

COMMITTEE ON THE WELFARE OF  
SCHEDULED CASTES AND  
SCHEDULED TRIBES  
(1993-94)

(TENTH LOK SABHA)

THIRTY-THIRD REPORT

ON

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS - INSURANCE DIVISION)

RESERVATIONS 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 .

Laid in Rajya Sabha on \_

LOK SABHA SECRETARIAT  
NEW DELHI

April, 1994/Vaisakha, 1916

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COMMITTEE ON THE WELFARE OF SCHEDULED  
CASTES AND SCHEDULED TRIBES (1993-94)

.....

Shri Paras Ram Bhardwaj - Chairman

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SECRETARIAT

1. Shri G.L. Batra, Additional Secretary
2. Shri S.C. Gupta, Joint Secretary
3. Shri Babu Ram, Under Secretary.

## INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to submit the Report on their behalf, present this Thirty-Third Report (Tenth Lok Sabha) on Ministry of Finance (Department of Economic Affairs - Insurance Division) - Reservations 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 Committee took evidence of the representatives of the Ministry of Finance (Department of Economic Affairs - Insurance Division) on 6.10.1993. The Committee wish to express their thanks to the officers of the Ministry of Finance (Department of Economic Affairs - Insurance Division) for placing before the Committee material and information the Committee wanted in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 3.1994.

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


NEW DELHI

21 April, 1994

I Vaikasha, 1916(S)

**AUTHENTICATED COPY**

(v)

  
PARAS RAM BHARDWAJ  
Chairman,

Committee on the Welfare of  
Scheduled Castes and  
Scheduled Tribes on the Welfare of  
Scheduled Tribes  
Bharat

## CHAPTER - I

### REPRESENTATION IN BOARD OF DIRECTORS

#### A. Organisational set-up

The Life Insurance Corporation of India is a statutory Corporation established under Life Insurance Corporation Act, 1956. Section 18 of the LIC Act, 1956 lays down the organisational set up of LIC. It provides for a Central Office with Zonal Offices at Bombay, Calcutta, Delhi, Kanpur, Madras, Hyderabad and Bhopal. Under each zone there are Divisional offices and Branch Offices. At present there are 84 Divisional Offices and 1906 Branch Offices spread all over the country.

1.2 As regards the organisational set up of the Ministry of Finance (Deptt. of Economic Affairs-Insurance Division) and its functions vis-a-vis Life Insurance Corporation the Committee have been informed that the Insurance Division is headed by a Special Secretary to the Govt. of India who is assisted by a Joint Secretary, a Director, a Deputy Secretary, a Asstt. Controller of Insurance and 3 Under Secretaries. Technical support to the Divisions' work is rendered by 3 technical officers from the industry who are designated as OSDs. The Division is organised into 8 sections and headed by Section Officers and assisted by supporting staff Assistants, UDCs, LDCs etc.

pre.mat/q.1.p.1

ER/Mat.5/Q.6.  
p.2

BOARD OF DIRECTORS

1.3 The Life Insurance Corporation Act, 1956 provides for not more than 16 members i.e. three full-time, four ex-officio(part-time), seven non-official and two employees representative on the Board of Directors. But at present there are only seven Directors on the Board of LIC and the remaining nine posts comprising the non-official and employees representative are lying vacant. Moreover, none of the present seven Directors belongs to either SC or ST community.

1.4 The Committee have been informed that Government is actively considering the proposal for filling up the posts of non-official Director on the Board of LIC.

1.5 Referring to their recommendation in the 21st Report(8th Lok Sabha) when the Committee desired to know whether any person from SC/ST community had been appointed on the Board of Directors of LIC as assured to the Committee, they were informed that no SC/ST member could be appointed on the Board due to the administrative constraints.

1.6 During evidence when the Committee specifically desired to know the reasons for such an inordinate delay in appointing at least one SC/ST member on the Board of Directors of LIC even after the Government assured to do so several years back, the representative of the Ministry of Finance submitted that a proposal for taking SC/ST

members on the Board of Directors of LIC had already been with the Government and as soon as the approval was received it would be notified. To a query of the Committee it was submitted that this proposal was submitted only two months back.

