



नेशनल इन्शुरेन्स कंपनी लिमिटेड
(भारत सरकार का उपक्रम)
पंजीकृत एवं प्रधान कार्यालय : 3, मिडिल्टन स्ट्रीट, पो. बॉ. नं., 9229 कोलकाता-700 071
NATIONAL INSURANCE COMPANY LIMITED
(A Govt. of India undertaking)
Registered & Head Office : 3, Middleton Street, P.O. Box No. 9229, Kolkata-700 071

Head-Office

Right To Information Department

Chabbildas Tower, 7th Floor,

6A, Middleton Street, Kolkata-700071

Declaration u/s 4(1) of RTI Act, 2005

NATIONAL INSURANCE COMPANY LIMITED

The Right To Information Act, 2005

Right To Information Act

The Government of India has enacted the "Right to Information Act 2005". In order to promote transparency and accountability in the working of any Public Authority, the Act provides right to citizens to secure access to information of general nature. The Public Sector Insurance Companies are "Public Authorities" for the purpose of this Act.

Information Available Under The Act

The right to information includes an access to the information, which is held by or under the control of the Public Authority and includes the right to inspect the work, document, records, taking notes, extracts or certified copies of documents / records and certified samples of the materials and obtaining information which is stored as hard copy or if in electronic form.

The Information Exempted From Disclosure

The Act provides under Sections 8 and 9, certain categories of information that are exempt from disclosure to the citizens. The public may also refer to the relative sections of the Act before submitting a request for information.

How To Get The Information

Any citizen can request for information by sending the application with the required fee in the prescribed manner. The application is to be submitted to our Branch / Divisional / Regional Offices, which will be forwarded to the respective Public Information Officers. The information would be made available within 30 days from the date of receipt of request, provided the information can be furnished as per the Act.

Information of our Company under SEC 4(1) of the Right to Information Act 2005

The information encompasses the following items enumerated in details :

1. the particulars of its organization , functions and duties;
2. the powers and duties of its officers and employees;
3. the procedure followed in the decision making process, including channels of supervision and accountability;
4. the norms set by it for the discharge of its functions;
5. the rules, regulations, instructions, manuals and records, held by it or under its control or used by its employees for discharging its functions;
6. a statement of the categories of documents that are held by it or under its control;
7. the particulars of any arrangement that exists for consultation with, or representation by, the members of the public in relation to the formulation of its policy or implementation thereof;
8. a statement of the board and sub-committees of the board;
9. a directory of its officers and employees;

10. statement of monthly remuneration of officers and employees including system of compensation;
11. budget allocation and expenditure;
12. the manner of execution of subsidy programmes, including the amounts allocated and the details of beneficiaries of such programmes
13. particulars of recipients of concessions, permits or authorizations granted by it,
14. details in respect of the information, available to or held by it, reduced in an electronic form;
15. the particulars of facilities available to citizens for obtaining information;
16. payment of monetary compensation in lieu of compassionate ground appointment;
17. details of Central Public Information Officers and Appellate Authority of-

National Insurance Company Limited

1. Particulars of Organisation, Functions and duties

National Insurance Company Limited was incorporated in 1906 with its **Registered office in Kolkata**. Consequent to passing of the General Insurance Business Nationalisation Act in 1972, 21 Foreign and 11 Indian Companies were amalgamated with it and *National* became a subsidiary of General Insurance Corporation of India (GIC) which is fully owned by the Government of India. After the notification of the General Insurance Business (Nationalisation) Amendment Act, on 7th August 2002, *National* has been de-linked from its holding company GIC and presently operating as a Government of India undertaking.

National Insurance Company Ltd (NIC) is one of the leading public sector insurance companies of India, carrying out non life insurance business. Headquartered in Kolkata, NIC's network of about 1298 offices, manned by more than 15,468 skilled personnel, is spread over the length and breadth of the country covering remote rural areas, townships and metropolitan cities. NIC's foreign operations are carried out from its branch offices in Nepal.

2. POWER AND DUTIES OF OFFICERS AND EMPLOYEES

The powers & duties of the officers and employees of the Company are derived mainly from the provisions of the Insurance Act 1938 General Insurance Business (Nationalization) Act 1972(since amended in 2002) IRDA Act 1999 and Memorandum & Articles of Association of the Company.

National Insurance Company Limited a non-life insurance Company is a commercial organization. The officers & employees of the Company are appointed for carrying out the business operations of the Company which are in line with the objectives specified in the Memorandum of Association of the Company.

The powers & duties of the officers and employees of the Company are derived mainly from the job descriptions manuals terms and conditions of appointment and delegation of authority. The powers and duties of the officers & employees of the Company are limited only to carry out the business operations of the Company.

While discharging duties and responsibilities officers & employees of the Company are complying with the applicable provisions of the Constitution of India and other applicable Statutes and Rules & Regulations framed there under.

3.PROCEDURE FOLLOWED IN THE DECISION MAKING PROCESS INCLUDING CHANNELS OF SUPERVISION AND ACCOUNTABILITY

The decision making process of the Company is through the following Channels :

BOARD OF DIRECTORS

CHAIRMAN-CUM-MANAGING DIRECTOR

GENERAL MANAGERS

EXECUTIVES

Overall management of the Company is vested with the Board of Directors of the Company. The Board of Directors is the highest decision making body within the Company.

National Insurance Company Limited being a Public Sector Undertaking (PSU) the Board of Directors of the Company is accountable to the Government of India.

The Powers which are not delegated are exercised by the Board of Directors subject to the restrictions and provisions of the Companies Act 1956 Insurance Act-1938 General Insurance Business (Nationalisation) Act 1972 (since amended in 2002) and IRDA Act-1999.

4. THE NORMS SET BY IT FOR THE DISCHARGE OF ITS FUNCTIONS

The Company has well defined procedure and guidelines for discharge of various functions as under:

1 Delegation of Powers:

The officers of the company at various levels discharge their functions & responsibilities within the powers delegated to them by the Board of Directors as per Financial Standing Order-1997 as amended from time to time.

The delegation of powers is subject to observance of Memorandum of Association Articles of Association relevant policy guidelines and administrative instructions of the company and should not infringe the Companies Act Insurance Act GIBN Act IRDA Act Govt. Guidelines and any other statutory/regulatory requirement.

2 Laid down Policies and Guidelines:

National Insurance Company Limited is having laid down policies and guidelines governing major activities of the Company. While discharging the functions the officers need to follow these laid down policies and guidelines.

3 Manuals:

National Insurance Company Limited has procedural manual for most of its activities. These Manuals ensure carrying of activities in a systematic and standardized manner. While discharging the functions covered by these Manuals the officers need to follow the provisions of these Manuals.

4 Guidelines of Insurance Regulatory & Development Authority:

National Insurance Company Limited (being a Public Sector Insurance Company) follows the guidelines of IRDA issued from time to time.

5 Guidelines of Chief Vigilance Commission:

National Insurance Company Limited (being a Public Sector Insurance Company) follows the guidelines of Central Vigilance Commission (CVC).

6 Compliance of Provisions of Statutes etc.

While discharging the respective functions officers are required to comply with the applicable provisions of Indian Constitution Statutes and Rules & Regulations.

5. THE RULES REGULATIONS INSTRUCTIONS MANUALS AND RECORDS HELD BY IT OR UNDER ITS CONTROL OR USED BY ITS EMPLOYEES FOR DISCHARGING ITS FUNCTIONS

DISCHARGE OF FUNCTIONS.

The important internal Rules Regulations Manuals & Records which are used by the employees of the company in discharge of their functions are given below:

A) Matters pertaining to Company affairs

- i) Memorandum & Articles of Association:
- ii) Decisions of the Board of Directors and sub-committees of the Board from time to time as contained in the minutes book:
- iii) Decision of shareholders in General Body Meeting as contained in the minute's book.

B) Matters pertaining to Finance & Accounts

- i) Accounts Manual;
- ii) Financial Standing Order

C) Personnel Matters pertaining to NICL employees.

- i) Personnel Manual
- ii) General Insurance (Conduct Discipline and Appeal) Rules 1975 as amended from time to time
- iii) Leave Rules
- iv) Promotion Policies

D) Others

6. A STATEMENT OF THE CATEGORIES OF DOCUMENTS THAT ARE HELD BY IT OR UNDER ITS CONTROL

A) Documents pertaining to Incorporation License etc.

- 1) Memorandum & Article of Association
- 2) Certificate of Incorporation
- 3) IRDA Licenses

B) Documents pertaining to Accounts

- 1) Books of Accounts
- 2) Annual Reports
- 3) Accounts Manual
- 4) Documents pertaining to payment of Income Tax Deducted at Sources etc.
- 5) Vouchers etc.
- 6) Financial standing Order

C) Documents pertaining to Company Affairs

- 1) Statutory Registers under the Companies Act 1956
- 2) Statutory registers under other applicable Acts and Rules & Regulations
- 3) Annual Returns under Companies Act
- 4) Returns & Forms under the Companies Act filed with the Registrar of Companies etc

D) Documents pertaining to Board Meeting & General Meetings

- 1) Agenda Papers of Board Meetings
- 2) Minutes Book of meetings of the Board of Directors
- 3) Agenda papers of Board Sub-Committees.
- 4) Minutes Book of meetings of Board Sub-Committees.
- 5) Minutes Book of General Meetings of the Shareholders etc.
- 6) Minutes of the board meetings and board resolutions are exempted from disclosure to the public.

E) Documents pertaining to HR Matters

- 1) Personnel Manual

7. THE PARTICULARS OF ANY ARRANGEMENT THAT EXISTS FOR CONSULTATION WITH OR REPRESENTATION BY THE MEMBERS OF THE PUBLIC IN RELATION TO THE FORMULATION OF ITS POLICY OR IMPLEMENTATION THEREOF

National Insurance Company Limited is a non-life insurance company and its policies relating to its internal management are formulated in accordance with governing statutes regulations and Memorandum and Articles of Association of the company and hence there is no arrangement for consultation with the members of the Public prior to their formulation.

However if people dealing-with the Company in its business transactions have complaints or grievances they can approach the Customer Relationship Management Department or send their complaints or grievances at following E-mail address of Customer Relationship Management Department : website.administrator@nic.co.in for their Redressal.

8. STATEMENT ON THE BOARD & SUB-COMMITTEES OF THE BOARD currently (AS on 24th May, 2016)

Board of Directors:

The management of the Company is vested with the Board of Directors.

In terms of the Articles of Association of the Company the Board of Directors shall consist of not less than four and not more than eleven Directors including a whole-time Chairman-cum- Managing Director.

