

**GENERAL INSURANCE (RATIONALISATION OF PAY SCALES
AND OTHER CONDITIONS OF SERVICE OF DEVELOPMENT
STAFF) SCHEME, 1976**

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**GENERAL INSURANCE (RATIONALISATION OF PAY SCALES
AND OTHER CONDITIONS OF SERVICE OF DEVELOPMENT
STAFF) SCHEME, 1976**

¹1. Published in the Gazette of India, Extraordinary, Part II, Sec. 3(ii), dated 29th April, 1976 (w.e.f. 1st May, 1976). Whereas the Central Government is of opinion that for the more efficient carrying on of general insurance business it is necessary so to do; Now, therefore, in exercise of the powers conferred by clause (g) of sub-section (1) of Sec. 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme to provide for the rationalisation of pay scales and other terms and conditions of service of persons of the Development Staff serving under insurance, namely:-

1. Short title and commencement :-

(1) This Scheme may be called the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976.

(2) It shall come into force on the 1st day of May, 1976.

2. Application :-

The provisions herein contained shall apply to all persons of the Development Staff-

(i) who were confirmed wholetime in their respective posts as on the 31st day of December, 1972, under any of the Indian Insurance Companies or any existing insurer;

(ii) who were holding temporary wholetime posts as on the 31st day of December, 1972, under any of the Indian Insurance Companies or any existing insurer and confirmed before the commencement of this Scheme;

(iii) who joined the service of any of the Indian Insurance Companies on or after the 1st day of January, 1973, and were confirmed in their respective posts before the commencement of this Scheme;

(iv) who, at the commencement of this Scheme, are holding temporary wholetime posts under the Company or are serving under the Company on probationary basis, out shall not apply to persons of the Development Staff-

(a) who are employed under specific contracts of employment;

(b) who hold part time employment;

(c) who had, before the commencement of this Scheme, retired or resigned, or whose services had been terminated, before such commencement.

3. Definitions :-

In this Scheme, unless the context otherwise requires-

(1) "Act" means the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972);

¹[(1A) "appraisal date" means the 1st day of April, 1990 and 1st day of every subsequent year]

²[(2) "basic pay" means the pay admissible from time to time to the Development Officers in the scale of pay set out in the ³[(Sch. F) appended to this Scheme];

(3) "Chairman" means-

(a) in relation to the Corporation, the Chairman or the Managing Director,

(b) in relation to the Company, the Chairman-cum-Managing Director;

(4) "Committee" means a Committee appointed by the Chairman under paragraph 4;

⁴[(5) "Company" means the National Insurance Company Limited, the New India Assurance Co. Ltd., the Oriental Insurance Company Limited or the United India Insurance Company Limited].

(6) "Corporation" means the General Insurance Corporation of India

formed under Sec. 9 of the Act;

4[(7) "cost" means the cost incurred on a Development Officer for procuring general insurance business during a performance year and includes, in addition to the gross emoluments of such Development Officer, **6**[* * *] non-core allowances, expenses on vehicle and telephone, bonus or ex-gratia payment, travelling expenses on tours undertaken for procuring general insurance business, paid to the Development Officer during that year but does not include employer's contribution to Provident Fund].

7[Provided that for the purposes of paragraphs 11, 11-A, 13 cost shall mean gross emoluments paid to the Development Officer during a performance year].

4[(8) "cost ratio" in respect of a performance year means the ratio expressed as percentage of the cost incurred on a Development Officer to the scheduled premium income procured through him].

(9) "Development Staff means the persons employed for the purpose of procuring general insurance business and categorised or designated under this Scheme- (a) as Development Superintendents or Inspectors Grade I or Inspectors Grade II, or (b) as Field Workers;

9[(9A) "Development Officer" means members or the Development Staff, who immediately before the commencement of the Amendment Scheme, 1987 were categorised or appointed as Inspector Grade-1 and Inspector Grade-11 and on such commencement designated, respectively, as Development Officer Grade-1 and Development Officer Grade II.]

(10) " existing scale" means the scale in which pay was drawn by a person of the Development Staff before the fixation of his pay under the new terms;

10[Explanation.- In the case of a person working in a supervisory capacity for the purpose of his categorisation as other than a Development Superintendent and for the fixation of his pay, the schedule premium income of his organisation shall be considered as his own scheduled premium income.];

(11) "gross emoluments" means the aggregate of basic pay, dearness allowance, hill station allowance, house rent allowance

and **11**[city compensatory allowance and special allowance]; **12**[**]

13[11-A) "gross Salary" means the aggregate of basic pay and dearness allowance payable under the new terms];

(12) "initial cost ratio" means the cost ratio calculated on the basis of the aggregate of the present gross emoluments, and all allowances including conveyance allowance and entertainment allowance, bonus or ex-gratia payment, travelling expenses on tours undertaken for procuring general insurance business and employers' contribution to provident fund paid to a person of the Development Staff in the relevant year under his existing scale;

(13) "new terms" means the scale of pay and other allowances as set out in the Schedule appended to this Scheme;

14[(13A) "non-core allowances" means the entertainment allowance, conveyance allowance or such other similar allowances as allowed or may be allowed by the Corporation.];]

15[(14) "operating surplus" means the surplus if any after deducting the outgo from the income procured through the Development Officer and for the purpose of determining operating surplus-

(a) income shall consist of-

(i) in reserve for unexpired risk calculated at the rate of 50 per cent of the scheduled premium income of the previous performance year; and

(ii) the scheduled premium income of the performance year; and

(b) the out-go shall consist of the aggregate of the following items for the relevant performance year,-

(c) incurred claims, calculated by adding the amount of claims paid during the year, to the amount of claims outstanding at the end of the year and deducting therefrom the provision of claims outstanding at the end of the previous performance year.

Explanation.-In this item.-

(a) Claim in excess of one lakh of rupees arising from any single claim shall be limited to **12**[three lakhs of rupees];

(b) Claims in respect of any business excluded from the scheduled

premium income shall not be taken into account while calculating incurred claims.

(ii) ten per cent of the scheduled premium income towards administrative expenses;

(iii) cost incurred on Development Officer;

(iv) the commission paid or payable on the scheduled premium income,

(v) reserve for unexpired risk at the end of the year at the rate of 50 per cent of the scheduled premium income.

17 [(14A) "Performance year" means the period commencing on the 1st day of April and ending on 31st day of March of the next year immediately preceding the relevant appraisal date.

Explanation: For the purpose of this Scheme, year from 1st day of April, 1989 to 31st day of March, 1990 shall be deemed to be in succession to the performance year 1988.]

(15)" present gross emolument" means the aggregate of basic pay; ad hoc special pay, dearness allowance, personal pay, deputation allowance, hill station allowance, house rent allowance, city compensatory allowance, lunch allowance paid in cash, **18**[interim relief] and any other allowance which is in the nature of dearness allowance drawn by a person of the Development Staff in his existing scale;

19 [(15A) "Present gross salary" means the residual of the present gross emoluments after deducting all allowances in the nature of house rent allowance, city compensatory allowance, hill station allowance and lunch allowance, paid in cash.];

16 [(15B) "revised terms" means the revised scale of pay and allowance as specified in Sch.A,

(15C) "revised scale of pay" means the revised scale of pay specified in Sch. A];

(16) [Scheduled premium income" means the premium income secured by a person of the Development Staff (other than Development Superintendents) or the premium under the organisation of a Development Superintendent, as the case may be, excluding the premium income in respect of; (a) Aviation Hull

Insurance Business; (b) Marine Hull Insurance Business accrued through ocean going fleets only; (c) Credit Insurance Business; (d) Public Sector Business; and (e) Tied Business; (f) Compulsory Public Liability Insurance business, and (g) Oil and Energy Risks];

(17) "stipulated limits" means

(a) in relation to initial cost ratio, the ratio specified in column (2) of the Table below and incurred on a person specified in the corresponding entry in column (1) thereof:

Table

	(1)	(2)
(i)	Development Superintendents 1 per cent
(ii)	Inspectors and Field Workers	
	(A) operating at Bombay, Calcutta, Madras and New Delhi] 9 per cent
	(B) operating at A-Class cities [other than these referred to in (A) above], B-1 Class cities and B-2 Class cities	10 per cent.
	(C) operating at all other centres	12 per cent.

(b) in relation to cost ratio, the ratio specified in column (2) of the Table below and incurred on a person specified in the corresponding entry in column (1) thereof:

Table

(1)	For the year in which pay has been fixed under the new terms.	(2)	For every subsequent to the year of fixation of pay under the new terms.
	(a)		(b)
(i)	Development Superintendents	... 1 per cent	1 per cent
(ii)	Inspectors and Field Workers		
(A)	operating at Bombay Calcutta, Madras and New Delhi.	8 per cent	7 per cent
(B)	operating at A-Class cities other than those referred to in (A) above, B-1 Class cities and B-2 Class cities.	9 per cent	8 per cent
(C)	operating at all other centres	11 per cent	10 per cent.

Explanation.-In this clause, "A-Class cities", "B-1 Class cities", and "B-2 Class cities" shall mean the cities declared by the Central Government from time to time As A- Class cities, B-1 Class cities and B-2 Class cities, for the purpose of payment of City Compensatory Allowance to the employees of that Government;

21[Note:-Notwithstanding the limits of cost ratio specified in sub-column (b) of column (2) in the Table above, the relevant limits for the period from the 1st day of January, 1974 to the 31st December, 1977 shall be, as specified in sub-column (a) of column (2) of the above Table.]

22[(c)

(i) in relation to cost ratio from the performance year commencing on the 1st day of April, 1995. The ratio specified in column (2) of the Table below and incurred on a Development Officer specified in the corresponding entry in column (1) thereof:-

Table

Development Officer opening at cost ratio			
(1)		(2)	
		Applicable in	Applicable in
		relation to paragraphs	relation to
		11, 11A and 13	paragraphs other
			than 11, 11-A and 13
(A)	Cities with population		
	exceeding 12 lakhs	8%	7%
(B)	Cities with population of		
	5 lakhs and above, but not		
	exceeding 12 lakhs	9%	8%
(C)	Other centres	11%	10%

Provided that for the performance years 1st April, 1995 to 31st March, 1996 and 1st April, 1996 to 31st March, 1997 relation of one percent shall be allowed in the stipulated limits to cost ratios specified in the Table:

Provided further that for a Development Officer posted in a

hardship area, the Chairman may, after taking into account the amount and the composition of premium procured from such area, by order and for reasons to be recorded in writing, grant under further relaxation of one per cent in the stipulated limits of cost ratio specified in the Table:

Provided also that stipulated limits applicable in relation to paragraphs 11, 11-A and 13 shall be further relaxed by one per cent in respect of a Development Officer who has attained the age of 55 years and has completed minimum 15 years of service.

