Chapter II

It is no exaggeration to say that we are living in the age of the organization man,\(^1\) who accepts the organization goals as the value premises of his decisions. About the first thing we do to identify people today is to find out the principal organization of which they are members.\(^2\) Organisations are important because a large number of people spend a big chunk of their time in them. Moreover, for many persons organization represent a major part of their environment, tending to make their behavior ‘Organizational.’ Now it would be pertinent here first to explain the meaning of the term ‘Organization’.

‘Organization’ is a group of people working together cooperatively under ‘authority’ toward achieving goals and objectives that mutually benefit the participants and the organization. Various authors have defined the organization in their own way like; Kossen states, “an organization is a group of individuals coordinated into different levels of authority and segments of specialization for the purpose of achieving the goals and objectives of the organization”.\(^3\) Allen views, “the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in establishing of objectives”\(^4\)

The essence of these definitions is that people who work together require a defined system or structure through which they relate to each other and through which their efforts can be coordinated. Every organization has goals or objectives for its existence. The organization process is the forming of structural interpersonal relationship. This process involves eight steps, (i) determination of organizational goals and objectives; (ii) determination of the task requirements that is the amount of skills, efforts and knowledge necessary to achieve the goals; (iii) division of tasks into different jobs to find out how many personnel will be needed for the complete tasks; (iv) integration of jobs into departments or other work groups to take advantage of the specialization and efficiency; (v) selection of personnel to fill jobs; (vi) assignment of work positions to the individuals; (vii) granting the authority to the people to carry out the duties of their jobs and (viii) determination of superior subordinate relationships for facilitating the performance evaluation.\(^5\) An organization is a mechanism with
which a management directs, coordinates and controls the activities of man. It is distinct from the term 'administration'. As Sheldon puts it, "an organization is the formation of an effective machine, the management of an effective executive and the administration of an executive direction. Administration determines the goals and the management strives towards it. Administration determines the organization and the management uses it. An organization is a machine of management for the achievement of the ends determined by its administration."  

**Concept of organization structure**  
The traditional school of thought has presented several fundamental concepts, describing the essentials of a sound organization structure. These deal with the following essentials:  

*Task accomplishment or personnel satisfaction*  
The emphasis is on organizational accomplishment i.e. the structuring of work relationships should be so planned that both the objectives of the organization and the individual are realized simultaneously.  

*Delegation of authority*  
It is the transfer of right to act from one person to another, to make decisions, to direct others to act and to perform other tasks in order to fulfill job responsibilities. Once the responsibility is identified, the appropriate authority can be identified and extended to the individual by his superior. Besides, delegation of authority, the management has also to decide whether to keep planning activities, decision making and controlling activities within their own power or whether to transfer these to their subordinates.  

*Proper span of supervision*  
Formal organization structure determines by breadth of supervisors responsibilities by indicating the number of individuals who are directly accountable to that supervisor. The span of supervisor can give to each subordinate and it affects ease in communicating, methods of decision-making that can be used and other superior-subordinate relationships.  

*Degree of specialization*  
Under specialization, limited duties are performed regularly and repetitively. From the individual's point of view, specialization makes the learning of job routines easier and makes the employee expert on his job. From the organization's point of view, it allows proper utilization of the abilities of the individual employees, and
make coordination of activities easier, facilitates the development and implementation of essential controls, encourages the efficient productiveness of workers, quickness the training process but too much specialization often result in making the work monotonous; the worker feeling little pride of accomplishment and it may also effect a person opportunity of growth. Therefore, some freedom and flexibility is needed.

**Communication channels**

The communication between the subordinates and their bosses should pass through each rung of the ladder without omission as a message is moved upward or downward. No manager in the vertical chain should by pass as the communication queue moves its way. When messages are to be conveyed at the horizontal level, they should move upward vertically from the sender to the point where sender and receiver have a common superior, then the message could move downward vertically to the receiver.

A traditional way of depicting the structure of an organization is through an organizational chart. A chart is of great help in understanding an organizational plan. That is why it has been rightly pointed out those organizations, which have comprehensive charts appear to have sound organization structure.

The following section analysis the organization structure of OICL at headquarters and at regional level.

**Organisational structure of HO of OICL**

The OICL has its head office in New Delhi, the Capital of India. At the headquarters the activities are divided into Departments, which are put under the charge of respective departmental heads. These heads have complete authority and control over the departments. The headquarters is responsible for overall planning of Indian and Foreign business. During its initial years, OICL had a small structure but increase in volume of business and expansion both in terms of geographical area and management activities the organization has expanded. The chart presents a picture of its functions, positions, status and ranks of various levels of officials.

**Board of Directors**

Significant concern in the composition of Board of Directors is whether the Board should be functional or policymaking. The functional Board comprises full time members, selected on the basis of their specialization and experience in a particular branch of industry activity viz., production, distribution, planning and research etc, on the other hand, the policy making board may either have full time or
part time members of whom no one is responsible for specialized functions as an executive head. The functions of the Policy Board are merely supervisory as it concerns itself with the matters of general policy and not with the operational details. In fact, the type of Board that would be more suitable differs from enterprise depending primarily on the nature of its functions and its size. In most of the cases a combined type of Board would be more effective than either an exclusively Policy Board or Functional Board. In such a Board, there would be a few full time members holding executive charge of some departments and a large number of part time members having no departmental responsibilities. This type of Board would have to a considerable extent the benefits of Policymaking and Functional Boards.

It has been observed that over the years the OICL has been having a Policy cum Functional Board. At the helm of affairs of the OICL is the Board of Directors. It is the top management responsible for implementing the objectives of an organization. In India over the years, the Board of Directors have come to stay for running organizations, both at the central and state levels for all types of organizations, including Insurance Companies. The Board of Directors is constituted by the Ministry of Finance, Government of India and comprises up to 7 members including the Chairman cum Managing Director (CMD). The CMD is the Member Secretary of the Board of Directors. These members include the eminent personalities who may be heads of other public sector financial institution or other members of eminence.

The Directors and CMD both are appointed by the Central Government. The term of office of every Director is three years from the date of appointment. Provided that the central government may extend the term of office of a Director by a further period not exceeding three years at a time. Further that where a person being an employee of a Company has been appointed as a Director of the Company and during a term of his office as Director, ceases to be in a active service of the Company by reason of resignation, retirement or otherwise, or is transferred in a post outside the, he shall ceases to be such Director from the date on which he ceases to be an employee of the Company, or as the case may be from the date of his transfer.

The Central Government may fill up any vacancy caused by death, resignation, and retirement or otherwise of a Director. A Director shall not be required to hold any qualification shares. The condition of service of or the remuneration
payable to, a Director shall be such as may be fixed by the Central Government from time to time.

Removal of Directors

If the Central Government considers it necessary, in the interest of the Company to do so, they may remove a Director from office before the expiry of the term of his office as such Director provided that no Director shall be removed from his office unless he has been given a reasonable opportunity of showing against the proposed action.

Resignation of Directors

A Director may at any time give notice in writing of his wish to resign by delivering notice to the manager or leaving the same at the registered office of the Company and thereupon his office shall be vacated. The office of a Director shall be vacated if:

- He is found to be of unsound mind by a court of competent jurisdiction.
- He is adjudged insolvent, or
- He fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made, or
- He or any firm of which he is a partner or any private Company of which he is a Director, without the sanction of the Company in General Meeting, accepts or holds any office of profit under the Company other than that of Managing Director or Manager or a Legal or Technical Advisor or a Banker.
- He absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for continuous period of three months; whichever is the longer, without any leave or absence from the Board of Directors.

Powers of Board of Directors

It is hereby expressly declared that the Directors have the following powers, that is to say power:

- To pay all costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company under the Act and under the Insurance Act.
• To purchase or otherwise acquire for the Company any property, rights or privileges that the Company is authorized to acquire at such price, and generally on such terms and conditions, as they think fit.

• To appoint, and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services as they may form time to time think fit, and to determine their powers and duties, and fix their salaries and emoluments, and to require security in such instances and to such amount as they think fit.

• To appoint any person or persons to accept and hold in Trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such Trustee or Trustees.

• To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company, or its Directors or Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment of satisfaction of any debt due and of any claims or demands by or against the Company or its Directors or Officers.

• To refer any claims or demands by or against the Company to arbitration, and observe and perform the awards made thereon.

• To make and give receipts, releases and other discharges for money payable to the Company, and for claims and demands of the Company.

• To determine from time to time who are entitled to sign on the Company’s behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts, policies and documents and to give the necessary authority for that purpose.

• To establish branches and/or Local Boards and agencies in any part of the world or to discontinue the same.

• To invest and deal with any of the moneys of the Company not required by law to be invested in any particular manner and not immediately required for the purposes of the Company upon such securities (not being share in the Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.
• To give to any person employed by the Company a commission on the profits of any particular business or transactions or a share in the general profits of the Company, and such commission or share of profits, is treated as part of the working expenses of the Company.

• To acquire and undertake the whole or any part of the business, property and liabilities of any Company or Companies carrying on any business which the Company is authorized to carry on or possessed or property suitable for the purposes of the Company.

• To pay pensions or other gratuities to any officers, clerks or other servants of the Company, or gratuities to the wives, widows and families or the dependents or connections of such officers, clerks or other servants, for good conduct and services; and to establish and support or aid in the establishment and support of associations, institutions, pension, provident or other funds, trusts and conveniences for the benefit of such officers, clerks or other servants, or the wives, widows and families or the dependents or connections of such persons, and frame rules for the administration of such funds under Trustees to be appointed, and alters such rules from time to time in consultation with the trustees, provided however that before making any alterations in the Rules of any such pension fund affecting the benefits allowable out of the same, the Directors can obtain a valuation of such Pension Fund and a Report thereon from a Fellow of the Institute or Faculty of Actuaries, so as to satisfy themselves that such Pension Fund is capable of bearing any burden which such alteration in the Rules would involve.

• To subscribe moneys for any charitable or benevolent objects, or for any exhibition or for any public, general or other purpose which may be considered likely, directly or indirectly, to further the objects of the Company, or the interests of its members.

• From time to time to make, vary and repeal byelaws for the regulation of the business of the Company, its officers and servants.

The executive functions of Board of Directors involve carrying out policies laid down by the Board and the necessary supervision, coordination, decision-making etc for the purpose. The initiation in many policy matters may also come from the executive level, but its implementation is always subject to the Board’s decision.
The trusteeship and entrepreneurial functions of the Board can be considered in four broad categories:

**Establishment of basic policies and general strategy of operations**

Generally basic policies and general strategy of operations include such matters as the determination of the kind and amount of product or service to be produced, price policy, reorganization and development schemes, training and research programmers, labour problems including questions relating to wages, incentives, morale and consultation with employees and improvement of organizational structure.

**Decisions on major financial matters**

The important financial questions relate to new capital investments, recurring and non-recurring expenditure beyond a certain limit, loan arrangements, declaration of dividends, and consideration of ways and means position of an organization.

**Selection of key personnel**

It is universally recognized that one of the main functions of the Board is to secure the services of competent executives and to ensure continuity of an efficient management in the organisation. For the successful operation of an enterprise, it is therefore, essential to allow freedom to the board in hiring, firing and fixing terms and conditions of its employees.¹¹

**Receiving reports and passing judgment**

The Board is expected to keep itself informed about all the necessary details about the effectiveness of its policies and for future planning. The reports on various matters such as production, sales, labour relations and financial position give the board a picture of the organizations operations, so that corrective steps wherever necessary may be taken.

**Chairman of the Board**

The Chairman of an organization holds a pivotal position. He is the leader of the team and to a large extent it is on his initiative and drives that effective functioning of an organization depends. As a part of the government’s policy decision, a Chairman is mostly designated as CMD. He thus, presides at the Board meeting and is also the chief executive of the organization. In addition to being the head of the Board of Management, the Chairman also controls the work of General Managers. Besides, Financial Advisor, and General Manager (Personnel) and the General Manager (Marketing, Technical, Estate And Establishment) and Chief
Vigilance officers are also accountable to him for their respective departments. The CMD presides over the Board meetings and is responsible to the Board for implementing its policies and for efficient performance of the organization.

A former Chairman of Coal India and Neyveli Lignite Corporation felt that "the CMD who carries the heaviest load is the weakest link in the Public Enterprises System. He has to continuously run an obstacle race and spend much of his time to fend for himself and always worry for the secure tomorrow. Most of his time is spend in corridors of power in pleasing anyone who has access to power. Pride, enthusiasm, sense of belonging and willing dynamism is an exception rather than rule".12

The current thinking in the U.K is that a single forceful personality, no matter how talented, is likely to be a bad choice to work as both chairman and chief executive. The 1992 report of the Cadbury Committee on the Financial Aspects of the Corporate Governance finally gave officials blessing to the view that Board of Directors operates the best when the chairman and chief executives are two different people. “Strong and independent chief executives provides a rallying point for other directors who may sense that the enterprise is loosing its way and who wish to bring it back on course before any real damage is done".13

Functions

The CMD is a full-fledged member of the Board and is a party to policy decisions. Not only this, he formulates the procedures to implement the policy of the Board. The CMD has the responsibility to interpret the policy decisions of the Board and to ensure its effective implementation. He is responsible for the overall managerial activities of the Board. He is constantly concerned with long-term objectives of the organization. He also delegates and decentralize to the maximum, with a well thought out and well operated feedback system. He is a leader in the true sense of the team. He is able to articulate a set of values and exhibit behavior keeping with those values. He has the ability to deal with the complexity, ambiguity and uncertainty. He has the responsibility to lead the Company to prosperity. He presides at the Board meetings and is also responsible to the Board for implementing its policies and for efficient performance of the organization.

Tenure

For the sake of continuity in the policy and leadership a sufficiently long tenure of members is desirable. Board of Directors is appointed for a tenure, it is often much lesser than the normal tenure of three years. The study indicates that the CMD
of OICL enjoyed a longer tenure than in some other organizations in the country. The age superannuation being 60 by the time one is eligible for the top post, as at present.

Administrative divisions of OICL

The General Manager (HRD) is responsible for the chalking out the training calendar for the Class I and Class II categories of employees. He is responsible for the decision related to pension and housing facilities to the employees. He also disposes the work relating to sports and cultural cell of Regional Office I and II and Delhi, Jaipur, Chandigarh, Ambala. In the performance of his duties, he is assisted by two Assistant General Managers (AGM’s) (technical and HRD respectively) and he has delegated various functions to these officers.

The General Manager (Marketing) heads the Marketing Division. He chalks out the business process reengineering and also looks after the Board Secretariat. He is responsible for investment operations as well as rural non-traditional technical aspects. He also disposes the work of Kolkata, Guwahati, Bhubneshwar and Patna. In the performance of his duties, he is assisted by two AGM’s (Marketing and Investment) and he has delegated one Manager and various functions to these officers.

The General Manager (Technical) is a head of Technical Division. He is responsible for the fire and engineering, marine, miscellaneous including Motor Own Damage claims and aviation (but excluding motor underwriting, legal claims and Motor Third Party). He looks after the reinsurance calendar and looks after the foreign operations and takes care of the Project cell. He also disposes the work of regional office I and II, Mumbai, Pune and Vadodara. In the performance of his duties, he is assisted by two AGM (Technical, Reinsurance and Foreign) and various functions have been delegated to these officers.

The General Manager (Estate and Establishment) heads the Estate and Establishment division and is responsible for chalking out the Research and Development cell. He is responsible for development of new products, Insurance Regulatory and Development Authority (IRDA) cell. Further, looking to the underwriting matters and legal matters pertaining to Motor Third Party, consumer forum Motor Accident Claims Tribunal (MACT) and Court cases pertaining to the technical departments are his other duties. He also disposes the work of Ghaziabad, Lucknow, Ahmedabad and Indore. In the performance of his duties, he is assisted by two AGM’s (Estate and Establishment and technical) and various other functions have also been delegated to these officers.
The Chief Vigilance Officer (CVO) heads the vigilance division of OICL and is entrusted with the task of receiving complaints against the officials and officers regarding misuse of their powers etc. The CVO is also responsible for detecting cases of embezzlement and misappropriations within the organization.

The preparation of accounts is the function of Financial Advisor (Accounts). He is responsible for preparing the budget as well as deciding the corporate strategy of the OICL. The Financial Advisor is also responsible for conducting the Internal Audit and Inspection of the Head Office as well as the subordinate offices. Further the task of preparing the reports as well as replying to the queries, which emanate from, the Controller of Auditor General’s (CAG) office, is submitted to the CAG. The financial advisor is responsible for overseeing the regions of Chennai, Hyderabad, Cochin and Bangalore. In addition to the above functions Financial Advisor is assisted by AGM (Accounts, Investment and Reinsurance) who looks into the preparation of Investment, accounts, general accounts and reinsurance accounts of the organization.

Organisational Structure of Regional Office

The OICL has 21 Regional Offices (ROs) in various cities of the country. It has full power of controlling the entire region. It is a buffer between the Head Office and the Regional Office. It coordinates, supervises and controls the Divisional and Branch Office in its jurisdiction. During its initial years, RO had organizational structure as per the (Annexure 2.1). On examining office records of the RO, the functions, position, status and rank of various levels of officials can be depicted as under:

The day-to-day functions of RO:

- Consider applications for grant of special rates, tariff discounts subject to approval such as for fire protection systems, rating of risks where its Classification in the tariff is in doubt etc.
- Initiate thinking or respond to enquiries about matters relating to tariffs, terms and conditions of cover etc.
- Enquire into reported cases of breach of tariff.
- It deals with cases transferred to it by the Divisional Offices (DO’s).