The Composition of the Board of Directors currently (as on 24th May 2016) is given below:

Sl.No.	Name of Director	Category
1.	Shri K. Sanath Kumar	Chairman-cum-Managing Director
2.	Ms. Bhumika Verma	Government Nominee Director
3.	Shri M. Vasantha Krishna	Whole-time Director
4.	Shri Warendra Sinha	Whole-time Director
5.	Shri Bibhuti Bhusan Mishra	Independent Director

Board Committees:

Sl.No.	Name of Committee	Members
1.	Audit Committee (Mandatory)	Shri P. Srinivas (Chairman) Ms. Anna Roy

		Shri Bibhuti Bhusan Mishra
2.	Investment Committee (Mandatory)	Shri K. Sanath Kumar (Chairman) Shri P. Srinivas Shri M. Vasantha Krishna (Chief Investment Officer) Shri Bibhuti Bhusan Mishra Smt. M. Sashikala (Chief Financial Officer) Shri Prasun Kumar Sarkar, Appointed Actuary
3.	Risk Management Committee (Mandatory)	Shri K. Sanath Kumar (Chairman) Shri P. Srinivas Shri M. Vasantha Krishna Shri P. Venkatramaiah Shri Bibhuti Bhusan Mishra Shri A.K. Ramakrishnan (Chief Risk Officer)
4.	Policyholder Protection Committee (Mandatory)	Shri K. Sanath Kumar (Chairman) Ms. Anna Roy Shri P. Srinivas Shri M. Vasantha Krishna Shri P. Venkatramaiah Shri Bibhuti Bhusan Mishra
5.	Corporate Social Responsibility Committee (Mandatory)	Shri K. Sanath Kumar (Chairman) Ms. Anna Roy Shri P. Srinivas Shri M. Vasantha Krishna Shri Bibhuti Bhusan Mishra

6.	Human Resources Committee (HR)	Shri K. Sanath Kumar (Chairman) Shri P. Srinivas Shri M. Vasantha Krishna Shri Bibhuti Bhusan Mishra
7.	Information Technology (IT) Committee	Shri K. Sanath Kumar (Chairman) Shri P. Srinivas Shri M. Vasantha Krishna Shri P. Venkatramaiah
8.	Property Review Committee	Shri K. Sanath Kumar (Chairman) Ms. Anna Roy Shri P. Srinivas Shri M. Vasantha Krishna Shri Bibhuti Bhusan Mishra
9.	Remuneration Committee	Shri P. Srinivas (Chairman) Ms. Anna Roy Shri Bibhuti Bhusan Mishra
10.	Nomination and Remuneration Committee	Shri P. Srinivas (Chairman) Ms. Anna Roy Shri Bibhuti Bhusan Mishra

Key Managerial Personnel (KMP):

Sl.No.	Name of Key Person	Category
1.	Shri K. Sanath Kumar	Chief Executive Officer
2.	Shri P. Vijaya Kumar	Chief Investment Officer

3.	Smt. M. Sashikala	Chief Finance Officer
4.	Shri K.B. Vijay Srinivas	Chief Marketing Officer
5.	Shri J. Sengupta	Chief Risk Officer
6.	Shri T.Babu Paul	Chief Compliance Officer
7.	Shri Prasun Kumar Sarkar	Appointed Actuary

9. DIRECTORY OF KEY OFFICERS AND EMPLOYEES :
List at Head Office, Kolkata/Corporate Management

NAME	DESIGNATION
Shri K. Sanath Kumar	Chairman-cum-Managing Director
Shri M. Vasantha Krishna	General Manager
Smt. Kamlesh Vashist	General Manager
Shri John Pulinthanam	General Manager
Smt. M. Sashikala	General Manager
Shri P.K. Mahapatra	General Manager
Shri K.B. Vijay Srinivas	General Manager
Shri N. Banchur	General Manager

Shri Vijay Walia	General Manager & Chief Vigilance Officer
Shri P. Francis Joseph	Dy. General Manager
Shri A.K. Ramakrishnan	Dy. General Manager
Shri K. Narayanan	Dy. General Manager
Shri Gope Panikkar	Dy. General Manager
Shri Amitabha Mitra	Dy. General Manager
Shri P. Vijaya Kumar	Dy. General Manager
Shri V. Natarajan	Dy. General Manager
Shri R.K. Vijay	Dy. General Manager
Shri J. Sengupta	Dy. General Manager
Smt. Sophia Singh	Dy. General Manager
Shri A.S. Namdhari	Dy. General Manager
Smt. Rina Madia	Company Secretary

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AUDITORS

- 1) S. Ghose & Co.LLP
Chartered Accountants

- 2) Saha Ganguli & Associates
Chartered Accountants

Registered & Head Office of National Insurance Company Limited

3, Middleton Street, Kolkata – 700 071

Telephone Nos. (033) 2283-1705, 2283-1752,

Fax No. (033) 2283-1736

Website: www.nationalinsuranceindia.com

CIN: U10200WB1906GOI001713

IRDAI Registration No. 58

NIC Nepal Office
Kathmandu Controlling Office,
KKM Building(2nd Floor),P.O.Box.no.376, Tripureswor,Kathmandu-Nepal
Phone nos.(01)4260366,4250710,4254146.
Website : www.nicnepal.com

As of 31st March, 2012 National Insurance Company Limited has 15468 employees the details of which are as follows:

	SCALE/CADRE	NO. OF PERSONS
OFFICERS	CMD	1
	SCALE VII	7
	SCALE VI	24
	SCALE V	130
	SCALE IV	371
	SCALE III	832
	SCALE II	1537
	SCALE I	2490
DEVELOPMENT OFFICERS	GRADE I	909
	ADMINISTRATION	72
	GRADE II	558
STAFF	SENIOR ASSISTANT	1942
	STENO	154
	ASSISTANT	3300
	RECORD CLERK	1227
SUBORDINATE	DRIVER	19

	SCALE/CADRE	NO. OF PERSONS
STAFF		
	SUB-STAFF	1112
	FTS	783
	PTS	27
GRAND TOTAL		15468

10.STATEMENT OF MONTHLY REMUNERATION OF OFFICERS AND EMPLOYEES INCLUDING SYSTEM OF COMPENSATION

Declaration u/s 4(1) of RTI Act, 2005

**[TO BE PUBLISHED IN THE GAZETTE OF INDIA
EXTRAORDINARY PART II – SECTION 3, SUB-SECTION (ii)]**

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF FINANCIAL SERVICES)**

NOTIFICATION

New Delhi, dated the 8th October, 2010

S.O. 2470(E).- In exercise of the powers conferred by section 17 A of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme further to amend the General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Officers) Scheme, 1975, namely :-

1. (1) This Scheme may be called the General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Officers) Amendment Scheme, 2010.
- (2) Save as otherwise provided in this Scheme, this Scheme shall be deemed to have come into force on the 1st day of August, 2007.
- (3) Save as otherwise provided in this Scheme, this Scheme shall be applicable to those Officers who were in the service of the Corporation or Company as on, or after, the 1st day of August, 2007:

Provided that the officers, whose resignations had been accepted or whose services had been terminated during the period from the 1st day of August, 2007 and the date of publication of this Scheme, shall not be eligible for the arrears on account of revision under this Scheme.

2. In the General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Officers) Scheme, 1975 (hereinafter referred to as "the said Scheme"), in paragraph 3, in clauses (na) and (nb), for the words "Eleventh Schedule", the words "Thirteenth Schedule" shall be substituted.
3. In the said Scheme, in paragraph 4, after sub-paragraph (9), the following sub-paragraph shall be inserted, namely :-

“(10) With effect from the 1st day of August, 2007, the pay and allowances of every officer shall be in accordance with the Thirteenth Schedule appended to this Scheme:

Provided that the officer may choose that his basic pay may be fixed in terms of the Thirteenth Schedule with effect from any date not earlier than the 1st day of August, 2007 and not later than the date of publication of this Scheme, in which case he shall intimate such choice in writing to the Corporation or Company within such period as may be prescribed by the Chairman-cum-Managing Director of the Corporation or Company, as the case may be:

Provided further that no arrears for the period prior to the date so chosen shall be payable to such officer.”.

4. In the said Scheme, for paragraph 8A, the following paragraph shall be substituted, namely:-

"8A. Subject to the work record being found satisfactory, -

- (a) an officer in Scale I, 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 (called 'Stagnation Increment') equal to the last increment drawn by him in the scale of pay subject to a maximum of **three** such increments:

Provided that an officer, who has already been granted, as on the 31st day of July, 2007, one or two Stagnation Increment(s) in the scale of pay as per the Eleventh Schedule, his basic pay in the relevant scale of pay as per the Thirteenth Schedule shall be fixed at the corresponding one or two stage(s) above the maximum of the scale of pay as per Table B, in Item II of the Thirteenth Schedule:

Provided further that the **third** Stagnation Increment shall be granted to an officer, after the completion of three years from the date of receipt of second Stagnation Increment or, from the 1st day of the month following the date of publication of this Scheme, whichever is later;

- (b) an officer in Scale II, 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 (called 'Stagnation Increment') equal to the last increment drawn by him in the scale of pay, subject to a maximum of **five** such increments:

Provided that an officer, who has already been granted, as on the 31st day of July, 2007, one, two, three or four Stagnation Increment or Increments in the scale of pay as per the Eleventh Schedule, his basic pay in the relevant scale of pay as per the Thirteenth Schedule shall be fixed at the corresponding one, two, three or four stage or stages above the maximum of the scale of pay as per Table B, in Item II of the Thirteenth Schedule:

Provided further that the **fifth** Stagnation Increment shall be granted to an officer, after the completion of three years from the date of receipt of the fourth stagnation increment or, from the 1st day of the month following the date of publication of this Scheme, whichever is later;

- (c) an officer in Scale 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 (called 'Stagnation Increment') equal to the last increment drawn by him in the scale of pay, subject to the maximum of **two** such increments:

Provided that an officer, who has already been granted, as on the 31st day of July, 2007, one or two Stagnation Increment or Increments in the scale of pay as per the Eleventh Schedule, his basic pay in the relevant scale of pay as per the Thirteenth Schedule shall be fixed at the corresponding one or two stage or stages above the maximum of the scale of pay as per Table B, in Item II of the Thirteenth Schedule:

- (d) an officer in Scale IV, who has reached the maximum of the scale of pay applicable to him, may be granted an additional increment (called 'Stagnation Increment') equal to the last increment drawn by him in the scale of pay, from the 1st day of the month following completion of three years service after reaching such maximum or 1st day of the month following the date of publication of this Scheme, whichever is later;

Explanation: For the purpose of this paragraph, 'service' means the period of duty excluding period or periods of extraordinary leave."

5. In the said Scheme, in paragraph 9, after the second proviso, and before the Explanation, the following proviso shall be inserted, namely: -

“Provided also that the provisions of this paragraph shall not apply to Officers who joined the service of the Corporation or the Company, as the case may be, on or after the 1st day of January, 2004 and in respect of such Officers, the provisions of paragraph 9A shall apply.”.

6. In the said Scheme, in paragraph 9, in the Explanation, in clause (iii), after sub-clause (bb), the following sub-clause shall be inserted, namely:-

“(bc). In the case of officers other than the Chairman-cum-Managing Director, for the period commencing on the 1st day of August, 2007, as per Thirteenth Schedule.”.

7. In the said Scheme, after paragraph 9, the following paragraph shall be inserted, namely: -

“9A New Pension Scheme Fund:

Officers joining the service of the Corporation or the Company, as the case may be, on or after the 1st day of January, 2004, and accordingly covered under the New Pension Scheme, in terms of Note (2) of paragraph 3 of the General Insurance (Employees’) Pension Scheme, 1995 shall contribute every month, to the Fund for the New Pension Scheme, at the rate of 10% of the Basic Pay plus Dearness Allowance, and equal contribution shall be made by the Corporation or the Company, as the case may be.

Explanation: For the purposes of this paragraph, the expression ‘Basic Pay plus Dearness Allowance’ shall be computed with reference to the Scale of Pay and Allowances applicable to the Officer in terms of this Scheme, as amended from time to time.”.