Explanation 1- "Population" shall mean the population of a city within its municipal limits ascertained from the latest Census Report of the Government of India.

Explanation 2-"Hardship area" shall mean an area specified as such by the Corporation in regard to the special difficulties faced in procuring business in that area.

(ii) in relation to cost for the performance year commencing on the 1st day of April, 1997, the ratios-specified in Column (2) of the Table - A below and incurred on a Development Officer specified in the corresponding entry in Column (1) thereof shall apply:-

Table A

Development Officer operating at		cost ratio	
(1)		(2)	
		Applicable in relation to paragraphs 11, 11A and 13	Applicable in relation to paragraphs other than 11, 11-A and 13
(A)	Cities with population exceeding 12 lakhs	9%	7%
(B)	Cities with population of 5 lakhs and above, but not exceeding 12 lakhs.	10%	8%
(C)	Other centres	12%	10%

Provided that for the performance year 1st April, 1997 to 31st March, 1998 relaxation of one per cent shall be allowed in the stipulated limits of cost rates specified in the Table - A:

Provided further that for a Development Officer posted in a hardship area, the Chairman may, after taking into account the amount and the composition of premium procured from such area, by order and for reasons to be recorded in writing, grant further relaxation of one per cent in this stipulated limits of cost ratios specified in the Table- A:

Provided also that the stipulated limits applicable in relation to paragraphs 11, 11 -A and 13 shall be further relaxed by one per cent in respect of a Development Officer who has attained the age of 55 years and has completed minimum 15 years of service.

Explanation 1: "Population " shall mean the population of a city within its municipal limits ascertained from the latest Census Report of the Government of India.

Explanation 2: "Hardship area" shall mean an area specified as such by the Corporation in regard to the special difficulties faced in procuring business in mat area;]

23 [(iii) in relation to cost ratio for performance year commencing on the 1 st day of April, 1999, the ratios specified in Column (2) of the Table-B below and incurred on a Development Officer specified in the corresponding entry in Column (1) thereof shall apply :-

Table B

	Development Officer operating at	cost ratio	
	(1)	(2)	
		Applicable in relation	Applicable in relation
		to paragraphs	to paragraph other
		11, 11-A and 13	than 11, 11-A and 13
(A)	Cities with population exceeding 12 lakhs	9%	7%
(B)	Cities with population of 5 lakhs and above, but not exceeding 12 lakhs	10%	8%
(C)	Other centres	12%	10%

Provided that for the performance years 1st April, 1999 to 31st March, 2002 relaxation of 1% shall be allowed in the stipulated limits of cost ratios specified in the Table B:

Provided further that for a Development Officer posted in a hardship area, the Chairman, after taking into account the amount and the compensation of premium procured from such area, and for reasons to be recorded in writing, grant further relaxation of one per cent in the stipulated limit of cost ratio specified in the Table - B:

Provided also that the stipulated limits in relation to paragraphs 11, 11-A and 13 shall be further relaxed by one per cent in respect of a Development Officer who has attained the age of 55 years and has completed minimum 15 years of service.

Explanation -1.' "population" shall mean the population of a city within its municipal limits ascertained from the latest Census Report.

Explanation -2: "hardship area" shall mean an area specified as such by the Corporation in regard to the special difficulties faced in procuring business in that area."]

(18) "Tied Business" means such business on the books of the Company accrued without the intervention or effort of a person of the Development Staff and includes accounts allotted by the Company to such person for servicing;

(19) "Year" means a calendar year.

1. Substituted by S.O. 478(E), dated 13th June, 1990 (w:e.f. 1st April, 1990).

2. Substituted by S.O. 80(E), dated 13th February, 1987 (w.e.f. 1st January, 1987).

3. Substituted by S.O. 582(E), dated 22nd July, 2000 (w.e.f. 1st April, 1999).

4. Substituted by S.O. 80(E), dated 13th February, 1987 (w.e.f. 1st January, 1987)

6. Omitted S.O. 478(E), dated 13th June, 1990 (w.e.f. 1st April, 1990).

7. Inserted by S.O. 478(E), dated 13th June, 1990 (w.e.f. 1st April, 1990).

9. Inserted by S.O. 80(E), dated 13 February, 1987 (w.e.f. 1st January, 1987).

10. Added by S.O. 761(E), dated 1st December, 1976 (w.e.f. 1st December, 1976).

11. Substituted by S.O. 730(E), dated 27th August, 1998 (w.e f. 1st July, 1996).

12. Omitted by S.O. 80(E), dated 13th February, 1987 (w.e.f. 1st January, 1987).

13. Inserted by S.O. 414(E), dated 28th June, 1978(w.e.f 28th

June, 1978).

14. Inserted by S.O. 414(E), dated 28th June, 1978 (w.e.f. 28th June, 1978).

15. Inserted by S.O. 80(E), dated 13th February, 1987 (w.e.f. January, 1987).

17. Substituted by S.O. 478(E), dated 13th February, 1989 (w.e.f. 1st April, 1989).

18. Inserted by S.O. 80(E), dated 13th February, 1987 (w.e.f. January, 1987).

19. Inserted by S.O. 414(E), dated 28th June, 1978 (w.e.f. 28th June, 1978).

21. Added by S.O. 441(E), dated 28th June, 1978 (w.e.f. 28th June, 1978)

22. Sub Clause (e) of Cl. 17, subs. by S.O. 145(E), dated 25th February, 1997 (w.e.f. 1st April, 1997).

23. Inserted by S.O. 588(E), dated 22nd June, 2000 (w.e.f. 1st April, 2000).

4. Categorisation of Development Staff :-

(1) Persons of the Development Staff shall, as soon as may be after the commencement of this Scheme, be categorised by a Committee appointed by the Chairman, into appropriate categories in accordance with the provisions contained in sub-paragraphs (2) to (7) and paragraph 5.

(2) Development Superintendent-A person of the Development Staff working in a supervisory capacity and whose initial cost ratio for the year 1974 would have been within the stipulated limits shall be eligible to be considered for categorisation as Development Superintendent:

Provided that the scheduled premium income procured for the year 1974 from his organisation-

(a) having 3 or more persons in the Development Staff (other than himself) was not less than ten lakhs of rupees; or

(b) having 4 or more persons in the Development Staff (other than himself) was not less than eight lakhs and fifty thousand rupees; or

(c) having 5 or more persons in the Development Staff (other than himself) was not less than seven lakhs and fifty thousand rupees.

(3) Inspectors Grade I.-A person of the Development Staff not categorised as Development Superintendent under sub-paragraph (2) and whose initial cost ratio for the year 1974 would have been within the stipulated limit shall be eligible to be considered for

categorisation as Inspector Grade I, provided the scheduled premium income procured by him during the year 1974 was not less than one lakh of rupees.

(4) Inspector Grade II.-A person of the Development Staff who has not been categorised as Development Superintendent or as Inspector Grade I under sub-paragraph (2) or sub-paragraph (3), as the case may be, and whose initial cost ratio for the year 1974 would have been within the stipulated limits shall be eligible to be considered for categorisation as Inspector Grade II, provided the scheduled premium income procured by him during the year 1974 was not less than sixty thousand rupees.

(5) Field Worker.- A person of the Development Staff who has not been categorised as Development Superintendent or Inspector Grade I or Inspector Grade II under sub-paragraph (2) or sub-paragraph (3) or sub-paragraph (4), as the case may be, and whose initial cost ratio for year 1974 would have been within the stipulated limits shall be ¹ [designated] as Field Worker.

(6)

(a) A person of the Development Staff who has not been categorised as Development Superintendent or Inspector Grade I or Inspector Grade II or cannot be designated as Field Worker under sub-paragraph (2) or sub-paragraph (3) or sub-paragraph (4) or sub-paragraph (5) as the case may be, shall be given an option to express in writing within thirty days from the date of notice of option, whether he agrees to a reduction in his monthly present gross emoluments with effect from the date of commencement of this Scheme, so as to bring his initial cost ratio for the year 1975, within the stipulated limits and where an agreement to such reduction has been received, he shall be categorised with effect from such commencement as-

(A) Inspector Grade I, if the scheduled premium income for the year 1975 was not less than one lakh of rupees; or

(B) Inspector Grade II, if the scheduled premium income for the year 1975 was not less than sixty thousand rupees; or

(C) shall be designated as Field Worker, if the scheduled premium income for the year 1975 was less than sixty thousand rupees.

(b) The amount of present gross emoluments so reduced under

clause (a) shall be deemed to be the present gross emoluments of the person concerned for purposes of fixation under paragraph 8.

(7) The service of such of those persons of the Development Staff as have not agreed in writing under sub-paragraph (6) to a reduction in the monthly present gross emoluments shall be deemed to have been terminated on the expiry of the period of notice of option given under that sub-paragraph.

1. The word "design" subs. by S.O. 414(E), dated 28th June, 1978 (w.e.f. 28th June, 1978).

5. Categorisation of Field Workers :-

(1) In a case where the initial cost ratio for the year 1975 of a person designated as Field Worker under sub-paragraph (5) of paragraph 4, is within the stipulated limits, he shall be eligible to be considered by the Committee for categorisation with effect from the date of commencement of this Scheme-

(a) as Inspector Grade I, if his scheduled premium income for the year 1975 was not less than one lakh of rupees; or

(b) as Inspector Grade II, if his scheduled premium income for the year 1975 was not less than sixty thousand rupees.

(2) In a case where the initial cost ratio for the year 1976 of a Field Worker not categorised as Inspector Grade I or Inspector Grade n under sub-paragraph (6) of paragraph 4 or under sub-paragraph (1) of this paragraph is within the stipulated limits, he shall be eligible to be considered by the Committee for categorisation with effect from the 1st day of January, 1977-

(a) as Inspector Grade I, if his scheduled premium income for the year 1976 is not less than one lakh of rupees; or

(b) as Inspector Grade II, if his scheduled premium income for the year 1976 is not less than sixty rupees:

Provided that in computing the scheduled premium income, the national increase or reduction in the scheduled premium income, in sub-paragraph (4) of paragraph 12, shall also be taken into account.

