

**COMMITTEE ON THE WELFARE OF  
SCHEDULED CASTES AND  
SCHEDULED TRIBES  
(1995-96)**

(TENTH LOK SABHA)

**FIFTY-SECOND REPORT**

**MINISTRY OF FINANCE  
(INSURANCE DIVISION)**

Action taken by Government on the recommendations in the Thirty-Third Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes (Tenth Lok Sabha) — Reservation for and Employment of Scheduled Castes and Scheduled Tribes in Life Insurance Corporation of India and appointment of Scheduled Castes and Scheduled Tribes in the Panel of Advocates



*Presented to Lok Sabha on 26.8.1995  
Laid in Rajya Sabha on 26.8.1995*

**LOK SABHA SECRETARIAT  
NEW DELHI**

26 August, 1995/3 Bhadra, 1917 (Saka)

Price : Rs. 10.00

1-43R

# CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE .....	(iii),
INTRODUCTION .....	(v)
CHAPTER I Report.....	1
CHAPTER II Recommendations/Observations which have been accepted by the Government .....	8
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies.....	11
CHAPTER IV Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration .....	16
CHAPTER V Recommendations/Observations in respect of which final replies of Government have not been received .....	19
APPENDIX Analysis of the action taken by Government on the recommendations .....	20
Minutes of the sitting of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes held on 23-8-1995 .....	21

COMMITTEE ON THE WELFARE OF SCHEDULED  
CASTES AND SCHEDULED TRIBES  
(1995-96)

Shri Paras Ram Bhardwaj — *Chairman*

MEMBERS  
*Lok Sabha*

2. Shri Ram Narain Berwa
3. Shri Dwarka Nath Das
4. Shri Santosh Kumar Gangwar
5. Shri Manikrao Hodlya Gavit
6. Shri Kadambur M.R. Janarthanan
7. Shri Arvind Tulsiram Kamble
8. Smt. Kamala Kumari Karreddula
9. Shri M. Krishnaswamy
10. Shri Kunji Lal
11. Shri Purna Chandra Malik
12. Shri Chhedí Paswan
13. Shri Harilal Nanji Patel
14. Shri Ramnihore Rai
15. Shri Prem Chand Ram
16. Shri J. Chokka Rao
17. Shri Prabhulal Rawat
18. Shri Muhi Ram Saikia
19. Shri Kodikkunnil Suresh
20. Shri Ratilal Kalidas Varma

*Rajya Sabha*

21. Shri Anil Kumar
22. Shri Jalaludin Ansari
23. Shri Sangh Priya Gautam
24. Shri Hiphei
25. Shri Satya Prakash Malaviya
26. Kumari Mayawati
27. Shri V. Narayanasamy
28. Shri Kameshwar Paswan
29. Shri S.S. Surjewala
30. Shri G. Swaminathan

(iv)

SECRETARIAT

1. Shri S.N. Mishra — *Additional Secretary*
2. Shri G.C. Malhotra — *Joint Secretary*
3. Shri Babu Ram — *Deputy Secretary*
4. Shri Gopal Singh — *Under Secretary*

## INTRODUCTION

1. 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 Fifty-Second Report (Tenth Lok Sabha) on Action Taken by Government on the recommendations of the Committee contained in their Thirty-Third Report (Tenth Lok Sabha) on Ministry of Finance (Insurance Division) — “Reservation for and employment of Scheduled Castes and Scheduled Tribes in Life Insurance Corporation of India and appointment of SCs and STs in the panel of Advocates”.

2. The Report was considered and adopted by the Committee on 23 August, 1995.

3. The Report has been divided into the following chapters:—

I. Report

II. Recommendations/Observations which have been accepted by the Government.

III. Recommendations/Observations which the Committee do not desire to pursue in view of the replies of Government.

IV. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.

V. Recommendations/Observations in respect of which final replies of Government have not been received.

4. An analysis of the Action Taken by Government on the recommendations of the Committee contained in their Thirty-Third Report is given in Appendix. It would be observed therefrom that out of the 17 recommendations/observations contained in the Report, five recommendations (i.e. 29.42 percent of the total) have been accepted by the Government. The Committee do not desire to pursue eight recommendations (i.e. 47.05 percent) in view of Government's replies while the remaining four recommendations (i.e. 23.52 percent) require reiteration because replies of Government in these cases have not been accepted by the Committee.

NEW DELHI;  
26 August, 1995  

---

3 Bhadra, 1917 (Saka)

PARAS RAM BHARDWAJ,  
Chairman,  
Committee on the Welfare of  
Scheduled Castes and  
Scheduled Tribes.

## CHAPTER I

### DRAFT REPORT

This Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes deals with the Action Taken by Government on the recommendations contained in the Thirty-Third Report (Tenth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the Ministry of Finance (Department of Economic Affairs—Insurance Division) regarding reservation for and employment of Scheduled Castes and Scheduled Tribes in Life Insurance Corporation of India and appointment of Scheduled Castes and Scheduled Tribes in the panel of advocates.