8. In the said Scheme, after the Twelfth Schedule, the following Schedule shall be inserted, namely:-

“THIRTEENTH SCHEDULE

[See paragraph 3, clauses (na) and (nb) and paragraph 4, sub-paragraph (10)]

I. Pay Scales (Basic Pay) :

- (1) Scale VII
Rs.52210-1400(2)-55010-1500(1)-56510-1640(1)-58150-1700(1)-59850
- (2) Scale VI
Rs.46610-1400(5)-53610
- (3) Scale V
Rs.41660-1200(3)-45260-1350(2)-47960
- (4) Scale IV
Rs.34460-1200(7)-42860
- (5) Scale III
Rs.28160-840(1)-29000-910(6)-34460-1200(4)-39260
- (6) Scale II
Rs.23120-840(7)-29000-910(6)-34460
- (7) Scale I
Rs.17240-840(14)-29000-910(4)-32640

II. Fixation of the Basic Pay and Stagnation Stages:

TABLE - A
Fixation of the Basic Pay

(Figures in Rupees)

Scale I		Scale II		Scale III		Scale IV		Scale V		Scale VI		Scale VII	
Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay
11110	17240	14890	23120	18130	28160	22030	34460	25930	41660	28605	46610	31745	52210
11650	18080	15430	23960	18670	29000	22680	35660	26580	42860	29390	48010	32530	53610
12190	18920	15970	24800	19230	29910	23330	36860	27230	44060	30175	49410	33315	55010
12730	19760	16510	25640	19790	30820	23980	38060	27880	45260	30960	50810	34165	56510
13270	20600	17050	26480	20350	31730	24630	39260	28605	46610	31745	52210	35105	58150
13810	21440	17590	27320	20910	32640	25280	40460	29330	47960	32530	53610	36100	59850
14350	22280	18130	28160	21470	33550	25930	41660						
14890	23120	18670	29000	22030	34460	26580	42860						
15430	23960	19230	29910	22680	35660								
15970	24800	19790	30820	23330	36860								
16510	25640	20350	31730	23980	38060								
17050	26480	20910	32640	24630	39260								
17590	27320	21470	33550										
18130	28160	22030	34460										
18670	29000												
19230	29910												
19790	30820												
20350	31730												
20910	32640												

TABLE - B

[see Paragraph 8A]

Fixation of Basic Pay – Stagnation Stages

(Figures in Rupees)

Scale I		Scale II		Scale III	
Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay	Existing Basic Pay	Revised Basic Pay
21470	33550	22590	35370	25280	40460
22030	34460	23150	36280	25930	41660
		23710	37190		
		24270	38100		

Note: The term 'Existing Basic Pay' in the above tables shall mean the basic pay as applicable in accordance with the Eleventh Schedule.

III. Dearness Allowance:

(1) The scale of dearness allowance applicable to the officers shall be determined as under: -

Index : All India Average Consumer Price Index for Industrial Workers

Base : Index No.2944 in the series 1960 = 100

Rate of dearness allowance: - For every four points in the quarterly average over 2944 points, the dearness allowance shall be calculated at the rate of 0.15 per cent of Basic Pay.

Revision of dearness allowance: - Revision of dearness allowance may be made on quarterly basis for every four points rise or fall.

(2) There shall be an upward revision of the dearness allowance payable for every four points rise in the quarterly average (hereinafter referred to as the "current average figure") of the All India Consumer Price Index above 2944 points in the sequence 2944-2948-2952-2956 and so on and there shall be downward revision of the dearness allowance payable if the current average figure falls by four points below the index figure in the above sequence with reference to which the dearness allowance has been paid for the last preceding quarter. On the downward revision, the dearness allowance payable shall correspond to the current average figure if such current average figure is a figure in the above sequence and if such current average figure is not a figure in the above sequence, the dearness allowance payable shall correspond to the figure in the above sequence immediately preceding the current average figure.

(3) The final index figures as published in the Indian Labour Journal or the Gazette of India, whichever publication is available earlier, shall be the index figure which shall be taken for the purpose of calculation of dearness allowance.

(4) The revision in dearness allowance corresponding to the changes in the current average figure for any particular quarter shall take effect only from the second succeeding month following the end of the quarter.

Explanation - For the purposes of this item, 'quarter' shall mean a period of three months ending on the last day of the month of March, June, September or December.

IV. House Rent Allowance:

(1) With effect from the 1st day of August, 2007, the House Rent Allowance payable to officers shall be as shown in the Table below:

Table

Sl. No.	Place of posting (1)	Rate per month (2)
1.	Cities of Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmedabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurgaon	10% of pay subject to maximum of Rs.3,200/- per month
2.	Cities with population exceeding 12 lacs except the cities mentioned at serial number 1, Gandhinagar and all cities in the State of Goa	8% of pay subject to maximum of Rs.2,700/- per month
3.	All other places	7% of pay subject to maximum of Rs.2,600/- per month

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

(2) Cities shall include their Urban Agglomeration.

(3) 'Pay' means Basic Pay and Stagnation Increments as per paragraph 8A.

(2) Officers who are allotted residential accommodation by the Corporation or Company shall pay for such accommodation, appropriate licence fee as may be decided by the Corporation or the Company, as the case may be, from time to time and shall not be entitled to House Rent Allowance in terms of sub-item (1) of this item.

V. City Compensatory Allowance:

With effect from the 1st day of August, 2007, the City Compensatory Allowance payable to officers shall be as shown in the Table below :-

Table

Sl. No.	Place of posting (1)	Rate (2)
1.	Cities of Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmedabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurgaon	3% of pay subject to a maximum of Rs.800/- per month
2.	Cities with population exceeding 12 lacs, except cities mentioned in serial number 1, Gandhinagar and all cities in the State of Goa	2.5% of pay subject to a maximum of Rs.760/- per month
3.	Cities with population of 5 lacs and above but not exceeding 12 lacs, State capitals with population not exceeding 12 lacs, Chandigarh, Mohali, Panchkula, Pondicherry, Port Blair	2% of pay subject to a maximum of Rs.590/- per month

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

VI. Hill Station Allowance:

With effect from the 1st day of the month following the date of publication of this Scheme, Hill Station Allowance payable to officers shall be as shown in the Table below :-

Table

Sl. No.	Height of Place of posting (Above Mean Sea Level) (1)	Rate (2)
1.	1500 meters and over	2.5% of Pay subject to maximum of Rs.460/- per month
2.	1000 meters and over but less than 1500 meters, Mercara and places which are specifically declared as "Hill Stations" by Central or State Governments for their employees	2% of Pay subject to maximum of Rs.370/- per month
3.	Not less than 750 meters and surrounded by and accessible only through hills with a height of 1000 meters and over	2% of Pay subject to a maximum of Rs.370/- per month

Note: 'Pay' means Basic Pay and Stagnation increments as per paragraph 8A.

VII. Kit Allowance:

With effect from the 1st day of the month following the date of publication of this Scheme, every officer on his transfer to any of the hill stations at which hill station allowance is payable in terms of item VI of this Schedule, shall be paid a Kit Allowance of Rs.4,000/- :

Provided that no Kit Allowance shall be payable if such officer has drawn such allowance at any time earlier.

VIII. Fixed Personal Allowance :

With effect from the 1st day of August, 2007, the Fixed Personal Allowance payable to officers shall be as shown in column (3) of the Table given below:-

Table

Sl No.	Officers in the scale of pay of, as on 1.11.1993	Revised Fixed Personal Allowance (FPA)	Increment Portion of Fixed Personal Allowance as per Item VIII of the Eighth Schedule	Dearness Allowance on Increment Portion of Fixed Personal Allowance as per Eighth Schedule as on 01-11-1993
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
1.	Scale VII	1700	400	10.08
2.	Scale VI	1400	300	7.56
3.	Scale V	1350	250	6.30
4.	Scale IV	1200	250	6.30
5.	Scale III	1200	250	6.30
6.	Scale II	910	230	5.80
7.	Scale I	910	230	5.80

Note: The revised Fixed Personal Allowance (FPA) as shown in column (3) above shall not qualify for any allowance or for any service or terminal benefits. However, the Increment Portion of FPA as per the Eighth Schedule as shown in column (4) above shall rank for Provident Fund and Pension, and the said Increment Portion along with Dearness Allowance thereon as on the 1st November, 1993 as shown in column (5) above shall rank for Gratuity and Encashment of Earned Leave.

IX. Transport Allowance:

With effect from the 1st day of August, 2007, the Transport Allowance payable to officers at the rate of Rupees Five Hundred per month as per Item IX of the Eleventh Schedule shall stand revised to Rupees Eight Hundred per month.

X. Paradeep Port Allowance:

With effect from the 1st day of the month following the date of publication of this Scheme or the date of appointment, whichever is later, every confirmed officer posted in the office of the Company in Paradeep Port shall be paid an allowance of Rupees One Hundred and Ten per month so long as he is posted in that office. This allowance shall not be treated as Basic Pay for any purpose.”.

[F.No. S-11012/07/2008-Ins.I (i)]

Sd/-

(Tarun Bajaj)
Joint Secretary

**[TO BE PUBLISHED IN THE GAZETTE OF INDIA
EXTRAORDINARY PART II – SECTION 3, SUB-SECTION (ii)]**

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF FINANCIAL SERVICES)

NOTIFICATION

New Delhi, the 8th October, 2010

S.O. 2472(E).- In exercise of the powers conferred by section 17A of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme further to amend the General Insurance (Rationalisation and Revision of Pay Scales and other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme, 1974, namely :-

1. (1) This Scheme may be called the General Insurance (Rationalisation and Revision of Pay Scales and other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Amendment Scheme, 2010.
- (2) Save as otherwise provided in this Scheme, this Scheme shall be deemed to have come into force on the 1st day of August, 2007.
- (3) Save as otherwise provided in this Scheme, this Scheme shall be applicable to all employees who were in whole-time service in Supervisory, Clerical and Sub-ordinate Staff cadres of the Corporation or Company as on, or after, the 1st day of August, 2007:

Provided that the employees whose resignations had been accepted or whose services had been terminated during the period from the 1st day of August, 2007 and the date of publication of this Scheme, shall not be eligible for the arrears on account of revision under this Scheme.

- (4) Nothing contained in this Scheme shall entitle an employee to claim Overtime Allowance higher than what he had been entitled to prior to the publication of this Scheme.
2. In the General Insurance (Rationalisation and Revision of Pay Scales and other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme, 1974 (hereinafter referred to as "the said Scheme"), in paragraph 3, after clause (c), the following clauses shall be inserted, namely:-

'(ca) "first rationalised terms" means the scales of pay and allowances as specified in the Ninth Schedule;

(cb) "first rationalised scales of pay" means the scales of pay as specified in the Ninth Schedule;'

3. In the said Scheme, in paragraph 4, after sub-paragraph (13), the following shall be inserted, namely:-

"(14) With effect from the 1st day of August, 2007, the pay and allowances of every employee shall be in accordance with the first rationalised terms. The basic salary of every employee in service as on that date and of every employee appointed after that date but before the date of publication of this Scheme, shall be in accordance with the first rationalised scales of pay as per the provisions of paragraph 6G.