1 [(3)

(a) A Field Worker whose scheduled premium income for the year

1976 is not less than Rs. 45,000, shall be allowed to continue for the year 1977 as a Field Worker.

(b) If the performance of Field Worker referred to in clause (a) for the year 1977 conforms to the standard laid down in sub-paragraph (2), he shall be categorised accordingly with effect from the first day of January, 1978.

(4) The services of such of the Field Workers who cannot be allowed to continue as Field Workers under clause (a) of sub-paragraph (3) or who cannot be categorised as Inspector Grade I or Inspector Grade II under Cl. (b) of sub-paragraph (2), shall, after a review of their performance for the relevant year, be liable to termination immediately on the expiry of the period of 30 days from the date on which notices were served on them.]

1. Substituted by S.O. 414(E), dated 28th June, 1978 (w.e.f. 28th June, 1978).

6. Appeal :-

Any person aggrieved by the decision of the Committee may prefer an appeal to the Chairman within thirty days of the receipt by him of the decision of the Committee, and the Chairman shall decide the same:

Provided that no such decision shall be made unless the person concerned had been given an opportunity of making representation in the matter.

7. Method of fixation in respect of persons categorised under sub-paragraph (2) or sub-paragraph (3) or sub-paragraph (4) of paragraph 4 :-

(1)

(a) The basic pay of every person categorised as Development Superintendent or Inspector Grade I or Inspector Grade II under sub-paragraph (2) or sub-paragraph 4 shall be fixed in the appropriate scale specified in the Schedule appended hereto in the manner indicated below :-

(i) - The basic pay shall be fixed in the appropriate scale at the stage at which the [monthly present gross salary as on the 31st day of December, 1975, is equivalent to the monthly gross salary]; and if there is no such stage in the appropriate scale at the stage next above in the said appropriate scale.

(ii) An increment in the appropriate scale shall be granted over the basic pay so determined in clause (i) and this shall be his basic pay as on the 1st day of January, 1976.

(iii) If the basic pay as determined under Cl. (i) or Cl. (ii) exceeds the maximum of the appropriate scale of pay, it shall be fixed at such maximum.

(b) The person whose basic pay has been fixed under Cl. (a) shall be paid for the period commencing on the 1st day of January, 1976. The difference between his gross emoluments and his present gross emoluments but in case where for the aforesaid period the present gross emoluments of such person were more than his gross emoluments, he shall not be required to refund the excess drawn by limit.

(2)

(a) Notwithstanding anything contained in sub-paragraph (1) the basic pay of a person may be fixed in the appropriate scale with effect from the 1st day of January, 1975 in the manner indicate below, provided that his cost ratio for the year 1975 would have been within the stipulated limits and the scheduled premium income procured by the person during the year 1975 was not less than the minimum scheduled premium income stipulated for categorisation in his category:-

(i) The basic pay shall be fixed in the appropriate scale at the stage at which the ¹[monthly present gross salary as on 31st day of December, 1974, is equivalent to the monthly gross salary.] and if there is no such stage in the appropriate scale, at the stage next above in the said appropriate scale.

(ii) An increment in the appropriate scale shall be granted over the basic pay as determined under sub-clause (i) and this shall be treated as the basic pay as on the 1st day of January, 1975.

(iii) An increment in the appropriate scale shall be granted over the basic pay as determined under sub-clause (ii) and this shall be treated at the basic pay as on the 1st day of January, 1976.

(iv) If the basic pay as determined under sub-clause (i) or sub-clause (ii) or sub-clause (iii) exceeds the maximum of the appropriate scale of pay, it shall be fixed at such maximum.

(b) The person whose basic pay has been fixed under Cl. (a) shall

be paid for the period commencing from the 1st day of January 1975, the difference between his gross emoluments and his present gross emoluments, but in case where for the aforesaid period the present gross emoluments of such person were more than his gross emoluments, he shall not be required to refund the excess drawn by him.

(3)

(a) Notwithstanding anything contained in sub-paragraph (1) or sub-paragraph (2), the basic pay of a person may be fixed in the appropriate scale as on the 1st day of January 1974, in the manner indicated below, provided that his cost ratios for the years 1974 and 1975 would have been within the stipulated limits and the scheduled premium income procured by the person during each of the years 1974 and 1975 was not less than the minimum scheduled premium income stipulated for categorisation in his category:-

(i) The basic pay shall be fixed in the appropriate scale at the stage at which the ²["monthly present gross salary as on the 31st day of December, 1973, is equivalent to the monthly gross salary]", and if there is no such stage in the appropriate scale, at the stage next above in the said appropriate scale.

(ii) An increment in the appropriate scale shall be granted over the basic pay as determined in sub-clause (i) and this shall be treated as the basic pay as on the 1st day of January, 1974.

(iii) An increment in the appropriate scale shall be granted over the basic pay as determined under sub-clause (ii) and this shall be treated as the basic pay as on the 1st day of January, 1975.

(iv) An increment in the appropriate scale shall be granted over the basic pay as determined under sub-clause (iii) and this shall be treated as the basic pay as on the 1st day of January, 1976.

(v) If the basic pay as determined under sub-clause (i) or sub-clause (ii) or sub-clause (iii) or sub-clause (iv) exceeds the maximum of the relevant scale of pay, it shall be fixed at such maximum.

(b) The person whose basic pay has been fixed under clause (a) shall be paid for the period commencing from the 1st day of January 1974, the difference between his gross emoluments and his present gross emoluments, but in case where for the aforesaid

period, the present gross emoluments of such person were more than his gross emoluments, shall not be required to refund the excess drawn by him.

(4)(a) Notwithstanding anything contained in sub-paragraph (1) of sub-paragraph (2) or sub-paragraph (3), the basic pay of a person may be fixed in the appropriate scale as on the 1st day of January 1973, in the manner indicated below, provided that his cost ratios for the years 1973, 1974 and 1975 would have been within the stipulated limits and the scheduled premium income procured by the person during each of the years 1973, 1974 and 1975 was not less than the minimum scheduled premium income stipulated for categorisation in his category:-

(i) The basic pay shall be fixed in the appropriate scale at the stage at which the ¹[monthly present gross salary as on 1st day of January, 1973 is equivalent to the monthly gross salary.]; and if there is no such stage in the appropriate scale, at the stage next above in the said appropriate scale.

(ii) ²[The basic pay as determined in terms of sub-clause (i) shall be treated as the basic pay as on the 1st day of January, 1973.]

(iii) An increment in the appropriate scale shall be granted over the basic pay as determined in the terms of ⁵ [sub-clause(ii)] and this shall be treated as the basic pay as on the 1st day of January, 1974.

(iv) An increment in the appropriate scale shall be granted over the basic pay as determined in terms of sub-clause (iii) and this shall be treated as the basic pay as on the 1st day of January, 1975.

(v) An increment in the appropriate scale shall be granted over the basic pay so determined under sub-clause (iv) and this shall be treated as the basic pay as on the 1st day of January, 1976.

(vi) If the basic pay as determined under sub-clause (i) or sub-clause (ii) or sub-clause (iii) or sub-clause (iv) or sub-clause (v) exceeds the maximum of the appropriate scale of pay, it shall be fixed at such maximum.

(b) The person whose basic pay has been fixed under clause (a) shall be paid for the period commencing from the 1st day of January, 1973 the difference between his gross emoluments and his present gross emoluments, but in case where for the aforesaid

period the present gross emoluments of such person were more than his gross emoluments, he shall not be required to refund the excess drawn by him."

1. Substituted by S.O. 414(E), dated 28th June, 1978 (w.e.f. 28th June, 1978).

2. Substituted by S.O. 414(E), dated 28th June, 1978 (w.e.f. 28th June, 1978).

5. Substituted by S.O. 414(E), dated 28th June, 1978 (w.e.f. 28th June, 1978).

7A. Scales of pay, method of fixation and payment of arrears :-

(1) On and from the 1st day of April, 1999, the Basic Pay and allowances of every Development Officer shall be in accordance with Sch. 'F'.

(2) The Basis Pay of every Development Officer who was in service on 1st day of April, 1999 or was appointed thereafter shall be fixed in accordance with item II of Sch. 'F', with effect from the 1st day of April, 1999 or the date of appointment, whichever is later.

(3) Every Development Officer whose Basic Pay is fixed in accordance with item II of Sch. 'F', shall be paid for the period commencing on and from the 1st day of April, 1999 or the date of his appointment, whichever is later, the difference of gross emoluments and allowance for technical qualification payable under Schedule 'F' and that paid under Schedule 'D' after deducting the Development Officer's compulsory contribution to Provident Fund.

7B. Equitable Relief :-

Notwithstanding anything contained in paragraph 7A, the Development Officer who was in service at any time during the period from the 1st day of August, 1997 to 31st day of March, 1999 shall be paid equitable relief from the period of such service.

Explanation.-For the purpose of this paragraph the term 'Equitable Relief' means the difference between the aggregate of gross emoluments and allowance for technical qualifications computed under Sch. 'F' and Sch. 'D', respectively with consequent adjustment of ex-gratia payment, Provident Fund, Pension, Gratuity and Encashment of Earned Leave, as the case may be.

7C. Absorption of Arrears and Equitable Relief in Cost :-

The arrears and equitable relief determined under paragraphs 7A

and 7B shall be added to the cost of Development Officer for the respective performance year to which they relate, subject to the stipulated limits of cost and the balance shall be added to his cost for the performance year 2000-2001 and 2001-2002 in such proportion as he may choose within 90 days of the publication of this scheme.]

8. Method of fixation in respect of persons categorised under sub-paragraph (6) of paragraph (4) and sub-paragraphs (1), (2) and (3) of paragraph 5 :-

The basic pay of every person categorised as Inspector Grade I or Inspector Grade II under sub-paragraph (6) of paragraph 4 and sub-paragraph (1), (2) and (3) of paragraph 5 shall be fixed in the appropriate scale specified in the Schedule appended hereto in the manner indicated below :-

(i) The basic pay shall be fixed in the appropriate scale at a stage at which the monthly present gross salary as on the date of categorisation is equivalent to the monthly gross salary and if there is no such stage in the appropriate scale, at the stage next above in the said appropriate scale.

(ii) If the basic pay as determined in clause (i) exceeds the maximum of the appropriate scale of pay, it shall be fixed at such maximum.]