1.2 The Thirty-Third Report was presented to Lok Sabha on 27.4.1994. It contained 17 recommendations/observations. Replies of the Government in respect of these recommendations/observations have been examined and may be categorised as under:—

- (i) Recommendations/Observations which have been accepted by the Government; (Sl. Nos. 1, 2, 3, 5 and 6).
- (ii) Recommendations/Observations which the Committee do not desire to pursue taking into consideration the replies of the Government; (Sl. Nos. 4, 7, 8, 9, 10, 11, 13 and 14).
- (iii) Recommendations/Observations replies to which have not been accepted by the Committee and which need reiteration; (Sl. Nos. 12, 15, 16 and 17).
- (iv) Recommendations/Observations in respect of which final replies have not been received; (NIL).

1.3 The Committee will now deal with those Action Taken replies of the Government which need reiteration and Comments:

(Recommendation Sl. No. 12, Para No. 3.24)

1.4 In para 3.24 of the Thirty-Third Report (Tenth Lok Sabha), the Committee were constrained to note that out of 49 cases of false caste certificate, 29 cases were pending since 1983. Considering the fact that only two cases had been disposed of during the last ten years, it was apparent that no serious efforts had been made by LIC to deal with such cases. The Committee recommended that all out efforts should be made to investigate the pending cases expeditiously and stringent action taken against the persons concerned so that genuine Scheduled Caste and Scheduled Tribe persons do not suffer. The Committee further desired that they should be informed of the action taken in this regard within six months.

1.5 The Ministry of Finance (Insurance Division) in their reply have stated that when it comes to the notice that a candidate, who is appointed as a SCST, has submitted a false caste certificate, they have to refer the matter to the concerned Revenue Official and obtain his report before proceeding to take any action against the employee. Obtaining such a report from the Revenue Official itself involves considerable delay. Immediately on receipt of the report from the Revenue Official the Corporation institutes disciplinary proceedings which is completed expeditiously. The employees against whom disciplinary proceedings are instituted, immediately move the Court and obtain a Stay against taking disciplinary action against them on the basis of the report and in such cases the Corporation is unable to proceed further until the stay is vacated. They have stated that it is for the issuing authority to ensure that only genuine certificates are issued for SCST. The employer has no means of verifying the authenticity.

1.6 The Committee are not convinced with the reply of the Government and reiterate that all out efforts should be made to investigate the pending cases expeditiously. They would also like to be apprised of the latest position regarding the number of pending cases of false caste certificates. The Committee recommend that the persons found serving Life Insurance Corporation on the basis of bogus caste certificate should immediately be dismissed from service. Besides their cases should be referred to the local police and the concerned District Magistrates for initiating penal action against them.

(Recommendation No. 15 Para, 4.21)

1.7 In para 4.21 of the Thirty-Third Report (Tenth Lok Sabha), the Committee had noticed that the Corporation have evolved some schemes for providing insurance cover to the weaker sections of the society. Under one such scheme called the Landless Agricultural Labour Group Insurance Scheme, in the event of death of any landless agricultural labourer, his successor gets Rs. 2000/-. No premium is required to be paid under this scheme by the labourer. Similarly Group Insurance Cover is also provided to the IRDP beneficiaries. In their case the premium is paid by Government and not by the IRDP beneficiaries. Yet in another scheme called the social security scheme, persons covered in identified vocations like rickshaw-pullers, fishermen, tendu leaves collectors, safai Karamcharis and 23 other such occupations, insurance cover is provided by LIC and 50% premium is paid by it out of a separate fund set up for the purpose. The remaining 50% premium is paid by the nodal agency which is required to organise scheme.

While the Committee welcomed these schemes, they suggested that the Corporation should consider the question of taking some special schemes for the benefits of SC&STs.

1.8 The Ministry of Finance (Insurance Division) in their reply have stated that the Group cover is granted to defined groups on the basis of occupation/income and it would not be possible for them to give this kind of cover on caste basis.

1.9 The Committee are not satisfied with the reply of the Government. The Committee reiterate that Corporation should formulate some special schemes exclusively for SCs/STs taking into consideration their income criteria etc.

**(Recommendation SL. No. 162 Para 4.22)**

1.10 In para 4.22 of the Thirty-Third Report (Tenth Lok Sabha), the Committee recommended that the Corporation should take up the scheme of adopting some villages predominantly inhabited by SCs/STs for their socio-economic development. The plea of the Corporation that it is not an insurance related function is not convincing as many institutions including Banks and public sector companies like Coal India Ltd. and I.O.C. have adopted such villages inspite of the fact that it does not fall strictly within their area of functions. The Committee, therefore, had suggested that in the interest of socio-economic development of SCs/STs the matter might be reviewed afresh and the Committee informed of the decision in that regard.

1.11 The Ministry of Finance (Insurance Division) in their reply have stated that the provisions of the Insurance Act, 1938 [Section 10(3)] prohibit application of the Life Insurance Fund for any purpose other than as security of the policy holders. They have further stated that legal opinion obtained by the Corporation also holds that the funds of the Corporation cannot be utilised for any other purpose. In view of this, while appreciating the suggestion made by the Committee, the Corporation have regretted its inability to implement this suggestion.