(15) Every employee whose basic salary is fixed in the first rationalised scales of pay in accordance with the provisions of paragraph 6G of this Scheme shall be paid, from the date of fixation in the first rationalised scales of pay, for the period commencing from the 1st day of August, 2007 or the date of his appointment, or the date from which he opts to be governed by the provisions of this Scheme, whichever is later, the difference of Basic Salary, Personal Pay, if any, Dearness Allowance and other allowances (after deducting the employee's compulsory contribution to the Provident Fund), between the first rationalised terms and modified terms applicable to him:

Provided that –

(a) an employee who had retired from service after the 1st day of August, 2007 shall be paid the difference in the amount, as specified in sub-paragraph (15), for the period upto the date of his retirement along with the difference in the amount of gratuity, if any, arising out of this Scheme;

(b) in the case of an employee who had died whilst in service on or after the 1st day of August, 2007, the difference in the amount as specified in sub-paragraph (15), for the period upto the date of his death shall be paid to the person to whom his Provident Fund was paid or is to be paid and the difference in the amount of gratuity, if any, arising out of this Scheme shall be paid to the person to whom his gratuity was paid or is to be paid:

Provided further that in respect of an employee who is promoted from Supervisory, Clerical and Sub-ordinate Staff cadres to the cadre of officer or converted as Development Officer on or after the 1st day of August, 2007, the difference in the amount referred to above (excluding the difference in gratuity amount) upto the date of his promotion as officer or conversion as Development Officer, shall be paid on the basis of notional fixation of his basic salary in the first rationalised terms.

Explanation: For the purposes of sub-paragraph (15), the expression 'other allowances' means House Rent Allowance, City Compensatory Allowance, Functional Allowance, Hill Station Allowance, Graduation Allowance, Allowance for Technical Qualification, Transport Allowance, Paradeep Port Allowance, and Fixed Personal Allowance as admissible to an employee."

4. In the said Scheme, after paragraph 6F, the following paragraph shall be inserted, namely:-

“6G. Fixation of Basic Salary in the first rationalised scales of pay and allowances:

- (a) The scales of pay and other allowances in case of every employee in service as on the 1st day of August, 2007, and continuing to be in service on or after the date of publication of this Scheme, shall be in accordance with the first rationalised terms from a date not earlier than,-
- (i) 1st day of the month following the date of publication of this Scheme, for Hill Station Allowance, Kit Allowance, Functional Allowance for Audit Assistants and Paradeep Port Allowance; and
- (ii) the 1st day of August, 2007, for Basic Salary and other allowances;
- (b) The scales of pay and allowances in case of every employee to whom this Scheme applies, shall be in accordance with the first rationalised terms from a date not earlier than the date mentioned in sub-paragraph (a) above or the date of appointment, whichever is later;
- (c) Notwithstanding anything contained in sub-paragraph (a) and (b), an employee may choose that the scales of pay and other allowances may be fixed in his case in accordance with Table I A or I B, as the case may be, under the Ninth Schedule, (the first rationalised terms) with effect from the dates mentioned in sub-paragraph (a) above or any date thereafter but on or before the date of publication of this Scheme, in which case, he shall intimate such choice in writing to the Corporation or Company, as the case may be, within the period as may be stipulated :

Provided that no arrears shall be payable to such employee for the period from the 1st day of August, 2007 to the date so chosen:

Provided further that while calculating the arrears from the 1st day of August, 2007 to the date of publication of this Scheme, if the net difference between the re-modified total monthly emoluments after deducting Provident Fund and the first rationalised total monthly emoluments after deducting Provident Fund is negative, the same shall be ignored.”.

5. In the said Scheme, in paragraph 7,-

- (A) in sub-paragraph (1), before the Explanation, the following proviso shall be inserted, namely:-

“Provided that in respect of an employee in the scale of Sub-staff, Driver or Record Clerk, whose basic salary is fixed at Rs. 12,075/-, Rs. 14,365/- or Rs. 16,260/- respectively or above in the first-rationalized scales of pay effective from 1st day of August, 2007, the next increment after such fixation shall be due on the first day of August, 2008 or on the 1st day of the month in which he completes twelve months of continuous service after such fixation, whichever is later. Subsequent increments to such an employee shall be due as provided in this sub-paragraph above.”;

- (B) for sub-paragraph (2), the following shall be substituted, namely :-

“(2) In respect of an employee whose basic salary is fixed at maximum of the first rationalised scales of pay on the 1st day of August, 2007 or on the date of publication of this Scheme under paragraph 6G and in respect of an employee who will be reaching the maximum of the first rationalised scales of pay at any time thereafter during the period of his service, an officer not below the rank of ‘Scale III’ authorised by the Corporation or Company in this behalf, subject to the work record being found satisfactory, may consider,-

(a) granting of one increment to such employee in the first rationalised scale of Assistant for every two years of continuous service rendered by him after the date of his reaching the maximum of the first rationalised scale of pay at the rate of last increment drawn in the scale, subject to a maximum of **seven** such increments:

Provided that in respect of the employees, who have already been granted as on the 31st day of July, 2007, one, two, three, four, five or six stagnation increments, in the re-modified scales of pay, their basic salary in the relevant first rationalised scale of pay shall be fixed at the corresponding first, second, third, fourth, fifth or sixth stages above the maximum of the first rationalised scale, as shown in Table I B of Ninth Schedule:

Provided further that the seventh stagnation increment shall be granted to an employee, after the completion of two years from the date of receipt of sixth stagnation increment or, from 1st day of the month following the date of publication of this Scheme, whichever is later;

(b) granting of one increment to such employee in the first rationalised scale of Senior Assistant or Stenographer, for every three years of continuous service rendered by him after the date of his reaching the maximum of the first rationalised scale of pay at the rate of last increment drawn in the scale subject to a maximum of **six** such increments:

Provided that in respect of the employees who have already been granted as on the 31st day of July, 2007, one, two, three, four or five stagnation increments, in the re-modified scale of pay, their basic salary in the relevant first rationalised scale of pay shall be fixed at the corresponding first, second, third, fourth or fifth stages above the maximum of the first rationalised scale, as shown in Table I B of Ninth Schedule:

Provided further that the sixth stagnation increment shall be granted to an employee after completion of three years from the date of receipt of fifth stagnation increment or, from 1st day of the month following the date of publication of this Scheme, whichever is later.

Explanation: For the purposes of this paragraph ‘continuous service’ means a period of duty excluding period (s) of Extraordinary Leave.”.

6. In the said Scheme, in paragraph 10, with effect from 1st January, 2011, in sub-paragraph (4),-

(A) for clause (e), the following clause shall be substituted, namely:-

“(e) The Competent Authority, on not more than six times in a calendar year, can allow an employee to avail of casual leave either for the forenoon only or for the afternoon only and the period of leave taken in this manner shall be treated as half day.”;

(B) after the omitted clause (f), the following clause shall be inserted, namely:-

“(g) Saturdays, Sundays, restricted holiday and holidays, whether intervening, prefixed or suffixed, shall not be counted as Casual Leave.”.

7. In the said Scheme, in paragraph 11,-

(A) after the second proviso, and before the Explanation, the following proviso shall be inserted, namely:-

“Provided also that the provisions of this paragraph shall not apply to employees who joined the service of the Corporation or the Company, as the case may be, on or after the 1st day of January, 2004 and in respect of such employees, the provisions of paragraph 11A shall apply.”;

(B) in the Explanation, after clause (iv), the following clause shall be inserted, namely:-

“(v) for the period commencing from the 1st day of August, 2007, shall be computed with reference to the first rationalised terms.”.

8. In the said Scheme, after paragraph 11, the following paragraph shall be inserted, namely: -

“11A New Pension Scheme Fund:

Employees joining the service of the Corporation or the Company, as the case may be, on or after the 1st day of January, 2004, and accordingly covered under the New Pension Scheme, in terms of Note (2) of paragraph 3 of the General Insurance (Employees’) Pension Scheme, 1995 shall contribute every month, to the Fund for the New Pension Scheme, at the rate of 10% of the Basic Salary plus Dearness Allowance, and equal contribution shall be made by the Corporation or the Company, as the case may be.

Explanation: For the purposes of this paragraph, the expression ‘Basic Salary plus Dearness Allowance’ shall be computed with reference to the Scales of Pay and Allowances applicable to the employee in terms of this Scheme, as amended from time to time.”.

9. In the said Scheme, in Paragraph 18,-

(A) in sub-paragraph (1), with effect from the date of publication of this Scheme, -

(i) in clause (a), for the words “will be”, the words “will ordinarily be” shall be substituted;

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

“(d) in exceptional circumstances, where the requirement or the need of the Company or the Corporation, as the case may be, are not found to be met by restricting a particular transfer to a radius of 150 kms, the Chairman-cum-

Managing Director, or an officer not below the rank of Scale VII authorised in this behalf by him, may transfer an employee beyond a radius of 150 kms, in which event the Disturbance Allowance payable as per clause (c) above to the employee so transferred shall stand revised to Rs. 600 per month.”;

- (B) in sub-paragraph (2), with effect from the date of publication of this Scheme, for the words “clause (c) of sub-paragraph (1)”, the words “clause (c) or (d) of sub-paragraph (1)” shall be substituted.

10. In the said Scheme, after the Eighth Schedule, the following Schedule shall be inserted, namely:-

“NINTH SCHEDULE

[See Paragraph 3 (ca) and (cb)]

I. First rationalised Scales of Pay:

A. Supervisory and Clerical Staff .

- (1) Senior Assistant
Rs. 10670-755(4)-13690-840(15)-26290
- (2) Stenographer
Rs. 10670-755(4)-13690-840(15)-26290
- (3) Assistant, Typist, Telephone Operator, Telex Operator, Receptionist, Punch Card Operator, Unit Record Machine Operator, Comptist and other equivalent posts
Rs. 7640-440(1)-8080-480(2)-9040-540(5)-11740-625(2)-12990-760(3)-15270-790(2)-16850-840(5)-21050
- (4) Record Clerk
Rs. 7085-305(2)-7695-325(5)-9320-350(1)-9670-390(2)-10450-430(3)-11740-480(5)-14140-530(9)-18910

B. Subordinate Staff.

- (1) Driver
Rs. 7085-305(2)-7695-315(14)-12105-350(2)-12805-390(9)-16315
- (2) Other Subordinate Staff
Rs. 6180-250(5)-7430-265(8)-9550-315(1)-9865-325(2)-10515-390(9)-14025

Fixation of basic salary and stagnation stages shall be as per the Tables given below:-

I A. Fixation of Basic Salary.

Table

(Figures in Rupees)

Senior Assistant/ Stenographer		Assistant		Record Clerk		Driver		Other Subordinate Staff	
Existing Basic Salary	Revised Basic Salary	Existing Basic Salary	Revised Basic Salary	Existing Basic Salary	Revised Basic Salary	Existing Basic Salary	Revised Basic Salary	Existing Basic Salary	Revised Basic Salary
6885	10670	4995	7640	4665	7085	4665	7085	4105	6180
7370	11425	5280	8080	4855	7390	4855	7390	4270	6430
7855	12180	5590	8560	5045	7695	5045	7695	4435	6680
8340	12935	5900	9040	5255	8020	5250	8010	4600	6930
8825	13690	6250	9580	5465	8345	5455	8325	4765	7180
9365	14530	6600	10120	5675	8670	5600	8640	4930	7430
9905	15370	6950	10660	5885	8995	5865	8955	5105	7695
10445	16210	7300	11200	6095	9320	6070	9270	5280	7960
10985	17050	7650	11740	6320	9670	6275	9585	5455	8225
11525	17890	8055	12365	6570	10060	6480	9900	5630	8490
12065	18730	8460	12990	6820	10450	6685	10215	5805	8755
12605	19570	8950	13750	7100	10880	6890	10530	5980	9020
13145	20410	9440	14510	7380	11310	7095	10845	6155	9285
13685	21250	9930	15270	7660	11740	7300	11160	6330	9550
14225	22090	10440	16060	7970	12220	7505	11475	6535	9865
14765	22930	10950	16850	8280	12700	7710	11790	6745	10190
15305	23770	11490	17690	8590	13180	7915	12105	6955	10515
15845	24610	12030	18530	8900	13660	8135	12455	7165	10905
16385	25450	12570	19370	9210	14140	8355	12805	7415	11295
16925	26290	13110	20210	9555	14670	8605	13195	7665	11685
		13650	21050	9900	15200	8855	13585	7915*	12075
				10245	15730	9105	13975	8165*	12465
				10590*	16260	9355*	14365	8415*	12855
				10935*	16790	9605*	14755	8665*	13245
				11280*	17320	9855*	15145	8915*	13635
				11625*	17850	10105*	15535	9165*	14025
				11970*	18380	10355*	15925		
				12315*	18910	10605*	16315		

* : In the re-modified terms, these stages appeared as stagnation stages.