9. Method of payment to Field Workers :-

(1) The pay of a Field Worker is not categorised as Inspector Grade ¹[or Inspector Grade II under sub-paragraph (6) of paragraph 4 or sub-paragraph (1) of paragraph 5 shall not be fixed in any of the pay scales referred to in the Schedule appended hereto, and ³ he shall continue to draw his present emoluments till such time as he is categorised as ¹ [Inspector Grade I or Inspector Grade II under sub- paragraph (2) of paragraph 5 or his services are terminated under sub-paragraph (4) of paragraph 5.

(2) In case a Field Worker is drawing the present gross emoluments which are less than four hundred rupees per month, his present gross emoluments shall be stepped up with effect from the date of commencement of this Scheme to such an amount not exceeding four hundred rupees per month:

Provided his initial cost-ratio, computed on the basis of his revised emoluments and his scheduled premium income for the year 1975,

is within the limits stipulated in sub- clause (a) of Cl. (17) of paragraph 3.

(3) A Field Worker who would have drawn during any year increased emoluments in terms of his existing scale may be allowed such increased emoluments:

Provided his initial cost ratio, computed on the basis of his revised emoluments and his Scheduled Premium Income for the relevant year, remains within the limits stipulated in sub-clause (a) of Cl. (17) of paragraph 3.

1. Substituted by S.O. 414(E), dated 28th June, 1978 (w.e.f. 28th June, 1978)

10. Encashment of leave :-

Where any portion of leave had been encashed by a person of the Development Staff, he shall not be required to refund any amount paid to him by way of such encashment.

11. Cost Control :-

(1) Every Development Officer shall work with such cost as to maintain his cost ratio within the limits stipulated sub-clause (c) of Cl. (17) of paragraph 3.

(2) If the cost ratio in respect of a Development officer for a particular performance year exceeds the stipulated limits, the non-core allowances payable to him in the following performance year shall be reduced to the extent of the amount by which his cost ratio exceeded the stipulated limits.

(3) If in respect of a Development Officer, cost ratio in excess of stipulated limit for second performance year in succession, he may be issued a letter of warning two in the event of his cost ratio exceeding stipulated limits for or subsequent performance years in succession, his non-core allowance shall continue to be reduced in the following years to the extent necessary to bring his cost ratio within stipulated limits and, if there are no non- core allowance shall be reduced, he shall be liable to decrement in basic pay indicated in the Table below sub-paragraph (4).

(4) If in respect of a Development Officer conratio in excess of stipulated limit for the third or subsequent performance years in succession, the non-core allowance payable to him if any, in the following performance year shall be reduced to the extent of the

amount by which cost ratio exceeded the stipulated limits:

Provided that if no non-core allowance are payable to the amount of non-core allowance payable to him in the year following such third or subsequent successive performance years is less than the excess cost, decrements shall be effected to such Development Officer as per Table below from the ¹[relevant appraisal date] to provide him an opportunity to conform to the stipulated of cost.

¹ [Relevant Appraisal date]

Sr. Actual cost	On 1st	On 2nd	On 3rd	On 4th	On 5th and
					Subsequent
Ratio over stipulated limits Occasion		Successive occasion	Successive occasion	Successive occasion	Successive occasion
Number of Decrements to be effected from 1st January of Relevant Appraisal year.					
1. By not more than 1%		1	1	1	1
2. By Margin exceeding 1% but not exceeding 3%		1	1	2	2
3. By Margin exceeding 3% but not exceeding 5%		2	2	3	3
4. By Margin exceeding 5%		2	3	3	4

Note I.-If a Development Officer is in the scale of Development Officer Grade I, and by reduction as provided above, his basic pay falls below the minimum of the scale, his basic pay shall be fixed at one stage below the maximum of the scale of Development Officer Grade II. If the said Development Officer continues to operate failed cost him is, even after placement in the Development Officer Grade II, the reduction is all start in the scale of Development Officer by the number of stages as applicable to the successive occasion.

Note II.-If after such reduction the basic pay falls below the minimum of the scale of Development Officer Grade II, the basic pay of such Development Officer shall be fixed at the minimum of the scale of Development Officer Grade II.

(5) The Development Officer whose basic pay has been fixed at the minimum of the scale of Development Officer Grade II, after reduction under sub-paragraph (4), shall be provided an opportunity of one year to conform to the stipulated cost limits and will be used a warning that his services shall be liable for

termination if he still continues to exceed the stipulated cost limits.

(6) If the Development Officer continues to be beyond stipulated cost limits even after bringing down his basic pay to the minimum of the scale of Development Officer Grade II and providing him an opportunity of one year under sub-paragraph (5), his service shall be terminated by an officer not below the rank of Assistant General Manager, after giving him a notice of 30 days:

Provided that service of Development Officer shall be terminated unless he is given an opportunity to appeal to the appeals committee constituted for the purpose under sub-paragraph (7) within the period of 30 days from the date of serving a notice of termination and unless the said appeals committee considers the said appeal and confirms that the services of the concerned Development Officer are liable for termination:

Provided further that the services of the concerned Development Officer shall not be terminated, if the appeals committee after considering his appeal decides that certain relief should be provided to him.

(7) The appeals committee referred to in sub-paragraph (6) shall be constituted by the Chairman of the Corporation from time to time for providing relief to Development Officer liable for termination of services under this paragraph and the said Committee shall consider the appeal having regard to the relevant factors such as factual inaccuracies in commutation of premium, cost and cost ratio or sickness, accident or such individual extenuating circumstances beyond the Control of Development Officer adversely affecting the business procurement and provide such relief other than that provided in sub-paragraph (8), as may be considered necessary in each case.

(8) Any Development Officer whose services are liable to be terminated under this paragraph may, on his specific request, be appointed as clerical staff on such terms as may be decided by the Chairman of the Corporation if he is eligible and considered suitable and subject to the condition that-(i) he is at least 45 years of age but has not completed 55 years of age and has put in at least 15 years of services as Development Officer, or (ii) there are grounds of individual extenuating circumstances such as illness, injury or disablement.

(9) Where the non-core allowances of a Development Officer are

reduced under sub-paragraph (2) of sub-paragraph (5) or decrements are effected under sub-paragraph (4) or his services are terminated under sub-paragraph (6) such reduction of non-core allowance or decrements or termination of services, shall not be deemed to be a penalty.]

1. Inserted by S.O. 80(E), dated 13th February, 1987 (w.e.f. 1st January, 1987).

12. Development of certain types of business :-

(1) Every person of the Development Staff shall, after the commencement of this Scheme, procure a minimum premium income out of all or any of the following types of business, namely:- (i) all risk insurance; (ii) baggage insurance; (iii) cash-in-transit insurance; (iv) cattle insurance; (v) insurance of pump sets and lifts; (vi) machinery break down insurance; (vii) pedal cycle insurance; (viii) personal accident insurance for individuals, including the Janata Personal Accident Policies; (ix) shopkeepers or house-holders comprehensive insurance; (x)¹[***]

²[(1-A) The Chairman of the Corporation may, from time to time, and to vary or amend the types of business listed in sub-paragraph (1), having regard to the necessity of developing certain unexpected or under developed types of insurance. The Chairman of the Corporation may also provide for a scheme of special incentive for development of rural or any other specified classes of insurance, if deemed necessary and in the manner as may be decided by him.]

(2) Except for the year 1976, the minimum amount of such premium to be procured by an organisation of a Development Superintendent or by a person of the Development Staff, other than an organisation of a Development Superintendent shall be related to the scheduled premium income procured in the preceding year by such organisation or person, as the case may be, as under:-

Scheduled premium income procured	Maximum premium income out of the business
in the preceding year	referred to in sub-paragraph (1)
Upto Rs. 1,00,00/-	10 per cent of the scheduled premium income in
	the preceding year, subject to a minimum of
	Rs. 5.000/-.

More than Rs. 1,00,000	7 per cent of the scheduled premium income
but upto Rs. 2,00,000/-	in the preceding year, subject to minimum of
	Rs. 10,000/-.
More than Rs. 2,00,000/-	5 per cent of the scheduled premium income
	in the preceding year, subject to minimum of
	Rs.
	15,000,

(3) The minimum amount of such premium income for the year 1976 shall be two-thirds of the amount arrived at under sub-paragraph (2).

3[(3A) With effect from 1st April, 1997, the minimum amount of such premium to be procured by an organisation of a Development Superintendent or by a person of the Development Staff other than an organisation of a Development Superintendent, shall be five per cent of the Scheduled Premium Income in the preceding year subject to a minimum of-

(a) rupees one lakh of such premium for cities with population exceeding twelve lakhs;

(b) rupees seventy five thousand of such premium for cities with population of five lakhs and above, but not exceeding twelve lakhs; and

(c) rupees fifty thousand of such premium for other centres.]

(4) Where the minimum amount of such premium income fixed under sub-paragraph (2) or sub-paragraph (3) **3**[or sub-paragraph (3A)]:-

(a) is procured by a person of the Development Staff, the scheduled premium income of such person **5** [shall for purposes of paragraphs 11, 11A and 13 be notionally] the business referred to in sub-paragraph (1);

(b) is not procured by a person of the Development Staff, the scheduled premium income of such person shall notionally be reduced by an amount equal to the shortfall and such reduction shall not be deemed to be a penalty.

1. Omitted by S.O. 80(E), dated 13th February, 1987 (w.e.f. 1st January, 1987).

2. Inserted by S.O. 80(E), dated 13th February, 1987 (w.e.f. 1st January, 1987).

3. Inserted by S.O. 145(E), dated 25th February, 1997 (w.e.f. 1st April, 1997).

5. Substituted by S.O. 478(E), dated 13th June, 1990 (w.e.f. 1st April, 1990).

13. Increments :-

(1) A Development Officer whose cost ratio for the relevant performance year does not exceed the limits stipulated in sub-clause (e) of Cl. (17) of paragraph 3, shall earn movement in the relevant revised scale pay on the 1st day of January of the relevant appraisal year in the scale in the month of January of the said appraisal year:

Provided that in case of Development Officer whose cost ratio for the relevant performance year exceed the stipulated limits, grant of increment may be considered on the basis of average cost ratio worked out on aggregate cost for the relevant performance year and immediately preceding performance year.] [****]

1 [(3) A Development Officer who has reached the maximum of the revised scale of pay as applicable to Development Officer Grade I, may subject to the conditions that he:

(a) fulfils the stipulated cost ratios under paragraphs 11, 11 A and 13 of the said Scheme, in the previous performance year, and;

(b) is otherwise eligible for drawing normal grade increment, and;

(c) is found to have a satisfactory work record, be granted for every three completed years of continuous service after reaching such maximum a stagnation increment equal to the last increment drawn by him in the revised scale of pay, subject to a maximum of two increments. Competent Authority to grant such stagnation increments shall be any Officer not below the rank of Deputy Manager, specifically authorised for the same:

Provided that first such stagnation increment is granted after the first day of the month following the date of publication of this scheme in the Official Gazette.