The RO functions through number of Department and Wings:
Internal Audit and Compliance Department

It is headed by Deputy Manager (DM) and has two Administrative Officers (AO’s). Usually the officers are generalist and are responsible for conducting the internal audit of the organization and compliance.

Motor Third Party Department and Legal, Consumer Forum

This department is primarily concerned with the insurance of Motor Transport Vehicles. This department also looks into the legal matters and also redresses the Consumer Grievances. This department is headed by two Assistant Managers (AM’s) of which one looks into the affairs of the above department and the second AM is responsible for Grievance Cell, Ombudsman, Loss Control Cell and Hindi Department.

Estate and Establishment Department

The Deputy Manager who is assisted by one AM and two AO’s look into the affairs of purchasing of Furniture and Maintenance of Estate and also Office upkeep head this department. He is assisted by two AO’s, one act as a liaison officer and other is responsible for publicity and agency work. The DM is also assisted by another AO who is responsible for works related to Information technology, Training and HRD functions of this department.

Personnel department

This department is headed by a DM who is assisted by three AOs of which one looks into the affairs of Personnel Class II Cell and Pension and Terminal Dues and the other AO is responsible for Industrial Disputes, Estate, Employees Welfare Schemes (EWS), Medical Benefits Schemes (MBS) and Mediclaim, whereas, the third AO is responsible for the Housing Loans of Personnel from Class I, III, IV.

Technical Department

This department is also headed by DM who is assisted by two AMs of which one is primarily concerned with all technical departments except Motor Administrative Work related to Surveyors, Investigators Empanelment and the other AM is responsible for Printing and Stationary Department. This department is further assisted by AO who is responsible for Risk Inspections, Fire and Engineering Department and Technical Department.

Motor Own Damage Department

This department is headed by Manager and is assisted by two AMs.
Vigilance Department

This Department is headed by AM, who reports directly to Regional Manager (RM). The AM is assisted by AO while maintaining vigil in various departments of the organization. RM also has under his direct charge two AO's of which one is responsible for India Business Development (IBD) and statistics cell. The RO is responsible to the corporate Head Office of OICL, New Delhi to which it sends its reports daily for the assessment.

The main function of DO relates to the development of business and its administration including supervision of its branches. The development function involves planning, marketing, procurement of business directly and through Development Officers and Agents. The Administrative function involves issue of policies, settlement of claims, maintenance of accounts and General Administration.

The functions of Branch Offices (BOs) are also similar to that of the DO including procurement of the business direct and through Development Officers and Agents and also providing service to the clients by way of issuance of policies and settlement of claims. To enable the Company to discharge its primary function of underwriting all types of General Insurance business and to provide efficient service to the customers, the Company has the network of 18 ROs, 257 DOs, 750 BOs spread all over India with a strong and a dedicated workforce. The Company has overseas operations in Nepal, Kuwait and Dubai.

Delegation of Powers

Delegation of powers is a pre-requisite for the proper, efficient and smooth functioning of the organization. It is when an organization grows that the need for delegation arises, because one person or group of persons can no longer make all the decisions. Authority and responsibility along with duties must, therefore, be divided. Delegation is one of the main ways of dividing and distributing authority. The extent of delegation of authority, however, is inversely related to the size and complexity of the organization.\(^{14}\) It has been stated that the process of sharing task with its corresponding authority with the subordinates is the delegation of authority.\(^ {15}\) Delegation can be one of the management’s best techniques of satisfying and motivating for better performance. Management has to perform various, varied and diverse activities which an individual cannot do all alone. It is, therefore, necessary that the management must share its work with others, so that the task assigned must be performed. The essence of delegating is to confer discretion upon others, to use
their judgment in meeting specific problems within the framework of their duties. In behavioural aspects, delegation can satisfy man's demands for responsibility, recognition and the opportunity to exercise authority. The lower the level of authority, the greater is the restrictions, while the higher the level, the lesser are the restrictions. The main reasons for such a situation are superior's love of authority and lack of confidence in the subordinates. Thus concept of delegation of powers should provide initiative and enthusiasm to the officers.

Effective delegation is a systematic four-step process. The first step is the plan and check step. The second is check in trouble step. The third step is feedback system. The fourth and last step is abdication when the executive is fully satisfied that the task is being performed completely. Thus all effective delegation ends in abdication. It must, however be emphasized that only the task can be delegated, responsibility cannot be delegated and executive remains responsible for all the tasks carried out by his subordinates.

Delegation is found in every organization; it is essential that delegation should be according to the needs of the organization. It increases the efficiency of the employees and achieves business objectives effectively. In OICL, the Board of Directors delegates some of its decision making to CMD of the Board for effective execution of policies. CMD is generally given the power to make appointments to the top posts, which are below the Board level. Similarly, General Managers are given powers to appoint persons at other levels of the Management hierarchy. Of course the appointment of these posts should be made as per recruitment rules of the organization. The delegation should not however, stop at Board or Managing Director level but should travel down the line and greater delegation of powers, authority and responsibility should be made to various management levels right down to the bottom of the hierarchy.

Financial Standing Orders (FSO) (See Annexure 2.2)

Applicability and Date of Commencement

The Financial Authority, powers and limits prescribed are extended to and cover all the offices of the Company in India and came into force with effect from 15th January 2006. This order supersedes all previous instructions with regard to matters concerning Financial Authority, Powers and Limits.
Extent of authority

The authorities prescribed in the annexure specify the lowest rank for a particular function. They also specify the maximum limit up to which an official of the specified rank should exercise financial powers. Officials above the stated rank automatically have the authority of the lowest rank. The appropriate/competent authority as per these delegations accords sanction even where the benefit is directly or indirectly to a higher authority in the office. Unless otherwise specified the residual powers in respect of all items rest with the Board.

Exercise of Power

- Though the limits up to which an authority exercises power are specified in the order, such power is exercised only when he is specially authorized in writing to exercise those powers. The Officer-in-charge/Departmental Head issues office orders specifying the names of designation of the persons and nature and extent of powers to be exercised by each of them. Copies of these office orders are simultaneously endorsed to the Accounts Department and Internal Audit-cum-Inspection Department at the RO/HO as the case may be.

- Officers in charge and officers in the rank of Manager and above at RO/HO derive the relevant powers indicated in this delegation automatically by virtue of their posting to respective departments. A higher authority may, by an order in writing restrict or reduce the powers of such officer for any or all items. Copies of these orders are simultaneously endorsed to the Accounts Department and Internal Audit-cum-Inspection Department at the RO/HO as the case may be.

- In case an officer of any cadre applies for registration/voluntary retirement, his financial authority will cease w.e.f. the date of acceptance of his application. A higher authority may however decide to withdraw the financial authority of the Officer who has submitted his application for resignation/voluntary retirement from any earlier date.

- Where any financial power and limit is not in accordance with the functions entrusted to an officer in practice or otherwise, the Departmental head advices in writing to the authority concerned not to exercise specific powers at all or to exercise specific powers only on a restricted scale to be specified.
Enhancement of Powers

Where the circumstances so require, Officer-in-charge of a region or General Manager at HO authorizes subordinate authority to exercise increased financial powers applicable to next higher authority for a specific period for specific purpose or function. No other officer in any junior cadre may delegate to any subordinate officer, any power beyond the limits permitted in the FSO for such subordinate officer. While granting the enhanced power the Officer-in-charge of the region or General Manager ensures that the powers so granted are not equal to his own power. For instance Officer-in-charge cannot grant enhanced power to an officer immediately lower to his rank so as to enable that officer to exercise power applicable to his own. Enhanced powers need not be to the full extent but is limited to such extent and/or to such items as deemed fit. Copies of letters delegating enhanced Financial Authority is sent to the Accounts and Internal Audit Departments. The written permission includes, the powers delegated and the period for which these powers are delegated.

The Financial Authority is sent to the Accounts and Internal Audit Departments. The written permission includes, the powers delegated and the period for which these powers are delegated.

In the absence of CMD, two General Managers nominated by him can jointly exercise his powers.

Precautions in Exercise of Powers

In exercising the power, the authority ensures that the procedures laid down in various Acts, Statutes, Rules, Regulations, Manuals, Circulars, Codes issued from time to time are strictly compiled with. Every authority authorizing or incurring any expenditure is guided by high standards of financial propriety. Special emphasis is laid, inter alia on the following:

- All expenses, either of revenue or capital nature, incurred in any year should be within the Budget Limits allocated by HO for that year. Budget approval is only general sanction and there should be specific approval by competent authority of before incurring any expenditure.
- The expenditure should not be prima-facie be more than what the occasion demands.
- No officer shall exercise powers in sanctioning expenditure which may directly or indirectly be to his own advantage.
• The expenses laid out must legitimate and genuinely required to be incurred in the normal conduct of business.

• Every Officer is expected to exercise the same vigilance, discretion and judiciousness in respect of expenditure incurred out of the Company’s funds as any person of ordinary prudence would exercise in respect of expenditure incurred out of his own resources.

• Purchase can be made after following required procedures or through tendering and invitation of competitive bids.

• Purchase order is not split up to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the order. The amount sanctioned/incurred in respect of each transaction as a whole and not any instalment or part of a transaction shall be taken into account to determine the level of authority.

• The Officer-in-charge/Department Head is responsible for enforcing standards of financial discipline and economy in his office as a whole and in subordinate office and for observance of the provisions of this order.

• The amount of allowances granted to meet expenditure of a particular type are so regulated that the allowances are not on the whole a source of profit to the recipients.

• The Financial Advisor scrutinizes all financial proposals, which come to CMD for consideration, other than the proposals of Claims and Investment.

**Passing of Vouchers for payment**

All the limits cited under this FSO are for approving the payments including passing the journal voucher. Once the payment is approved by the Competent Authority, any officer can pass the voucher for payment or pass the journal voucher attaching a copy of the approval by competent authority. In passing the voucher, such junior officer will have to clearly follow all the conditions subject to which such approval is granted by the competent authority. In case of any doubt, a reference must be made back to the competent authority.

**Validity**

Officer-in-charge may from time to time revise the orders issued whenever and to whatever extent considered necessary under intimation as per the instructions
above. Any order by an Officer-in-charge would be valid until the said order is cancelled, revoked, modified or varied in writing by the same or another appropriate authority. In other words, the concerned authority shall continue to exercise the powers delegated so long it is not revoked, cancelled or modified. In the case of enhanced authority, however such an authority shall lapse on the expiration of the period specified therein or upon the transfer of the authority who is vested with such enhanced powers, whichever is earlier. Where an authority is curtailed or restricted, such modified authority remain continue to be in force until another order is passed canceling, revoking or modifying the same.

Power of Interpretation

In case of difficulty or doubt in interpreting any provision of this order, reference must be made to the CMD, whose decision in the matter shall be final.

In regard to functions/items not covered in this FSO, specific prior sanction must be obtained from the HO to the extent of limits indicated below:

- General Manager = Rs 2 lakhs
- CMD = Rs 10 lakhs

Products of OICL

The OICL has vast product portfolio which specially designed to cater the needs of an individual. The various products can be grouped under the following categories:

- Individual/Family
- Health-Mediclaim/Overseas Mediclaim/Personal Accident
- Professionals
- Business/Office/Traders
- Engineering/Industry
- Motor Vehicle- Private/Commercial
- Agriculture/Sericulture/Poultry
- Animals/Birds
- Aviation
- Marine

Policies of OICL

There are three main policies of OICL – Fire, Marine and Miscellaneous and under these policies there are almost 149 policies of OICL. (See Annexure 2.3)
Areas of Operation

The OICL has been dedicated from its very inception of the task of providing insurance cover for the varying needs of the people throughout the country involving in industrial, commercial and rural sectors and also cares to the requirements of the common man. The Company has also been in close touch with the social, political and environmental changes and hazards to which the insuring community may be exposed and coming out with tailor made policies meeting almost every eventual hazards accidental in nature, involving life, property and legal and other liabilities. To meet with the social obligations and keeping in view the needs of the common man particularly people living in rural areas, the Company has prepared a number of social covers at a very economical cost and have introduced the insurance covers like Janata Personal Accident, Agriculture Pumping Set, Cattle, Sheep, Goat, Camel, Elephant, Poultry to name a few amongst these. In Northern India the Company is responsible for the implementation of social security schemes (PASS and HUT Insurance Scheme) of the government for the people falling below poverty line/weaker section of the society in the event of accidental loss of life and huts. Steps are also being taken with the help of government media and voluntary bodies to create greater awareness about such Rural Insurance Schemes. Technical assistance is made available to clients through inspection of risks by qualified and experienced Officers including engineers and other specialists with a view to provide maximum protection at a minimum cost. Seminars are arranged to highlight the availability of various insurance covers and to ascertain the problems faced by insured and to find solutions to the same.

Customer Service

In OICL, the customer service continues to be the main focus of entire Company’s activities and is being accorded priority attention. All the operating offices are making vigorous efforts to adhere to a time schedule laid down for issuance of policy documents and settlement of claims. This has resulted into a significant improvement in the quality of customer service. Responsive customer grievance machinery exists at all offices, which are manned by Officers exclusively assigned for improving customer relations. Grievances received are promptly extended to within a reasonable time. The OICL has also been vigorously supporting the Lok Adalat Movement, which has proved to be a social instrument for providing quick financial relief to the victims of Motor Accident.
Computerisation

The computerisation in the Company is progressing well. Computers have been installed in almost all the DO, RO and HO. All Major Accounts Work, Pay Rolls, Management Information, Personal Data and other related works are done with the help of computers. The management has put greater emphasis on Computer Training and the same is being given to all the employees in phased manner. It is helping in making decisions faster at various levels and in bringing accuracy and promptness in the accounting systems and personnel matters.

Manpower Development

The OICL has recognized the need for training of all cadres of its Officers and has its own Staff Training College (STC) at Faridabad where training is supported by a well equipped library, Projectors and other teaching aids and adequate recreational facilities. Technical subjects of insurance are taught along with Management and Behavioural Science subjects to bring about a balanced outlook amongst the officers and perfect them to handle men and matters in situations they are called upon to handle at their posts. Since 1979, Training College has been conducting programmes for all categories of officials and providing Induction/Foundation Courses, Refresher Courses, Specialisation Courses, Workshops on Technical and Non Technical subjects. Apart from this, directly recruited Probationary Officers of the Company also undergo extensive training in the college. In the year 1991-92 training was imparted to 1038 officers at various levels including Probationaries. Training is also imparted to Development Officers at various Development Training Colleges (DTC's) and to other staff at Regional Centres.

Rules governing pay and allowances

Annual grade increment

Increments in the scale are due every year on the first day of the month in which the last increment was granted or on the first day of the month in which the employee completes 12 months of continuous service.

Effect of loss of pay on annual grade increment

During first year of service

The annual grade increment is granted after completion of 12 months of continuous service (i.e. period of actual duty) and the annual grade increment is shifted by the number of days for which the employee was on leave on loss of pay, if any.
During subsequent years of service

The increment would be required to be postponed only if the employee avails of leave on loss of pay for a period of more than a month.

Annual grade increment during the probation

The decision to grant annual grade increment in the promoted scale is taken only after the officer or employee is confirmed in the promoted scale. However, once the employee or officer is confirmed, it is in order to release the increments from the normal due date, even retrospectively.

Period of annual grade increment on promotion

The officers or employees have an option to choose the date of fixation of salary in the promoted scale. The date to be selected is the date between the date of taking charge on promotion and the date of next annual grade increment in the lower scale.

Functional Allowance (FA)

The FA is paid to the employees on proportionate basis, only if the employee has performed the said functions for not less than 15 consecutive days. The Special Functional Allowance (SFA) is also paid on proportionate basis, only if an employee has performed the said functions for not less than three consecutive days. Full time sweepers are allotted functions that attract payment of SFA. However, the cash carrying functions cannot be allotted to full time sweepers. The authority to sanction FA is Regional Manager. The probationers are also entitled for the FA and SFA. An employee can draw only one FA at anyone time. An employee proceeding on leave is paid the FA during his leave period other than periods of EOL provided he resumes work in the same position on the expiry of his leave. For allocation of duties involving payment of FA to Cashiers for cash handling, seniority is counted from the date of entry into the Cadre of Assistants and not from the date of conversion to Assistant cadre. No employee in the Grade of Assistant, whose name appears in the ranking list of promotion for Senior Assistant, is assigned a function, which carries FA. The revised guidelines for allotment of cash handling functions are issued by HO are as follows:

“Irrespective of functional designations, the senior most employees in the Assistant’s grade are considered for cash handling allowance subject to satisfactory leave record, vigilance record, integrity etc. being acceptable”.
The work record or mental fitness etc. of the concerned employee from whom cash function is proposed to be allocated is also considered. The Second Amendment Scheme 2005 provides for payment of SFA for cash carrying to an employee in the scale of Senior Assistant also, provided no employee in the cadre of Assistant is available in the office.

**Overtime Allowance (OA) (See Annexure 2.4)**

When an employee in the category of SCS staff is required to work for more than half an hour in excess of his normal working hours on any day, he/she is paid an overtime allowance for the period beyond his normal working hours at rates as given:

<table>
<thead>
<tr>
<th>Level of the Organisation</th>
<th>Sanctioning Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT HO</td>
<td>DGM (P)</td>
</tr>
<tr>
<td>AT RO</td>
<td>CRM/R.M.</td>
</tr>
<tr>
<td>AT DO/BO</td>
<td>Regional In charge</td>
</tr>
</tbody>
</table>

*Source: Personnel Manual, OICL*

**Regulation of leave and payment of overtime**

The OA is given to the employees when they are required to work under the following circumstances only:

- On a National Holiday i.e. Independence Day, Republic Day, and 2nd October.
- Beyond their normal working hours in excess of half an hour.
- On an off day.