1.7 When asked as to how much time the Government would take to approve the above-mentioned proposal, the representative expressed his inability to reply.

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 Directors of LIC.



C. REVIEW OF IMPLEMENTATION OF RESERVATION  
POLICY BY THE BOARD

enquired

1.9 The Committee<sup>enquired</sup> as to whether the Board of Directors make periodical review of the implementation of the reservation policy relating to SCs and STs in LIC.

proc.pp.10-11

It was explained that as there were no aberration in the implementation of reservation policy, there had been no occasion for the Board to review the matter separately. However, at the time of preparation of Annual Report the whole review took place before the Board including the provisions about the implementation of the various rules and regulations pertaining to SCs and STs.

proc.p.11

1.10 When the Committee insisted that one of the items in the agenda of the Board meeting should be the review of the implementation of reservation policy in favour of SCs and STs, the representative of the Ministry agreed to it.

Mat.3/p.2

1.11 It was also assured in a written note furnished to the Committee that LIC would in future specifically put before the Board a note to enable the Board to review the implementation of the reservation policy.

This indicates  
indifference of  
the Board in  
regard to the  
rights of SCs

1.12 The Committee are constrained to note that the Board of Directors of LIC does not make any 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 ~~in~~ as one of the items in the agenda for the meetings of the Board.

CHAPTER - II

ORGANISATIONAL MATTERS

A. Liaison Officers, Inspection of Rosters and SC/ST Cell in the Ministry

The Committee have been informed that Director Insurance and the Chief Vigilance Officer, in the Ministry have been appointed/nominated as Liaison Officer to ensure due compliance of reservation orders in LIC/GIC and its four subsidiaries and one of the functions of the Liaison Officer is to ensure that periodical returns prescribed by the Government are received from LIC in time for onward transmission to the Ministry of Welfare/Deptt. of Personnel etc. as required.

p.m.p.2/Min.  
Rep.Q.27(A&B)

proc.p.15

2.2 To a suggestion of the Committee during evidence that the Liaison Officers in the Ministry/Deptt. should have a thorough review of the implementation of the reservation policy and other allied matters in LIC instead of just scrutinising the returns filed by the Corporation, the representative submitted that they would take up some test checks as observed by the Committee.

p.m.p.3/q.29b

2.3 When the Committee desired to know ~~the~~ how often the rosters were inspected by the Liaison Officers in the Ministry during the last three years it was informed that the rosters were inspected by the Liaison Officers of the Ministry about a dozen of times by visiting the Head Office and the various Zonal Offices and Divisional Offices of the LIC spread all over the country.

2.4 To a specific query of the Committee relating to the discrepancies/shortcomings noticed by the Liaison Officers after the inspections of rosters it was replied that some minor procedural shortcomings were found in the maintenance of rosters. It was added that all out efforts would be made by the Ministry to inspect the rosters at the remaining places/offices of LIC to ensure that the rosters were being maintained at all the places.

p.m.q.22

2.5 When the Committee desired to know whether there was any separate SC/ST Cell in the Insurance Division to assist the Liaison Officer in discharging his duties more effectively it was stated that the Insurance Division was a part of Deptt. of Economic Affairs in the Ministry of Finance. Therefore no SC/ST Cell has been set up separately in the Insurance Division. All SC/ST matters of LIC were being looked after by the Coordination section in the Insurance Division and no difficulties had been experienced in monitoring the work relating to SC/ST on account of this Department.

mat.3/q.2(a)  
p.2

2.6 During evidence when the Committee pointed out that a separate SC/ST Cell was needed in the Insurance Division itself keeping in view the gigantic work load the Cell as a whole functioning in Deptt. of Economic Affairs might be facing, the representative ~~of~~ submitted that till then a need for a separate cell in the Insurance Division had not arisen. It was however, elaborated that though the Division did not have a separate cell, a section officer and an Assistant ~~had been appointed to~~ <sup>in the Coordination Section</sup> assist the Liaison Officer in his work to scrutinise the returns etc. filed by LIC.

proc.p.14

B. Liaison Officer and SC/ST Cell in L.I.C.

pre.mat.q.26a  
p.14/proc.p.15

2.7 The Committee have been informed that the LIC has appointed a Chief Liaison Officer at its Central Office assisted by an SC/ST Cell to look after the welfare of SC/ST employees of the Corporation.