I B. Fixation of Basic Salary – Stagnation Stages.
 [See Paragraph 7, sub paragraph (2)]

Table

(Figures in Rupees)

Senior Assistant / Stenographer		Assistant	
Existing Basic Salary	Revised Basic Salary	Existing Basic Salary	Revised Basic Salary
17465	27130	14190	21890
18005	27970	14730	22730
18545	28810	15270	23570
19085	29650	15810	24410
19625	30490	16350	25250
		16890	26090

Note:

- (1) The basic salary of every employee in service as on the 1st day of August, 2007, and who continues to be in service after the date of publication of this Scheme, shall be fixed at the corresponding stage in the respective first rationalised scale of pay with effect from the 1st day of August, 2007 or the date of option, whichever is later.
- (2) The basic salary of every employee appointed after the 1st day of August, 2007 and who continues to be in service after the date of publication of this Scheme, shall be fixed at the corresponding stage in the respective first rationalised scale of pay with effect from the date of his appointment or date of option, whichever is later.
- (3) The basic salary of every employee who was in service on or after the 1st day of August, 2007 and who retired or died on or before the date of publication of this Scheme, shall be fixed at the corresponding stage in the respective first rationalised scale of pay with effect from the 1st day of August, 2007 or the date of his appointment, whichever is later:

Provided that in respect of the employees in the scale of Assistant who have already been granted as on the 31st day of July, 2007, one, two, three, four, five or six stagnation increments, in the re-modified scales of pay, their basic salary in the relevant first rationalised scale of pay shall be fixed at the corresponding first, second, third, fourth, fifth or sixth stages above the maximum of the first rationalised scale :

Provided further that the seventh stagnation increment shall be granted to the employees in the scale of Assistant after the completion of two years from the date of receipt of sixth stagnation increment or, from 1st day of the month following the date of publication of this Scheme, whichever is later :

Provided also that in respect of the employees in the scale of Senior Assistant or Stenographer who have already been granted as on the 31st day of July, 2007, one, two, three, four or five stagnation increments, in the re-modified scale of pay, their basic salary in the relevant first rationalised scale of pay shall be fixed at the corresponding first, second, third, fourth or fifth stages above the maximum of the first rationalised scale:

Provided also that the sixth stagnation increment shall be granted to the employees in the scale of Senior Assistant or Stenographer, as the case may be, after the completion of three years from the

date of receipt of fifth stagnation increment or, from 1st day of the month following the date of publication of this Scheme, whichever is later.

II. FUNCTIONAL ALLOWANCES:

(1) From the 1st day of August, 2007, the employees performing the following functions shall be paid Functional Allowances as under:-

(i)	Subordinate Staff engaged in either as Key Holder or for carrying cash to or from Bank, as his regular and main function, where the amount of cash carried during a calendar month is ordinarily Rs. 25,000/- or more,	Rs. 375/- p.m.
(ii)	Other Subordinate Staff working as Liftmen, Machine Operators, Head Peons, Jamadars, Daftaries, AC Plant Operators and Heavy Vehicle Drivers, who were assigned these functions before 1 st day of January, 2006,	Rs. 165/- p.m.
(iii)	Assistant (or Senior Assistant, in the event of non-availability of Assistant) engaged in handling cash in an office, as his regular and main function, where the amount of cash transactions during a calendar month is ordinarily Rs. 25,000/- or more,	Rs. 800/- p.m.
(iv)	Telex Operators, Punch Card Operators, Unit Record Machine Operators and Comptists, who were assigned these functions before 1 st day of January, 2006	Rs. 60/- p.m.
(v)	Stenographer to Chairman-cum-Managing Director, Scale VII, Scale VI and equivalent positions.	Rs. 75/- p.m.

(2) From the 1st day of the month following publication of this Notification, the employees performing the functions of Audit Assistants shall be paid Functional Allowance @ Rs. 460/- p.m.

NOTE 1 : The number and names of persons eligible to draw the Functional Allowance shall be determined by the Chairman-cum-Managing Director or by an officer authorised by him in this behalf, depending upon the load of work and administrative requirements.

NOTE 2 : An employee shall draw only one Functional Allowance at a time.

NOTE 3 : An employee proceeding on leave shall be paid the Functional Allowance during his leave period other than periods of extra ordinary leave, provided that he resumes work in the same position on the expiry of his leave.

NOTE 4 : No employee shall, as a matter of right, claim to be allotted a particular portfolio of work in order to avail of the Functional Allowance attaching to that position or post.

NOTE 5 : No employee shall refuse to work in a position carrying a Functional Allowance or make it a condition that he be paid such allowance where, because of absence of the incumbent or temporary pressure of work, the employee is assigned such work by the Head of his Office.

NOTE 6 : Functional Allowance under any of the above clauses, or any part thereof, shall not be treated as part of basic salary and shall not be counted for the purpose of any allowance or for the purpose of any other service or terminal benefits.

III. DEARNESS ALLOWANCE:

(1) The rate of dearness allowance applicable to the employees shall be determined as under:-

Index : All India Average Consumer Price Index for Industrial Workers

Base : Index No.2944 in the series 1960 = 100

Rate : For every four points in the quarterly average of the All India Consumer Price Index above 2944 points, employees shall be paid dearness allowance at the rate of 0.15 per cent of basic salary.

Revision of dearness allowance: Revision of dearness allowance may be made on quarterly basis for every four points rise or fall.

(2) There shall be an upward revision of the dearness allowance payable for every four points rise in the quarterly average (hereinafter referred to as the "current average figure") of the All India Consumer Price Index above 2944 points in the sequence 2944-2948-2952-2956 and so on and there shall be downward revision of the dearness allowance payable if the current average figure falls below the index figure in the above sequence with reference to which the dearness allowance has been paid for the last preceding quarter. On the downward revision, the dearness allowance payable shall correspond to the current average figure if such current average figure is a figure in the above sequence and if such current average figure is not a figure in the above sequence the dearness allowance payable shall correspond to the figure in the above sequence immediately preceding the current average.

(3) The final index figures as published in the Indian Labour Journal or the Gazette of India, whichever publication is available earlier, shall be the index figure which shall be taken for the purpose of calculation of dearness allowance.

(4) The revision in dearness allowance corresponding to the changes in the current average figure for any particular quarter shall take effect only from the second succeeding month following the end of the quarter.

Explanation: For the purpose of this item, 'quarter' shall mean a period of three months ending on the last day of the month of March, June, September or December.

IV. ALLOWANCE FOR TECHNICAL QUALIFICATIONS:

(1) A confirmed employee who qualifies or has qualified in an examination mentioned in column (2) of the Table below shall be paid with effect from the date of publication of the results of the examination or the 1st day of August, 2007, whichever is later, the allowance for technical qualifications mentioned in column (3) of the said table, namely, -

Table

Sr. No.	Examination	Allowance for Technical Qualification (per month)
(1)	(2)	(3)
1.	Insurance Institute of India Or Chartered Insurance Institute: On completion of: i) Licentiate ii) Associateship iii) Fellowship	Rs.180/- Rs.490/- Rs.820/-
2.	Institute of Actuaries: On passing each subject	Rs.180/-
3.	Institute of Chartered Accountants or Institute of Cost and Works Accountant: On completion of: i) Intermediate Examination ii) Final Group A or Group B iii) Final Group A and Group B	Rs.350/- Rs.600/- Rs.820/-
4.	On completion of Master of Business Administration of a recognised University or Institution (AICTE approved course)	Rs.820/-

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

- (2) The grant of allowance for technical qualifications shall not affect the seniority of the employee concerned.
- (3) Where the employee has already been given an advance increment or any other recurring monetary benefit for having qualified in any of the said examinations, the amount of allowance for technical qualification shall be suitably reduced or may not be admissible depending on the quantum of benefit already received.
- (4) Such employee on completion of service of one year after reaching the maximum of the scale shall receive the allowance for technical qualification amounting to not less than one-half of the full rate and after a further service of one year, the said allowance for technical qualification shall be paid in full.
- (5) The allowance for technical qualification as mentioned in column (3) of the table above, or any part thereof, shall not be counted for the purpose of any allowance or for any service or terminal benefit.

Explanation: For the purpose of entry mentioned at serial number 4, in column (2), "recognised University or Institution" shall mean a University or Institution recognized by the University Grants Commission.

V. GRADUATION INCREMENT OR ALLOWANCE:

(1) GRADUATION INCREMENTS OR ALLOWANCE TO ASSISTANT:

With effect from the 1st day of August, 2007, the Graduation Increments or Allowance to employees in the scale of Assistant shall be paid as under: -

(a) An employee who is appointed or promoted to any post in the scale of Assistant and who has qualified as a Graduate of a recognised University on or after the 1st day of January 1973 but before the 1st day of August 2007, and has not reached the maximum of the scale shall be granted two increments in the scale with effect from the publication of results of the examination, or 1st day of the month following the publication of this Scheme, or the date of appointment in the scale of Assistant, whichever is later, provided that he has not already received graduation increment or qualification pay for having qualified as such graduate or any advance increment on appointment, otherwise than by way of protection of emoluments granted to ex-servicemen:

Provided that if an employee entitled to increments for graduation is drawing **Basic Salary of Rs 20210/-**, only **one** increment for graduation shall be granted to him.

(b) an employee in the scale of Assistant who has qualified as a graduate from a recognised University before the 1st day of August, 2007 and has reached the maximum of the scale shall be paid revised Graduation Allowance with effect from the 1st day of August, 2007, as per column (2) of the table below :-

Table

Stage	Revised Graduation Allowance per month with effect from 01-08-2007
(1)	(2)
One year after reaching the maximum of the scale	Rs.300/-
Two years after reaching the maximum of the scale	Rs.530/-

(c) The Graduation Allowance, or any part thereof, shall not be counted for the purpose of any Allowance or for any service or terminal benefit:

(2) GRADUATION ALLOWANCE TO RECORD CLERKS:

An employee in the scale of Record Clerk, who has qualified as Graduate from a recognised University before the 1st day of August, 2007 shall be paid Graduation Allowance of Rs.200/- p.m. with effect from the date of publication of results of the examination or, from the date of promotion as Record Clerk or, the first day of August, 2007, whichever is later.

Note: The Graduation Allowance payable to employees in the scale of Record Clerk shall not be treated as Special Allowance nor shall it be treated or counted as basic Salary for any purpose and it shall be withdrawn on promotion of the employee.

Explanation: For the purpose of this item "recognised university" means a University recognised by the University Grants Commission.

VI. HOUSE RENT ALLOWANCE:

(1) With effect from the 1st day of August, 2007, House Rent Allowance payable to Supervisory, Clerical and Subordinate Staff employees shall be as shown in the Table below:-

Table

Sl. No. (1)	Place of posting (2)	Rate per month (3)
1.	Cities of Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmedabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurgaon	10% of pay, subject to minimum of Rs.700/- and maximum of Rs.3200/- per month
2.	Cities with population exceeding 12 lacs, except cities mentioned at serial number 1, Gandhinagar and all cities in the State of Goa	8% of pay, subject to minimum of Rs.600/- and maximum of Rs.2700/- per month
3.	All other places	7% of pay, subject to minimum of Rs.570/- and maximum of Rs.2600/- per month

Note 1: For the purpose of this item, the population figure shall be those in the latest Census Report.

Note 2: Cities shall include their Urban Agglomerations.

Note 3: 'Pay' means basic salary and stagnation increments as per sub-paragraph 2 of paragraph 7

Note 4: Payment of House Rent Allowance to employees transferred under the Transfer and Mobility Policy under Paragraph 18 shall be subject to provisions of sub-paragraph (1), clause (c) of the said paragraph.

(2) Employees, who are allotted residential accommodation or staff quarters, shall not be entitled to any House Rent Allowance, but they shall pay to the Corporation or Company, for such accommodation, the appropriate License Fee as may be decided by the Board of the Corporation or Company from time to time. Provided that an employee who has been allotted residential accommodation or staff quarters before the 1st day of April, 1983, and who has been in receipt of House Rent Allowance as on date immediately preceding the date of publication of this Scheme in terms of item VI of the Fourth Schedule of the said Scheme shall continue to receive such House Rent Allowance so long as he continues to occupy the same residential accommodation or staff quarters allotted by the Corporation or Company.

VII. CITY COMPENSATORY ALLOWANCE:

With effect from the 1st day of August 2007, the City Compensatory Allowance payable to Supervisory, Clerical and Subordinate Staff employees shall be as under:-

Sl. No. (1)	Place of posting (2)	Rate per month (3)
1.	Cities of Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmedabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurgaon	3% of pay subject to minimum of Rs.205/- per month and maximum of Rs.635/- per month
2.	Cities with population exceeding 12 lacs, except cities mentioned at serial number 1, Gandhinagar and all cities in the State of Goa	2.5% of pay subject to minimum of Rs.170/- per month and maximum of Rs.595/- per month
3.	Cities with the population of 5 lacs and above but not exceeding 12 lacs, State capitals with population not exceeding 12 lacs, Chandigarh, Mohali, Pondicherry, Port Blair, Panchkula	2% of pay subject to minimum of Rs.125/- per month and maximum of Rs.510/- per month

Note 1: For the purpose of this item, the population figure shall be as per the latest Census Report.

Note 2: Cities shall include their Urban Agglomerations.

Note 3: 'Pay' means basic salary and stagnation increments as per sub-paragraph (2) of paragraph 7.

Note 4: Payment of City Compensatory Allowance to employees transferred under the Transfer and Mobility Policy under Paragraph 18 shall be subject to provisions of sub-paragraph (1), clause (c) of the said paragraph.

VIII. HILL STATION ALLOWANCE:

With effect from the 1st day of the month following the date of publication of this Scheme, the Hill Station Allowance payable to Supervisory, Clerical and Subordinate Staff employees shall be as under:-

Sl. No. (1)	Place of posting (2)	Rate per month (3)
1.	Posted at places situated at a height of 1500 metres and over above mean sea level	2.5% of Basic Salary subject to maximum of Rs.370/- per month
2.	Posted at places situated at a height of 1000 metres and over, but less than 1500 metres above mean sea level, at Mercara and at places which are specifically declared as "Hill Stations" by Central or State Governments for their employees	2% of Basic Salary subject to maximum of Rs.290/- per month
3.	Posted at places situated at a height of not less than 750 meters above mean sea level which are surrounded by and accessible only through hills with a height of 1000 metres and over above mean sea level	2% of Basic Salary subject to a maximum of Rs.290/- per month

Note: Basic Salary includes stagnation increments, if any, as per sub-paragraph (2) of paragraph 7.

IX. KIT ALLOWANCE:

With effect from the 1st day of the month following the date of publication of this Scheme, employees transferred to any of the hill stations listed in item VIII of this Schedule shall be paid a Kit Allowance of Rs.1000/-. The Kit Allowance shall not be payable on transfer from one hill station to another if the same was drawn at any time during the preceding three years.

X. FIXED PERSONAL ALLOWANCE:

With effect from the 1st day of August, 2007, the Fixed Personal Allowance payable to employees on account of computerisation shall stand revised as shown in column (3) of the Table given below:-

Table

Sl. No.	Employees in the Scale of Pay (as on 1.11.1993) of	Revised Fixed Personal Allowance (FPA)	Increment portion of Fixed Personal Allowance as per the Altered Terms (Sixth Schedule)	Dearness Allowance on Increment portion of Fixed Personal Allowance as per the Altered Terms as on 01-11-1993
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
1.	Senior Assistant	840	230	18.68
2.	Stenographer	840	230	18.68
3.	Assistant, etc.	840	230	18.68
4.	Record Clerk	530	130	12.74
5.	Driver	390	100	9.80
6.	Other Subordinate Staff	390	100	9.80

Note: The revised Fixed Personal Allowance (FPA) as shown in column (3) of the table above shall not qualify for any Allowance or for any service or terminal benefits. However, the increment portion of FPA as per the Altered Terms as shown in column (4) of the table above shall rank for Provident Fund and Pension, and the said increment portion along with Dearness Allowance thereon as on the 1st day of November, 1993, as shown in column (5) of the table above shall rank for Gratuity and Encashment of Earned Leave.

XI. TRANSPORT ALLOWANCE:

With effect from the 1st day of August, 2007, the Transport Allowance payable to employees at the rate of Rupees One Hundred and Fifty per month as per Item XI of the Eighth Schedule shall stand revised to Rupees Two Hundred and Seventy-five per month.

XII. PARADEEP PORT ALLOWANCE:

With effect from the 1st day of the month following the date of publication of this Scheme or date of appointment, whichever is later, every confirmed employee posted in the office of the Company

in Paradeep Port shall be paid an allowance of Rupees One Hundred and Ten per month so long as he is posted in that office. This allowance shall not be treated as basic salary for any purpose.”.

[F.No. S-11012/07/2008-Ins.I(iii)]

Sd/-

(Tarun Bajaj)
Joint Secretary

EXPLANATORY MEMORANDUM

1. The Central Government has accorded approval to revise the Scales of Pay and conditions of service of employees in the Corporation and Companies with effect from the dates specified in the notification. The General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme, 1974 is amended accordingly with effect from the dates as specified in the notification.
2. Further, consequent upon the amendment in the General Insurance (Employees') Pension Scheme, 1995 in respect of employees joining on or after the 1st day of January, 2004, the General Insurance (Rationalisation and Revision of Pay Scales and other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme, 1974 is amended accordingly with effect from the 1st day of January, 2004.
3. It is certified that no employee of the Corporation or Company is likely to be affected adversely by the notification being given retrospective effect.

NOTE :- The Principal Scheme was published vide Notification No.S.O.326(E) dated 27th May, 1974 and subsequently amended vide notifications No. S.O. 472(E) dated 5th September 1975, S.O. 5415 dated 22nd December 1975, S.O 390(E) dated 1st June 1976, S.O 4466 dated 11th November 1976, S.O 2443 dated 30th July 1977, S.O 1046 dated 29th March 1978, S.O 1049 dated 29th March 1978, S.O 1410 dated 26th April 1978, S.O 3429 dated 16th November 1978, S.O 314(E) dated 12th May 1980, S.O 729 (E) dated 21st September 1984, S.O 769(E) dated 15th October 1985, S.O 884(E) dated 9th December 1985, S.O 729(E) dated 3rd October 1986, S.O 441(E) dated 27th April 1987, S.O 1038 (E) dated 7th December 1987, S.O 780(E) dated 22nd August 1988, S.O 783(E) dated 22nd August 1988, S.O 1160(E) dated 9th December 1988, S.O 180(E) dated 10th March 1989, S.O 356(E) dated 12th May 1989, S.O 405(E) dated 24th May 1990, S.O 542(E) dated 6th July 1990, S.O 593(E) dated 27th July 1990, S.O 754 dated 4th October 1990, S.O 797(E) dated 25th November 1991, S.O 909(E) dated 23rd December 1991, S.O 83 dated 2nd February 1994, S.O 594(E) dated 30th June 1995, S.O 139 (E) dated 22nd February 1996, S.O 759(E) dated 1st November 1996, S.O 465 (E) dated 27th May, 1998, S.O 731(E) dated 27th August, 1998, S.O 694(E) dated 30th August, 1999, S.O 589(E) dated 22nd June, 2000, S.O 782 (E) dated 30th August, 2000, S.O.225(E) dated 15th March, 2001, S.O 633(E) dated 4th May, 2005 and S.O. 1793(E) dated 21st December, 2005.

in Paradeep Port shall be paid an allowance of Rupees One Hundred and Ten per month so long as he is posted in that office. This allowance shall not be treated as basic salary for any purpose.”.

[F.No. S-11012/07/2008-Ins.I(iii)]

Sd/-

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EXPLANATORY MEMORANDUM

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3. It is certified that no employee of the Corporation or Company is likely to be affected adversely by the notification being given retrospective effect.

NOTE :- The Principal Scheme was published vide Notification No.S.O.326(E) dated 27th May, 1974 and subsequently amended vide notifications No. S.O. 472(E) dated 5th September 1975, S.O. 5415 dated 22nd December 1975, S.O 390(E) dated 1st June 1976, S.O 4466 dated 11th November 1976, S.O 2443 dated 30th July 1977, S.O 1046 dated 29th March 1978, S.O 1049 dated 29th March 1978, S.O 1410 dated 26th April 1978, S.O 3429 dated 16th November 1978, S.O 314(E) dated 12th May 1980, S.O 729 (E) dated 21st September 1984, S.O 769(E) dated 15th October 1985, S.O 884(E) dated 9th December 1985, S.O 729(E) dated 3rd October 1986, S.O 441(E) dated 27th April 1987, S.O 1038 (E) dated 7th December 1987, S.O 780(E) dated 22nd August 1988, S.O 783(E) dated 22nd August 1988, S.O 1160(E) dated 9th December 1988, S.O 180(E) dated 10th March 1989, S.O 356(E) dated 12th May 1989, S.O 405(E) dated 24th May 1990, S.O 542(E) dated 6th July 1990, S.O 593(E) dated 27th July 1990, S.O 754 dated 4th October 1990, S.O 797(E) dated 25th November 1991, S.O 909(E) dated 23rd December 1991, S.O 83 dated 2nd February 1994, S.O 594(E) dated 30th June 1995, S.O 139 (E) dated 22nd February 1996, S.O 759(E) dated 1st November 1996, S.O 465 (E) dated 27th May, 1998, S.O 731(E) dated 27th August, 1998, S.O 694(E) dated 30th August, 1999, S.O 589(E) dated 22nd June, 2000, S.O 782 (E) dated 30th August, 2000, S.O.225(E) dated 15th March, 2001, S.O 633(E) dated 4th May, 2005 and S.O. 1793(E) dated 21st December, 2005.