Regarding OA to Security Guards and Security Supervisors the following guidelines are followed:

When the employee is required to work overtime on a National Holiday or on an off day beyond 4 hrs then he is entitled for a compensatory holiday besides the payment of OA.

**Allowance for technical qualification**

Payable to confirmed employees from the date of publication of result subject to the condition that no such allowance is payable for the period he/she is under probation. Those employees who are drawing allowance for Technical Qualification selected as Development Officers from Class III cadre may be allowed to draw this allowance while on probation in Class II cadre but it is not treated as basic for payment of any allowance – Dearness Allowance (DA), City Compensatory Allowance (CCA) and House Rent Allowance (HRA) etc. Pre-revised allowance shall count for Pension, Provident Fund, Fixation on promotion from Class III to Class I. Pre-revised allowance and DA thereon as on 22nd June 2000 shall rank for gratuity.
and encashment of leave. It is withdrawn in case of promotion to Class I from the date, the concerned employee’s salary is fixed in Class I cadre on promotion and not more than one Qualification Allowance is admissible. The Company Secretary Qualification would not be included in the Technical Qualification list for the purpose of qualification pay. Postgraduate degree/diploma in Personnel Management and Industrial Relations and/or Social Service with specialization in Personnel Management and Industrial Relations either through degree or diploma of a recognized University/Institution affiliated to a recognized University cannot be equated with qualification of Masters of Business Administration (MBA).26

Considering the fact that the Qualification Allowances for MBA introduced vide the Revision Scheme, 1996 for Class III/IV employees were to be encouraged to acquire management qualification, which could be useful to the industry; the GIC has approved release of Qualification Allowance to employees on the following lines:27

- The course duration is minimum two years and leads to award of Post Graduation Diploma in Business Administration/Management from a recognized university/Institute affiliated to recognized University such as Jamuna Lal Bajaj Institute of Management Studies/XLRI that are recognized Institutes of All India standing.
- Diploma course could be through part time studies or through distance education (Correspondence Course). Any employee who has completed the above course on full time basis would of course be eligible.

**Graduation allowance or increments**

Irrespective of whether an employee has received graduation increments, if the employee

- Is a graduate of a recognized university and
- Is in the scale of Assistant and has reached the maximum of the scale
- And is not already drawing the graduation allowance is eligible for graduation allowance.28

**Fixed Personal Allowance (FPA)**

Any employee, who has received increment due to proficiency in computer and subsequently reached the maximum of pay scale applicable to him, is eligible for FPA on expiry of a period of one year from reaching the maximum of pay scale. The
FPA is equivalent to the amount of last increment in the scale of pay applicable to the concerned employee as on the date of receiving this increment.

- The amount of FPA applicable to a particular employee is the amount as applicable to his/her cadre as on 1st November 1993. There may be a revision in the amount of FPA on account of wage revision but no such revision in the amount on account of promotion to higher cadre is permitted. Thus an employee, say in the Record Clerk's cadre as on 1st November 1993 would get an amount equivalent to Record Clerks eligibility for FPA after reaching one year the ceiling of the scale, irrespective, of the fact that he/she has become eligible for payment of FPA as Assistant or Senior Assistant. Similarly, an officer eg in the AM’s cadre as on 1st November 1993 would get FPA as applicable for officers in the AM’s cadre after reaching the one year ceiling of the scale, irrespective, of the fact that he/she is a Deputy Manager/Manager at the time of becoming eligible for the payment of FPA.

- Once the payment of FPA begins it continues throughout the service period of the officer/employee even if he/she gets promoted thereafter and does not remain in the ceiling of the scale applicable to the promoted cadre.

- Since the payment of FPA does not stop even after promotion the same is not to be taken into account (fully or partly) for the purpose of fixation of basic salary in the promoted cadre.

- The FPA paid to those employees who are on ceiling of a pay scale and get promoted or those promoted before expiry of 12 months period from date of reaching ceiling, an option to choose the date of fitment on promotion from any date between the date of their promotion and the date of increment (though no increment would actually be payable being on ceiling) to enable them to be eligible for payment of FPA.

- The increment component of FPA may be taken into account for calculation of transfer grant payable to officers on their transfer.

The FPA on the basis of the scale, amount, pre-revised and the DA on the 1st November, 1993 is highlighted below.
Fixation of salary

An employee who is promoted to a higher cadre and is due to receive additional increment within one year of his promotion is given an option for fitment of salary on promotion from the date of such additional (stagnation) increment. The employees or officers who are on ceiling of the pay scale and are promoted before expiry of 12 months period from date of reaching such ceiling, an option to choose the date of fitment on promotion from any date between the date of their promotion or the date of increment (though no increment would actually be payable being on ceiling), to enable the concerned employees to be eligible for payment of FPA. An employee promoted to a higher cadre has the option to select a date ranging between the date of taking charge in the higher cadre and the date of next annual increment, from which his salary is to be fixed in the higher scale. The officers/employees further have an option to seek fixation of salary in higher cadre from their normal date of increment in the pre promoted cadre even if they have reached the ceiling of the respective scale. Thus, they can avail the benefit of FPA payment or stagnation increment before getting the fixation of salary in higher cadre. The qualification pay is withdrawn in case of promotion to Class I from the date, the concerned employee’s salary is fixed in Class I cadre on promotion. FA will stand withdrawn from the date of promotion of the employee to a higher cadre. The FPA in lieu of increment due to proficiency in computer is not to be included for the purpose of salary fixation. The payment of FPA once started will continue through out the service record.

Effective date of the Second Amendment Scheme 2005

The revised scales of pay and allowances as per the Second Amendment Scheme, 2005 is effective from the dates mentioned below:

<table>
<thead>
<tr>
<th>Item</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Salary and allowances other than those mentioned in 2 below</td>
<td>01.08.2002</td>
</tr>
<tr>
<td>Para deep Port Allowance, Hill Station Allowance</td>
<td>01.01.2006</td>
</tr>
</tbody>
</table>

Source: Personnel Manual, OICL
Following are the pay scales of the Class I officers from the 1st August 2002:

<table>
<thead>
<tr>
<th>Officer</th>
<th>Scale</th>
<th>Pay Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM (Scale - VIII)</td>
<td>31745-785 (2)-33315-850 (1)-34165-940 (1)-35105-995 (1)-36100</td>
<td></td>
</tr>
<tr>
<td>DGM (Scale-VI)</td>
<td>28605-758 (5)-32530</td>
<td></td>
</tr>
<tr>
<td>RM (Scale-V)</td>
<td>25930-65 (3)-27880-725 (2)-29330</td>
<td></td>
</tr>
<tr>
<td>Manager (Scale-IV)</td>
<td>22030-650 (7)-26580</td>
<td></td>
</tr>
<tr>
<td>DM (scale-III)</td>
<td>18130-540 (1)-18670-560 (6)-22030-650 (4)-24630</td>
<td></td>
</tr>
<tr>
<td>AM (scale-II)</td>
<td>14890-540 (7)-18670-560 (6)-22030</td>
<td></td>
</tr>
<tr>
<td>AO (scale-I)</td>
<td>11110-540 (14)-18670-560 (4)-20910</td>
<td></td>
</tr>
</tbody>
</table>

Source: Personnel Manual, OICL

For further information regarding pay scale see Annexure 2.5

Re-designation of officers

With effect from the date of publication of the Second Amendment Scheme i.e. 21st December 2005, officers in the Company have been re-categorized on the basis of scales instead of the designations.

Stagnation or additional increments

Subject to work record being found satisfactory, an officer in the scale I, II and III who has reached the maximum of the scale of pay applicable to him, may be granted for every three completed years of service after reaching such maximum, an additional increment equal to the last drawn increment in the scale of pay indicated in the Table 2.5. Service here means the period of duty excluding period of EOL.

The period of the stagnation increments to the officer are demonstrated below:

<table>
<thead>
<tr>
<th>Officer</th>
<th>Scale</th>
<th>Increment Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>AD (scale-I)</td>
<td>02 (after 3 yrs)</td>
<td></td>
</tr>
<tr>
<td>AM (scale-II)</td>
<td>04 (after 3 yrs)</td>
<td></td>
</tr>
<tr>
<td>DM (scale-III)</td>
<td>02 (after 3 yrs)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Personnel Manual, OICL

Sanctioning authority for DGM and above

An employee who is promoted to a higher cadre and is due to receive additional increment within one year of his promotion may be given an option for fitment of salary on promotion from the date of such additional increment.

House rent allowance (HRA)

The officers who are allotted residential accommodation by the Company, either by way of staff quarters or by way of leased accommodation, are not paid HRA. Besides, such officers shall pay license fee @ 750/- of the minimum of the revised scale w.e.f. 1st January 2006.
Table 2.6: House Rent Allowance (w.e.f. 1st August 2002)

<table>
<thead>
<tr>
<th>Class of City</th>
<th>Rate on basic</th>
<th>Max. amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Metros + NCR</td>
<td>10 per cent</td>
<td>1600</td>
</tr>
<tr>
<td>b) Population &gt; 12 lakhs other than a), Gandhinagar, all Cities in the State of Goa</td>
<td>8 per cent</td>
<td>1350</td>
</tr>
<tr>
<td>c) all other places</td>
<td>7 per cent</td>
<td>1300</td>
</tr>
</tbody>
</table>

Source: Personnel Manual, OICL

City Compensatory Allowance (CCA)

The revised rate of CCA is applicable w.e.f. 01st August, 2002 is:

- Cities with population of 5 lakhs and above but not exceeding 12 lakhs, State Capitals with population not exceeding 12 lakhs, Chandigarh, Mohali, Panchkula, Pondicherry, Port Blair. Rs. 20/- of pay subject to maximum of Rs.335/- per month.

Table 2.7 City Compensatory Allowance (w.e.f. 1st August 2002)

<table>
<thead>
<tr>
<th>Class of City</th>
<th>Rate on basic</th>
<th>Max. amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Metros + NCR</td>
<td>3 per cent</td>
<td>500</td>
</tr>
<tr>
<td>b) Population &gt; 12 lakhs other than a), Gandhinagar, all Cities in the State of Goa</td>
<td>2.5 per cent</td>
<td>470</td>
</tr>
<tr>
<td>c) Population ≥ 5 lakhs and ≤ 12 lakhs, State Capitals ≤ 12 lakhs, Chandigarh, Mohali Panchkula, Pondicherry, Port Blair</td>
<td>2 per cent</td>
<td>335</td>
</tr>
</tbody>
</table>

Source: Personnel Manual, OICL

Transport allowance

The Second Amendment Scheme 2005 provides for Transport Allowance @ Rs.500/- per month. The Transport Allowance may be paid to an officer, other than an officer who is in receipt of any benefit/allowance under any of the Conveyance Scheme.

Provident fund

Provident Fund would be recoverable at the existing rate of 10 per cent of revised basic pay, personal pay, if any and the increment component of FPA with effect from 01.08.2002.

Pension contribution

For Class 1 officers who are governed by the General Insurance (Employees) Pension Scheme, 1995 the employer's contribution is to be credited to the respective Pension Funds.

Hill station allowance (HSA)

Hill Station Allowance w.e.f. 1st January, 2006 which is paid according to the height of the place and its rate on the basic is shown based on the Table 2.8

Table 2.8: Hill Station Allowance (w.e.f. 1st August 2002)

<table>
<thead>
<tr>
<th>Height of place</th>
<th>Rate on basic</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) height ≥ 1500 meters</td>
<td>2.50 % max. Rs. 335/- per month</td>
</tr>
<tr>
<td>b) 1500m &gt; height ≥ 1000 meters</td>
<td></td>
</tr>
<tr>
<td>c) 750 m &lt; height &lt; 1000 m</td>
<td>2.00% max. Rs. 270/- per month</td>
</tr>
</tbody>
</table>

Source: Personnel Manual, OICL
Special Area Allowance (SAA)

As per the Department. Circular No. Pers/HO/277(P)/1 06/2006/CR-5998 dated 06th March 2006 The SAA to different Classes of employees has been revised. The rates of SAA are in lieu of the HSA if payable at specified places. Thus, if any of the Special Area is also treated as Hill Station, the employee is paid either the SAA or the HSA, whichever is higher. Both these allowances can therefore not be paid to a particular employee at the same time.

Paradeep Port Allowance

Every confirmed officer posted in the office of the Company in Paradeep Port is paid an allowance of Rs. 75/- per month w.e.f 1st January, 2006 so long as he is posted in that office. This allowance shall not be treated as basic pay for any purpose.

Conveyance Allowance (CA) to handicapped officers

The physically handicapped officers are paid CA @ Rs. 200/- per month. The above allowance to physically handicapped officers is in addition to the CA of Rs. 500/- per month, provided they are not drawing any benefit/allowance under any of the conveyance schemes, as approved by the Board of the Company.

Fixed Conveyance Allowance (FCA) to officers who are assigned field duties

As per the existing norms, the officers who are using their own vehicles and who are assigned certain specified field duties on regular basis like Veterinary Officers, Legal Officers, Investigators, Engineers etc. are paid a FCA @ Rs. 100/- per month for two wheelers and Rs. 500/- per month for four wheelers. There is no revision in this allowance. However, in view of the revision in the Transport Allowance (TA) to Class I officers, in general, from Rs. 150/- p.m. to Rs. 500/- w.e.f. 1st August, 2002, such officers who are assigned field duties and drawing Rs. 400/- for two wheeler is paid Rs. 100/- p.m. (Rs. 500/- minus Rs. 100/-) w.e.f. 1st August, 2002. For those using 4 wheelers, obviously, there is nothing difference payable. However, those using four wheelers, Rs. 16/- per day is to be deducted for the period an officer is on leave (EL or SL).

Those using two wheelers, Rs. 13/- per day is to be deducted for the period an officer is on leave (EL or SL).
Functional allowance to officers in internal audit department and investigation officers in vigilance department

Both these functional allowances are paid from Rs.3501/- per month to Rs.5001/- per month w.e.f. 1st January 2006. The eligibility would continue to be determined as per the existing norms.

Entertainment Allowance (EA) to officers in charge of BO/DO

The EA payable to officers in charge of BO’s and DO’s has been revised w.e.f. 1st January 2006. Entertainment expenses incurred by officers not below the rank of Deputy Managers (now Managers, Scale IV) within the budget allocated is reimbursed on strength of vouchers. At RO/DO the Officer in charges of departments are allowed to incur expenditure towards tea/coffee but EA is not admissible to the office who are availing FA. Not for officers who have FA. EA may be paid if the officer proceeds on leave for a continuous period not exceeding 30 days. If, however, the continuous period of leave exceeds 30 days, no EA is paid for the entire period of leave. The Officer In charges of Oriental Staff Training College (OSTC)/ Divisional Training Colleges (DTCs) would not be entitled to EA. The Officiating Officer at DO/BO may be paid prorate EA, irrespective, of whether or not the Officiating Allowance is paid, provided the officiating period exceeds 30 days.

Faculty Allowance

- The Faculty Allowance is paid to those officers who are deputed at the OSTC is paid Rs.500/- per month to permanent Members of the Faculty posted at OSTC when provided with Conveyance Facilities.
- The Faculty Allowance is paid to those officers who are deputed at the OSTC is paid Rs.1000/- to AM (now Deputy Manager, scale III) and Rs. 1500/- to Deputy Managers (now Managers, Scale IV) in respect of those faculty members who have not entitled to the Conveyance facility while posted as faculty at OSTC.
- The Faculty Allowance is paid to those officers who are deputed at the ZTC is paid Rs.500/- per month to permanent faculties at Zonal Training Colleges (ZTC’s).

Honorarium

- Rs. 200/- per session of 90 minutes for training at centers other than OSTC.
- Rs. 300/- per session of 90 minutes for officers visiting OSTC Faridabad as guest faculty, subject to Rs. 600/- maximum per day.
Deputation allowance

• Rs. 1000/- for deputation to Ombudsman.
• 100/- of basic for deputation to GIPSA etc.

Officiating allowance

The Officiating Allowance is paid to an if he is officiating for a period of 15 days but not exceeding 60 days the allowance is @ 100/- of basic pay drawn by the officer in his substantive post subject to a maximum of Rs.150/- pm. If the officer is officiating for a period exceeding 60 days the allowance is @ 150/- of basic pay drawn by the officer subject to maximum Rs.200/pm. The allowance at this rate is payable for the entire period during which he officiates in a higher category. The officer is eligible for payment of officiating allowance only if he has officiated in a higher post at the instance of the Company.

Mid academic year allowance

If the officer is transferred from one place to another in the midst of an academic year and if he has one or more children studying in school / college at the place from where is transferred and the child / children are left behind to continue their education, an allowance of Rs.500/- pm, irrespective, of the number of children, is paid till end of academic year. The payment of this allowance is stopped from the first of the month following the month in which officer’s children discontinue full time studies or join him at his place of posting.

Mid academic year educational allowance to officers posted in North Eastern Region

This allowance is payable @ Rs. 100/- per month (irrespective of number of children) to officers posted in Northern Eastern Region for their entire period of posting in North Eastern States, provided the children of the officer do not join the officer at his place of posting in these areas. The officer is eligible to receive this allowance only if his child/children is/are staying away from him and prosecuting studies at a place not falling in the North - Eastern States. Further, no allowance would be admissible if the children are not studying in a course requiring regular attendance in recognized school, college, or university. The officers who are eligible to receive mid academic year allowance under these rules, is not allowed mid academic year transfer allowance as per general transfer rules. However, directly recruited officers on their first posting, officers transferred at their own request and
officers who are transferred from one place in the North Eastern Region to another place within the said region are not eligible for this mid academic year educational allowance.