2.8 It was elaborated during evidence that the overall control and supervision was done by the Director (Personnel) at Corporate Office and by the Regional Managers at the Zonal Offices. The Divisional Cells are headed by either an AAO or a higher grade Assistant belonging to SC/ST community.

2.9 It was added that the Chief Liaison Officer inspected the Zonal Offices and the officers at Zonal level inspected their respective Divisional Offices.

2.10 When the Committee desired to know about the number of Divisional Officers rosters inspected by the Zonal Officers, the representative submitted :

"all divisional offices have been inspected by now."

2.11 The Committee have <sup>been</sup> further informed that every quarter LIC organise meetings of all the Liaison Officers and when they come to Corporate office, they submit their reports in respect of the rosters, etc.

2.12 To a specific query of the Committee as to whether the rosters maintained at Divisional and Zonal levels were being inspected periodically, the representative replied that they would ensure it.

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 evidence, the Committee would like to emphasis 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.

2.14 The Committee are not satisfied with 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 largest interest of SCs and STs if a separate Cell is set up in the Insurance Division to help the Liaison Officer to discharge <sup>his</sup> duties effectively.

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.

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. Simultaneously as assured to them during evidence the Committee would like LIC to ensure that the rosters maintained by its Zonal and Divisional Offices are inspected periodically at regular intervals.

C. Complaints/Grievances

pre.mat.p.17,18  
q.32 a&d,Annex-H

2.17 The Committee enquired about the procedure followed for receiving/disposing the complaints/grievances of SC/ST employees in LIC. They have been informed that SC/ST Cell at the Central and Zonal levels and the Divisional Manager-in-charge of the Divisional Offices attend to the grievances of SC/ST employees. The complaint registers are also being maintained at Divisional, Zonal and Central office level.

2.18 From the statement furnished to the Committee it has been observed that out of the 313 complaints/grievances received from SC/ST employees during the years 1990, 1991 and 1992, 278 complaints were disposed of and 35 are still pending with the corporation. Most of these grievances pertained to transfers/postings and promotion of SC/ST employees to various cadres.

2.19 When the Committee desired to know the time taken by the Corporation for disposal of each complaint/grievance it was replied that most of the complaints were disposed of during the meetings of the Liaison Officers held quarterly with Zonal and Corporate office officials. The other complaints are disposed of by initiating discussion with the Liaison Officers and representatives of the SC/ST Association.

mat.3/Q.10(a)  
p.8

2.20 In respect of the pending 35 complaints it was explained that the authorities had called for details and on receipt of the required information the pending complaints/grievances would be attended to.



2.21 The Committee note that out of 278 complaints received by the Corporation during the years 1990-1992, 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.

### CHAPTER III

#### A. STAFF STRENGTH, SHORTFALLS AND RECRUITMENT DRIVES

##### (i) Staff Strength

The staff strength of Life Insurance Corporation of India during the year 1992-93 has been stated to be as under :

Category of posts	Total No. of employees	No. of employees		Percentage	
		SCs	STs	SCs	STs
Class I Other than lowest rung	5433	254	73	4.67	1.3
Lowest rung AAO/ABM(s)	7326	865	205	11.8	2.7
Class II	17903	2165	621	12.09	3.47
Class III	72271	9505	3894	13.15	5.39
Class IV	11801	3068	779	26.08	6.77

3.2 When the Committee desired to know the reasons for the low representation of SCs/STs in various categories of posts it was stated that late receipt of the reservation orders in year 1971 and transference of a number of employees of the erstwhile insurers under Section 4(i) of the LIC Act, 1956 to the Corporation were the two main reasons for the accumulation of shortfalls in the Corporation.

3.3 Regarding remedial measures taken by the Corporation to wipe out the shortfalls the Committee were informed that with a view to clearing the backlog vacancies the Corporation had conducted Special Recruitment Drives both in the year 1989 and 1990.