1.12 Inviting attention to article 46 of the Constitution, under which the Central and State Governments are responsible for the promotion of economic development of SCs and STs, the Committee reiterate that the matter pertaining to adoption of some villages predominantly inhabited by SCs/STs for their Socio-economic Development may be reviewed afresh in the interest of socio-economic development of SCs/STs and if necessary, the Insurance Act, 1938 may be amended suitably so as to achieve the goal in this regard.

**(Recommendation Sl. No. 17; Para No. 4.29)**

1.13 In para 4.29 of the Thirty-Third Report (Tenth Lok Sabha), the Committee noted that a separate company named as Life Insurance Corporation Housing Finance Limited had been formed by LIC in June, 1989 in association with U.T.I., IFCI and ICICI. The company had framed several schemes for providing housing loans to individuals and organisations including employees cooperative societies of private and public sector



undertakings. The Committee were, however, informed that there was no special scheme for the benefit of SCs/STs. They, therefore, desired that the company should consider formulation of special scheme for the benefit of SCs/STs. The question of granting loans on concessional rate of interest under the scheme to SCs/STs might also be examined, as assured during the evidence.

1.14 The Ministry of Finance (Insurance Division) in their reply have stated that the Housing Finance Co. works on borrowed capital and margin between the rate of interest at which the loans are granted and the rate at which the fund is borrowed is very thin, within which the company has to manage its affairs. In view of this it would not be economically viable to frame any scheme for providing loans at concessional rate of interest.

1.15 The Committee are not satisfied with the reply given by the Government. They are of the opinion that the LIC Housing Finance Company should find a way out to formulate special scheme for the benefit of SCs/STs. They desire that the Company should provide to SCs/STs the relaxation in the period of repayment of loan granted to them.

**Recommendation (Sl. No. 1; Para No. 1.8)**

1.16 In para 1.8 of the Thirty-third Report (Tenth Lok Sabha), the Committee noted that as against the maximum strength of 16 members, there were only seven Directors on the Board of LIC. They were also unhappy to note that not a single member belonging to SC/ST Community had been appointed on the Board although an assurance was given in this regard six years back in response to the recommendations of the Committee contained in their 21st Report (8th Lok Sabha). It was only recently that a proposal for appointing one SC/ST member on the Board of LIC had been submitted to Government. The Committee, urged upon the Government to expedite the decision to appoint one SC/ST member on the Board of Director of LIC.

1.17 The Ministry of Finance (Insurance Division) in their reply have stated that as per the Assurance given in response to the Recommendations of the Committee contained in their 21st Report (8th Lok Sabha), laid in the Lok Sabha/Rajya Sabha on 20.4.1987, necessary action for appointment of an SC/ST member on the Board of Life Insurance Corporation of India had been initiated and the proposal in this regard remained under the consideration of the Government at the highest level. However, due to unexpected frequent changes in the Central Government thereafter, the proposal could not get the concurrence of the Appointments Committee of the Cabinet (ACC), they have further stated that the proposal has again been under active consideration of the present Government at the highest level and an SC/ST member will be appointed on the Board of LIC as a non-official Director as soon as a decision is taken by the Government in the matter.

### Comments of the Committee

1.18 The Committee may be apprised as soon as decision is taken by the Government in this regard.

#### Recommendation (Sl. No. 4; Para No. 2.14)

1.19 In para 2.14 of the Thirty-third Report (Tenth Lok Sabha), the Committee were not satisfied with the reply of the Government for not setting up a separate SC/ST Cell in the Insurance Division. In their opinion although it was not a violation of the Government directives, yet it would be in the larger interest of SCs and STs if a separate Cell was set up in the Insurance Division to help the Liaison Officer to discharge his duties effectively.

### Reply of Government

1.20 The Ministry of Finance (Insurance Division) in their reply have stated that the recommendation of the Committee has been noted.

### Comments of the Committee

1.21 The Committee would like to be informed as soon as a SC/ST Cell is set up in the Insurance Division. They further like the Ministry to ensure that the SC/ST Cell is suitably manned to ensure its smooth functioning.