11.BUDGET ALLOCATION & EXPENDITURE

Not applicable to our Company

12.MANNER OF EXECUTION OF SUBSIDY PROGRAMMES INCLUDING THE AMOUNTS ALLOCATED AND THE DETAILS OF BENEFICIARIES OF SUCH PROGRAMMES

National Insurance Company Limited does not undertake any subsidy programme under CSR.

13. PARTICULARS OF RECEIPIENTS OF CONCESSIONS PERMITS OR AUTHORISATIONS GRANTED BY IT

National Insurance Company Limited does not grant any concession permits or authorization.

14. DETAILS OF INFORMATION AVAILABLE OR HELD IN ELECTRONIC FORM

The following documents are available and held by company in electronic form:

1. Annual Reports
2. Popular policies
3. Data pertaining to employees
4. Office Circulars

15.The particulars of facilities available to citizens for obtaining information, etc.

The information may be available through electronic form through website: www.nationalinsuranceindia.com/nicWeb/nic/rtia.jsp and CPIO's offices as well.

16. Payment of monetary compensations in lieu of compassionate ground appointment.

The Company has introduced a Scheme for payment of Monetary Compensation (Lump sum amount) to legal heirs of the deceased employees instead of considering Compassionate Ground Appointment in case of deaths of employees occurring on or after 01/09/2002. Hence, **there shall be no recruitment on Compassionate Grounds for deaths occurring on or after 01/09/2002 effective from 1st September 2002.**

The “**Monetary Compensation**” (Lump sum amount) in lieu of Compassionate Ground may be provided to the legal heirs of the deceased employee.

The Competent Authority for grant of Monetary Compensation shall be CMD.

Individual cases for considering grant of Monetary Compensation should be referred by Regional Office to HO as per the specified format, giving the details about the deceased employee and the total regular monthly income of the widow/widower and their dependents from their employment.

Request for payment of “Monetary Compensation” would be entertained only after settlement of all admissible terminal dues.

16 (A) NIC Outsourcing Policy

1. Introduction:

In order to ensure proper corporate and regulatory oversight over the outsourcing of activities of insurers, the IRDA has issued Guidelines on Outsourcing of activities by insurance companies dated 1st February 2011. The guidelines inter alia stipulate that - an insurer intending to outsource any of its activities shall put in place a comprehensive Outsourcing Policy, approved by the Board of the Company.

The guidelines further provide that the Board of Directors shall review the performance of all third party service providers every year.

Accordingly, the following policy on outsourcing is formulated, in accordance with the said guidelines, which shall guide various departments of the company while outsourcing any functions at the department level.

2. Definition of an Outsourcing activity

Insurer's use of a third party (either an affiliated entity within a corporate group or an entity that is external to the Corporate group) to perform activities on a continuing basis that would normally be undertaken by the insurer itself, now or in the future.

3. Classification of activities

3(a) CORE Activities: The following core activities shall not be outsourced.

- a) Underwriting,
- b) Product design and all Actuarial functions and Enterprise wide Risk Management
- c) Investment and related functions

- d) Fund Accounting including NAV calculations
- e) Admitting or Repudiation of all Claims
- f) Bank Reconciliation
- g) Policyholder Grievances Redressal
- h) Approving Advertisements
- i) Market Conduct issues
- j) Appointment of Surveyors and Loss Assessors
- k) Compliance with AML, KYC etc.
- l) All integral components of the above activities shall be treated as Core Activities

Policy Servicing & related activities:

For the activities listed below, receipt of request in physical/ electronic/ telephonic form and transmission of the same to us without accessing our original database can be outsourced. However, execution of the activities will remain as core activity and will not be outsourced.

- i. Issuance of Policy Document / Certificates of Insurance
- ii. Change of Name / Address
- iii. Fund Switching/ Premium Redirection
- iv. Surrender, Maturity, Withdrawals Free look Cancellations Payouts
- v. Loan Against Policy
- vi. Change of Policy Terms and Conditions / Details Change
- vii. Registration of Assignment / Nomination
- viii. Revival / Cancellation of Policy
- ix. Transfer of Policy
- x. Substitution of Vehicle Communications, Reports, Printouts
- xi. to Policyholders / Claimants
- xii. Laid up Vehicles
- xiii. Withdrawal of No Claim Bonus
- xiv. Declarations Update
- xv. Extension of Cover
- xvi. Duplicate Policy
- xvii. Document Collection and Investigation for complying with AML and KYC norms

Company shall not outsource the core activities.

3(b) Activities that support the CORE activities: Annexure-I, Col. 3: subject to Risk Management

Principles

- a) May be outsourced.
- b) Reported to the Authority in the prescribed format within 45 days from the date of entering into such agreement.

Underwriting:

- Data collection of prospect/insured details, Submission of proposals
- Data Entry

Premium Collection

- Printing of receipt
- Dispatch
- Data entry of details
- Issuance of receipt

Data Storage

- Scanning
- Indexing

3(c) Annexure-I, Col. 4: Functions normally assigned to outside professionals, regulated either under different laws or provide outside expertise and economies, may be outsourced to such entity as otherwise legally permitted to carry out those activities, such as:

I. Underwriting:

- a. Data Analysis
- b. Medical Examination
- c. Risk Management service at Policyholders/insured premises
- d. Reinsurance

II. Premium Collection

- a. Collection by RBI approved banks, institutions, business correspondents of banks
- b. Government private partnerships like AP-Online, e-mitra, e-Seva, MP online etc.,
- c. Government Offices like Post Office
- d. Payment aggregators -eg. VISA, Mastercard, Bill Desk
- e. Payments through RBI approved gateway, RBI cleared Payment collectors e.g ECS,
- f. Licensed insurance intermediaries (which includes agent/micro insurance agent/corporate agent/Broker who are authorised and who himself procured the policies related to the premium being collected)

III. Cheque pick up and Banking by IRDA approved entities

- a. Cash Management services of Banks
- b. Picking up arrangement with couriers, Post Office, Drop Box

Cheque Pick-up and Banking of policies where the services of an agent/ a corporate agent are no more available

Where the services of the agents/ corporate agents who procured the business are no longer available to the Company, then premium collection and cheque pick- up for such businesses may be outsourced to other Agents and Corporate Agents. The DO/ BO Incharges shall carry out due diligence on such agents/ corporate agents to whom this activity to be outsourced. And this outsourcing activity is subject to the following conditions:

- i. Such agents/ corporate agents should be our agents for at least 2 years.
- ii. The total amount entrusted to be collected and picked up by agents/ corporate agents for a given financial year shall not exceed three times the renewal commission that the said agent earned in the preceding financial year.
- iii. The Operating Offices should assign the activities to Agents/ Corporate Agents by allocating only a specified list of policies.
- iv. In such cases the Operating Office will take proper receipt for the same and will monitor and be accountable for the same.
- v. Offices shall notify the customers about the various options available for premium collection.

Bank Reconciliation:

The company will be solely responsible for reconciliation of various bank accounts, cash and other instruments and will be accountable for any liability arising out of such activities. Clerical activities like sorting and organizing of instruments may be outsourced to schedule Commercial Banks but the activity of tallying may not be outsourced.

IV. Data Storage: Physical storage of documents

V. Admitting and repudiation of claims

- a. Legal/Expert Professional opinion investigation
- b. Forensic analysis
- c. Salvage /sue and labor
- d. Average adjustors
- e. Recovery agents
- f. Third party claims negotiators
- g. Claims document aggregator
- h. Accident/road assistance
- i. International travel and medical assistance services
- j. Global re-pricing

3(d) NON-CORE activities

- a. May be outsourced,
- b. Reported to the Authority within 45 days from the end of every half-year.
- i. Facility management i.e. Housekeeping, Security, Catering, etc.

- ii. PF Trust
- iii. Internal audit, Internal / branch /concurrent audit etc. (Note: However, the Board of Directors shall appoint the internal /branch / concurrent auditor based on the recommendation of the Audit Committee / Investment Committee respectively as mandated by the Authority in Corporate Governance Guidelines. The report of internal auditor / concurrent auditor shall be placed before the Audit Committee / Investment Committee / Board Meeting for their information and necessary action)
- iv. Website Development and Management / Software and other IT Support
- v. Pay Roll Management
- vi. HR Services
- vii. Service Tax Consultancy and Support
- viii. TDS filing
- ix. Compliance with labour laws
- x. Data entry Including Scanning, Indexing Services
- xi. Printing and posting of reminders and other documents
- xii. Pre employment medical checkups
- xiii. Reminders for Premium Payment
- xiv. Call Centre and outbound calling for registering complaints or answering enquiries
- xv. Claim Processing for Overseas Medical Insurance Contracts
- xvi. Tele-marketing
- xvii. Consultancy Services pertaining to Service Tax, Income Tax and any other taxes payable by our company
- xviii. Other Employee Benefits
- xix. Deployment of personnel within the premises / offices of the company on a contract basis

Data Storage for Policies issued in electronic form

In case of issuance of policies in electronic form, data storage shall be with the repository authorized by IRDA. Company will seek prior approval of the terms and conditions, text format and policy documents of such policies

In case of any ambiguity on classification of activity as core or non- core (not listed in the IRDA Guidelines), company shall refer the matter to IRDA for clarification.

4. General Principles

- I. The company shall not outsource the internal audit to the statutory auditors.
- II. The third party service providers engaged by our company are subject to the various provisions of Insurance Act, 1938, IRDA Act, 1999, Rules, Regulations or any other orders issued there under. The third party service provider shall comply with provisions of Regulations, Guidelines and any other law under force and the company shall be responsible for all acts of omission and commission of its third party service providers in this regard.

- III. Agents, Corporate Agents, Brokers and Third Party Administrators would be governed under the respective Regulations issued by the Authority and hence outside the purview of the policy. However, they should not be contracted to perform any outsourced activity other than those permitted by the respective Regulations.
- IV. In accordance with the Guidelines issued by the Authority, Agents, Corporate Agents, Brokers, TPA's and Surveyors and other regulated entities shall not be contracted to perform any outsourced activity other than those permitted by the respective regulations/instructions governing their licensing and functioning.

5. Criteria for Selection of Service Providers: The company shall adhere to the Risk Management Principles enumerated by the Authority vide Guidelines 9.1 to 9.15, 10 & 10.1 of the IRDA Outsourcing Guidelines.

However, while selecting the service provider, the following criteria should be taken into account as special precaution.

- 1. The service provider shall not fall within the group, the company is part of. In case the service provider is a group entity, within the meaning of Section 2(ca) of Investment Regulations, having a common director with the company, the transfer pricing shall be fixed at sound principles and disclosed to the Authority immediately on completion of the contract and before the payment is made.
- 2. Conflict of interests shall be avoided. The company shall ensure that the third party service provider does not have any conflict of interest. The third party service provider or any of their group entities shall not be able to derive any benefit by causing loss to the company or policyholder. For instance the third party service provider shall not have the responsibility of repairing the damaged vehicle, supply of spare parts and marketing of the policy. In case of existence of conflict of interest among group entities, our company shall avoid outsourcing to such entities.
- 3. None of the employees of our company shall be directly or indirectly involved in the creation of or any outsourced activity of the outsourced entity.
- 4. Quantitative, qualitative, financial, reputational, operational factors should be considered.
- 5. Capability and compatibility of systems with our systems should be examined.
- 6. Past experience and competence to implement & support the proposed activity should be assessed.
- 7. Financial soundness and ability to service commitments even under adverse conditions shall be examined
- 8. Business reputation & culture, compliance, complaints and outstanding or potential litigation if any should be examined.
- 9. Security issues, internal control, audit, reporting and monitoring and Business continuity management concerns should also be examined.
- 10. Due diligence of the employees of the service provider should also be carried out
- 11. Independent reviews and market feedback may be obtained

Wherever, tendering is required for selection of the outsourcing agency, due procedure as per the existing guidelines of the company and CVC should be adhered to.