**Attendance and leave rules**

The General Insurance (Rationalization and Revision of Pay Scales and other conditions of services of SCS Staff) Second Amendment Scheme 2005 dated 21st December, 2005 provides for certain amendments like availing of leave during notice period in case of voluntary retirement (voluntary retirement under the rationalization scheme and the pension scheme 1995). No leave of any kind can be granted to an employee during the notice period while tendering resignation from service. However, grant of quarantine leave and proportionate casual leave may be sanctioned. Sanction of leave is treated in the same manner in both voluntary retirement (under the Rationalization Schemes and the Pension Scheme, 1995) and resignation cases as in both cases voluntary exit from service is involved. However, in both the cases the concerned employee has an option to request for waiver of Notice Period, a decision on which, of course, is to be taken by Competent Authority. (See Annexure 2.6)

**Availing of leave during the period of suspension**

During the period of suspension, an employee is not granted any leave. However, during the pendency of disciplinary proceedings the Competent Authority may grant leave.

**Leave to employees on probation**

Leave to those employees who are on probation is calculated on prorate basis. Therefore, pro rata CL may be granted to the employees during the period of probation. The EL accrued to the employee can be granted even during the probation period provided conditions required for sanction of EL are satisfied. There is no prerequisite that the sick leave (SL) can be granted only on confirmation. The SL is credited only at the end of calendar year in which an employee joins the service. If, therefore, the SL is credited to the account of an employee on 31st December, such SL can be availed by an employee during the following year if other conditions are satisfied. During the period of probation, when a female employee is on maternity leave, her probation period may be extended by the number of days she avails the maternity leave. Since, there will no loss of pay involve while availing maternity leave during probation, there may not be any postponement of increment. However, the increment may be released only after confirmation in the service. If an employee

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on probation avails sick leave or privilege leave (PL) in lieu of SL, the period of probation is extended for the period depending upon the leave taken.

**Grant of leave against future accrual**

There is no question of grant of leave and adjustment against future accrual. Treatment of absence on a day following Saturday/Sunday/Holiday after the strike day. In case when there is a Holiday/Saturday/Sunday immediate after the strike day and an employee takes a leave on the day following the holiday/Saturday/Sunday, then the intervening holidays/Saturday/Sunday will not be counted as leave. Absence due to participation in the strike is not “a leave on loss of pay” and as such, the question of counting “Intervening Holidays” as leave of any kind does not arise.

**Grant of leave to new recruits on training**

During the period of training of new recruits under probation. CL alone may be given pro rata after accrual. EL though will accrue but will not be sanctioned during training period. After completion of training and before reporting to their place of joining, officer may be granted CL/EL calculated on proportionate basis but no joining time is allowed to them.

**Sanction of leave for visiting abroad**

Employees intending to visit abroad may be granted permission and leave, if due, after taking into account the office requirements/exigencies of work and other relevant factors such as countries to be visited, purpose of visit, earlier visits abroad and vigilance/disciplinary action pending against the employee. No extension of leave is granted under any circumstance.

**Employees on leave recalled to headquarters**

In case when an employee is recalled to headquarters who is availing his leave away from the head quarters, the employee may be paid the normal fare for returning back to his vacation site but this concession would be available only to the employee and not for his family members. The In charge of the Region is the competent authority to deal with these cases.

**Treatment of public holiday declared under the Negotiable Instruments Act, 1881 by the State Government - late receipt of information resulting in office remaining open**

Over time is given to those employees who were working on such days. If the office could not be closed and remained open throughout the day, the employees get an Additional Casual Leave, by ignoring that particular day. If the office could not be
closed in time but was closed only after 12.00 noon, due to late receipt of communication from the State Government, the employees in such office are granted half a day Additional Casual Leave. The above provisions would apply only to those particular employees who attended office on that day which should have been observed as a holiday under Negotiable Instrument Act and shall not apply to those who did not attend office, since in their cases they have already availed a holiday declared under Negotiable Instrument Act 1881.

**General principles**

The employees who are working under Negotiable Instrument Act 1881, seeking leave are governed by the following rules:

- Leave cannot be claimed as a matter of right.

- Leave is availed of only after sanction by the Competent Authority, but one day’s C.L. may be availed of without prior sanction in case of unforeseen emergency, provided the Head of the Office is promptly advised of the circumstances under which prior sanction could not be obtained.

- Sanction of leave shall not be presumed and leave asked for shall not be availed of unless the Competent Authority has specifically sanctioned it.

- During the period of leave, an employee shall not take up any service or accept any employment.

- Saturdays, Sundays and/or holidays may be prefixed and/or suffixed to any kind of leave, but intervening Saturdays, Sundays and holidays are counted as a part of leave.

- No leave is granted in continuation of or in conjunction with any other type of leave, except the following:
  a) Casual Leave with Examination Leave/Quarantine Leave/Loss of Pay.
  b) Earned Leave with Maternity Leave/Examination Leave/Quarantine Leave/Loss of Pay
  c) Sick Leave with Earned Leave/Maternity Leave/Quarantine Leave/Loss of Pay
  d) Maternity Leave with Earned Leave/Sick Leave/Quarantine Leave/Loss of Pay
  e) Examination Leave with Casual Leave/Sick Leave/Quarantine Leave/Maternity Leave/Loss of Pay
Types of leaves

- Casual leave
- Restricted Holiday
- Earned leave
- Sick leave
- Maternity leave
- Adoption leave
- Examination leave
- Special sick leave
- Advance sick leave
- Quarantine leave
- Trade union leave
- Authorized absence from duty
- Special leave
- Extra ordinary leave
- Leave whilst meeting with accident on duty

Casual leave admissible to employees

- Number of CL w.e.f. 1st January, 2006, the number of CL is reduced from 15 days to 12 days in a calendar year.
- ACL w.e.f. 1st January, 2006, the provision of ACL has been deleted.
- C.L. for ½ day w.e.f., Casual leave for half day shall not be granted.
- One day's CL may be availed of without prior sanction in case of unforeseen emergency.
- Balance remaining unutilized as on 31st December each year shall lapse.
- W.e.f. 1st January, 2006, the maximum number of CL an employee can avail at a stretch has been reduced from 6 to 5, to fall in line with 5 day working week as also availability of total number of C.L.
- C.L on joining: Proportionate Casual Leave from the date of joining to 31st Dec. Fraction less than half to be ignored equal to or more than half to be treated as half with the abolition of day CL w.e.f. 1st January, 2006, clarification on grant/treatment of day casual leave is required from Head Office.
• C.L. on Retirement: Proportionate Casual Leave from 1st Jan to date of retirement. Fraction less than half to be ignored and equal to or more than half to be treated as half.

• With the abolition of day CL w.e.f. 1st January, 2006, clarification on grant/treatment of day casual leave is required from Head Office.

Restricted holidays w.e.f. 1st January, 2006

The employees can avail 2 Restricted Holidays in a calendar year as per their choice, out of the holidays declared by the Government from year to year, subject to such choice being submitted by the employee to the Company before commencement of the calendar year concerned. In some States, where no RH’s are declared, employees may be given an option to choose restricted holidays from the list of RH’s declared by the State Government.

Earned leave

The EL is earned by duty. ‘Duty’ shall mean the period spent in service in the Company, but shall not include the periods of leave other than CL/QL/Examination Leave and Trade Union Leave. EL accrued at the rate of one day for every 11 days of duty and can be accumulated up to 240 days.

• The leave due to an employee is the period, which he has earned, diminished by the period of leave actually taken. (EL/SL/ML). EL shall also not accrue during the period of SL granted to an employee who meets with an accident whilst on duty. Minimum seven days/maximum 120 days at a time may be granted. The EL can be granted as and when it accrues. However, an employee may be sanctioned full leave to his credit subject to a maximum of 240 days preparatory to retirement.

• A notice of 15 days is required for availing EL. For sufficient valid reasons, the Competent Authority may at its discretion reduce or waive the period of notice.

• The EL/SL cannot be availed for 2 days, but under extraordinary circumstances EL/SL for one day may be debited e.g. if an employee applies CL in the afternoon and proceeds on SL/EL, thereafter, and vice versa resumes duty in afternoon instead of forenoon after the expiry of SL/EL, however, such cases are rare.

• Further, when an employee has no CL to his credit and avails half day off during instances other than referred to above, full day EL is to be debited (with the
abolition of the day of CL, clarification from Head Office is required for grant/treatment of EL for the day)

- The encashment of EL in the event of death/retirement subject to a maximum of 240 days. This provision shall not apply to an employee who has been compulsorily retired, removed or dismissed in accordance with the General Insurance (Conduct, Discipline and Appeal) Rules 1975.

Short duration EL

In case of an employee whose CL has exhausted and there are extenuating circumstances which require the employee to remain away from duty for short period, the Competent Authority may at its discretion grant EL for a period less than 7 days.

- It is expected that to meet contingencies of casual absences of short duration, employees avail casual leave and EL is used for absence of longer duration of seven days or more giving prescribed advance notice. Therefore, the EL for less than seven days is not to be ordinarily granted. However, the Competent Authority who normally sanctions EL may in genuine pressing situations consider such requests for shorter duration EL on not more than two occasions in a calendar year. However, before granting such leave, the Competent Authority may take into account merits of individual requests, grounds on which such requests are made and such other relevant factors. However, such a leave beyond two occasions in a calendar year may be considered only by the officers who are not below the rank of RM/Manager (now Scale V) if the overall leave record of the employee is satisfactory and the grounds seeking such leave are found to be genuine and compelling. Sanction of leave may not be presumed and leave asked for should not be availed of unless it has been specifically sanctioned. Therefore, if an employee exhausts his entire CL during the year, it is necessary that he seek sanction of EL for the absence for which no other kind of leave can be permissible. If an employee can not be granted EL requested for a short duration, such absence would be treated as leave on Loss of Pay (LOP).

- The EL is not to be sanctioned in respect of casual absences, even if there is balance of EL to the employee's credit, since EL is not meant for casual absences.
- Exhausting of CL in the early part of the year does not automatically entitle any employee to EL of short durations and the Competent Authority may refuse to grant him such leave.

**Sick leave admissible to an employee**

Sick leave is earned at the rate of 30 days (half pay) for each completed calendar year of service and can be accumulated up to a period of 240 (half pay) days.

- In calculating accrual on any given date only completed years and not part of a year or days as in the case of EL is taken into account. Any leave excluding leave without pay availed of does not affect the calculation.

- Accumulation of 30 days will get affected only when an employee goes on LOP.

- Sick leave may be granted only on production of Medical Certificate from a Registered Medical Practitioner. The certificate should state the diagnosis and probable duration of treatment. Fitness certificate is must at the time of resuming duties.

- For the calculation of SL for the new appointees the date of joining to 31st December is divided by 12, but account is credited after close of office hours on 31st December (fraction less than half is ignored and that equal to or more than half is treated as one)

- Any period of SL/SSL on half pay may be converted into sick leave/special sick leave on full pay at the option of the employee and in such cases twice the number of such leave is debited against the half pay leave record of the employee.

**Maternity leave w.e.f. 22nd June, 2000**

The maternity leave may be granted to female employees having less than three living children.

- In case of a female employee having three or more children no ML is available but she can be granted EL, and if EL is not admissible she can be granted SL. In case both EL and SL not being admissible she may be granted leave on LOP.

- ML is allowed on production of medical certificate from the medical attendant.

- A female employee is entitled to ML not exceeding 180 days in respect of each confinement. The spread of leave between pre natal and postnatal periods is left to convenience of the employees.

- In case of miscarriage, a female employee is entitled to maternity leave for a period not exceeding six weeks immediately following the day of miscarriage.
• The maximum ML that can be granted to a female employee shall not exceed 12 months including miscarriage, medical termination of pregnancy during the entire period of service.47 48 49 50 51.

Adoption leave w.e.f. 22\textsuperscript{nd} June, 2006

The ML for adoption of a child is subject to the following conditions.

• The leave may be granted once during the service to a childless female employee for legally adopting a child who is below one year of age.
• The maximum period of leave is two months or till the child reaches the age of one year which ever is earlier.
• The leave is granted for adoption of only one child.
• The leave is granted subject to the condition that the adoption of a child is through a proper legal process and on submission of a certified true copy of adoption deed to the Company.

Leave for appearing in examinations

The leave for appearing in Examination is granted to employees, including those on probation, appearing for insurance examination conducted by or on behalf of the Insurance Institute of India, Bombay, The Chartered Insurance Institute, London, Institute of Actuaries, London and such other bodies conducting Insurance Examination and examinations conducted by Institute of Chartered Accountants of India and Institute of Cost and Works Accountants of India. EL may also be granted for appearing for MBA examination of a recognized University/Institution.

The examination leave is granted to cover the days of examination and minimum journey time to the nearest Centre of Examination and return there from. CL/EL/LOP may be granted between two examinations. An employee having examination in the afternoon is not required to attend office in forenoon and examination leave may be granted to him for the whole day, but for forenoon exam if there is no examination on the following days such employee is required to attend office in the afternoon of that day.

<table>
<thead>
<tr>
<th>Leave</th>
<th>Competent Authority Class/II</th>
<th>Competent Authority for Class III/IV</th>
</tr>
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<tbody>
<tr>
<td>CL</td>
<td>One step above the officer applying for</td>
<td>AO (Scale I)</td>
</tr>
<tr>
<td>EL/SL/ML/AL/Examination leave</td>
<td>Two step above the officer applying for</td>
<td>AM (Scale II)</td>
</tr>
</tbody>
</table>

Source: Personnel Manual, OICL
Special Sick Leave admissible to employees

If an employee is suffering from any of the nine major diseases i.e. Cancer, Leprosy, Tuberculosis, Paralysis, Brain Tumor, Cardiac Ailments, Kidney diseases, AIDS and mental diseases he may be granted SSL on half pay for a period not exceeding 6 months if he has to his credit no sick leave admissible to him.

- The request for SSL to be referred to HO after getting the employee examined by a Company nominated Doctor.
- SSL must be referred to the Competent Authority, Head Office without delay
- Competent authority for sanction of leave for all category of employees - Head Office

Advance sick leave admissible to employees

The employees can seek Advance Sick Leave if they are confirmed employees and that too in exceptional cases of genuine hardship.

- Before referring the case to HO for grant of ASL, the employees leave record should be examined to ensure that he/she has not been utilizing CL/EL/SL as a matter of habit, in which event request for ASL is not to be considered. However, the CL/SL/EL utilized for the sickness concerning the current application will not be a bar.
- The ASL is restricted to maximum 180 days on half pay basis without conversion to full pay basis. Employees requiring leave for more than the 180 days should be on LOP. This facility is available once in entire service of the employees.
- Only 50 per cent of ASL applied can be considered on half pay basis, while the balance will have to be treated on LOP. However, in case of major accident or illness, second application during the career may be considered.
- Employee should have sufficient period of service left to his/her credit so that the leave so granted may be adjusted against future accrual of SL/EL.
- ASL, if granted, will have to be adjusted against future accrual of entire SL and 50 per cent of EL with consent of the employee.
- Competent Authority for sanction of leave for all category of employees is the HO.
Quarantine leave admissible to employees

Quarantine leave (QL) is the leave of absence from duty necessitated by orders not to attend office in consequence of the presence of infectious disease in the household of an employee of the Company.

- The QL shall not be granted unless the Medical Officer looking to the infectious nature of disease considers it necessary to quarantine the members of household suffering from the infectious disease.
- The term ‘Medical Officer’ shall mean Medical Officer in charge of any Government, Civil or Military or Municipal Hospital or Dispensary.
- Prompt intimation should be given about the presence of the infectious disease in his household of the employees. Such leave is granted only from the date of intimation followed by certificate.
- If an employee reports about the presence of infectious disease after he rejoins duty, he would not be eligible for QL.
- QL is not granted if employee himself suffers from the disease, but he may be allowed SL and if SL is not admissible he may be allowed EL and if both SL and EL are not admissible, he may be granted leave on LOP.
- The Competent Authority for sanction of leave for all categories of employees is the HO.

Trade Union Leave

The Special leave for bonafide TU work may be granted up to a maximum of 15 days per year excluding actual journey time, to each of not more than 15 persons belonging to a recognized union and nominated by such Union. Competent Authority for sanction of leave for all categories of employees is the HO.

Authorized absence treated as on duty from duty

An employee may be allowed to remain absent and still be treated as on duty under following circumstances:

- Vasectomy of Salpingectomy Operation - up to a maximum of 6 days for undergoing vasectomy or salpingectomy operation for family planning purposes.
- Sterilization to a female employee - Up to a maximum of 14 days to a female employee for undergoing puerperal sterilization (operation done along with delivery) for family planning purposes. A leave for 14 days leave for
undergoing puerperal sterilization operation may be allowed along with maternity leave also if such operation is done immediately after childbirth. Earlier it was granted for non-puerperal sterilization. However, this leave is not granted in conjunction with maternity leave.

- **Camp Duties** - up to maximum of 15 days in a year for camp duties by employee who have been permitted to join home guards organization.

- **Territorial Army** - An employee may be permitted to join only the urban units of the Territorial Army where the training is carried out on a part time basis. The absence is for a maximum of 14 days only. No limit shall apply on the number of days of special leave that can be granted for this purpose to an employee during the year.

- **Invigilation Work** - up to a maximum of 3 days for invigilation work at an Insurance Institute of India for insurance examinations conducted subject to maximum of 7 days in a year.

- **Operation of Law**: An employee prevented to attend office or days on which the employee, though willing and fit to attend office, is prevented from attending the office by the operation of law, i.e. the imposition of curfew either in the area of his residence or in the area where the office is situated. The Competent Authority is the Regional Manager In charge.