#### Recommendation (Sl. Nos. 8 and 9; Para No. 3.15 and 3.16)

1.22 In para 3.15 and 3.16 of the Thirty-third Report (Tenth Lok Sabha), the Committee noted with regret the low representation of SCs/STs in various categories of posts in L.I.C. It was apparent that in the past filling up of vacancies reserved for SCs/STs was not given the attention it deserved. As regards the backlog of vacancies for direct recruitment, although the Committee were informed by the representative of the LIC during evidence on 6.10.1993 that as on date the Corporation did not have any backlog in respect of posts reserved for SCs, from a note furnished after the evidence, the Committee found that as on 15.10.1993 there were still 13 vacancies in Class II posts for SCs and 8 vacancies in Class II and 32 in Class III posts for STs. The Committee urged upon LIC to take immediate steps to wipe out the backlog of vacancies in both SC and ST categories. They further noted with distress that there was heavy shortfall in filling up the promotional posts reserved for SCs/STs especially of STs. This was despite the fact that the Corporation had been providing relaxation in the minimum eligibility period and qualifying marks to SC/ST candidates in promotional posts. The Corporation had also claimed that they were conducting pre-promotional training programmes for eligible SC/ST candidates. Considering the heavy shortfalls, it was apparent that the measures taken to fill up the backlog of promotional posts reserved for SCs/STs had not proved effective. The Committee, therefore, desired the Corporation to review the matter with a view to taking urgent suitable steps for clearing the backlog.

1.23 The Ministry of Finance (Insurance Division) in their reply have stated that the recruitment which had commenced in various Divisions in 1993-94 is still in progress. As soon as these recruitments are completed the backlog vacancies in Class III posts will be wiped out. They have further stated that the percentage of reservation for recruitment and the percentage of reservation for promotion are not the same. The percentage of reservation for recruitment on regional basis in the case of ST varies from 1% to 5% in most of the States and it is only in for States, where the STs are in large number, the percentage for promotion is uniformly 15% and 7.5% for SC and ST respectively throughout India. This naturally creates some imbalance and adequate number of ST candidates are not available for promotion. In view of this inspite of the Corporation relaxing the minimum eligibility period and qualifying marks they are not able to clear the backlog.

#### Comments of the Committee

1.24 The Committee take note of the reply of the Government that the Corporation will be able to wipe out the backlog in class III posts as soon as the recruitment which had commenced in 1993-94 would be completed. The Committee, taking into consideration the above facts would like the Corporation to review the whole matter afresh with a view to take suitable steps to clear the backlog in promotional posts also and if candidates are not available in the feeder cadre, the backlog posts should be filled up by resorting to direct recruitment.

#### Recommendation (Sl. Nos. 13, 14; Para 4.12, 4.13)

1.25 In para 4.12 of the Thirty-third Report (Tenth Lok Sabha), the Committee noted that as per the recommendations contained in their 15th Report (Fifth Lok Sabha) the Life Insurance Corporation had issued instructions in 1974 to all their Branches through Divisional Offices to pay special attention towards SCs and STs while recruiting career agents. Instructions had also been issued to relax the minimum educational qualifications of those SCs and STs who had the ability to read, write and understand the training literature and other related instructions and had the motivation to work as agents. The Committee had also been informed that both induction and advanced training was imparted to agents in order to make them thorough professionals.

As regards the number of SC/ST agents, the Committee were surprised to note that the figures were not available with the Government as the Corporation had not made any provision in the application form for the allotment of agencies to specify whether the candidates belongs to SC or ST. In the circumstances, the Committee failed to understand as to how the Corporation had ensured that the instructions issued by them regarding recruitment of SC/ST agents were being followed by their branches. It was apparent that the recommendation made by the Committee was not given the attention it deserved.

1.26 In para 4.13 of the Thirty-third Report (Tenth Lok Sabha), the Committee have emphasised that unless the information regarding the SC/ST status of the agents is known to the Corporation, no steps, can be taken by them for increasing the representation of SCs/STs as career agents. The Committee therefore, have recommended that the relevant information may be obtained from the existing agents and the Committee be informed about it. The provision may also be made in the application form for the allotment of agency to specify whether the candidate belongs to SC or ST so that the instructions issued by the Corporation can actually be implemented by the branch offices.

1.27 The Ministry of Finance (Insurance Division) in their reply have stated that LIC have issued instructions to its offices to collect the information as to how many of the existing career agents belong to SC/ST. As soon as the information is collected the same will be intimated to the Committee. As regards the provision to be made in the application form for allotment of agency to specify whether the candidate belongs to ST or ST, they have stated that a specific question has been added in the application form for agency as to whether the applicant belongs to Scheduled Caste or Scheduled Tribe. They have further stated that as regards the Committee's recommendation regarding giving relaxation in business to SC/ST agents, the matter was examined in depth and because of the various complexities involved it has not been found possible to give relaxation in business.

#### **Comments of the Committee**

1.28 The Committee would like to be apprised of the latest position in regard to total number of career agents in Life Insurance Corporation and the number and percentage of SCs and STs amongst them.

## **CHAPTER II**

### **RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation (Sl. No. 1; Para 1.8)**

The Committee find that as against the maximum strength of 16 members, there are at present only seven Directors on the Board of LIC. They are also unhappy to note that not a single member belonging to SC/ST Community has been appointed on the Board although an assurance was given in this regard six years back in response to the recommendations of the Committee contained in their 21st Report (8th Lok Sabha). It is only recently that a proposal for appointing one SC/ST member on the Board of LIC has been submitted to Government. The Committee, urge upon the Government to expedite the decision to appoint one SC/ST member on the Board of Director of LIC.