Evaluation of the Outsourced Service Provider

Company shall observe due diligence w.r.t the Para 10.1 (i to vi) as per the IRDA Guidelines on Outsourcing.

6. The agreement

- a. All outsourcing relationships shall be governed by WRITTEN contracts. The contracts shall,
 - i) Clearly explain the rights, responsibilities, expectations of all the parties to the contract.
 - ii) Clearly describe the activities that are outsourced
 - iii) Define the performance levels and how the same will be assessed
 - iv) Not restrict the right to access all books, records and information relevant to the outsourced activity
 - v) Provide for continuous monitoring and assessment by the insurer
 - vi) Contain termination clause and minimum period to terminate the contract shall be clearly defined.
 - vii) Not restrict the rights of the insurer to transfer the services to another third party
 - viii) Have clauses for insolvency or other material changes
 - ix) Provide for delineation of ownership of intellectual property, including transfer of information back to the insurer
 - x) Clearly protect confidentiality of information of both the insurer and the insured and shall have protection and compensation clauses for intentional or inadvertent disclosure to unauthorized persons.
 - xi) All disputes shall come within KOLKATA jurisdiction
 - xii) Arbitration provisions may be addressed in the agreement.
 - xiii) Shall not restrict the right of the company to audit the functions of the outsourced entity so far as it is related to the outsourced activity.
- b. Where there are more than one service providers, the contract shall contain such precautionary clauses to safeguard the interests of the company.
- c. All the contracts shall contain a clause for termination of the contract by giving minimum period of notice and also without imposing any penalty on the part of the service provider for premature cancellation of the contact.
- d. The company shall ensure that outsourcing arrangements neither diminish its ability to fulfill its obligations to Policyholders nor impede effective supervision by IRDA.
- e. The agreement shall neither prevent nor impede the company from meeting its respective regulatory obligations, nor the regulator from exercising its regulatory

powers of conducting inspection, investigation, obtaining information from either the company or the third party service provider.

- f. In case of any of the third party service provider becomes a group entity as defined vide IRDA (Investment) Regulations, 2000, the company shall report the fact to the Authority within 30 days of such an event.
- g. In case of termination of contract between the company and third party service provider, the compensation or penalty or any payment in lieu of foreclosure shall be reasonable and shall not be excessive.

7. Risk Management and Contingency Plans

Company shall establish a comprehensive Risk Management Programme. Such programme consider the factors enumerated vide 9.6 (i to ix) in the IRDA Guidelines on Outsourcing. Care should be taken that outsourcing arrangement shall neither diminish the company's ability to fulfill its obligations. The company shall ensure that there is no risk of loss of control over outsourced activity and potential impersonal treatment of policy holder / agents, before outsourcing any activity.

Data Protection

Data protection, security and other risks may be adversely affected by the geographical location of an outsourcing service provider. To this end, specific risk management expertise in assessing country risk related, for example, to political or legal conditions, could be required when entering into and managing outsourcing arrangements that are taken outside of the home country.

Contingency Plan:

The company and our third party service providers shall establish and maintain contingency plans, including a plan for disaster recovery and periodic testing of backup facilities.

Protection of Confidential information

The company shall take appropriate steps to require that third party service providers protect confidential information of both our company and our clients from intentional or inadvertent disclosure to unauthorized persons

8. Board Approval for existing outsourcing agreements

All the existing outsourcing agreements entered by the company prior to 30th September 2011 and which do not contravene the provisions of the Regulations/ guidelines, are deemed to have been approved by the Board with retrospective effect from the date of entering into such contracts.

9. Delegation of Authority:

The authority for entering into any outsourcing agreement in terms of the policy, as amended from time to time, vests with the Deputy General Managers of respective Departments in the Head Office. In respect of Regional offices, the authority vests with the Regional In Charges.

10. Implementation and monitoring of the policy

All the departments in Head Office and Regional Offices are required to inform the details of the existing contracts to the Nodal department to be notified in this respect. They are required to inform the nodal department whenever any contract is entered into or terminated and the reasons there for.

11. Grievance Redressal

The company shall direct in house Grievance Redressal Machinery (CRM Deptt.) to deal with grievances relating to services provided by the outsourced agencies. Wide publicity has to be given through print and electronic media about this. The Grievance Redressal Machinery shall deal with every grievance in a fair, objective and just manner and issue reasoned speaking reply for every grievance rejected

The TAT's for redressal of grievances shall be as notified by the Authority from time to time

12. Termination of contracts

If any contracts are terminated for reasons of mischief, fraud, non compliance, the same shall be intimated to the Authority with reasons for such termination.

13. Administration and amendments of the Policy:

The Board may delegate the authority to effect amendments to the Outsourcing Policy to the CMD/ a Committee/ nominated officer subject to the condition that overall compliance of the IRDA Guidelines is not affected through such amendments.

14. Review by Board of Directors

The Board of Directors shall review the performance of all third party service providers every year with respect to compliance with provisions of Insurance Act 1938, Regulations, Rules or any other order issued there under.

15. Effective Date

The policy shall come into force with effect from the date of approval by the Board of Directors.

17)The names, designation and particulars of CPIOs.

17(A).Company s Corporate RTI Officials,etc.

Central Public Information Officer(CPIO)
Shri M Venkata Subramanian
Chief Manager
National Insurance Company limited
Head-Office
6A,Middleton Street(7th Floor)
Pradeep Building,Chhabildas Tower
Kolkata-700071
E-mail ID : mv.subramanian@nic.co.in
Tel.no.033-2281-5483, Mobile no.7704900406

<u>APPELLATE AUTHORITY</u>
Sri R K Vijay
Deputy General Manager
National Insurance Company limited
Head-office
3,Middleton Street
P.O.Box No.9229

Kolkata-700071
E-mail ID : rk.vijay@nic.co.in
Tel.nos.033-22831705/09,11,14,43,52,54,56,60,Mobile no.7665013574

Transparency Officer
Shri N Banchur
General Manager
National Insurance Company limited
Head-Office
3,Middleton Street
Post Box No.9229
Kolkata-700071
Tel.no.033-22896329, Mobile no. 9830404594, E-mail ID : n.banchur@nic.co.in

17(B) LIST OF CENTRAL PUBLIC INFORMATION OFFICERS AT OUR REGIONAL OFFICES

Regional Office	Name & Address of the CPIOs	E-mail IDs
Ahmedabad	Shri M. C. Desai, Deputy Manager	M C Desai/ARO/NIC@NIC
Bangalore	Shri B.S.Venkatesh Rao, AO	
Baroda	Shri D K Gohil, Dy Manager	DK.Gohil@nic.co.in

Bhubaneswar	Shri R N Pati, Asst. Manager	R N Pati/BBRO/NIC@NIC
Chandigarh-I	Sri Ravindra Bowgal, Dy. Manager	R Bowgal/CHRO-I/NIC@NIC
Chandigarh-II	Sri R K Wali, Manager	R K Wali/CHRO-II/NIC@NIC
Chennai	Shri P. Sampath, Dy. Manager	P Sampath/CNRO/NIC@NIC
Coimbatore	Shri S.Rajagopalan, Manager	S Rajagopalan/PRO/NIC@NIC
Dehradun	Shri G C Gupta, Deputy Manager	G C Gupta/DDRO/NIC @NIC
Delhi-I	Mrs. Minaxi Shatadal, Manager	M Shatadal/DRO-I/NIC@NIC
Delhi-II	Sh B B Malik, Dy. Manager	B B Malik/DRO-II/NIC@NIC
Guwahati	Shri M.K.Dutta, Manager	M K Dutta/GRO/NIC@NIC
Hubli	Shri C. Madan Mohan Reddy, Deputy Manager	CMM Reddy/BRO/NIC@NIC
Hyderabad	Shri P .D. Thyagaraj, Manager	P D Thyagaraj/HRO/NIC@NIC
Indore	Shri Uday Dandwate, Asst. Manager	U A Dandwate/IRO/NIC@NIC
Jaipur	Shri Sajjan Kumar Goyal, Dy. Manager	Sajjan K Goyal/JRO/NIC@NIC
Jodhpur	Shri Naresh Kumar Gagneja, Dy. Manager	Naresh K Gagneja/JDRO/NIC@NIC
Kochi	Shri M. M. Kunjumon, Deputy Manager	M M Kunjumon/KRO/NIC@NIC

Kolkata-I	Shri Apu Mandal, Manager	Apu Mondal/CRO-I/NIC@NIC
Kolkata-II	Shri B. D. Majumder, Admn. Officer	Biswajit Dattamajumder/CRO-II/NIC@NIC
Lucknow	Dr. Ramendra Nath Tewari, Manager	R N Tewari/LRO/NIC@NIC
Mumbai	Mrs.Swati T Redkar, Dy.Manager	S T Redkar/MBRO-I/NIC@NIC
Mumbai Corporate	Shri Shishir Kumar Sinha, Manager	S K Sinha/MCRO/NIC@NIC
Nagpur	Dr.Arun K. Singh, Manager	Arun K Singh/NPRO/NIC@NIC
Patna	Shri Krishna Prasad, Admn. Officer	Krishna Prasad/PTRO/NIC@NIC
Pune	Shri S R Hallur, Manager	S R Hallur/MBRO-I/NIC@NIC
Vizag	Ms. B Indiralakshmi, Admn. Officer	B Indiralakshmi /HRO/NIC@NIC
DRO-III	Sri R K Gupta, Dy. Manager.	Ramesh K Gupta/DRO-III/NIC@NIC
Kolkata-III (Calcutta Corporate Cell)	Sri Arun Banerjee, Asst.Manager	Arun K Banerjee/CRO-I/NIC@NI@NIC
Madurai	Smt.R.Rajalakshmi, Asst.Manager	Rajalakshmi R/CBRO/NIC@NIC
Mumbai RO-III	Mr Sudhakar Dwivedi	<u>S Dwivedi/GRO/NIC@NIC</u>

Notice on Detariff

Dear customer, Insurance Regulatory & Development Authority has announced that the non-life insurers would be free to price their products, except for Motor Third Party Premium risks. That means that the non-life Industry in India would not have any rates under Tariff as, with this announcements, segments of Fire, Motor OD, Engineering & Workmen Compensation has also been detariffed. The wordings, clause and conditions that would apply for the Segments of Insurance of Fire, Engineering, Workmen Compensation, Motor would continue for the Industry and all the insurers would be using them. At National Insurance, we have carried out extensive exercise on coming out with the best rates for our customers in the recently detariffed segments of fire, Engineering, OD portion of Motor and Workmen Compensation. Our Customers would get the price that would be commensurate to the risk profile of the asset to be insured. We have built-in attractive rates for those risks, which have better safety features and has better loss experience. Therefore, the customers of National Insurance would be assured of the best terms and conditions that the Industry can offer. For details, please do get in touch with our nearest office. You would not have any problems in finding our offices as we have more than 1300 offices spread across the country. We at National Insurance wish our customers a very prosperous 2012. National Insurance, 31.03.2011.

While every care is taken in preparing the requisite information under pro-active disclosure norms u/s 4 of RTI Act,2005,National Insurance reserves the rights to rectify the errors and omissions ,if any.

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Declaration u/s 4(1) of RTI Act, 2005