- **Conference of Insurance Institute of India** - On days on which the employee attends the conference of Insurance Institute of India and also for the period of journey which the employee may have necessarily to undertake for the purpose of attending the conference and for returning to his place of work. The employees who attend conference of the Insurance Institute of India as council members, delegates, paper readers and special invitees are to be treated as on duty during the period of their absence from duty for such purpose including the journey time.

- It has been decided to grant SL to employees who have been nominated to represent the Associated Institutes of the Insurance Institute of India as non-corporate members of the Administration Committee and the Board of the Education Administration Committee and also for the period of journey between their place of work and the venue of the Meeting.
Facilities to be given to employees summoned by various Courts of Law

In case an employee is summoned to appear as witness in the Courts of Law on behalf of or as representative of the Company he may be treated as on duty for the period in that regard he is paid TA and halting allowance as for a journey on tour provided that he attaches with bill a Certificate of Attendance given by the Court and provided further that in case any payment is made by the Court for his expenses, the same is deposited by him with the Company. Whenever an employee is summoned by the Courts of Law in his private and personal capacity, he is granted CL or other leave and no special leave is granted to him, but if no leave is available to his credit, he is allowed to proceed on leave on LOP and not to be paid TA or Halting Allowance or any other allowance. However, he is allowed to retain any payment made to him by the Courts towards the expenses.

Further, whenever an employee is summoned by the Courts of Law on behalf of the Government as a State witness in a criminal case he may be treated as on duty for the day he is to be away from office. Competent authority for sanction of authorized absence from duty - but still treated as on duty leave for all above leaves.

Special leave admissible to employees in case of special circumstances

This type of leave is granted in case of calamities like cyclones, riots, floods etc depending upon the merits of each case. Grant of such leave is subject to such area being declared as flooded etc. affected area by the concerned local administration. The Competent Authority for sanction of such a leave for all categories of employees is the HO.

This leave is also granted in case of participation in the General Body Meeting of the Kendriya Sachivalya, Hindi Parishad or to office bearer of the Parishad on the occasions of the prize distribution ceremony up to a limit of five days. The Competent Authority for regional IIC and Managers (now scale V) and above is the HO.

Another reason for granting of this leave is for Mountaineering Expedition. An employee who participates in Mountaineering Expedition and Trekking recognized and approved by the Indian Mountaineering Foundation and provided Government sanctions to the special leave to its employees for this purpose, may be granted leave.

- There is no time limit on the number of time that an employee can avail himself of the facility of Special leave during his service period.
• The mountaineering/trekking expeditions must have the approval of the Indian Mountaineering Foundation.
• Special leave shall not exceed 30 days, for an individual employee for one calendar year in all sporting events whether National/International.
• The provisions relating to grant of special leave to the participants in a National/International event of sports are not applicable to Technical Officials.
• This leave is also not a matter of right and can be refused.
• The Competent Authority for sanction of leave is the HO.

A one day Special Leave in lieu of Blood Donation may be granted on the day on which an employee donates blood provided a Certificate is produced.

**Study Leave admissible to employees**

The CMD may grant Study leave to officers for proceeding studies in specialized fields like management and allied disciplines subject to the period of leave should not exceed one year, however, under exceptional circumstances leave may be extended by one year and this leave is treated as LOP. No benefit like PF, Gratuity, Annual Grade Increment etc. will accrue to the officer during the period of stay abroad. The period of study leave abroad will also not count for purposes such as seniority, gratuity etc. The officer applying for study leave abroad must have completed a minimum period of 5 years of service in the industry. The Divisional Officers and SCS Staff are not entitled to study leave. The Competent Authority for sanction of leave is the HO.

**Leave admissible to employees on Election Duty**

The employees detained on election duty may be permitted to remain away from their normal duties on polling date and also on dates for performing journeys in connection with polling. The payment of TA to the officials deployed on Election Duty is to be borne by the department concerned of the official as may be admissible under the TA Rules applicable to them, in case no conveyance facilities are made available.

**Compensatory leave admissible to employees deputed on Election Duty**

The Polling personnel are entitled for leave on the next day of the poll if the ballot boxes take time for being deposited and the exercise continues well at midnight. Any such specific case is to be verified by referring the same to the office of the
Election Commission. However, no overtime allowance is payable since honorarium has already been paid by the Election Commission.

**EOL or leave on LOP admissible to employees**

The EOL not exceeding three months on any occasion and 6 months during the entire period of service may be granted to an employee when no kind of leave is due. The EOL on LOP up to 90 days during the entire service of an employee may be sanctioned by the In charge of the RO’s and the cases of EOL beyond three months should be referred to HO. No salary is admissible during the period of EOL and the period spent on such leave shall not count for increment as well. The EOL or period of LOP has the effect of postponing the date of increment. For arriving at the date of increment, the date on which an employee completes 12 months is to be ascertained, excluding the EOL or period on LOP, after the date of last increment or from the date on which he was placed in the time scale and the increment is to be given on the first day of the month in which the employee completes 365 days service. Leave on LOP period on LOP during the probationary period to all employees has the effect of postponing the date of confirmation by the number of days of such leave. The unauthorized absence is not to be treated as EOL or LOP even though the period of unauthorized absence is also treated as on LOP. Where the employee’s absence is without prior permission, the office has to immediately proceed with the action, whatsoever, immediately on expiry of three days absence. In cases of sickness, the office has to satisfy with the genuineness of the same and in case of doubt, may immediately get the employee examined by the Company’s nominated Doctor/Specialist/Civil Hospital. Grant of leave on LOP is not a routine matter and is sanctioned only in exceptional circumstances to the satisfaction of the competent authority.

The EOL on LOP must be referred to the Competent Authority i.e. the HO without delay.

**Punctuality in attendance and maintenance of discipline**

- The Officers are required to set an example themselves before they enforce the rules in the matter of punctuality in attendance. Therefore, they must be punctual in attendance.
- All officers/employees are required to attend office at the commencement of working hours first and proceed on official engagement, if any, thereafter.
• In case where frequent late comings are noticed, the concerned officers/employees are to be cautioned in writing.

• With the commencement of hours of work, every employee is expected to be in his seat and commence the work.

**Employee not to leave office before the closing hours**

However, an employee may be allowed for good and sufficient reasons to leave the office early by not more than half an hour on any particular day. During a calendar month and not more than three occasions of late coming and leaving office early may be condoned. If it is observed that any officer/employee is engaged in any other activity other than office work during working hours, as a first step he should be cautioned by the in charge of the Office/Department in presence of another Officer and a recording of it should be made in the office record. If the same is repeated for the second time, however, a letter the employees activities habitually continues to do the same then a Show Cause Notice should be issued to him.

**Regulation of leave and payment of overtime to security staff**

A one day off is permissible to the security guards as well as to housekeeping staff. However, the full time sweepers and two days off to security supervisors are given on rotation basis every week. As regards the OT allowance to security guards and security supervisors the following guidelines may be followed:

• When the employee is required to work overtime on a National Holiday or on an off day beyond 4 hours, then he is entitled for a compensatory holiday besides the payment of OT allowance.

• As per the existing practice, in future also, if the holiday due to the Negotiable Instrument Act, falls on a working day, only a compensatory off is given in addition to the routine off day, which is given every week.

• The employee shall not be permitted to avail leave without prior approval of the leave sanctioning authority.

• The employee reporting late shall not be allowed to work in that shift. He is treated as having been absent without permission, which will call for disciplinary action and LOP under the relevant provisions of the rule.

• If the reliever does not report within 15 minutes of the appointed time, the employee already on duty should immediately inform the officer concerned that a replacement can be sent promptly to ensure that the security staff on
duty does not work overtime. If a reliever cannot be thus sent, the supervisor should specifically advise the existing person to continue on duty till the end of next shift.

Conveyance scheme admissible to employees

The Conveyance Scheme (Loan Scheme) was applicable to the officers of the rank of Divisional in charges, and other officers of the rank of Chief Manager/RM (Scale V), Divisional General Manager (Scale VI), and General Manager (Scale VII). The Conveyance Scheme under Para 9A (iii) is applicable to Senior/Branch Managers, In - charge of the Branch Offices), Managers (Scale IV) assigned development functions at RO/HO, DM (Scale III), AM (Scale II), AO (Scale I)

Facility of Loans to the employees

- Interest free loan not exceeding the purchase price of the vehicle to be recovered in 96 Equal Monthly Instalments (EMI) is permissible to the employees.

- Loan for purchase of car shall not be granted on more than two occasions during entire service of an officer.

- It has been decided at the HO that whereas the existing provisions of limiting the vehicle loans to maximum two in the entire service period may continue for officers up to the cadre of Managers (Scale IV) with development functions, for officers in the cadre of Chief Manager/CRM/RM (Scale V) and above, it would be in order to allow the facility of two loans to be reckoned from the time of their entry into the cadre of for officers in the cadre of Chief Manager/CRM/RM (Scale V) for the balance period of their service under the 80:20 Conveyance Scheme.

- In case an officer has purchased a vehicle under 80:20 Conveyance Scheme prior to his promotion as Chief Manager/ RM (Scale V), he may be asked to use the same car which was purchased while he was in the lower cadre and he will not be allowed to clear the outstanding balance loan on the car purchased under this Scheme before the expiry of repayment term of the loan. However, such officer, on completion of repayment term of the existing car loan, may be permitted to apply for a fresh conveyance loan and such conveyance loan is deemed as first conveyance loan in the cadre of Chief Manager/ RM (Scale V), under the Conveyance Scheme.
• The running expenses borne to the extent of 80 per cent by the Company and 20 per cent by the Officer subject to certain specified limits for petrol.

• The 80 per cent of the Cost of replacement of tyres or tubes or both and cost of replacement of battery borne by the Company and 20 per cent by the Officer.

• The premium for insuring the car under Comprehensive Cover including cover against the risks of strike, riot, earthquake, flood etc. including registration charges and road and other taxes payable borne by the Company. The Company bears premium only in respect of car and such accessories fitted therein for purchase of which the Company has advanced loan.

• The garaging, cleaning and washing expenses - a declaration is to be given by the officer concerned about the extent of monthly garage rent, cleaning and washing expenses and 80 per cent of the same are reimbursed subject to the limit prescribed.

• Actual expenses on maintenance and repairs of the car during the year are regulated according to the limits applicable based on the age of the car and subject to certain other conditions.

**Two wheeler interest free loan admissible to the employees**

• The AOs (Scale I), all confirmed Supervisory and Clerical Staff as well as Officers of the rank of AOs (Scale I), assigned mainly field duties of marine cargo claims minimization and services of motor claims on regular basis.

• In view of the nature of duties of the Veterinarians being similar to AOs (Scale I), who are mainly assigned with field duties, the Veterinary AOs (Scale I), may also be provided with similar conveyance facilities as are applicable to AOs (Scale I), and SCS Staff assigned field duties. However, where the Veterinary AOs (Scale I), are having their own vehicles, insurance and taxes as applicable to two-wheeler would be reimbursed.

• The AOs (Scale I), (Investigators/Engineers and Legal) AOs (Scale I), (Investigators/Engineers and Legal) who have been appointed for expeditious settlement of Third Party Claims, may be provided with similar conveyance facilities as are available to AOs (Scale I), and SCS staff assigned field duties, provided the functions assigned to these officers comply with the stipulations as applicable to AOs (Scale I), assigned mainly field duties of Marine Cargo
Claims minimization and servicing of Motor claims on regular basis. This facility is considered only for the confirmed employees.

- When the outdoor duties assigned to the employees are withdrawn, the conveyance allowance payable to an employee shall automatically cease to be paid from the date of withdrawal of such functions. However, the employee shall continue to repay the loan, if any, on the same conditions on which such loan was granted. The insurance premium and taxes may also be continued to be borne by the Company until such time the loan is fully repaid.

- The loan is provided free of interest to the employees.

- Full purchase price of a vehicle is permissible for purchase of motor cycle/scooter with or without a sidecar.

- Not more than three such loans can be granted during the entire service period.

- Loan for purchase of two-wheeler under any scheme (both vehicle loan scheme under non core benefits and under scheme for vehicle loan to officers entrusted with field duties/development functions) is to be given only once in seven years subject to maximum three loans during the entire service.

- All the employees who are allowed the facility of loan for the purchase of a vehicle under the regulations are paid conveyance allowance at the rate specified. The conveyance allowance shall also be payable to the employees who use their own motorcycle/scooter and do not avail of the loan facility provided by the Company to purchase a vehicle. The amount advanced for the purchase of the vehicle is repayable in monthly instalments by deduction from salary.

- The Company bears the cost of insurance premium for providing comprehensive cover with riot and also the taxes. However, the payment of insurance premium and taxes will not be made to those employees who use their own car for office duties but they will continue to get the conveyance allowance.

- The registration charges and octroi duty is borne by the employee concerned. Besides the conveyance allowance, no running expenses are paid. The period of usage of car under the Scheme is 8 years. After the end of eighth year, the car is transferred in the name of the officer by recovering an amount equal to the Written Down Value (WDV) of the car determined as per rules in force.
from time to time in one lump sum. The vehicle on going out of the Scheme, for any reasons whatsoever except as per the requirements in the succeeding paragraph, is to be necessarily taken over by the user officer. For this purpose, the user officer has to pay the depreciated value in one lump sum at the time of exit of the vehicle from the Scheme failing which it is recovered in one lump sum from any/all dues payable to the officer at that time or in future and the vehicle is transferred in the name of user officer. If the vehicles go out of the scheme up to 15th of a month, the depreciation is calculated as at the end of the previous month, otherwise, the same is calculated as at the end of the month in which the car exits out of the scheme. When the vehicle goes out of the scheme for any reason whatsoever, the recovery of the road tax from the user officer for the balance life of the car is that portion of the road tax that could be applicable had the vehicle been registered in the name of the individual.

- When an officer with development function is transferred to the administration side by the Company, the car is transferred at the Officer’s option to his/her name and the book value of the car be treated as loan to the officer on 5 per cent interest to be realized on monthly instalment of the balance period of 96 instalments from the original date of purchase. This option will not be available to an officer who voluntarily opts for transfer from marketing to administration side. However, on transfer from Marketing to Administration, by voluntary option, the officer shall cease to be eligible for the benefits under this scheme from the date of handing over charge of the earlier post. He/she has to remit the depreciated value of the car calculated as on date to the office within 3 months and get the car transferred in his/her name.

- Officers may be allowed reimbursement of actual fees for pollution control certificate. However, no penalty amount, in the event of failure to maintain the vehicle to meet the pollution norms would be reimbursable.62

- The officer can keep a new car bought by the Company and kept for the use of an officer eligible under the Scheme for 8 years. During the course of the vehicle being in the use of the employee, the employee will use the said car solely for the business of the Company and so long as the vehicle is used by the employee under this scheme, the Company pay all the charges (but not
fines or penalties) and taxes payable to Govt. or any Municipality or any Public Body in connection with the said car including all vehicle taxes.

- Where the officers use car while imparting or undergoing training e.g. when the training is at the headquarters of the officers or nearby, all benefits may continue to be allowed.

- However, where the training is at the outstation or at the same station and the car is not used, the training period may be treated on the same basis as in case of leave other than CL.

- During period of suspension, the treatment is similar to that during leave exceeding 120 days.

**Housing loan scheme admissible to the employees**

- The Housing Loan Scheme commenced in the year 1974 by creating a fund for this purpose with addition to the fund from time to time.

- Loan under the scheme is available for the purchase of land and to construct a house thereon and for the purchase of land and a house thereon whether the same is complete or incomplete, provided however, that the employee shall produce satisfactory evidence supported by Architect and Valuation Certificate as to suitability and the condition of the property and its value. The decision of the Company on such evidence is final and binding upon the employee.

- For the purchase of a house/flat/apartment whether complete or under construction, provided, however, that the employee shall produce satisfactory evidence supported by one of the Company's panel of Architects and Valuation Certificate as to suitability and condition of the property and its value. The decision of the Company on such evidence is final and binding upon the employee.

- The loan under this scheme is also given for the purchase of an apartment in a building which is subject to Apartment Ownership Act and/or any other law having similar provisions.

- For the purchase of a flat whether ready or under construction in Co-operative Housing Society, whether registered or under registration.
• For purchase of land and construction of a house/flat in a Co-operative Housing Society where the number of members of the Industry is not less than 900 of the total membership, the loan under this scheme is provided.

• For extension/renovation of an existing house/flat/apartment, provided the Company is satisfied on such proof as they may deem fit that the same is essential to suit the changed circumstances and needs of the employee, an employee can avail loan under this scheme.

• For the purpose of repayment of a loan taken temporarily from PF, Banks, Co-operative Societies, Housing Co-operatives or other Public Financing Institutions to finance the purchase of a house/flat/apartment including land, pending sanction of the loan under this scheme provided the employee gives intimation about raising such temporary loan and simultaneously applies for loan under this scheme and subsequently produces evidence of repayment of the temporary loan within one month of disbursement of the loan under the scheme. This facility would also be available to an employee who had availed of Housing Loan from General Insurance Corporation Housing Finance Limited (GICHFL) as an interim measure because he/she did not meet with the services eligibility criteria in the Housing Loan Scheme. In such cases, the repayment of loan is permitted subject to the employee meeting GICHFL criteria that minimum period of housing loan with GICHFL should be five years and the housing loan released is utilized to extinguish fully the GICHFL loan.