#### **Reply of Government**

As per the Assurance given in response to the Recommendations of the Committee contained in their 21st Report (8th Lok Sabha), laid in the Lok Sabha/Rajya Sabha on 20.4.1987. Necessary action for appointment of an SC/ST member on the Board of Life Insurance Corporation of India had been initiated and the proposal in this regard remained under the consideration of the Government at the highest level. However, due to unexpected frequent changes in the Central Government thereafter, the proposal could not get the concurrence of the Appointments Committee of the Cabinet (ACC). Again the proposal has been under active consideration of the present Government at the highest level and an SC/ST member will be appointed on the Board of LIC as a non-official Director as soon as a decision is taken by the Government in the matter.

[Vide Ministry of Finance, Deptt. of Economic Affairs, Insurance Division O.M. No. 3/25/93-Ins.V dated 13.9.1994].

#### **Comments of the Committee**

**Please see Chapter I (Para 1.18)**

#### **Recommendation (Sl. No. 2; Para 1.12)**

The Committee are constrained to note that the Board of Directors of LIC does not make many periodical review of the implementation of reservation policy relating to SCs and STs. They desire that as agreed to by the Ministry, the review of implementation of reservation policy in favour of SCs and STs should be included as one of the items in the agenda for the meetings of the Board.

### **Reply of Government**

It is not that the Board is indifferent to the rights of SC and ST. The LIC has already brought to the notice of the Parliamentary Committee, as has been mentioned by the Committee itself in its report, that while there has been no occasion for the Board to review the matter separately, at the time of preparation of annual report the whole review takes place before the Board including the provisions about the implementation of the various rules and regulations pertaining to SCs and STs. The LIC has taken a note of the recommendations of the Parliamentary Committee and it will not be putting up a note to the Board every half year reviewing the position with regard to implementation of reservation policy of SCs and STs.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M.No.3/25/93-Ins. V dated 13.9.1994]

### **Recommendation (Sl. No. 3; Para 2.13)**

The Committee find that Director (Insurance) and Chief Vigilance Officer in the Ministry have been appointed as Liaison Officers to ensure due compliance of reservation orders in favour of SCs and STs in LIC/GIC. However, as suggested by the Committee and as agreed to by the Ministry during the evidence, the Committee would like to emphasise that these Liaison Officers in the Ministry should not only ensure that periodical returns prescribed by Govt. are received from LIC in time but should also carefully scrutinise the returns filed by the Corporation to ensure proper implementation of the reservation policy in LIC.

### **Reply of Government**

The officer nominated by the Insurance Division to act as Liaison Officer for the Scheduled Castes/Scheduled Tribes for the insurance industry, monitors the extent of compliance made by the Life Insurance Corporation of India and the General Insurance Corporation of India and its four subsidiaries with the orders and instructions pertaining to the reservation of vacancies in favour of Scheduled Castes/Scheduled Tribes and other benefits admissible to them.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M. No. 3/25/93-Ins. V dated, 13.9.1994]

### **Recommendation (Sl. No. 5; Para 2.15)**

The Committee have been informed that rosters maintained by the Head Office and some Zonal and Divisional Offices of LIC have been inspected at least a dozen times by the Liaison Officers appointed by the Ministry during the last three years and some procedural shortcomings have been

noticed in the maintenance of rosters. The Committee urge that officials in LIC responsible for the maintenance of rosters be imparted proper training in order to ensure proper maintenance of rosters. The Committee also recommend that steps be taken by the Ministry to inspect the rosters at the remaining offices of LIC and corrective measures taken wherever any discrepancy is found in the maintenance of rosters.

#### **Reply of Government**

The recommendation of the Committee has been noted and will be complied with.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M. No. 3/25/93- Ins. V dated 13.9.1994]

#### **Recommendation (Sl. No. 6; Para 2.16)**

The Committee were informed that the rosters maintained at the Zonal Offices are inspected by the Chief Liaison Officer at the Corporate level and the rosters maintained at the Divisional Offices are inspected by the Liaison Officers in the Zonal Offices. The Committee would like LIC to ensure that the rosters maintained by its Zonal and Divisional Offices are inspected periodically at regular intervals.

#### **Reply of Government**

Zonal and Divisional offices will be inspected periodically at regular intervals by L.I.C.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M.No. 3/25/93-Ins. V dated 13.9.1994]

### **CHAPTER III**

## **RECOMMENDATION/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE TAKING INTO CONSIDERATION THE REPLIES OF THE GOVERNMENT**

### **Recommendation No. 4, Para 2.14**

The Committee are not satisfied with the reply of the Government for not setting up a separate SC/ST Cell in the Insurance Division. In their opinion although it is not a violation of the Govt. directives, yet it would be in the large interest of SCs and STs if a separate Cell is set up in the Insurance Division to help the Liaison Officer to discharge his duties effectively.

### **Reply of Government**

The recommendation of the Committee has been noted.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M.No. 3/25/93-Ins. V dated 13.9.1994.]

### **Comments of the Committee**

Please see Chapter I (para 1.21)

### **Recommendation No. 7, Para 2.21**

The Committee note that out of 278 complaints received by the Corporation during the years 1990-92, 35 complaints are still pending with the Corporation. The period for which these complaints are pending has not been intimated to the Committee. They recommend that steps should be taken to ensure that the complaints/grievances of the Scheduled Caste and Scheduled Tribe employees are settled promptly, within a specified period. With a view to inculcating a sense of security among them.

### **Reply of Government**

Instructions have been issued to all LIC Divisional Offices to ensure that the complaints relating to SC/ST received by them are disposed of within a maximum period of 6 months unless there are Court cases or investigation by the Government Agencies because of which it does not become possible to dispose of a complaint.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M.No. 3/25/93-Ins. V dated 13.9.1994.]

### **Recommendation No. 8, Para 3.15**

The Committee regret to note the low representation of SCs/STs in various categories of posts in L.I.C. It is apparent that in the past filling up of vacancies reserved for SCs/STs was not given the attention it deserved.



As regards the backlog of vacancies for direct recruitment, although the Committee were informed by the representative of the LIC during evidence on 6.10.93 that as on date the Corporation did not have any backlog in respect of posts reserved for SCs, from a note furnished after the evidence, the Committee find that as on 15.10.93 there were still 13 vacancies in Class II posts for SCs and 8 vacancies in Class II and 32 in Class III posts for STs. The Committee urge upon LIC to take immediate steps to wipe out the backlog of vacancies in both SC and ST categories.

#### **Reply of Government**

The recruitment which had commenced in various Divisions in 1993-94 is still in progress. As soon as these recruitments are completed the backlog vacancies in Class III posts will be wiped out.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M.No. 3/25/93-Ins. V dated 13.9.1994.]

#### **Comments of the Committee**

Please see Chapter I (para 1.24)

#### **Recommendation No. 9, Para 3.16**

The Committee are distressed to note that there was heavy shortfall in filling up the promotional posts reserved for SCs/STs especially of STs. This is despite the fact that the Corporation is stated to have been giving relaxation in the minimum eligibility period and qualifying marks to SC/ST candidates in promotional posts. The Corporation has also claimed that they are conducting pre-promotional training programmes for eligible SC/ST candidates. Considering the heavy shortfalls, it is apparent that the measures taken to fill up the backlog of promotional posts reserved for SCs/STs have not proved effective. The matter, therefore, needs to be reviewed with a view to taking urgent suitable steps for clearing the backlog.

#### **Reply of Government**

The percentage of reservation for recruitment and the percentage of reservation for promotion are not the same. The percentage of reservation for recruitment on regional basis in the case of ST varies from 1% to 5% in most of the States and it is only in four States, where the STs are in large number, the percentage is uniformly 15% and 7½ % for SC and ST respectively throughout India. This naturally creates some imbalance and adequate number of ST candidates are not available for promotion. In view of this in spite of the Corporation relaxing the minimum eligibility period and qualifying marks it is not able to clear the backlog.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M. No.3/25/93-Ins. V Dated 13.9.1994]

### Comments of the Committee

Please see Chapter I (para 1.24)

#### Recommendation No. 10, Para 3.17

The Committee find in this connection that the pre-promotion training programmes arranged by the Corporation for SCs/STs have been of very short duration ranging from 4 days to a maximum of two weeks. The Committee suggest that the duration of the training programmes should be suitably increased and its course content be reviewed and revised to suit the needs of the SC/ST candidates to enable them to come up to the desired standard for promotion to various posts.

#### Reply of Government

We feel that the duration of the training is not very material as we have not laid down a specific number of days for training but we have left it to the discretion of the Divisional Authorities to decide the number of days training within the minimum and maximum periods laid down by us. All the same, we shall, based on the future performance of the SC/ST candidates, review the position and take whatever corrective steps that may be required.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M. No.3/25/93-Ins. V Dated 13.9.1994]

#### Recommendation No. 11, Para 3.20

The Committee find that 15 days time is allowed by the Corporation to the candidates for test/interview and for joining the service. They were also informed that extra time is granted to SC/ST candidates for joining the services of the Corporation whenever so requested and no complaint regarding paucity of time for attending test/interview or joining the services has ever been received from SC/ST candidates. However, in order to avoid difficulties to SC/ST candidates residing in far flung areas, the Committee recommend that a period of thirty days be granted to SC/ST candidates for attending the test/interview or joining the services as has been done by some other Public Undertakings/Banks examined by the Committee.

#### Reply of Government

The Corporation allows a minimum of 15 days time to the candidates who are to appear for test/interview. We have now issued instructions to all our offices increasing this to 3 weeks. The Corporation feels that any further increase in the period of notice is not desirable as this will considerably delay the completion of the process of recruitment.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M. No.3/25/93-Ins. V Dated 13.9.1994]

### **Recommendation No. 13, Para 4.12**

The Committee have been informed that as per the recommendations contained in their 15th Report (Fifth Lok Sabha) the Life Insurance Corporation had issued instructions in 1974 to all their Branches through Divisional Offices to pay special attention towards SCs and STs while recruiting career agents. Instructions have also been issued to relax the minimum educational qualifications of those SCs and STs who have the ability to read, write and understand the training literature and other related instructions and have the motivation to work as agents. The Committee have also been informed that both induction and advanced training is imparted to agents in order to make them thorough professionals.

As regards the number of SC/ST agents, the Committee are surprised to note that the figures are not available with the Government as the Corporation has not made any provision in the application form for the allotment of agencies to specify whether the candidates belongs to SC or ST. In the circumstances the Committee fail to understand as to how the Corporation have ensured that the instructions issued by them regarding recruitment of SC/ST agents are being followed by their branches. It is apparent that the recommendation made by the Committee was not given the attention it deserved.

### **Reply of Government**

We have issued instructions to all the offices to collect the information as to how many of the existing career agents belong to SC/ST. As soon as this information is collected the same will be intimated to the Committee. As regards the Committee's recommendations regarding giving relaxation in business to SC/ST agents, it may be mentioned that the matter was examined in depth and because of the various complexities involved it has not been found possible to give relaxation in business.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M. No.3/25/93-Ins. V Dated 13.9.1994]

### **Comments of the Committee**

**Please see Chapter I (para 1.28)**

### **Recommendation No. 14, Para 4.13**

The Committee need hardly stress that unless the information regarding the SC/ST status of the of the agents is known to the Corporation, no steps, can be taken by them for increasing the representation of SCs/STs as career agents. The Committee therefore, recommend that the relevant information may be obtained from the existing agents and the Committee be informed about it. The provision may also be made in the application form for the allotment of agency to specify whether the

candidate belongs to SC or ST so that the instructions issued by the Corporation can actually be implemented by the branch offices.

**Reply of Government**

- (i) LIC have issued instructions to its offices to collect the information as to how many of the existing career agents belong to SC/ST. As soon as the information is collected the same will be intimated to the Committee.
- (ii) As regards the provision to be made in the application form for allotment of agency to specify whether the candidate belongs to SC or ST, a specific question has been added in the application form for agency as to whether the applicant belongs to Scheduled Caste or Scheduled Tribe.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M. No.3/25/93-In. V Dated 13.9.1994]

**Comments of the Committee**

**Please see Chapter I (para 1.28)**

## CHAPTER IV

### RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH NEED REITERATION

#### Recommendation No. 12, Para 3.24

The Committee are constrained to note that out of 49 cases of false caste certificate 29 cases are pending since 1983. Considering the fact that only two cases have been disposed of during the last ten years, it is apparent that no serious efforts have been made by LIC to deal with such cases. The Committee recommend that all out efforts should be made to investigate these pending cases expeditiously and stringent action taken against the persons concerned so that genuine Scheduled Caste and Scheduled Tribe persons do not suffer. The Committee would like to be informed of the action taken in this regard within six months.

#### Reply of Government

When it comes to the notice that a candidate, who is appointed as a SC/ST, has submitted a false certificate, we have to refer the matter to the concerned Revenue Official and obtain his report before proceeding to take any action against the employee. Obtaining such a report from the Revenue Official itself involves considerable delay. Immediately on receipt of the report from the Revenue Official the Corporation institutes disciplinary proceedings which is completed expeditiously. The employees against whom disciplinary proceedings are instituted immediately move the Court and obtain a Stay on our taking disciplinary action on the basis of the report and in such cases the Corporation is unable to proceed further until the stay is vacated. It is further issuing authority to ensure that only genuine certificates are issued for SC/ST. The employer has no means of verifying the authenticity.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance  
Division O.M.No. 3/25/93-Ins. V Dated 13.9.1994.]

#### Comments of the Committee

Please see Chapter I (para 1.6)

#### Recommendation No. 15, Para 4.21

The Committee find that the Corporation have evolved some schemes for providing insurance cover to the weaker sections of the society. Under one such scheme called the Landless Agricultural Labour Group Insurance Scheme in the event of death of any landless, agricultural labourer, his successor gets Rs. 2000. No premium is required to be paid under this

scheme by the labourer. Similarly Group Insurance Cover is also provided to the IRDP beneficiaries. In their case the premium is paid by Government and not by the IRDP beneficiaries. Yet in another scheme called the social security scheme, persons covered in identified vocations like rickshaw-pullers, fishermen, tendu leaves collectors, safai karmachari and 23 other such occupations, insurance cover is provided by LIC and 50% premium is paid by it out of the separate fund set up for the purpose. The remaining 50% premium is paid by the nodal agency which is required to organise scheme.

While the Committee welcome these schemes, they suggest that the Corporation should consider the question of taking some special schemes for the benefits of SCs/STs.

#### **Reply of Government**

The Group cover is granted to defined groups on the basis of occupation/income and it would not be possible to give this kind of cover on caste basis.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M. No. 3/25/93-Ins.V Dated 13.9.1994]

#### **Comments of the Committee**

Please see Chapter I (Para 1.9)

#### **Recommendation No. 16, Para 4.22**

The Committee also recommend that the Corporation should take up the Scheme of adopting some villages predominantly inhabited by SCs/STs for their socio-economic development. The plea of the Corporation that it is not an insurance related function is not convincing as many institutions including Banks and public sector companies like Coal India Ltd. and I.O.C. have adopted such villages in spite of the fact that it does not fall strictly within their areas of functions. The Committee, therefore, suggest that in the interest of socio-economic development of SCs/STs the matter may be reviewed afresh and the Committee informed of the decision in this regard.

#### **Reply of Government**

The provisions of the Insurance Act, 1938 [Section 10(3)] prohibit application of the Life Insurance Fund for any purpose other than as security of the policyholders. Legal opinion obtained by the Corporation also holds that the funds of the Corporation cannot be utilised for any other purpose. In view of this, while appreciating the suggestion made by the Committee, the Corporation regretted its inability to implement this suggestion.

[Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M. No. 3/25/93-Ins.V Dated 13.9.1994]

### Comments of the Committee

Please see Chapter I (para 1.12)

#### Recommendation No. 17, Para 4.29

The Committee note that a separate Company named as Life Insurance Corporation Housing Finance Limited has been formed by LIC in June, 1989 in association with U.T.I, IFCI and ICICI. The Company has framed several schemes for providing housing loans to individuals and organisations including employees cooperative societies of private and public sector undertakings. The Committee were, however, informed that there was no special scheme for the benefit of SCs/STs. They desire that the Company should consider formulation of special scheme for the benefit of SCs/STs. The question of granting loans on concessional rate of interest under the scheme to SCs/STs may also be examined, as assured during the evidence.

#### Reply of Government

The Housing Finance Co. works on borrowed capital and marginal between the rate of interest at which the loans are granted and the rate at which the fund is borrowed is very thin, within which the Company has to manage its affairs. In view of this it would not be economically viable to frame any scheme for providing housing loans at concessional rate of interest.

[ Vide Ministry of Finance, Department of Economic Affairs, Insurance Division O.M.No. 32593-Ins. V Dated 13.9.1994 ]

#### Comments of the Committee

Please see Chapter I (para 1.15)

## CHAPTER V

### RECOMMENDATIONS AND OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT HAVE NOT BEEN RECEIVED

N I L

NEW DELHI;  
26 August, 1995

---

3 Bhadra 1917(S)

PARASRAM BHARDWAJ,  
*Chairman,*  
*Committee on the Welfare of*  
*Scheduled Castes and*  
*Scheduled Tribes.*



## APPENDIX

(Vide para 4 of the Introduction)

Analysis of the action taken by Government on recommendations contained in the 33rd Report (Tenth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes

1.	Total number of recommendations	17
2.	Recommendations/observations that have been accepted by Government ( <i>vide</i> recommendations at Sl. No. 1, 2, 3, 5, and 6)	
	Number	5
	Percentage to total	29.42
3.	Recommendations/observations which the Committee do not desire to pursue in view of the Government replies ( <i>vide</i> recommendations at Sl. No. 4, 7, 8, 9, 10, 11, 13 and 14)	
	Number	8
	Percentage to total	47.05
4.	Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee which require reiteration ( <i>vide</i> recommendations at Sl. No. 12, 15, 16 and 17)	
	Number	4
	Percentage to total	23.52
5.	Recommendations/Observations in respect of which final replies of Government have not been received	
	Number	Nil
	Percentage to total	Nil

MINUTES

COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND  
SCHEDULED TRIBES

(1995-96)

(TENTH LOK SABHA)

Third Sitting

(23.8.1995)

The Committee sat from 15.00 to 15.45 hrs.

PRESENT

• Shri Paras Ram Bhardwaj—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri Dwarka Nath Das
3. Shri Santosh Kumar Gangwar
4. Smt. Kamala Kumari Karreodula
5. Shri Purna Chandra Malik
6. Shri Ramnihore Rai
7. Shri Muhi Ram Saikia

*Rajya Sabha*

8. Shri Jalaludin Ansari
9. Shri Hiphei
10. Shri Satya Prakash Malaviya
11. Shri V. Narayanasamy

SECRETARIAT

Shri G.C. — *Joint Secretary*  
Malhotra

Shri Babu Ram — *Deputy Secretary*

Shri Gopal Singh — *Under Secretary.*

2. The Committee on the Welfare of Scheduled Castes and Scheduled Tribes considered and adopted the following Report without any modification:—

.. .. .. ..

Draft Report on Action Taken by Government on the recommendations of the Committee contained in their Thirty-third Report (Tenth Lok Sabha) on Ministry of Finance (Insurance Division) Reservation for and employment of Scheduled Castes and Scheduled Tribes in Life Insurance

Corporation of India and appointment of SCs and STs in the panel of advocates.

The Committee then authorised the Chairman to finalise and Report and get it presented to both the Houses of Parliament.

*The Committee then adjourned.*