these appointments. The Committee, however, feel that no amount of money can compensate the loss of life of the head of a family who may be their sole bread winner. The Committee opine that since the deceased employee renders service during his prime years of life to an organisation, they also have a certain obligation towards his family besides compensation which cannot be overlooked. The Committee, as such, consider that associating one member of the family of the deceased, directly or indirectly, by appointing him/her as broker/corporate agent/direct service agent or providing them employment on contractual basis should be the foremost duty of the company besides lump sum payment in such cases. The Committee, accordingly desire the Ministry of Finance and the United India Insurance Company to seriously examine the issue and come up with a more appropriate and appealing solution.

35. 4.15

The Committee find that 4 cases of harassment of SC/ST employees have so far been received. In one case departmental proceedings have been initiated against the officer responsible. The two other cases did not attract any action, as no *prima facie* case of harassment could be established against the officers responsible for alleged harassment. The fourth case is under examination. The Committee further find that the United India Insurance Company did not file or supplement filing cases of harassment under the provisions of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 except making a plain statement that FIRs are normally registered by the complainants themselves. The Committee believe that an organisation has an imperative role to support an aggrieved employee who has faced humiliation and harassment. The Committee, therefore, recommend

that the SC/ST Employees Welfare Association should be encouraged by the United India Insurance Company to take initiative in helping the victimised persons and supporting them in filing FIRs.

36. 4.16

The Committee find that the grievances received from individual employees only are registered in the grievance register. The grievances not redressed at departmental level are taken up by the Association and are examined by the Chairman and Managing Director. The Committee are surprised that representation given by Association are not registered contrary to the Ministry of Finance instructions contained in their Order No. 101/1/83-SCT (B) dated 18.1.1983 mandating registration of all such representations in a register along with the action taken thereon. The Committee, therefore, recommend that representations received from SC/ST Employees' Welfare Association should also be registered.

37. 4.17

The Committee further take serious note of the large number of complaints especially related to posting/transfer despite the contention of the United India Insurance Company that preference is given in place of posting to the SC/ST employees on promotion and under Transfer and Mobility policy/job rotation is in vogue. The Committee draw the attention of the United India Insurance Company to the instructions contained in Para 17.17 of the Brochure on "Reservation for SCs and STs in Services", emphasising Government servants to desist from any act of discrimination against members of SC/ST communities and prevent them from transferring the SC/ST employees to far-off places or insignificant positions on the grounds of their social origin. The Committee, therefore, urge upon the United India Insurance Company to ensure that the Scheduled Caste/Scheduled Tribe employees are not posted far away from their native places.

38. 4.19

The Committee note that except for contribution in the corpus of Rs. 50 Lakh deposited by the four subsidiaries of the General Insurance Companies with a Public Charitable Trust known as Dr. B.R. Ambedkar Welfare Trust, no other scheme or activity has been exclusively undertaken by the United India Insurance Company for the socio-economic development of the SCs and STs. The Committee understand that the Company being one of the premier profit making insurance companies has a social obligation towards the development of the Nation. The Committee, therefore, recommend that the Company should at least adopt villages from time to time, with a predominant

population of the SCs/STs, and work for their socio-economic development as is being done by various other Organisations and Banks.