The total scheme of loan for the House is shown in the Table 2.10

<table>
<thead>
<tr>
<th>SCALE</th>
<th>Scheme loan (5 per cent)</th>
<th>Supply loan (7.5 per cent)</th>
<th>Overall loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>VI and above</td>
<td>4.00 lakhs</td>
<td>06.00 lakhs</td>
<td>10.00 lakhs</td>
</tr>
<tr>
<td>VI</td>
<td>4.00 lakhs</td>
<td>05.00 lakhs</td>
<td>09.00 lakhs</td>
</tr>
<tr>
<td>IV, V</td>
<td>4.00 lakhs</td>
<td>04.50 lakhs</td>
<td>08.50 lakhs</td>
</tr>
<tr>
<td>III</td>
<td>3.65 lakhs</td>
<td>04.35 lakhs</td>
<td>08.00 lakhs</td>
</tr>
<tr>
<td>I, II</td>
<td>3.25 lakhs</td>
<td>03.75 lakhs</td>
<td>07.00 lakhs</td>
</tr>
</tbody>
</table>

Source: Personnel Manual, OICL

• The housing loan is offered to all confirmed employees with minimum three years service or more for construction of house or for acquiring a Builders/Society flat subject to terms and conditions of the Scheme. No separate loan limits are there for Metropolitan cities. The quantum of loan to be offered depends upon the employee’s eligibility of loan or cost whichever
is less, subject to repaying capacity. No loan is granted to an employee if he/she has accommodation whether a house/flat/apartment at the center where the house/flat/apartment is proposed to be constructed/purchased and if the same is owned by him/her or dependent family members. The property should be free of mortgage and all other encumbrances. Loan is available to employees in respect of properties situated anywhere in India. The loan is granted on first-come-first served basis. The aggregate Annual Loan Service Charges (ALSC) for the Scheme and Supplementary Loans together should not exceed 45 per cent of the annual income of the employee. (The aggregate ALSC means EMI/interest and Premium for the policies assigned as Collateral Security for both Scheme and Supplementary Loans)

- A form in the shape of questionnaire is filled in and submitted to office at the first instance to enable the office to ascertain the eligibility for the confirmed employee
- Main application – House Loan Scheme II along with documents is endorsed. All Local/Municipal/Corporation Taxes are paid before submitting an application for loan. Copies of receipts submitted along with the application.
- Employees desirous of availing loan under House Loan Scheme shall at pre-sanction stage deposit with the Company the fees for Lawyer and Valuer for verification/valuation, as per scale laid down. This shall not apply for the flat/house/land purchased from the Government Body. Lawyer/Valuer shall give reports as to the title/valuation of the property in question. For consideration of sanction of loan under House Loan Scheme of the Company a title clearance certificate from an advocate and the valuation report of the property from an architect are essential. These reports are obtained only from the panel of advocate/architect of the Company.
- The rate of interest on Scheme Loan is concessional rate of interest of 5.00 per cent per annum (4.50 per cent p.a. in case of Employee’s Co-operative Group Housing Society, where 900 of the members are from Public Sector General Insurance Companies) and on Supplementary Loans is 7.50 per cent per annum under both the Schemes where the house is under self-occupation of the employee and EMI/Interest of the policies assigned are promptly paid.
• In case the house or flat is not self occupied or given on lease/rent partially or fully, interest @ 10.00 per cent per annum is charged both on Scheme and Supplementary Loans on outstanding principal balance.

• The above provision shall not be applicable if the house is let out with the prior approval of the Company consequent upon the employee’s posting away from the center where the house is situated.

• The interest @ 10.00 per cent per annum on overall principal balance (both Scheme and Supplementary Loans) is charged from those employees, who are occupying Company Quarter/Lease Accommodation and also have availed Housing Loan from the Company for purchasing the flat at the place of posting, till such time they vacate the Staff Quarter/Lease Accommodation.

• The above provision shall not be applicable to the officers under entitled category, if their house is not given on lease.

• In case of default in payment of EMI/Interest/Premium on mortgaged policies additional interest @ 3.00 per cent per annum is charged both on Scheme and Supplementary Outstanding Loan balance. Additional interest is charged from the date of default till the date of repayment.

• For purchase of built flat/plot sanctioned amount to be disbursed in one installment and cheque is to be issued in favor of seller/vendor/Housing Board or Authority.

• For construction of house, the sanctioned loan is to be disbursed in three/four instalments depending upon the stage of construction subject to Valuation Report.

• For flat under construction (self finance or society flat) sanctioned loan is to be released in instalments on the basis of demand letter/agreement

• Subject to Valuation Reports and cheque is to be issued in favor of Builder/Society/Housing Board. After payment borrower is required to deposit the receipt in original with the Company.

• For construction of house the first instalment of loan is to be availed within six months from the date of Loan Offer Letter (LOL) and the last instalment is to be availed within two years from the date of sanction.

• For flats, amount to be released as per schedule of payment/agreement.
• Scheme loan portion of loan sanctioned is disbursed first and after that Supplementary loan is disbursed.

• Before complete disbursement of Scheme Loan Portion (un-disbursed or partially disbursed) if the cadre of the employee is changed by way of promotion, the Scheme Loan limit is enhanced according to new cadre eligibility but overall sanctioned loan will remain the same. However, this change will not be applicable in case of final installment of the loan has been disbursed to the Employee Borrower (EB).

• The initial deposit for registration of flats under the self-financing scheme is borne by the employees and not by the Company.

Second housing loan admissible to the employees

• The housing loan scheme of the Company provides for grant of second loan at the normal rate of interest for the purposes of construction of additional room for the use of the family of the employee, not being self contained room or for the construction of garage, staircase, compound walls, overhead tanks, pumps, well and bore wells.

• As regards the quantum of second loan available to an employee for the aforesaid purposes, the same may be determined by taking into account his current cadre eligibility for Scheme Loan minus the scheme loan already sanctioned to him but not exceeding the actual costs of the aforesaid items. In no case, the scheme loan sanctioned earlier and the second loan to be sanctioned subsequently together shall exceed his current cadre eligibility for the scheme loan.

• It means that construction of additional room is allowed with the assistance of second housing loan only for the use of the family of E.B. In other words, in all such cases where the employee and/or his family is not occupying the house/flat/apartment, constructed with the assistance of first housing loan, the above clause does not provide for allowing grant of second housing loan for construction of an additional room.

• The Offer Letter for second loan is a complete document and inter alia states the amount of second housing loan and a reference of the first housing loan, purpose for which the loan is sanctioned and the location of the property. The security documents for the second housing loan are executed exclusively for
the second housing loan. However, a reference for the first housing loan amount shall also be made by the employee in the second housing loan documents. Depending upon the quantum of second housing loan, the concerned Housing Loan Department will decide the number of instalments in which the same is to be disbursed. However, the minimum number of instalments shall preferably be two and maximum three. The period of disbursement of loan shall also not exceed six months. The repayment of second housing loan is commenced like a fresh loan. The repayment options, as available under Housing Loan Scheme shall also be available for the second housing loan. No housing loan should be granted for purchase of property from blood relations viz. parents, brothers, sisters, grandparents and the respective in-laws etc.

- In the same way, in connection with transfer of loan to purchase new property by disposing of existing property, the existing dwelling unit purchased/constructed with the help of housing loan from the Company should not be disposed of to a family member or blood relation as mentioned above. In case of transfer of loan an undertaking in this respect is to be obtained from the EB.  

**Second time housing loan to an employee who had foreclosed first housing loan**

As per Housing Loan Provisions, an employee who has been granted Housing Loan for the first time may be granted “transfer of Loan” under specified circumstances and or second loan in the nature of additional loan for certain specified purposes. This provision for a second loan presupposes the existing of the house with the concerned EB who had purchased/constructed it with the assistance of the housing loan. In case of granting housing loan second time after selling the house and foreclosing the first loan, the same is not provided for in the Housing Loan Scheme of the Company. Hence, second time housing loan cannot be granted to an employee who had foreclosed first Housing Loan.

- For additional/second housing loan on transfer of loan on new property no new Loan Offer Letter (LOL) is issued. Only addendum to loan offer letter is to be issued (i.e. endorsement). In case of transfer of loan on new property, it is to be considered that the existing house is self occupied and the EB had stayed there for a fairly reasonable period of six or seven years. Before release
of cheque for new loan, please ensure that the EB had submitted the photocopy of the Sale Deed for the Sold/disposed flat (sale deed is to be executed in Sub-Registrar’s Office on non judicial stamp paper of prescribed value as per Stamp Act applicable to that State). Recovery of the new loan is to be commenced immediately from the month of disbursement of the new loan as the new loan is in continuation of earlier loan.

- If the Supplementary Loan was sanctioned with original loan (First Loan), then Supplementary Loan can be considered with Second/Additional Housing Loan. Before sanction of new/additional loan ensure that EB has deposited the Valuation/Legal Fee in advance with the Company.

- The scheme loan and the supplementary loan should be applied for simultaneously and sanctioned as one loan. Supplementary loan once granted can not be increased subsequently. The scheme loan and the supplementary loan is treated as one for the purpose of accounting, documentation and administration of the housing loan scheme.

- AGM/Regional Manager in charge of RO is authorized to sanction such loans up to a limit of Rs. 8.50 lakhs.

Method of releasing instalments of housing loan

Lump sum: for built house

Instalments

- purchase of land and construction of a house thereon
- purchase of a flat under construction from a co-op Housing Society.
- purchase of a flat under self-financing scheme of DDA and such other authority.

The first instalment of 20 per cent is released to the EB only on spending his share towards the cost of construction. The second instalment of 30 per cent is paid only after his/her spending the first instalment. The final instalment is released on completion when the Architect certifies the same. At every stage a certificate from the Architect is a must with specific reference that there is no deviation. Once the first instalment is released, PF trustees must be informed along with the House Loan Scheme.

The Company may sanction loan for the construction of a house on a plot belonging to his/her spouse or jointly in the names of the employee and his/her
spouse. For this purpose spouse shall join in the execution of all the security documents and confirm the charge of the Company. The spouse files a declaration/affidavit acknowledging the debt that there is no adverse right/title/interest on the land. The security documents are suitably worded. No loan is granted to an employee for the purchase of a flat/house allotted in the name of his/her spouse.

The housing loan can be granted for the purchase of land only to an individual employee or to society formed exclusively of General Insurance Employees. The quantum of the loan is either the cost of land or 25.00 per cent of the loan entitlement. The loan is released at the time of registration before Sub-Registrar, if the purchase is from private parties. If the same is from the Government body it is decided on the merits of each case depending upon the terms of allotment. The EB shall give a letter of undertaking that he shall submit approved building plan and start construction within 6 months of the release of the loan failing which no further loan for construction is released. The recovery in that case is commenced immediately.

The Company is not bound to grant additional loans due to escalation of cost of construction or for any reason, whatsoever. However, where an employee has not utilized full quantum of the loan to which he is eligible, he may be allowed additional loan due to escalation of construction to the extent of his/her eligibility i.e. when an employee has not availed full quantum of loan, he may be allowed additional cost incurred due to the escalation at the discretion of the Company.

The entire loan transaction must be completed and the application for disbursement of the first instalment of the loan must be submitted within 6 months from the date of application. However, the Company may grant extension under exceptional circumstances. The EB shall avail of the full amount of the loan sanctioned within a period of one year from the date of disbursement of first instalment.

In all cases, recovery shall commence only after one year from the date of release of last installment. If, however, disbursement of the full amount is not made within a period of one year from the date of release of first instalment, the recovery shall commence two years after the release of first instalment. Recovery of Housing Loan (Main) is done on the following basis. For this purpose Company may adopt the any of the four methods.
• Equal monthly instalments: Under this, EB has to repay the total amount of housing loan during his balance period of service in equal monthly installments.

• In case the balance period of service is more than 30 years: then EMI’s of principal and interest to be calculated on 30 years basis and outstanding loan to be recovered from LIC Policies, PF, Gratuity and other such securities of the employees.

• In case the balance period of service is less than 30 years: then EMI’s to be calculated on loan amount reduced by the amount of Endowment Life Insurance Policies and to be recovered along with interest. When the policy matures the policy amount is adjusted against the loan amount.

• In case balance period of service is 15 years or less: the recovery of interest only to be made in EMI’s provided the amount of Endowment Life Insurance Policies, Gratuity and PF are sufficient to cover the loan amount.

Supplementary Housing Loan is recovered on the basis of EMI as per amortization schedule only.

LIC Policies under Salary Saving Scheme maturing 3 months before the date of retirement duly assigned in favor of the Company to the extent of loan amount minus PF (total contribution) and accrued gratuity as on that date.

**Provident Fund (PF)/Gratuity**

The PF and Gratuity Forms must be filled in and endorsed by the previous nominee. The EB may be advised to appoint two nominees, the first one being the Company and the second one of his choice. If any employee has availed PF Loan either refundable or non-refundable then sufficient amount of LIC Policies may be obtained for the short fall.

The PF Department accepts PF Certificate as a collateral security for Housing Loan sanctioned to EB As and when the housing loan account is settled by repayment/foreclosing, intimation in this regard should be given to PF Department, so that lien marked on PF for housing loan is removed.

**Documents to be deposited with the Company**

• The Sale deed and/or lease deed

• The Sanctioned plan and/or sanction letter from the body

• The IT Clearance Certificate
• The Fire Insurance Policy covering risk from any of the subsidiary other than OICL.
• The Completion certificate.

**Festival advance**

- The Class I employees get one month's gross salary or Rs. 5500 whichever is less.
- The Class III/IV employees get one month gross salary or Rs. 7000/- which ever is less.
- The PTS employees get one month's salary (basic + DA) subject to maximum of Rs. 2250.68
- The festival advance is granted to confirmed employee only once during a calendar year.
- No advance is granted unless the advance previously taken has been fully repaid.
- The festival advance should not be disbursed more than 7 days in advance of the date of festival.
- The advance is in respect of any festival and is repaid interest free in not more than 10 monthly instalments.
- The advance is requested in the form prescribed, 15 days in advance of the festival.
- The repayment is deducted through salary and the same is commenced from the subsequent month in which the advance is drawn.
- An employee against whom disciplinary proceedings are on shall not be paid any festival advance.

**Natural calamity advance**

The Company grants interest free loan for all confirmed employees affected directly by flood/drought/cyclone/gale/storm etc. for any loss to the moveable property. The application should be made within 3 months. The loan is to be recovered in 25 equal instalments, commencing from the salary for the fourth month from the month in which loan is granted. e.g. if advance is given in January, the recovery would start from the salary for the month of April. The Competent Authority for granting such an advance is the Regional Branch in charge. The area must have been declared or notified as flood etc affected by Central/State Government. It is
applicable only for those employees, who have suffered loss of property situated in the State provided it should come either under the employee’s leave address or the permanent residential address as per Company’s records.

**Group Term Insurance Scheme (GTIS) - 1997**

The GTIS commenced on 1st October, 1997 to cover loss of commutation of pension in the event of unfortunate death of an employee whilst in service who has opted for pension under the General Insurance (Employees) Pension Scheme - 1995.

This Scheme was obligatory for all employees for whom joining pension scheme was compulsory. All new employees who joined the service of the GIC/Company on or after the Scheme date i.e. 1st October, 1997 were compulsorily covered under GTIS immediately after their confirmation. The premium is deducted from the date of their confirmation.

This scheme is non-contributory and the entire premium will have to be borne by the employees. The premium is paid in advance and is eligible for income tax relief under section 88 of the Income Tax Act as amended from time to time.

The eligibility for the GTIS, sum insured and the premium is shown in Table 2.11

<table>
<thead>
<tr>
<th>Category</th>
<th>Basic S.I. (lakhs.)</th>
<th>Premium (Rs. in Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>30176 and above</td>
<td>4.00</td>
</tr>
<tr>
<td>II</td>
<td>22681-30175</td>
<td>3.20</td>
</tr>
<tr>
<td>III</td>
<td>16386-22680</td>
<td>2.40</td>
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<tr>
<td>IV</td>
<td>8826-16385</td>
<td>1.60</td>
</tr>
<tr>
<td>V</td>
<td>4856-8825</td>
<td>1.10</td>
</tr>
<tr>
<td>VI</td>
<td>Up to 4855</td>
<td>0.70</td>
</tr>
</tbody>
</table>

*Source: Personnel Manual, OICL*

- The change in category due to increase in basic pay on account of increment, fitment on promotion etc. would be given effect only in the month of October of that year.
- If an employee ceases to be in the service of the Company for any reason whatsoever, he shall forthwith cease to be a member of the scheme.
- No benefit is allowed except in the case of death of an employee while he is a member of the scheme and no benefit is allowed if he dies after his membership ceases.
- For forwarding any claim, it is necessary to send to HO Pension Department, the original death certificate, as also an advance discharge receipt for the claim amount and the valid Nomination Form containing the name of the...
beneficiary/beneficiaries. The claim form is signed by Chief Manager/Regional Branch in charge (Scale V).

- Since the GTIS Premium is collected one month in advance from the salary, no premium is supposed to be deducted for the month, in which the employee retires/exits. As such, the deduction of GTIS premium should not take place in the month, in which the employee member is retiring or getting relieved on VRS. The name of such employee(s) should appear in Annexure D of monthly GTIS statement, one month prior to the month in which the employee is retiring and/relieving.

- The monthly premium in case of employees who are either on LOP or under suspension is deducted and remitted by debiting to Sundry Debtors Account so that there shall not be any change in the premium figure for the month i.e. Salary Code 98.

- In case of death of an employee member, HO Pension Department should be informed promptly and no further deduction should be made on account of GTIS premium.

- Every employee who is a member of the GTIS - 97 must fill the Nomination Form in Annexure A (known as Form of Appointment of Beneficiary) or Form of Appointment of Guardian. Form of Appointment of Beneficiary is to be retained at RO and sent to HO only in case of GTIS claim along with other relevant papers.

- An employee may on joining the scheme or at any subsequent date thereto, appoint a beneficiary to whom the amount of family benefit admissible under the scheme is paid on his death provided that if at the time of making the appointment the employee has a family, the appointment shall not be in favor of any person other than a member of his family. Family shall include wife in the case of male employee, husband in the case of female employee, sons (including step children and adopted children), daughters (including step children and adopted children) whether married, unmarried or widowed, brothers (including step brothers) or sisters (including step sisters), father, mother and children of predeceased son.