Explanation: For the purpose of this paragraph "continuous service" means a period of duty excluding period of extraordinary leave];

1. Inserted by S.O. 588(E), dated 22nd June, 2000 (w.e.f. 1st

April, 1999).

14. Cost Based Growth Incentive :-

A Development Officer whose cost ratio for a performance year does not exceed the limits of cost stipulated in the sub-clause (c) of Cl. (17) of paragraph 3 and who has pressured scheduled premium income of at least Rs. 3,00,000 during the said performance year and has registered during the said performance year a minimum increase in scheduled premium income of Rs. 60,000 over that of previous performance year shall be paid ¹ [* * *] cost based growth incentive equal to an amount arrived at by multiplying the increase in scheduled premium income during the performance year over the scheduled premium income of the previous performance year by difference between stipulated cost ratio and the actual cost ratio of the said Development Officer :

Provided that the maximum difference between stipulated cost ratio and actual cost ratio to be taken for calculating the cost based growth incentive shall not exceed 5 per cent:

Provided further that the amount of cost based growth incentive shall not exceed twelve months basic pay drawn by the concerned Development Officer during the relevant pay performance year.

1. Omitted by S.O. 478(E), dated 13th June, 1990 (w.e.f. 1st April, 1989).

14A. Cost Based Growth Incentive :-

With effect from 1st April, 1997, a Development Officer:

(i) whose cost ratio for a performance year does not exceed the limit cost stipulated in sub-clause (c) of Cl. (17) of paragraph 3;

(ii) who has procured minimum scheduled premium income depending on class of city as specified in the Table below, during the said performance year, and

(iii) who has registered during the said performance year a minimum increase in scheduled premium income over the previous performance year depending on class of city as specified in the Table below :

Table

Development	Minimum scheduled	Minimum increase
operating at	premium income	in scheduled premium
	during performance	income over the

	year	previous performance	
		year	
	(1)	(2)	
		(3)	
(A)	Cities with population exceeding 12 lakhs	Rs. 10,00,000/-	Rs. 1,60,000/-
(B)	Cities with population of 5 lakhs and above, but not exceeding 12 lakhs	Rs. 9,00,000/-	Rs. 1,50,000/-
(C)	Other centres	Rs. 7,00,000/-	Rs. 1,40,000/-

shall be paid cost based growth incentive equal to an amount arrived at by multiplying the increase in scheduled premium income during the performance year over the scheduled premium income of the previous performance year by difference between stipulated cost ratio and the actual cost ratio of the said Development Officer :

Provided that an arriving at such minimum scheduled premium income as per column (2) of the Table and the minimum increase in Scheduled Premium Income as per column (3) of the Table only fifty per cent of the motor premium shall be taken:

Provided further that the maximum difference between stipulated cost ratio and actual cost ratio to be taken for calculating the cost based growth incentive shall not exceed five per cent:

Provided also that the amount of cost based growth incentive shall not exceed twelve months basic pay drawn by such Development Officer during the relevant performance year."]

15. Profit incentive :-

A Development Officer whose cost ratio for the relevant performance year is within the limit stipulated in sub-clause (c) of Cl. (17) of paragraph 3 and whose scheduled premium income for the said performance year is not less than that of the previous performance year, shall be eligible to be considered for grant of profit incentive at the rates specified in the Table below :

Provided that the point incentive under this paragraph shall be payable to a Development Officer ¹[* * *] and shall not exceed the annual basic pay drawn by him during the relevant performance year and this cost including the profit incentive and cost based growth in sub-clause (c) of Cl.(17) of paragraph 3.]

² [Provided further that with effect from 1st April, 1997, a Development Officer.-

(a) whose cost ratio for the relevant performance year is within the

limit stipulated in sub-clause (c) of Cl. (17) of paragraph 3; and

(b) whose scheduled premium income for the said performance year is not less than that of the previous performance year,

Table

Operating Surplus	Percentage of operating surplus to be granted as profit incentive
Below 20%	Nil
20% or more but less than 22.5%	1.5%
22.5% or more but less than 26%	2.75%
26% or more but less than 27%	3.5%
27% or more but less than 28%	4.5%
28% or more but less than 29%	5.5%
29% or more but less than 30%	6.5%
30% or more	7.5%

Provided also that if there is any reduction in the scheduled premium income in the relevant performance year over the previous performance year as a consequence of special rating or risks by the Tariff Advisory Committee, and provided such reduction does not exceed 5 per cent of the scheduled Premium Income in the previous performance year. The Development Officer shall be eligible for profit incentive :

Provided also that the amount of profit incentive payable in such cases would be arrived at after reducing the amount of Profit Incentive calculated as per Table above by fifty per cent:

Provided also that the profit incentive under this paragraph payable to a Development Officer shall not exceed this annual basic pay drawn by him during the relevant performance year and this cost including the profit incentive and cost based growth incentive, if any, is within the limit stipulated in sub-clause (c) of Cl. (17) of paragraph 3.]

1. Omitted by S.O. 478(E), dated 13th June, 1990 (w.e.f 1st April, 1989).
2. Inserted by S.O. 145 (E), dated 25th February, 1997 (w.e.f 1st April, 1997).

15A. Transitional Provisions :-

Notwithstanding anything contained in this Scheme, the Cost based growth incentive and profit incentive admissible under paragraphs

14 and 15, as the case may be, to a Development Officer for his performance for the period from the 1st day of January, 1989 to 31st day of March, 1989 shall be either

(a) 1/4th of such incentive for the performance year 1988; or

(b) 1/4th of such incentive for the performance year 1989";

paid to the Development Officer, whichever is higher.]

16. Provident Fund :-

Every Development Officer shall contribute to the Provident Fund at the rate of ¹[10] per cent of his basic pay with an equal contribution by the Corporation or the Company, as the case may be.

Explanation:- ²[* * *] ³ [(iii) for the period commencing on the 1st day of August, 1997 as per Sch. 'F'.]

1. Substituted by S.O. 478(E), dated 22nd June, 2000 (w.e.f. 1st April, 2000).

2. Item (i) and (ii) of the explanation are not produced due to non-availability of source

3. Item (111) ins by S.O. 588 (E), daed 22nd June, 2000(w.e.f. 1st April, 2000).

17. Payment of gratuity :-

(1)

(a) Gratuity shall be payable to every Development Superintendent, Inspector Grade I and Inspector Grade II on the termination of his employment after he has rendered to the Corporation or the Company, or both, continuous service (including continuous service with the insurer or the previous employer in whose service the pension was working on the 31st day of December, 1972). for not less..... than five years- (i) on his retirement; or (ii) on his retirement or resignation; or (iii) on his death or disablement due to accident or disease; or (iv) on termination of his service by the Corporation, or the company; or (v) on his service being depensed with owing to reduction of staff or reorganisation of establishment:

Provided that the completion of continuous service of five years shall not be necessary where the termination of the employment of the person concerned is due to death or disablement.

Explanation.-For the purposes of this paragraph; 'disablement'

means such disablement as incapacitates an employee for the work which he was capable of performing before the accident or disease resulting in such disablement.

(b) For every completed year of service on part thereof in excess of six months, every Development Superintendent, Inspector Grade I, or Inspector Grade II shall be paid gratuity at the rates specified below, namely:-

Number of completed year of service :	Rate of gratuity for each completed year of service
Upto 11 years	50 per cent of the basic pay last drawn
12 years	60 per cent of the basic pay last drawn
13 years	70 per cent of the basic pay last drawn
14 years	80 per cent of the basic pay last drawn
15 years	100 per cent of the basic pay last drawn

1[(bb) Notwithstanding anything contained in Cl. (a) relating to qualifying service for admissibility of gratuity and Cl. (b), gratuity shall be payable to every Development Staff who has been in continuous service of the Corporation or the Company, or both, for not less than fifteen years, for each completed year of service or part thereof in excess of six months, at the rate of one month's basic pay, subject to a maximum of 15 months for service upto 30 years and for service over 30 years an additional gratuity shall be payable at the rate of half a month's basic pay for each completed year of service or part thereof in excess of six months:

Provided that the amount of gratuity payable to a Development Staff shall be as determined above or as calculated under the Payment of Gratuity Act, 1972 (39 of 1972) whichever in more favourable to him.

Provided that Development Officer appointed after the date of commencement of the Amendment Scheme, 1987, shall, subject to the provisions of the Payment of Gratuity Act, 1972 (39 of 1972); be eligible for payment of gratuity only after he has completed at least 15 years of continuous service unless termination of the concerned Development Officer in due to death or disablement.]

Provided that where an employee to whom the General Insurance (Rationalisation and Revision of Pay Scales and Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme,

1974, applies, is transferred, on or after the 1st day of January; 1973; as a person of the Development staff in the grade of Development Superintendent or Inspector Grade I or Inspector Grade II, he shall not be paid gratuity at a sum less than that admissible to him under the said scheme.

(2)²[***]

(3) Notwithstanding anything contained in sub-paragraph ³ [(1)], the amount of gratuity payable under this paragraph shall in no case be less than that to which the person concerned had become entitled as on the day prior to the date of his coming under the new terms, under the conditions of service applicable to him and in force till that date.

(4) Subject to any lien the Corporation or the Company may have on the amount of gratuity admissible to the person concerned, the corporation or the Company, as the case may be, shall pay to such person or his nominee or if no nomination is made or is subsisting, his heirs, the amount of the gratuity admissible under this paragraph.