3.4 During evidence it was supplemented that as a result of the Special Recruitment Drive undertaken in the year 1989 the Corporation had been able to fill up 1369 backlog vacancies out of a total number of 1397 such vacancies in various categories of posts. Similarly in 1990, 513 backlog vacancies were filled up.

3.5 When the Committee desired to know the present position of backlog vacancies in various categories of posts reserved for SCs and STs it was replied that as on date the Corporation did not have any backlog in respect of posts reserved for SCs. The total number of backlog vacancies with regard to STs was stated to be about 126 all over the country in a total staff strength of 1,12,000 employees. It was added that these 126 backlog vacancies were also for a temporary period as Special Recruitment Drive was being launched to wipe out the same.

3.6 In a post evidence note the latest backlog position as on 15.10.1993 in LIC in different categories of posts was stated to be as under :

<u>Category</u>	<u>Backlog</u>	
	<u>SC</u>	<u>ST</u>
Class I	Nil	Nil
Class II	13	8
Class III	Nil	32
Class IV	Nil	Nil

## B. PROMOTIONS

- 16 -

3.7 Total number of employees promoted during the years 1990-91 to 1992-93 and the number and percentages of SCS/STs and also the shortfall of SCS/STs and its percentage in various categories of posts has been stated to be as under :-

Category	Total Number of employees promoted	Number of SCS	Number of STs	Percentage SCS	Percentage STs	Shortfalls SCS	Shortfalls STs	% Shortfalls SCS	% Shortfalls STs
<u>1990-91</u>									
Class I Officers (other than lowest rung)	-	-	-	-	-	-	-	-	-
Class I Officers (lowest rung ABM(D)/A/C)	1283	122	22	9.74	1.76	66	72	5.26	5.74
Class II	4-	-	-	-	-	-	-	-	-
Class III	4796	661	201	13.78	4.19	58	159	1.22	3.31
Class IV	26	5	-	19.23	-	+ 1	2	-	7.5
<u>1991-92</u>									
Class I Officers (other than lowest rung)	-	-	-	-	-	-	-	-	-
Class I Officers (lowest rung ABM(D)/A/C)	1503	163	60	10.84	3.99	62	53	4.18	3.51
Class II	-	-	-	-	-	-	-	-	-
Class III	3816	771	201	20.20	5.27	+199	85	-	2.23
Class IV	21	7	1	33.33	4.76	+ 4	1	-	2.74
<u>1992-93</u>									
Class I Officers (other than lowest rung)	-	-	-	-	-	-	-	-	-
Class I Officers (lowest rung ABM(D)/A/C)	1438	184	51	12.80	3.55	32	57	2.20	3.95
Class II	-	-	-	-	-	-	-	-	-
Class III	4522	673	219	14.88	4.84	5	120	0.12	2.66
Class IV	25	6	1	24.00	4.00	-	1	-	3.5

3.8 When the Committee desired to know the reasons for the shortfall in various promotional posts it was stated that the success rate of SC/ST candidates in the Departmental Written Test was not upto the expected standard.

3.9 Regarding remedial measures undertaken by the Corporation to overcome the shortfall it was stated that in the Departmental Written Test pre-promotional coaching was being given to SC and ST candidates in order to enable them to acquire the requisite knowledge and procedures of various departments.

3.10 When asked about the exact nature of concessions given to SC and ST in promotional posts it was informed that the minimum service to become eligible was relaxed whenever such a relaxation was considered necessary. The qualifying marks in the written test are also relaxed by 10% in the case of SC/ST candidates. Besides the above concessions, all the SC/ST candidates who have come out successful in the written test are interviewed on a separate day either at the beginning or at the end of the interview.

C. Pre-Promotional Training

3.11 The Committee have been informed that all eligible SC/ST candidates appearing for promotion to various cadre are given in-service/pre-promotional coaching.

3.12 When asked about the duration of the pre-promotion training in various categories of posts the following information was furnished to the Committee :

<u>Promotion to the Cadre</u>	<u>Duration of Course</u>
AAO/ABM(D)	1 week to 2 week
H.G.A.	1 week to 2 weeks
Assistant	1 week to 2 weeks
Record Clerk	4 days to 7 days
Sepoys	4 days to 7 days

3.13 The pre-promotion training programme was stated to have shown some improvement on the part of SC/ST candidates in getting promotions in the Corporation after the introduction of the scheme in the year 1986.

3.14 The Committee referred to the assessment of the L.O. (South Central Zone) that SC/ST employees are generally weak in English and his subsequent suggestions in the 21st and 22nd quarterly meeting of the Zonal Officers that more emphasis should be given in improving English standard of the SC/ST employees. When the

3.17 The Committee~~xx~~ 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.

Committee desired to know about the action initiated  
in this regard it was stated :

Mat.3/Q.9(c)

"On the basis of the feedback received from SC/ST employees and with a view to laying greater emphasis for improving the standard of English we have instructed all LIC officer to ensure that while drawing up the programme of training for SC/ST candidates who have to appear for promotion to the cadre of HGA, more number of sessions are devoted to general English and that if need be the help of teachers who teach English to school level students be availed of for this purpose."



3.15.17 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 6.10.1993 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 find 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 urge upon LIC to take immediate steps to wipe out the backlog of vacancies in both SC and ST categories.

3.16.18 The Committee are distressed to note that there was heavy shortfall in filling up the promotional posts reserved for SC/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 SC/STs have not proved effective. The matter, therefore, needs to be reviewed with a view to taking urgent suitable steps for clearing the backlog.

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.

D. Period of Notice for Interview and Joining

3.18 The Committee have been informed that SC/ST candidates are informed about the date and venue of test at least 15 days in advance and after declaration of result of written test, all the successful candidates are intimated at least 2 weeks prior to the date of interview. For joining the services of the Corporation 15 days time is given to the candidates and extra time is granted to SC/ST candidates whenever so requested.

3.19 When the Committee enquired whether 15 days time was adequate for SC/ST candidates residing in remote and far-flung areas to attend the test/interview or to join the service in time it was stated that so far no complaints on this score had been received by the Corporation.

3.26 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.

E. False Caste Certificate

3.21 The Committee have been informed that there are 49 cases where persons have obtained employment in LIC on the basis of false caste certificate. Out of these 49 cases, 2 had been disposed of and for the remaining 47 cases they have advised their offices to take up with Government agencies for expeditious disposal.

3.22 When asked about the steps the Corporation would like to propose to combat the menace of false caste certificate it was stated that it would be helpful if the Government could ensure that the authorities issue caste certificates only to genuine SC/ST candidates.

3.23 In the PER, the year-wise break up of 49 cases of submission of false caste certificates at the time of appointment in LIC was given as under :

<u>Year</u>	<u>No. of cases</u>
1983	29
1988	1
1989	5
1990	3
1991	5
1992	5
1993	1
	<hr/>
	49
	<hr/>

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.

CHAPTER - IV

MISCELLANEOUS

A. Empanelment of SC/ST Advocates

Pre.mat/Q.38,p.21

4.1 From a statement furnished to the Committee it is observed that out of 2592 advocates empanelled in all the 7 zone of L.I.C., only 40 of them are SCs and 7 STs.

proc./p.32  
Mat./p.10

1.2 During evidence when the Committee desired to know the reasons for such a low representation of SCs and STs in the panel of Advocates of LIC the representative submittee that it was mainly due to two reasons. Firstly in LIC there are a very few cases of litigation as a result of which the need for advocates is less. Secondly no fixed remuneration is being paid to the Advocates on panel. Rather the fee to be paid depends upon the nature of the case. It was added that for important cases work was also entrusted to Advocates outside the panel.

proc./p.32

4.3 When the Committee asked whether Life Insurance Corporation has any proposal to introduce some kind of incentives to attract more and more SCs and STs towards the panel of Advocates the representative replied that since it was not a salaried job they did not have any such scheme in mind.

B. Allotment of Agencies

Mat.5,q.11,p.5,6

4.4 The Committee on the Welfare of Scheduled Castes and Scheduled Tribes had recommended in their 15th Report (4th Lok Sabha) in the year 1973 that Life Insurance Corporation of India should devise a scheme by which it might select Scheduled Caste and Scheduled Tribe candidates and gave them training as Insurance Agents so that they became eligible for appointment as Development Officer.

proc.p.33

4.5 When the Committee desired to know the steps taken by the Corporation in this regard it was submitted that as far back as 1974, the LIC issued instructions to all the Branches through Divisional Officers through whom the agents were recruited to pay special attention to the recruitment of suitable agents from the SCs and STs.

Mat.5,Q.11,p.5

4.6 It was further explained that LIC had instructed the Branches that in case any of the applicants belonging to SC/ST did not fulfill the requisite educational qualification but possessed ability to write, read and understand the training literature and other instructions that were issued by LIC for the conduct of their agency and if they had ability to work as agents, they might recommend such cases for relaxation with regard to educational qualifications.



4.7 , Regarding relaxation given to SCs/STs for recruitment as career agents, the Committee have been informed that the minimum qualification prescribed in the LIC for appointment of agents is SSC in the case of urban areas and 8th Standard in case of the rural areas. It has further been stated that giving further relaxation/concession in qualification will not be desirable as any further lowering in the standards would result in the recruitment of agents who will not be able to explain the intricacies of the various plans of insurance, tax benefits and would also not be able to do various calculations.

4.8 During evidence it was elaborated that there was no limit in the number of SCs and STs to be appointed as Agents but sufficient number of such candidates were not coming forward to take up this career as it was not a salaried employment. Moreover, in a year a career Agent has to ensure 12 lives and if he fails to do it the officer concerned has the authority to condone that.

4.9 When the Committee desired to know whether guidelines could be issued that business restrictions should not be there for SC/ST Agents the representative of the Ministry replied that it might be possible.

4.10 To a query as to whether LIC has any scheme of imparting training its field personnel (Agents) to equip them with upto date knowledge, and to help them to become true professionals it has been stated that Induction

- Training is given to the agents by the Development Officers through whom they are appointed. Further advanced training is given to agents in their Sales Training Centres and Zonal Training Centres in addition to some other institutions.

4.11 When the Committee asked about the number and percentage of SC and ST agents among the total number of agents in the Corporation, it was stated in the PER that as it was not a salaried post and there was no limit on the number of agents to be recruited and also it was their endeavour to recruit more and more agents, no provision was made in the application form for agency to specify whether the applicant belonged to SC/ST and therefore the break up of agents into SC/ST and others was not available with them.

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.

4.1.3 The Committee need hardly stress that unless the information regarding the SC/ST status of the agents is known to the Corporation, no step, 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. The Committee further recommend that as assured to them during evidence the Corporation should also consider the question of giving relaxation in business to be given to SC/ST agents so that more SC/ST people are attracted to take up the LIC agencies.

C. Socio-economic Development Schemes Undertaken by LIC

4.14 The Committee have been informed that Life Insurance Corporation has a scheme called Landless Agricultural Labour Group Insurance Scheme to provide insurance protection to the weaker sections of the society in which no premium is required to be paid by them. Under this scheme, if any landless agricultural labourer dies, his successor gets Rs.2,000/-. It has further been informed that those people who take loans under the IRDP Scheme are given insurance cover automatically by LIC.

.....contd.

Again no premium is required to be paid by them.

The amount of cover has been stated to be Rs.5000/- in case of natural death and Rs.10,000/- in case of death due to accident.

4.15 It was added that LIC has another scheme called social security scheme to cover persons engaged in identified vocations like rickshawpullers, fishermen, tendu leaf collector, safai karamcharis and other such 23 occupations. The insurance cover varied from scheme to scheme. The LIC pays 50% of the premium from a separate fund set up by LIC and the remaining 50% is paid by the nodal agency which is required to organise the scheme.

proc.p.6

4.16 On the insistence of the Committee to evolve some new scheme especially for Scheduled Castes and Scheduled Tribes for which some money would be provided by the Government and the rest by the Corporation itself, the representative submitted :

proc.p.29

"We will examine it in consultation with the Government."

Other

D./Socio-economic Activities

4.17 The Committee have been informed that the Life Insurance Corporation does not have any scheme of adopting any village, including a village predominantly inhabited by SCs and STs for their socio-economic development. However LIC provides group insurance cover to all the IRDP beneficiaries as a result of which 30% SC/ST people out of the total beneficiaries are given insurance cover.

4.18 During evidence when the Committee desired to know the reasons for which LIC had not adopted a village predominantly inhabited by SCs/STs for the overall socio-economic development of those people, the representative submitted that it was not within the functions of LIC as adopting villages for socio-economic development was not an insurance related function.

4.19 The Committee pointed out that several other organisation/undertakings were having such schemes for the socio-economic benefit of SC/ST people. On being asked as to why LIC could not evolve any such scheme the representative submitted :

proc.p.29

" ....the only funds which the LIC has got are the policy holders' funds... the policy holders' funds can be used only according to the Insurance Act."

4.20 When the Committee enquired as to how LIC was able to give insurance protection to landless agricultural labourers, the representative replied :

proc.p.29-30

"It was a one-time concession. That was decided and announced in 1987."

4.19 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 Karamchari 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. The Committee welcome these schemes. They <sup>Committee</sup> suggest that the Corporation should consider the question of taking some other <sup>Special</sup> ~~similar~~ schemes for the benefit of SC/STs.

4.20 The Committee also recommend that the Corporation should take up the scheme of adopting some villages predominantly inhabited by SC/STs for their socio-economic development. The plea of the Corporation that it is not an insurance related function is not convincing as many <sup>institutions</sup> /

Referred  
Cm. para



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 areas of functions. The Committee, therefore, suggest that in the interest of socio-economic development of SC/STs the matter may be reviewed afresh and the Committee informed of the decision taken in this regard.

E. LIC Housing Finance Limited

Ann.Rep./p.15

4.23 The Committee observe from Annual Report of LIC (1991-92) that Life Insurance Corporation Housing Finance Limited is a separate company which was launched in June, 1982 in association with UTI, IFCI, ICICI besides LIC , forming a network of 43 offices spread all over the country. It has further been informed that the company has two schemes for individual loans and a Home Loan Account Scheme.

Besides the company has also formulated schemes for employees of Public Limited Companies and Public Sector Undertakings through their Housing Co-operative Societies and schemes to finance the employees of both Public Limited Companies and Public Sector Undertakings to provide staff quarters to their employees. In addition, last year, the company started a scheme of Construction Finance to Builders and Developer as also scheme of Project Loans to Public Housing Agencies like Housing Development Authorities etc.

proc./p.34-35

4.24 During the course of evidence, it was informed that LIC Housing Finance Ltd. is an independent Company in which LIC holds 50.48 per cent shares. It is not a Government company and is like any other private sector company.

4.25 When the Committee desired to know about the control exercised by LIC over LIC Housing Finance Ltd. it was stated during evidence :

proc.p.35

"The Chairman of LIC is the non-executive Chairman of the company. The Managing Director of LIC is the Managing Director of that company....For all other day to day administration purposes, it functions as an independent company."

4.26 It was further elaborated that the objective of the company is to provide housing loans to the individuals mainly and to some extent to some corporation or to builders or to authorities like developmental authorities of States.

Mat.Q.20(a)  
p.12

4.27 When asked about whether any special scheme was undertaken or proposed to be undertaken by LIC Housing Finance Ltd. for sanctioning loan to the people belonging to SC/ST community it was replied in the negative.

Proc.p.34,35

4.28 During evidence when the Committee stressed the need for certain concession to SCs/STs by way of granting loan on concessional rates of interest to construct houses the witness submitted that they would consider the suggestion and do something within the framework of the benefit of SC/ST people.

4.27 The Committee note that a separate company named as <sup>Life</sup> 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 SC/STs. They desire that the company should consider formulation of special scheme for the benefit of SC/STs. The question of granting loans on concessional rate of interest <sup>under</sup> the scheme to SC/STs may also be examined. as assured during the evidence.