- The employee may provide by such appointment in respect of the specified beneficiary that in the event of pre-deceasing the employee or if such
beneficiary dies prior to receiving the benefit, the right conferred upon the beneficiary shall pass to such other person (hereinafter referred to as the 'alternative beneficiary') as may be specified in the appointment. Provided that if at the time of making the appointment the employee has a family consisting of more than one member, the alternative beneficiary so specified shall not be a person other than a member of his family. An employee may at any time cancel the appointment of beneficiary or of guardian by sending a notice in writing to the Competent Authority. Provided that if the appointment of beneficiary is cancelled the employee shall along with the notice of such cancellation send a fresh appointment of beneficiary made in accordance with this schedule.

In the event of death of an employee who has made an appointment, the eligibility of the beneficiary to receive the benefit is determined with reference to the facts obtaining as at the date of death of the employee and any subsequent event (e.g. remarriage of widow or marriage of unmarried sister) will not affect the eligibility of such person. If a beneficiary dies before receiving the payment; the benefit shall pass on to the 'alternative beneficiary'. In case there is no 'alternative beneficiary' the benefit is paid as if there was no appointment. In the case of a minor beneficiary, the payment is made to the person appointed as guardian to receive the payment. If no such appointment has been made, the payment is made to the natural guardian and in the absence of a natural guardian to the person who furnishes a guardianship certificate. Any payment in settlement of the benefit under the scheme is payable by the Insurer only on receiving a certificate from the Competent Authority that a claim has arisen and only on admission of the claim by the Insurer. Competent Authority shall mean In charge of the DO in the case of an employee working a BO/DO Regional In charge in the case of an employee working in a RO Chief Manager (Scale V) (Personnel) in the case of an employee working in HO. If, no appointment has been made or is subsisting, the insurer shall satisfy itself that the persons claiming the payment are the legal heirs to the deceased employee and such heirs is required to produce evidence of title such as Succession Certificate, Administrator General’s Certificate or Letter of Administration.

Group Saving Linked Insurance Scheme (GSLI) - 1988

This scheme commenced from 20th November 1988, which offers the employees an avenue for compulsory savings at an attractive rate of interest along
with lump sum benefit in the event of death. Premium rate Rs. 10/- per Rs. 10,000/-
sum insured per month is paid. Out of the total monthly premium collected, Rs. 250/-
of the premium would be taken for life coverage whereas remaining 75 per cent
would be treated as the saving portion. The contributions towards savings is
accumulated at interest rate applicable, from time to time which was 11.00 per cent at
the commencement of scheme. The rate of interest was reduced to 10 per cent w.e.f.
20th November, 2000 and now, it is 8 per cent w.e.f. 20th November, 2000. Total
premium paid by the employee including premium for saving portion is eligible for
income tax rebate under section 80 C. The GSLI Master policy number allotted by
LIC to this scheme is GSLI/47610. Any change in category of an employee on change
in basic salary on grant of increment, promotion etc. may be done on annual renewal
date i.e. 20th November. All new entrants shall automatically become members of the
full-fledged GSLI i.e. term insurance plus survival benefits from the annual renewal
date following the date of appointment of the employee. However, they are covered
under term insurance (life coverage) provisions right from the date of appointment for
which the appropriate premium for life cover is deducted. The life coverage under the
Scheme is to be converted under full coverage (i.e. Risk plus Saving) w.e.f. the
ensuing policy renewal date for which appropriate premium is required to be deducted
from the month of October. If an employee who is a member of the scheme remains
on LOP during the period of his service due to various reasons, the Company would
be advancing the premium in RO his cover under GSLI Scheme subject to recovery
thereof immediately on his resuming duties thereafter. Since the retirement date is
generally the last date of the month, it would be in order to charge proportionate Term
Assurance Premium for 10/11 days in order to continue the cover from 20th to last
date of the month. The eligibility for the GSLI, sum insured and the premium is
highlighted in the Table 2.12.

Table 2.12: GSLI

<table>
<thead>
<tr>
<th>Category</th>
<th>Basic sum insured (lakhs.)</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>30176 and above</td>
<td>4.00</td>
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</table>

Source: Personnel Manual, OICL
On death of an employee whilst in service a Life cover as together with member’s saving accumulation with an accrued interest thereon is paid.

On retirement or leaving the service a return of member’s savings accumulated with accrued interest thereon is paid. The date of entry into the scheme should be stated as 20th November, 2000 in the claim form for those employees who opted the scheme from the inception. The date of joining the scheme for the employees who subsequently opted for the scheme after 20th November, 2000 is to ascertained from the office records and stated accordingly. The claim form duly completed and signed by an officer not below the rank of Manager (Scale IV) with his seal of the office should be sent to HO in duplicate. The claim form should also be witnessed and the discharge receipt must be signed on a revenue stamp of Rs. 1/- The receipt should also be witnessed. The original death certificate as issued by the Municipal Authorities along with an attested copy thereof should be sent to HO along with the claim form. The claim form should accompany with an attested photocopy of enrolment form and form of appointment of beneficiary (wherever necessary). In case of retirement of an employee, the claim form should be submitted to HO only after the date of retirement. In case of change of category, a photocopy of the addition/deletion statement reflecting the name of the employee must be attached with the claim form.

Group Insurance Scheme (GIS)

This scheme is applicable to all employees for coverage on event of death whilst in service. The total amount of Rs. 26000/- is payable to the nominee of the employee.

Group Personal Accident Policy (GPAP)

All employees of the Company are covered round the clock for compensation for death, loss of limbs and permanent disability (total or partial) caused as a result of accident on ‘24 hours basis’ for an amount equivalent to 36 months basic salary subject to a maximum of Rs. 3 lakhs. The premium cost is borne entirely by the Company. In the event of any claim the HO would be intimated with all relevant details, which in turn shall take up the matter with the Insurers.

Benefits to employees meeting with whilst on duty

The Company reimburses medical/surgical and hospitalization expenses including sanction of special leave to all its employees whether they are confirmed or on probation, meeting with accident whilst on duty as per guidelines given below:
The reimbursement of medical, surgical and hospitalization expenses that are actually and necessarily incurred by the employees who sustain injury on account of accidents arising out and in the course of duty. Regional Branch in charge may sanction special leave up to six months. In such cases, however, cases of special leave beyond six months may be referred to HO for its consideration. The special leave is in addition to other kinds of leave, which are normally available to an employee. Such leave shall not be debited to sick leave or earned leave to the credit of employee. Since accident is arising out of and in the course of duty, it is not necessary for the employee to exhaust first sick leave or other kinds of leave before he requests for sanction of Special Leave. The confinement at bed/home is not necessary for granting special leave, if the Competent Authority, which is Regional Branch in charge, is satisfied with the seriousness and gravity of the injury. The employee claiming the above benefits shall declare that he has not received any benefit or contribution towards such expenses under any Personnel Accident policy or from any other source. The accident should not be due to the negligence of the employee. This is a fringe benefit, therefore any accident whilst coming to office and returning home after close of office and during lunch hour does not fall under this category. The facilities provided in these cases are in the nature of fringe benefits taking into consideration that the employees are in any case eligible for Personal Accident Insurance cover and also eligible for reimbursement of expenses under the Medical Benefits Scheme. After settling MBIS as also MBS, good balance medical expenses are made.

**Competent Authority for sanction of Special Leave**

Special leave up to 6 months (for all category of employees except Regional Branch in charge) - In charge of the Region and beyond 6 months (for all category of employees) is under the preview of the HO.

**Incentive for family planning**

For employees other than PTS:

The following incentives are accorded to our employees to encourage them to take up family planning programme:

**Leave facilities**

A special leave for the period of 6 days is permitted to the employee for undergoing sterilization operation (Vasectomy or Salpingectomy). Further, a special leave for 14 days is given to female employees for undergoing non-puerperal sterilization (earlier it was granted immediately after undergoing non-puerperal
sterilization, it was not granted in conjunction with ML), w.e.f. 9th November, 1994, employees are allowed 14 days special leave for undergoing puerperal sterilization operation along with ML also if such operation is done immediately after childbirth.70

One day special leave to a female employee who had IUCD insertion.

**Reimbursement of expenses**

Surgical fees and other expenses up to a limit of Rs. 250/- in respect of Vasectomy for male employee or husband of a female employee. Tubectomy performed on a female employee or wife of a male employee. The reimbursement is limited to the actual amount incurred if it is less than the maximum limit.

**Incentive a ward**

An award of Rs. 250/- are given to an employee who has himself / herself undergone or whose spouse has undergone Vasectomy / Tubectomy Operation.

**Assistance to employees for study/management courses**

Following guidelines is kept in view while dealing with request from employees seeking permission to pursue studies outside office hours:

- If at any time it is found that the employee is not taking proper interest in his official duties, the permission is liable to be revoked without prior intimation.
- The permission does not entitle the employee for leave for preparation of examination connected with the course.
- The employee shall remain on duty beyond office hours as and when required/detailed.
- In case of transfer from his place of posting, the employee shall comply with the orders notwithstanding the fact whether his studies have been completed or not.

The confirmed employees taking up Management and allied courses conducted by Universities or Institutes affiliated to Universities including diploma in Insurance Management may be reimbursed up to 75 per cent of the tuition fees provided the course must be conducted for not less than one year, only towards fees and not for books, there is no assistance given to the employees pursuing any degree or diploma through correspondence courses. If the course is discontinued the amount is recovered from the employee. No repetition of course by the same employee is allowed. A service bond for 3 years is to be obtained by the concerned officer and this is applicable to Development Officers as well.71
Cellular telephone facility

Cellular telephone to Regional Branch in charges

Earlier cellular telephone facility was allowed to DGM in charge (Scale VI) of a Region. Now, this facility has been extended to all Chief Regional In charges (Scale - V)²

Seniority of Class I Officers³

Seniority list of Class I Officers is prepared by HO based upon consolidation of various input including the following:

- Promotion details, furnished by the Class III promotion Cell at HO.
- Necessary promotion details furnished by Marketing Department for promotion to the cadre of AO (D) (Scale I)
- Data furnished by Recruitment Cell for direct recruits.
- Necessary information by the Regional Offices for updating and corroboration of data

Inputs are taken into account and the seniority list is prepared based on the erstwhile GIC norms inter alia a few guidelines are as under:

- The seniority in AO cadre (Scale - I) is fixed on the basis of the date of promotion letter to AO cadre (Scale - I).
- The departmental category is placed above the competitive category candidates, having same date of promotion letter.
- The candidates of development stream are placed below the candidates of departmental/competitive scheme, having the same date of promotion letter.
- The inter-se seniority of the candidates from a particular stream having same date of promotion letter is further based on the basis of date of entry in the previous cadre.
- The direct recruit batch is appropriately placed in the seniority list based on their date of reporting in the Company viz-a-viz other batches. However, the inter-se seniority of the direct recruit batch is reckoned as per the Merit List prepared during their selection.
- For a particular stream (having the same date of promotion letter) the inter-se seniority in respect of SC/ST candidates to be fixed as per the Post Based Roster.
No Objection Certificate for obtaining Passport

The broad guidelines to be kept in view while considering requests for NOC for obtaining passports:

- The NOC may be issued if the office, where the employee is working, has no objection in relieving him/her for the period of absence.
- Where disciplinary proceedings are pending/contemplated against an employee, clearance may be obtained from the appropriate authorities conducting enquiries or dealing with vigilance or disciplinary matters before issuing such a certificate.
- The Competent Authority shall also examine, before issuing a certificate, whether such a certificate can be issued in the light of the purpose of the visit as explained by the employee.
- Earlier, the authority to grant permission for issue of NOC in respect of officers in the cadre of Manager (Scale - IV) and above vests with the officials at Head Office.
- Now, this authority has been delegated to the DGM In charge/CRM, Regional Office for considering applications for issue of NOC for passport in respect of officers in the cadre of Managers (Scale IV) and Chief Manager, HO/Regional Manager, RO (Scale V) subject to obtaining of vigilance clearance. The applications of Regional In charges will however be continued to be sent to HO for consideration.

Outside employment

The following broad guidelines are provided for dealing with Non Objection Certificate (NOC) for employment outside the Company.

- All applications is routed through the Company that is Regional Offices in respect of all categories of employees including Class I officers unless otherwise stipulated.
- NOC is issued not more than four times in a year in respect of all employees including Class I officers.
- NOC is issued by the in-charge of the Region in respect of employees up to the rank of DM (Scale III) and by HO for Managers (Scale IV) and above.
• It should be made clear to the employee that issue of NOC does not mean that he is relieved of his duties in case selected for appointment in the other Organization.

• No recommendation is recorded in the application while forwarding except verification of facts relating to the employment of the applicant wherever required.

• Issue of NOC or forwarding the application officially would not absolve the employee of his obligation to give due notice before leaving the employment of the Company.

• No application should be forwarded unless the job applied for has been advertised publicly in newspapers or otherwise and a copy of such advertisement is attached with the application. The employee fulfills the minimum eligibility criteria with regard to educational qualification, experience, age etc. The scale of pay/gross emoluments in the job applied for are higher than the scale of pay/emoluments the employee is drawing the Company.

Insurance Agency

According to Rule 14(1) of CDA Rules, 1975, no employee shall act as an insurance agent nor shall he allow any members of his family to act as an insurance agent and according to Rule 2(h), the definition of family in relation to an employee includes:

• Wife or husband, as the case may be of the employee, whether residing with him or not but does not include a wife or husband separated from the employee by a decree or order of Competent Court.

• Sons/daughters, or step sons/step daughters of the employee concerned who are wholly dependent on him but it does not include a child or step child who is no longer in any way dependent on the employee or of whose custody the employee has been deprived of by or under any law.

• Any other person related, whether by blood or by marriage, to the employee or to such employee’s wife or husband and wholly dependent on such employee. Son/daughter of an employee may be treated as ‘Not Wholly Dependent’ if he/she is married, has attained age of 26 years and has proven personal
monthly income more than Rs. 500/- per month other than by way of scholarship/stipend.

Outside loans by employees

It is not proper for any of the officers to issue undertaking on behalf of the Company to outside agencies like banks and co-operative societies in connection with the raising of loans by the employee, as the said agencies are asking the concerned office to affect appropriate deduction of the loan repayment amount from the employee’s salary and arrange for remittance of the same to the loan sanctioning organization. This not only results in increase of administrative work by also wasteful expenditure. Further, whenever, there is default in loan repayment the concerned office gets the legal notices for recovery of the amount involving the Company in unnecessary litigation.

Credit Card Facility

Credit card facility is now extended to all Chief Managers/RM (Scale V) at HO/RO. The choice of the specific card and bank have been left to the Officers themselves subject to the maximum limit of Rs.1000/- towards annual charges and Rs.1000/- towards entrance fees. The initial expenses within the above-referred limits will have to be made by the Manager himself, which can subsequently be got reimbursed from the Company. Manager (Scale IV) (Marketing) and Scale V and above are reimbursed expenses towards credit card. The choice of the specific credit card and bank is left to the concerned officer subject to a maximum limit of Rs.750/- towards annual charges and Rs.1000 towards entrance fees.

Residential Telephone Facility

The officers of the rank of Chief Manager/RM (Scale V) and above, Divisional and Branch in-charges are entitled for grant of residential telephone facility. Besides these officers, officers assigned with marketing functions are also considered eligible for consideration of grant of residential telephone facility at par with the entitled officers.

Non-entitled officers i.e. all officers of the rank of Manager (Scale IV) whether posted in RO or HO is provided residential telephone facility as per rules. All other officers, for the purpose of residential telephone facility are referred to as non-entitled officers. Amongst these non-entitled officers also, grant of residential telephone facility can be considered provided the job profile of the officer necessitates contact at his residence beyond office hours and on holidays. Such non-entitled
officers may come from any cadre including Managers (Scale IV). Sanction to be obtained from CMD, through Establishment Department, HO, New Delhi. The STD facility may be allowed to officers provided with residential telephone facility subject to the condition that the total calls including STD calls is within the ceiling for the maximum number of calls provided.

**Telephone calls**

The Facility of the telephone calls according to the cadre and their limit in addition to the free calls is shown in Table 2.13:

<table>
<thead>
<tr>
<th>CADRE (SCALE)</th>
<th>LIMIT (in addition to free calls)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM and above (Scale VI and above)</td>
<td>No limit</td>
</tr>
<tr>
<td>Ch Mgr/R.M. (Scale V)</td>
<td>3150 calls p.a.</td>
</tr>
<tr>
<td>Manager (Scale IV)</td>
<td></td>
</tr>
<tr>
<td>Officers I/C of Vigilance /Audit Deptt.</td>
<td>2750 calls p.a.</td>
</tr>
<tr>
<td>AO (D), AM (D) (Scale I, II)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Personnel Manual, OICL

**Telephone Connection**

Facility of the telephone connection with the yearly limit is shown in the below Table 2.14

<table>
<thead>
<tr>
<th>CADRE</th>
<th>YEARLY LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scale V</td>
<td>6780/- p.a. plus service tax</td>
</tr>
<tr>
<td>Scale IV and other non entitled officers</td>
<td>6300/- p.a. plus service tax</td>
</tr>
</tbody>
</table>

Source: Personnel Manual, OICL

**Performance Appraisal System in OICL**

The efficiency and success of an organization depends entirely on the quality of its personnel. This is more and more evident as we go up the ladder of managerial cadre. Merit, therefore, is an important criterion while deciding promotions in any cadre of employees. For the assessment of the merit of an employee, the Company has been having a system of Confidential Reporting, which is meant to serve three basic purposes.