(5) Notwithstanding anything contained in the foregoing sub-paragraph-

(a) where the penalty of dismissal is imposed on a Development Superintendent, an Inspector Grade I or Inspector Grade II-

(i) who has been convicted of an offence, committed in the course of his employment and which offence, in the opinion of the Corporation or the Company, as the case may be, involves moral turpitude, or

(ii) for any act involving violence against the management, or other officers or employees, or any riotous or disorderly behaviour in or near the place of employment,

(b) where the penalty of compulsory retirement, removal from service, or dismissal is imposed on the person concerned for any act involving the Corporation or the Company, or both, in financial loss, the gratuity payable to him shall stand forfeited to the extent of such loss.

1. Inserted by S.O. 80(E), dated 13th February, 1987 (w.e.f. 1st January, 1987).

2. Omitted by S.O. 478(E), dated 13th June, 1990 (w.e.f. 1st April,

1989).

3. Substituted by S.O 478(E), dated 13th June, 1990 (w.e.f. 1st April, 1989).

18. Protection of accrued pension :-

(1) Nothing contained in this Scheme shall affect the payment of any pension including family pension or superannuation benefits accrued to a Development Superintendent, an Inspector Grade I or Inspector Grade II in accordance with the pension or superannuation Scheme as in force before the date of his coming under the new terms.

(2)

(a) The amount payable under sub-paragraph (1) shall be determined on the basic pay drawn in the existing scale on the day prior to the date of his coming under the new terms and on the basis of number of years of continuous service rendered, as if had retired on the day prior to the date of his coming under the new terms.

(b) The amount determined under Cl.(a) shall be payable to him on his retirement or on his ceasing to be in service, pension to commence with effect from the date from which it would have ordinarily commenced in accordance with the relevant provision governing the pension or superannuation scheme.

19. Functions of Development Superintendent, Inspector Grade I and Inspector Grade II :-

The functions of the Development Superintendent, Inspector Grade I and Inspector Grade II, shall generally be as under:-

(a) Development Superintendent.-

(i) to supervise, guide and control Inspectors Grade I, or Inspectors Grade II or both, not less than four in number;

(ii) to function as a Supervisory Development Official under an Assistant Divisional Manager in a Divisional Office or under a Branch Manager in a Branch Office:

Provided that where the Development Superintendent functions as a Supervisory Development Official in a Branch Office, the post of Assistant Branch Manager (Development) shall be kept in abeyance during the period the Development Superintendent functions as a Supervisory Development Official;

(iii) to discharge such other functions as may be assigned to him by the Company.

1[(b) Inspector Grade I or Inspector Grade II-

(i) to recommend for recruitment, assist in training guide and motivate the agents for production of general insurance business;

(ii) to develop and service general insurance business in the area under his jurisdiction;

2 [(iii) to prepare and issue cover notes, kutchha receipts Certificates-cum-Policies and Certificate in such classes and in such manners may be directed by the Corporation or Company from time to time, as also to maintain expiry registers agency records, work report, and the like.]

(iv) to service any business which may be assigned to him by the Company;

(v) to discharge such other functions as may be assigned to him by the company;

(vi) to maintain diary in format prescribed from time to time by the Corporation and present it when demanded by the superiors.]

1. Substituted by S.O. 414(E), dated 28th June, 1978 (w.e.f. 28th June, 1978).

2. Substituted by S.O. 80(E), dated 13th February, 1987 (w.e.f. 1st January, 1987)

20. Transfers :-

The Chairman-cum-Managing Director¹ [or any other officer authorised in this behalf by the Chairman-cum-Managing Director] of a Company may, at any time, transfer a person of the Development Staff from one office of the Company to another Office of that Company in the same place or any other place.

1. Inserted by S.O. 2444, dated 30th July, 1977 (w.e.f. 15th August, 1977).

21. Absorption in Clerical Cadre :-

(1) A Development Officer who has attained the age of 55 years and has completed at least 25 years of service may at this request be considered for the appointment to the post of Assistant, by the Chairman of the Corporation, subject to availability of vacancy and of his being found suitable for the post.

(2) On appointment of a Development Officer as an Assistant under sub-paragraph (1), his salary shall be fixed at the stage in the scale of Assistant which protects the aggregate of gross emoluments and allowance for technical qualification drawn as a Development Officer:

Provided that if, even after fixation of basic salary at the maximum of the scale of Assistant including assignation increments, the aggregate of gross emoluments and allowance for technical qualification is not protected, the balance amount shall be granted as personal allowance to be absorbed in future increases in basic salary or allowance, of both.]

22. Power to relax :-

Where the Corporation is satisfied that the operation of any of the Provisions of this Scheme will cause undue hardship in any particular case, it may, by order and for reasons to be recorded in writing, dispense with or relax the requirements of that provision to such extent and subject to such exemptions and conditions as it may consider necessary for dealing with the case in a just and equitable manner.

23. Other benefits :-

No person of the Development Staff shall be entitled to any benefit not arising out of this Scheme, or any Scheme which may be framed by the Corporation or Company.

24. Overriding effect :-

The provisions of this Scheme shall have effect notwithstanding anything to the contrary contained in any terms of appointment, agreement, award of other instrument for the time being in force.

25. Interpretation :-

Where any doubt or difficulty arises as to the interpretation of any of the provisions of this Scheme, it shall be referred to the Central Government for decision and that Government shall decide the same.

SCHEDULE 1

SCHEDULE

[See Paragraphs 3(2) and (13), 7(1), 8,9, and 21] I. Scale of pay (Basic Pay).		
(1)	Development Superintendent	Rs. 400304603553040890
(2)	Inspector Grade I	Rs. 2501529520375255253067535850

(3)	Inspector Grade II	Rs. 1 75 1 0225 1 5240.
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SCHEDULE A

SCHEDULE

(See paragraphs 3,7A, 11,13,14,15,16 and 17) I. Scale of Pay (Basic Pay) :- (1) Development Officer Grade-1 Rs. 720-60-1080-70-1500-80-2380 (2) Development Officer Grade-11 Rs. 550-30-730 II. Dearness Allowance.- The dearness allowance will be linked to All India Average Consumer Price Index Number for Industrial Workers (Base 1960-100) and shall be payable only when the Average All India Consumer Price Index Number for Industrial workers is above CPI 332, on the following lines, namely :- (i) For the purpose of payment of D.A. one cycle would consist of 24 points rise or fall in CPI. Each cycle would consist of 2 stages, viz., 1 st stage at 8 points rise and 2nd stage at 16 points rise. (ii) Development Officers drawing basic pay upto Rs. 1600 per month will be eligible to get quarterly adjustment in D.A. at the first stage viz., for every rise or fall of 8 points above 332 in the quarterly average of the All India Average Consumer Price Index (1960=100); (iii) For Development Officers drawing basic pay of more than Rs. 1600 per month the first adjustment will be at the 2nd stage only, viz., for every block of 16 points (when the quarterly index reaches the level of 348) and the subsequent adjustment will be for the next block of 8 points (when the Average Index reaches 356). The cycle of adjustment will be repeated thereafter; (iv) The rate of adjustment will be 2 per cent of the basic pay for every change of 8 points (subject to what is stated in (iii) above) in the Quarterly average of the Index subject to ceiling of Rs. 31.60); (v) Marginal adjustments wherever necessary shall be made to ensure that the amount of DA payable to a higher level not less than amount of dearness allowance payable at lower level. (vi) For this purpose, quarter shall mean a period of that months ending on the last day of March, June, September or December. (vii) 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 figures which shall be taken for the purpose of calculation of dearness allowance. (viii) The revision of dearness allowance correspondence to the changes in the average index for any particular quarter shall take effect only from the second succeeding month following the end of the quarter. Note.-For removal of doubt, it is clarified that the revision, if any in dearness allowance will be effective from 1st day of February, May, August, and November in accordance with the average index for the quarters ending immediate preceding December, March, June and September respectively. III. House Rent Allowance.-House Rent Allowance shall be payable to the Development Officers at the rate of 15 per cent of basic pay upto basic pay of Rs. 2000 and 10 per cent of excess over Rs. 2000 subject to a maximum of Rs. 325 per month. Provided that the Development Officer who are allotted accommodation by the Corporation or any Company shall not be entitled to any House Rent Allowance and they shall pay for the use of accommodation allotted to them an amount equivalent to 10 per cent of the basic pay or the licence fee, whichever is less. (iv) City Compensatory Allowance.-(1) The City Compensatory Allowance shall be payable at the following rates :-

Cities of posting	Rate	Amount per month	
		Minimum Rs.	Maximum Rs.
Cities with population exceeding	10% of Basic Pay	75/-	150/-

12 lakhs and any city in the			
State of Goa			
Cities with population of 5 lakhs	6% of Basic Pay	50/-	100/-
and above but not exceeding 12			
lakhs State Capitals with population			
not exceeding 12 lakhs and Chandigarh,			
Pondicherry and Port Blair.			

Note.-For the purpose of this item, the population figures shall be those in the [1991] Census Report. (i) Notwithstanding anything contained in sub-item (1), by Development Officer in receipt of an amount of Rs. 20 (Compensatory as City Compensatory Allowance as on 31 st December, 1986 and not becoming eligible for City Compensatory Allowance under Amendment Scheme, 1987, shall be same to receive the said amount so long as he is posted as the same centre. (ii) Hill Station Allowance.-The scales of hill station allowance payable to Development Officers shall be as follows-

(i)	Posted at place situated at a height of 1500 metres and over, above mean sea level.	At the rat of 10% of the basic pay subject to a maximum of Rs. 100 per month.
(ii)	Posted at places situated at a height of 100 meters ana over, but less than 1500 meters, above mean sea level, at Mercara and at places which are specifically declared as "Hill Stations" by Central/State Governments for their employees.	At the rate of 8% of basic pay subject to a maximum of Rs. 75/-7 per month.

(II) Allowance for Technical Qualifications.-A confirmed Development Officer who qualifies or has qualified in a constitution mentioned below shall be paid with effect from the date of publication of the results of the examination or the date of confirmation or 1st January, 1987 whichever date is later the allowance for technical qualifications mentioned below:

Institution	Qualification allowance per month
(iii) Publication of Insurance Institutes or chartered Insurance Institute: —	
(i) Licentiate	Rs. 40/-
(ii) Completion of Associateship	Rs. 80/-
(iii) Completion of Fellowship	Rs. 130/-
(iii) Institute of Actuaries London	
(i) Any three subjects	Rs. 100/-
(ii) Any six subjects	Rs. 130/-
(iv) Institute of Chartered Accountants or Institute of	

(i) Cost and Works Accountants :	
(ii) Completion of Intermediate	Rs. 80/-
(iii) Final Group A ...	Rs. 100/-
(iv) Final Group B	Rs. 130/-

Provided that not more than one qualification allowance shall be permissible. The grant of allowance for technical qualifications shall not affect the seniority of the Development Officer concerned. Where the Development Officer 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 qualification allowance shall be suitably reduced or be not admissible depending on the quantum of benefit already received.

SCHEDULE B

Chart of Corresponding Stages for fixation of basic pay

Development Officer		Development Officer	
Grade I		Grade II	
Existing	Revised	Existing	Revised
Basic Pay	Basic Pay	Basic Pay	Basic Pay
Rs.	Rs.	Rs.	Rs.
1	2	3	4
250	720	175	550
265	780	185	580
280	840	195	610
295	900	205	640
315	960	215	670
335	1020	225	700
355	1080	240	730
375	1150		
400	1220		
425	1290		
450	1360		
475	1430		
500	1500		
525	1580		
555	1660		
585	1740		
615	1820		
645	1900		
675	1980		
710	2060		
745	2140		
780	2220		
815	2300		

850	2380		
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SCHEDULE C
SCHEDULE

(See Paragraphs 3, 7A,7B, 11,11A, 13,14,15, 16 and 17). I. Scales of Pay (Basic Pay) : 1. Development Officer Grade-1 Rs. 1430-80-1750-90-1840-120-3880. 2. Development Officer Grade-11 Rs. 1050-60-1410. II. Fixation of Basic Pay

Table

Development Officer Grade-I			Development Officer Grade-II	
Stage No.	Existing Basic Pay Rs.	Basic Pay Rs.	Existing Basic Pay Rs.	Basic Pay Rs.
1.	720	1430	550	1050
2.	780	1510	580	1110
3.	840	1590	610	1170
4.	900	1670	640	1230
5.	960	1750	670	1290
6.	1020	1840	700	1350
7.	1080	1960	730	1410
8.	1150	2080		
9.	1220	1220		
10.	1290	2320		
11.	1360	2440		
12.	1430	2560		
13.	1500	2680		
14.	1580	2800		
15.	1660	2920		
16.	1740	3040		
17.	1820	3160		
18.	1900	3280		
19.	1980	3400		
20.	2060	3520		
21.	2140	3640		
22.	2220	3760		
23.	2300	3880		
24.	2380	3880		

Note.-The term "Existing Basic Pay" in the above Table shall mean the basic pay as applicable in accordance with Sch. 'A'. III. Dearness

Allowances: (1) The scale of dearness allowance applicable to the Development Officers shall be determined as under:- Index: All India Average Consumer Price Index Number for Industrial Workers. Base Year: 1960=100 Revision of Dearness Allowances:-Revision of dearness allowance may be made on quarterly basis for every 4 point rise or fall. Rate of Dearness Allowance -For every 4 points in the quarterly average over 600 points, the dearness allowance shall be calculated at the following rates:-

Basic Pay	Rate of D. A. for every 4 points
(i) UptoRs. 2,500	0.67% of basic pay;
(ii) Rs. 2501 to above pay	0.67% of Rs. 2500 plus 0.55% of basic pay in excess of Rs. 2500

(2) There shall be an upward revision of the dearness allowance payable for very four points rise in the quarterly average (hereinafter referred to as the "current average figures") of the All India Consumer Price Index above 600 points in the sequence 600-604- 608-612 and so on; and there shall be downward revision of the dearness allowance payable if the current average 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 the dearness allowance payable shall correspond to the figure in the above sequence next preceding the current average figure if such current average figure is not a figure in the above sequence. (3) For this purpose, quarter shall mean a period of three months ending on the last day of March, June, September or December. (4) 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. (5) 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. IV. House Rent Allowance : (1) The House Rent Allowance to Development Officer shall be payable at the rate of 1/2 per cent of the basic pay upto Rs. 3000 and at the rate of 10 per cent of the basic pay which is in excess of Rs. 2000/-, subject to a maximum of Rs. 425/- per month. (2) Development Officers who are allotted residential accommodation by the Corporation or Company shall pay for such accommodation appropriated licence fee as may be decided by the Corporation from time to time and shall not be entitled to any house rent allowance. V. City Compensatory Allowance: The scale of City Compensatory Allowance payable to Development Officers shall be as under:-

Place of Posting		Rate
(a)	Cities with population exceeding 12 lakh, Faridabad, Ghaziabad, Noida, Panaji and Marmugao on and from 1st day of January, 1988 —	7% of basic pay subject to a maximum of Rs. 165 per month;
(i)		
(ii)	Any City in the State of Goa other	7% of basic pay subject to

	than Panaji and Marmugao on and	a maximum of Rs. 165 per
	from the 19th day of May, 1988	month;
(iii)	Cities of Gurgaon, Vashi and	7% basic of pay subject to
	Gandhinagar on and from	a maximum of Rs. 165 per
	the 12th day of 1989...	month;
(b) (i)	Cities with population of 5 lacs and	4% of basic pay subject to
	above but not exceeding 12 lacs, State	a maximum of Rs. 110 per
	capitals with population not exceeding	month;
	12 lacs, Chandigarh, Mohali, Pondicherry	
	and Port Blair on and from the 1st day	
	of January, 1988	
(ii)	City of Panchkula on and from	4% of basic pay subject to
	12th day of May, 1989	a maximum of Rs. 110 per
		month.

Note.- For the purpose of this paragraph, the population figures shall be those in the 1981 Census Report. VI. Hill Station Allowance : The scale of Hill Station Allowance payable to Development Officers shall be as follows:-

	Place of Posting	Rate
(i)	At places situated at a height of 1500 metres and over above mean sea level.	7% of the basic pay subject to a maximum of Rs. 150 per month;
(ii)	At places situated at a height of 1000 metres and over but less than 1500 metres above mean seal level, at Mercara and at places which are specifically declared as "Hill Stations" by Central/State Governments for their employees.	5% of the basic pay subject to a maximum of Rs. 125 per month.

VII. Allowance for Technical Qualifications : (1) A confirmed Development Officer who qualifies or has qualified in an examination mentioned in column (1) of the Table below shall be paid with effect from the date of publication of the results of the examination, or 1st day of January, 1988, whichever is later, the allowance for Technical Qualification mentioned in column (2) of the Table.

Table

Examination	Qualification Allowance
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	per month
(1)	(2)
Insurance Institute of India or Chartered Insurance Institute :	
(i) Licentiate	40;
(ii) Completion of Associateship	120;
(iii) Completion of Fellowship	200;
Institute of Actuaries:	
(iv) On passing each subject	40;
Institute of Chartered Accountants or Institute of Cost and Works Accountants :	
(v) Completion of Intermediate Examination	80;
(vi) Completion of Final Group A or Group B	150;
(vii) Completion of Final Group A and Group B	200;

Provided that or more than one qualification allowance shall be permissible to him. (2) The grant of allowance for technical qualifications shall not affect the seniority of the Development Officer concerned. (3) Where the Development Officer has already been given an advance increment or other recurring monetary benefit for having qualified in any of the said examinations, the amount of qualification allowance shall be suitably reduced or be not admissible depending the quantum of benefit already received.]

SCHEDULE D

SCHEDULE

See paragraphs 3,7A, 7B, 11, 11A, 13, 14, 15, 16 and 17) I. Scales of Pay (Basic Pay) 1. Development Officer Grade-1 Rs. 2815-155-3435-175-3610-230-7520 2. Development Officer Grade-11 Rs. 2050-120-2530-130-2790 1. "Schedule D", ins. by S.O. 522(E), dated 18th July, 1996 (w.e.f. April, 1995). II. Fixation of Basic Pay :

Table

Stage No.	Existing Basic Pay	Development Officer	
		Grade-I Revised Basic Pay	Grade-II Existing Basic Pay
1	2	3	4
	Rs.	Rs.	Rs.
1.	1430	2815	1050
2.	1510	2970	1110
3.	1590	3125	1170
4.	1670	3280	1230
5	1750	3435	1290

5.	1700	3100	1200	2000
6.	1840	3610	1350	2660
7.	1960	3840	1410	2790
8.	2080	4070		
9.	2200	4300		
10.	2320	4530		
11.	2440	4760		
12.	2560	4990		
13.	2680	5220		
14.	2800	5450		
15.	2920	5680		
16.	3040	5910		
17.	3160	6140		
18.	3280	6370		
19.	3400	6600		
20.	3520	6830		
21.	3640	7060		
22.	3760	7290		
23.	3880	7520		

Note: The term "Existing Basic Pay" in the above Table shall mean the basic pay as applicable in accordance with Sch. 'C'. III. Dearness Allowance:- (1) The scale of dearness allowance applicable to the Development Officer shall be determined as under:- Index: All India Average Consumer Price Index number for Industrial Workers Base: Index Number 1148 in the series 1960=100 Rate: Revision of dearness allowance shall be made on quarterly basis for every 4 points rise or fall, in the quarterly average of the All India Consumer Price Index above 1148 points, Development Officers may be paid dearness allowance at the following rates:

Basic Pay	Rate of clearness allowance for every 4 points
(i) Upto Rs. 4800/-	0.35% of basic pay :
(ii) Rs 4801/- to Rs 7700/-	0.35% of Rs. 4800/- plus 0.29% of basic pay in excess of Rs. 4800/-
(iii) Rs. 7701/- and above	0.35% of Rs. 4800/- plus 0.29% of difference between Rs. 7700/- and Rs. 4800/- plus 0.17% of basic pay in excess of Rs. 7700/-

SCHEDULE E

SCHEDULE

(See Paragraph 14 and 15) (in Rupees)

Stage No	Development Officer Grade-I			Development Officer Grade-II		
	Revised	Prerevised	maximum	Revised	Prerevised	Maximum

Stage No.	Revised	Revised	Maximum	Revised	Revised	Maximum
	basic	basic	payable	basic	basic	payable
	pay	pay		pay	pay	
1.	2815	1430	17160	2050	1050	12600
2.	2970	1510	18120	2170	1110	13320
3.	3125	1590	19080	2290	1170	14040
4.	3280	1670	20040	2410	1230	14760
5.	3435	1750	21000	2530	1290	15480
6.	3610	1840	22080	2660	1350	16200
7.	3840	1960	23520	2790	1410	16920
8.	4070	2080	24960			
9.	4300	2200	26400			
10.	4530	2320	27840			
11.	4760	2440	29280			
12.	4990	2560	30720			
13.	5220	2680	32160			
14.	5450	2800	33600			
15.	5680	2920	35040			
16.	5910	3040	36480			
17.	6140	3160	37920			
18.	6370	3280	39360			
19.	6600	3400	40800			
20.	6830	3520	42240			
21.	7060	3640	43680			
22.	7290	3760	45120			
23.	7520	3880	46560			