**Record of work**

It must give a factual and complete statement of the functions, experience and achievements or failures of the employee concerned and forms a permanent record of his work; in the organization on a yearly basis.

**Analysis of ability**

It brings out systematically the particular skills, knowledge and ability/weakness of the employee with a view to further development or corrects them
as the case may be so that, to the extent possible, the employee could be helped to make himself more effective and useful to the organization.

Future Promotions

It helps the organisation in its search amongst its own employees for competent and able candidates to fill the various posts from time to time while identifying such persons as possessing or who can develop the necessary qualifications and skill for such posts. With a view to help reporting, the standard confidential report forms have been introduced. While designing the forms an endeavor has been made that they provide the following information besides fulfilling the objectives mentioned above.

- To highlight both strong points and shortcomings which will form the basis for individual counseling;
- To ascertain the fields in which the employee needs or could benefit from, training to improve his usefulness; and
- To locate and deal with unsuitable personnel

The following Confidential Reports from have been introduced for various categories of employees.

- The Confidential Report Forms applicable to Class I Officers, along with instructions for completing these forms are given in Annexure.
- The Self-Appraisal Forms for Officers of the rank of Managers and Deputy Managers, along with instructions for completing these forms are given in Annexure.
- The Confidential Report forms applicable to SCS Staff along with instructions for completing these forms are given in Annexure.
- The Confidential Report forms for Development Officers along with instructions are given in Annexure.
- The Reporting Officer is the one under whom the employee has worked for at least 3 calendar months in the year of report. In effect each Officer under whom the employee has worked for at least three calendar months in the year of report would be entitled to write the report. Similar conditions shall apply for determining the reviewing Officers also.
Maintenance of Confidential Reports (See Annexure 2.7)

Before the Confidential Report is filled up, it is to be ensured that all the bio-data and the details of the employees reported upon are reflected in the CR forms. For this purpose, all DOs, ROs should maintain a Register in their respective Offices having complete bio-data of all the employees in which separate page for each employee is allotted for maintaining his/her bio-data and this record would be updated as and when warranted. Such bio-data details can be conveniently entered in the Confidential Report along with the leave record before passing it to the Reporting Officer for writing the reports.

The Confidential Reports for all Class I Officers is maintained at the Head Office, while the Confidential Reports for SCS Staff and Development Officers is maintained at concerned RO and the HO as the case may be. It should also be noted that all Confidential Reports pertaining to Assistant Managers and above are to be completed and sent to Head Office in duplicate and in respect of Officers below the rank of Assistant Manager and other category of employees only a single copy is to be prepared. For the smooth Confidential Reporting System (CRS) the following time-schedule should be strictly adhered to for the dispatch of CRS to the controlling Offices unless specified otherwise

For Officers and Staff in Branches

From Concerned Branches to controlling Divisional Office
From Concerned Divisional Office to controlling Regional Office
From concerned Regional Office to Head Office (Except CRS of Class II, III and IV employees)

(ii) For Officers and Staff in Divisions:
From concerned Divisional. Office to Controlling Regional office
From concerned Regional office to Head Office (except CRS of Class II, III and IV Staff)

By 10th January each year
By 20th January each year
By 31st January each year

By 20th January each year
By 31st January each year
(iii) For Officers and Staff in Regional Office:

From Concerned Regional Office to Head Office

By 31st January each year

(Except CRS of Class II, III and IV employees)

- The Branch Manager has to fill up only a few CR’s.
- The Divisional In charge has to fill up 3 or 4 times more depending upon the number of Officers/Staff in a Divisional Office and the number of Branch Offices.
- In charge of Regional Office would have to write/review for all the above, besides the CRS of Officers for the Regional Office.
- Besides all the Chiefs of the Region, GM/AGM in the HO would have to write a review for all Officers from all over India (a very large one).
- The Confidential Reports (CR) are to be written by the immediate supervising authorities and for every CR at least two reviews are essential.

Officers

The CR Form CR-I is applicable to Officers in the cadres of Assistant Manager and below, and for the Officers in the cadres of DM and above, a system of self-Appraisal has been introduced. It is of vital importance to the organisation and the Officers concerned, that the assessment is made out objectively and accurately. It must always be remembered that a CR is an instrument solely for "assessment" of the individual Officers' work and merits and is not to be used as an occasion for punishment or reward. The following guidelines should be kept in mind while completing the CR forms.

- Compare the officer whom you are assessing, with others of the same rank employed for same or similar work.
- Do not have in mind any predefined ratings; consider each trait separately.
- Do not make a snap judgment.
- Call to mind instances that were typical of the Officer's work and ways of action; do not judge only on most recent cases and do not be influenced by unusual cases which are not typical.
- Do not on any account use vague expression, 'but he specific,
- Do not allow personal feelings to govern your rating
• Make no entry except where it is based on personal knowledge.
• Too high a rating or concealment of deficiencies diminish the your of your reputation for judgment is compromised and those being assessed are affected since the assessment is known to be faulty.
• Remember that, seldom, if ever, does anyone possess all traits in their highest degrees.

Part A: Personal Record

In both the CR forms this part is similar in details. It is purely statistical and should be completed by RO (or the office which maintains the records of the concerned Officer), before the form is passed on to the concerned reporting officer. The RO (or the office which maintains the records of the concerned officer) is responsible for the accuracy and completeness of all entries in this part. The leave particulars may be entered at the Office where the Officer is posted.

Part B: Report

This part is to be completed by an officer directly supervising the work of the officer reported upon.

- Outstanding (A)
- Above average (B)
- Average (C)
- Below Average (D)
- Poor (E)

These gradations are indicated in the column against each trait. For the purpose of brevity, the alphabets, A, B, C, D and E may be utilised as indicated above. If the reporting officer grades any of the traits of the officer as 'below average' or 'poor' (D or E), he is required to give under Item II further comments including specific instances or incidents which led him to his conclusions. It is an important part of an Officer's duty to give his subordinate officer advice, guidance and assistance to correct his faults and deficiencies. The superior officer is expected to render such help to his subordinates on all possible occasions. The advice, guidance and assistance so given from time to time should also be recorded under Item II. Item III relates to 'Job Description'. This should include not only Information regarding the nature of work but also relevant indices for the volume of work such as number of cover notes and policies issued, number of claims handled etc. The questions under Item IV
'Performance during the Period' are self-explanatory. Question 2 calls for unusual handicaps and advantages. Passing or temporary difficulties like seasonal rush of work or absenteeism, etc. should not find place here. Further, the Officer personal qualities should not be discussed. Question 3 calls for comments and rating on the performance during the year. If the officer is a Branch Manager or an Assistant Branch Manager, comments should be given separately on his performance on the development side and on the administrative side. Separate ratings should also be given, in case of officers posted in operational departments like Fire or Motor Departments. Wherever applicable the comments should be given separately on his performance in underwriting of proposals, settlement of claims, and administration. Separate ratings should be given. Question 5 deals with deficiencies in the performance of the Officer during the period. The reporting Officer's discussion on the Officer's 'Growth Potential' under Item V would naturally be based on his appraisal under Item I, II and IV. Answers to questions 1, 2, 3 of Item V should be based on an objective and independent assessment of factors involved without being influenced by the Officer's relative level (senior/junior) in the cadre. If the Officer is on probation these questions should discuss the Officer's fitness for confirmation. The reporting officer is requested to give his suggestions under questions No.4 regardless of his conclusions given earlier regarding the officer's suitability for promotion. These suggestions are intended to help the competent authorities to decide on the issue of training, job rotation, and transfer of the officer reported upon. For an objective, assessment of employees' performance and individual traits it is a must that the Reporting Officer understands the nuances of each trait and then gives the rating based on his individual objective assessment and there should be a fair balancing between the rating given in the traits and overall performance of the employee.

**Part C: Review**

The reviewing officer's expected to examine how far the assessment of the reporting officer under each item is fair, correct and complete. If he does not agree with any of the ratings, comments or conclusions of the reporting officer, he should record his own assessment setting out the reasons for disagreement, and citing instances (wherever possible), which led him to arrive at the conclusions he has arrived at.
• Personal Record is purely statistical and should be completed by the Regional Office before the form is passed on to the concerned Officers who is making Self Reporting on Part 'B'.

• The Self-Reporting Form is completed by the concerned appraise before the same is sent to the Controlling Officer for his review on Part 'C'.

• The Controlling Officer will review the performance of the Appraise on Part 'C' and forward the same to the Reviewing Officer for final review.

• Annual performance Review: In the case of Divisional Managers, the Appraisal Form is reviewed by the Manager directly supervising the performance of employee. Part 'D' is by A.G.M. In the case of Manager the review is by the Controlling AGM and further review i.e. Part 'D' is by the G.M.

• The Self Appraisal Forms are to be completed in duplicate before the same are sent to the Appraise.

In the following paragraphs detailed instructions are given for completing the Confidential Report Forms.

Employee's Record

The Employee's Record (i.e. the first part of the Confidential Report) is divided into the following five sections:

• Personal Data
• Educational History
• Employment Record
• Leave Record
• Service Record and Conduct.

The Employee's Record should be completed by the Personnel Department by collecting the requisite data from the records available at the Office such as Staff Record's and the form for statistics of Administrative Staff obtained from Insurers for transferred employees. If at all it is found necessary to collect information from an employee himself, such information should be restricted only to the following:
Languages known
Academic and technical qualifications
Employment History
   Under no circumstances should the Employee's Record Form be handed over
to an employee for furnishing the information called for in the Form.
Physical Record (Section A)
   Under the above item should be mentioned such physical impairments as are
likely to hinder the employee from doing his normal work or from working under
pressure or putting in long pours or strenuous work or such physical defects and/or
deformities as would be to prove to be a handicap in discharging supervisory duties.
Educational History (Section B)
   Details of the Academic, Technical qualifications to be entered may be
extracted from the Staff Record. Sub-Section III "Any other details" under Section 'B'
should show all particulars as can be ascertained from the employee concerned, in
regard to his extra activities, Social, Cultural Sporting or Scientific. This would, of
course, include his aptitude, if any, for contributing articles to the Press or Journals,
particularly relating to the subject of Insurance.
Employment Record (Section C)
   Under the above item, the nature of work and duties performed by the
employees particularly in the Offices of the Corporation/Company should be stated in
clear terms to give a fair idea of the work experience gained by the employee.
However, long narrations of trivial work operations should be avoided. Succinct
descriptions of the duties, signed would serve the purpose better.
Leave Record (Section D)
   The Leave Record should be furnished for the three preceding years.
Service Record and conduct (Section E)
   The Employee's Personal File should be gone through for extracting the
information to be furnished under these columns. The Employees Confidential reports
for all the preceding years should also be checked up for this purpose. The Reporting
and the Reviewing Officers should check these columns in particular and may add
such further entries, which they wish to record to make the information complete. The
Employee's Record once completed will constitute a permanent record, which should
be brought up-to-date from year to year by making the requisite additional entries at
periodical intervals.
The main confidential report part of the form

The appropriate Form for the category to which the employee belongs should be used. These are separate Forms for:

- Superintendents
- Non-supervisory employees
- Typists and Stenographers
- Machine Operators

It is the duty of Officers at all levels to keep a proper watch on the work and conduct of those below them. The Confidential Report should give as accurate a report as possible on the basis of the results of such watchfulness. It should be filled conscientiously. It should be an objective assessment of the employee's work and qualities eliminating all bias and/or preconceived notions. The characteristics or traits, which are required to be reported up on are specified in the Report Form under three heads, viz. (I) Work Knowledge (II) Work Performance and (III) Personal Traits. A five fold grading scale is given in which the Reporting Officer will indicate his assessment of the employee against each individual trait by initiating in the appropriate column against the relevant trait on the basis of his personal knowledge of the employee and the employee's work and conduct during the period covered by the Report. While making the grade, it is important that each trait is considered separately. An employee's grades could be different traits. The assessment should be just impartial and objective. More often the Officers tend to give average reports in respect of large number of employees working under them just to avoid any controversy.

If the first Reviewing Officer should agree with all the observation of the Reporting Office, he must say so in the space provided for his entries, if he should disagree even to a minor extent, he must indicate in what aspect and to what extent he so disagrees by indicating the trait/s in question. If his difference of view is over a wide range, he should complete the second part on a full fresh Form and attach it to Reporting Officer's Confidential Report taking care to mark his Report as the Reviewing Officer's report and indicating that he has for reasons, submitted a separate report. Likewise, the Second Reviewing Officer should indicate his observations in the space provided for the final review if his reviews are different from those of the Reporting Officer.
Training in OICL

Training in OICL is conducted at three different levels. These levels are

- Regional level
- Corporate level
- Industry level

Training at Regional level

Training at regional is imparted to all Classes of Officers. The training programs are organized at the Regional Offices. The different types of training program which are mainly conducted at this level include

- Art of Communication and Conceptual Selling
- Foundation Training Programme
- Personal Effectiveness
- Underwriting of New Products Post-Detariffing

These training programs are conducted with the help of In-house as well as guest faculty members available at the local level. In case good In-house faculty members are not available locally then In House guest faculty members from DO centers and nearby ROs can be invited. However, Biodata of these faculty members so invited are sent to the OSTC, Faridabad. Honorarium to these faculty members is paid as per HO Directives. However, for professional guest faculty members for behavioural trainings who may not agree on the present fee structure, then negotiations are done and the payment of fees is made at the local level. OSTC provide all necessary help and support to RTCs in conducting the training programs. RTCs send the regular monthly training reports to the OSTC on the format provided by them with a copy to HO. (*See Annexure 2.8 and 2.9*)

Training at Corporate level

Training at the corporate level is provided at Oriental Staff Training College (OSTC) at Faridabad. The training programs covering all aspects of employee’s job are organized at different intervals. Schedules of the training programs are sent to the various ROs, DOs and BOs for the recommendation of the names of the employees, for the various training programs. The employees of all levels are imparted training at this college. HO of the Company issue direction from time to time for the improvements in the training program to make the training an effective learning experience for the employees.
Training at Industry Level

Training at industry level is provided at National Insurance Academy, Pune. Like OSTC the schedules are provided to the various insurance companies. Here the training is provided through four channels at different intervals in the financial year.

The training programmes include the following:

- Programme for middle level executives
- Research Methodology
- HRM and Industrial Relations
- Communication and presentation skills
- Insurance management programme for industrial customers etc. (See Annexure 2.10)

The main objective of the training at these three different levels is to imbibe in the employees a sense of purpose and a desire to excel and be the leaders in the market.

Reference:

1. W.H. White, The Organisation Man, New York, 1956
6. O.Sheldon, Philosophy of Management, 1923, p.23
7. C.B. Mamoria, op.cit, p.119
10. B.P. Mathur, Public Enterprise Management, Mac Millan India Limited, Delhi, 1999, p.95
12. Talk of Mr G.L. Tandon, My experience as Chief executive, at Department of Business Management Osmania University on 30th January, 1990, quoted in Laxmi Narain, op.cit, p.164
17. B.P. Mathur, op.cit, p.115
18. Those who are recruited on the first day of any month, in their case, the increment shall fall due after completion of 12 months os/continuous service on the first day of the month in which they joined service.

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19. 12 months of continuous service will mean a period of duty equal to 12 months excluding period of Extra Ordinary Leave (EOL) or period for which no salary is admissible.

20. (CR-3624, 30-07-2005)
21. (CR-4565, dt. 31-10-1997)
22. (CR-3307 dt. 13.06.1991)
23. Vide Cir. No. CR-5055 dt. 29-06-2000,
24. (CR-3738 dated 1992)
25. (CR-2534 dated 04-05-89),
27. (CR-4602 dated 23.01.1998)
28. (CR-3414 dated Nll)
29. CLARIFICATION 08.01.2003 ON FPA(VIDE PER/CORP/2001/2003 dated
32. (CR-3284 dated. 13.11.01).
34. (CR-2185 dated 23-02-1988)
35. (as per Rationalization Scheme 2000)
38. Source: Personnel Manual
39. (CR-4577 dated 17.11.97)
40. (CR4103 dated 01.12.1995)
41. (CR-3751, dated 21.01.1993)
43. (CR-5970 dated 30-12-2005)
45. (CR-3153 dated 17.01.1991)
47. Miscarriage means expulsion of the contents of a pregnant uterus at any period between twelve weeks to twenty-six weeks of pregnancy and shall include abortion performed during the above period by an authorized gynecologist.
48. (CR-2206 dated 17.3.88) ML may be granted to those female employees who are on probation provided they have less than 3 living children
49. (CR-2440 dated 05.01.89 during the period of probation when a female employee is on maternity leave, her probation period may be extended by the no. of days she avails maternity leave.
50. Since, there will not be any loss of pay involves while availing Maternity Leave during probation, there may not be any postponement of increment. However, the increment may be released only after confirmation in the service.
51. (CR-2268 dated 02-06-88) In case an employee on probation avails SL/EL in lieu of sick leave, the period of probation is extended for the period depending upon the leave taken but not exceeding six months
53. (CR-4075 dated 09.11.94)
54. CR-3151 dated 17.01.1991
55. (CR-30 19 dated 21.09.90)
56. (CR-5757 dated 20.05.2004)
57. (CR-3738 dated 1992)
60. (CR-2615 dated 03.08.89)
61. (CR-3895 dated 05.10.1993)
64. (CR-3562 dated 23.05.2002)
66. (CR-5634 dated 13.08.2003)

(Personnel Department letter dated 23.02.05)

(Personnel Department letter dated 23.02.05)

(CR-5948 dated 26.10.05)

(CR-5646 dated 21.08.2003)

(HO/CMD/97/2/4590 dated 30.12.97)