SCHEDULE F
SCHEDULE

(See paragraphs 3,7A, 7B and 16) I. Scales of Pay (Basic Pay): 1. Development Officer Grade I: Rs. 5225-285(5)-6650-300(3)-7550-350(4)-8950-360(11)-12910 2. Development Officer Grade II Rs. 3580-230(3)-4270-260(4)-5310 II. Fixation of Basic Pay :

Table

Development Officer Grade I			Development Officer Grade II	
Stage No.	Existing	Revised	Existing	Revised
	Basic Pay	Basic Pay	Basic Pay	Basic Pay
(1)	(2)	(3)	(4)	(5)
	Rs.	Rs.	Rs.	Rs.
1.	2815	5225	2050	3580
2.	2970	5510	2170	3810
3.	3125	5795	2290	4040

3.	3125	3795	2290	4040
4.	3280	6080	2410	4270
5.	3435	6365	2530	4530
6.	3610	6650	2660	4790
7.	3840	6950	2790	5050
8.	4070	7250		
9.	4300	7550		
10.	4530	7900		
11.	4760	8250		
12.	4990	8600		
13.	5220	8950		
14.	5450	9310		
15.	5680	9670		
16.	5910	10030		
17.	6140	10390		
18.	6370	10750		
19.	6600	11110		
20.	6830	11470		
21.	7060	11830		
22.	7290	12190		
23.	7520	12550		

Note: The term "Existing Basic Pay" in the above Table shall mean the Basic Pay as applicable in accordance with Sch. 'D'. III. Dearness Allowance :-(1) The scale of dearness allowance applicable to Development Officers shall be determined as under: Index: All India Average Consumer Price Index number for industrial Workers. Base : Index Number 1740 in the series of 1960=100 Rate : Revision of dearness allowance shall be made on quarterly basis for every 4 points rise or fall, in the quarterly average of the All India Consumer Price Index above 1740 points. Development Officers may be paid dearness allowance at the rate of 0.23% of Basic Pay. 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 figures") of the All India Consumer Price Index above "1740-1744-1748-1752" and so on and there shall be downward revision of the dearness allowance payable if the current average figures falls by 4 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 figure 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 last day of the month of March, June, September or December. IV. House Rent Allowance :-(1) The House Rent Allowance to Development Officers, except those who have been allotted residential accommodation by the Corporation or the Company shall be at the rates specified below depending on the place of posting:

Place of posting		Rate per month
(a)	Cities of Mumbai, Navi Mumbai,	11% of pay, subject to maximum
	Calcutta , New Delhi, Faridabad,	of Rs. 1200/- per month
	Gaziabad, NOIDA, Gurgaon, and	
	Chennai	
(b)	Cities with population exceeding 12	9% of pay, subject to maximum
	lacs, except cities mentioned at (a),	of Rs. 1000/- per month
	Gandhinagar and all cities in the	
	State of Goa;	
(c)	All other places	8% of pay subject to maximum of
		Rs. 950 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 Pay and stagnation increments as per paragraph 13(3). (2) Development Officers who are allotted residential accommodation by the Corporation or Company shall pay for such accommodation appropriate license fee as may be decided by the Corporation from time to time and shall not be entitled to any house rent allowance. V. City Compensatory Allowance :-With effect from 1.8.1997, the city compensatory allowance payable to the Development Officers shall be as under:

Place of posting		Rate per month
(a)	Cities of Mumbai, Navi Mumbai	4% of pay subject to a minimum
	Calcutta, New Delhi, Faridabad,	of Rs. 120/- per month and
	Gaziabad, NOIDA, Gurgaon, and	maximum of Rs. 300/- per month
	Chennai	
(b)	Cities with population exceeding	3% of pay subject to a minimum
	12 lacs, except cities mentioned at (a)	of Rs. 100/- per month and
	Gandhinagar and all cities in the	maximum of Rs. 270/- per month
	State of Goa;	
(c)	Cities with the population of 5 lacs	2.5% of pay subject to a

above but not exceeding 12 lacs, State	minimum of Rs. 75/- per month and
capitals with population not exceeding	maximum of Rs. 225/- per month
12 lacs, Chandigarh, Mohali,	
Pondicherry, Port Blair, Panchkula.	

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 Pay and stagnation increments as per paragraph 13 (3) VI. Hill Station Allowance :-With effect from the 1st day of the month following the date of publication of this scheme in the Official Gazette, Hill Station allowance payable to Development Officers shall be as follows:

Place of Posting		Rate
(i)	At places situated at a height of 1500 metres and over above mean sea level.	3% of Basic Pay subject to a maximum of Rs. 150/- per month.
(ii)	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 Station" by Central/State Governments for their employees.	2.5% of Basic Pay Subject to a maximum of Rs.150/- per month.
(iii)	At places not less than 750 metres and surrounded by and accessible only through hills with the height of 1000 metres and over.	2.5% of Basic Pay subject to a maximum of Rs. 150/- per month.

VII. Allowance for Technical Qualifications:-(1) With effect from the 1st day of the month following the date of publication of this scheme in the Official Gazette, the allowance for Technical Qualifications shall be paid as under: (2) A confirmed Development Officer who qualifies or has qualified in an examination mentioned in the Column (1) of the Table below shall be paid with effect from the date of publication of the results of the examination, or with effect from the date of publication of this scheme, whichever is later, the allowance for technical qualifications mentioned in column (2) of the Table below : Provided that not more than one qualification allowance shall be permissible to him.

Table

Examination	Allowance for. Technical Qualifications per month	
(1)	(2)	(3)

	(Revised)	(Pre-revised)
Insurance Institute of India or Chartered		
Insurance Institute		
On Completion of:		
(i) Licentiate	Rs. 95/-	Rs. 48/-
(ii) Associateship	Rs. 285/-	Rs. 144/-
(iii) Fellowship	Rs. 475/-	Rs. 240/-
Institute of Actuaries :		
(iv) On passing each subject	Rs.95/-	Rs. 48/-
Institute of Chartered Accountants or Institute		
of Cost and Works Accounts :		
On Completion of:		
(v) Intermediate examination	Rs. 190/-	Rs. 96/-
(vi) Final Group A or Group B	Rs. 355/-	Rs. 180/-
(vii) Final Group A and GroupB	Rs.475/-	Rs. 240/-

(3) The grant of allowance for technical qualification shall not affect the seniority of the Development Officer concerned. (4) The revised allowance for technical qualification as mentioned in column (2) of the table above shall not count for the purpose of any Allowance. However, the said revised allowance, shall count to the extent of pre-revised allowance as mentioned in column (3) against each examination, for the purpose of Provident Fund, Pension and fixation on promotion from Class II to Class I cadre. The said prerevised allowance along with notional dearness allowance thereon as on the date of publication of this scheme as per Schedule D shall count for the purpose of Gratuity and encashment of earned leave. VIII. Fixed Personal Allowance to Development Officers who have received Increment on Account of Computerisation effective from 1st November, 1993:-With effect from 1st day of August, 1997, the Fixed Personal Allowance payable to Development Officers as per item VIII of the Sch. D shall stand revised as shown in the Table below:

Table

Development Officers in	Existing Fixed Personal Allowance	Revised Fixed Personal
the scale of pay of	as per item VIII of the Sch. D	Allowance
(1)	(2)	(3)
	Rs.	Rs.
Development Officer Grade I	230	360
Development Officer Grade II	130	260

The revised Fixed Personal Allowance shall not qualify for Dearness Allowance and House Rent Allowance. However, the pre-revised increment component of Fixed Personal Allowance as mentioned in column (2) of the above table shall rank for Provident Fund and Pension. The said pre-revised increment component and Dearness Allowance

thereon as on 1-11-1993 shall rank of Gratuity, and encashment of earned leave. IX. Computer Increment/Fixed Personal Allowance to Development Officers joining Service after 1st November, 1993 but before the date of publication of this scheme in the Official Gazette:-(1) All confirmed Development Officers who have joined the services of the Company after 1.11.1993 but before the date of publication of this scheme in the Official Gazette, shall be paid, with effect from the date of publication of this scheme in the Official Gazette, on account of computerisation, one increment in the scale of pay as may be applicable to the concerned Development Officer on the date of publication of this scheme in the Official Gazette: Provided that a Development Officer who, on his first appointment in the service of the Company, was on probation on or before the date of publication of this scheme shall be paid one increment on completion of one year of service after the date of his confirmation: Provided further that no such increment shall be payable to the Development Officer joining the services of the Company on or after the date of publication of this scheme. (2) A Development Officer who is in receipt of his increment on account of computerisation as per sub-item (1) of this item and who subsequently reaches the maximum of the scale of pay applicable to him, shall be paid, on the expiry of a period one year of reaching the maximum of scale of pay, Fixed Personal Allowance equivalent to the amount of last increment in the scale of pay applicable to him on the date of publication of this scheme: Provided that the Fixed Personal Allowance shall not qualify for payment of Dearness Allowance or House Rent Allowance: Provided further that from out of the Fixed Personal Allowance, the amount as specified in column (2) of the Table below, in respect of each scale of pay, shall rank for Provident Fund and Pension and the said amount along with dearness allowance thereon as on 1st November, 1993 shall rank for Gratuity and encashment or earned leave.

Table

Development Officers in the scale of pay of (1)	The amount which shall count for Provident Fund, etc. (2)
	Rs.
Development Officer Grade-I	230
Development Officer Grade-II	130

X. One time Lump sum payment in lieu of productivity linked Lumpsum incentive (PLLI)-In lieu of PLLI, Development Officers will be paid for the period from 1 st August, 1997 to 31st March, 1999, one time lumpsum payment of 1.67% of the Wage Bill of the General Insurance Industry for Development Officers as on 1.8.1997 (pre-revised). XI.Productivity Linked Lumpsum Productivity Linked Lumpsum Incentive(PLLI)Scheme:- For the period 1st April, 1999 to 31st March, 2002, PLLI shall be payable as per Appendix: