

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

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

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New Delhi, the October, 2010

S.O.(E).- In exercise of the powers conferred by section 17 A of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby makes the following Scheme further to amend the General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Development Staff) Scheme, 1976, namely :-

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

Provided that the Development Officer, whose resignation had been accepted or whose service had been terminated during the period from the 1st day of August, 2007 till the date of publication of this Scheme in the Official Gazette, shall not be eligible for the arrears on account of the revision under this Scheme.

2. In the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976 (hereinafter referred to as "the said Scheme"), in paragraph 3, in clause (2), for the word and letter "Schedule G", the word and letter "Schedule H" shall be substituted.
3. In the said Scheme, in paragraph 3,-
 - (A) in clause (16), sub-clauses (d) and (e) shall be omitted with effect from the date of publication of this Notification;
 - (B) in clause (17), in sub-clause (c), in item (iv), after the words, figures and letters "performance year commencing on the 1st day of April, 2003", the words, figures and letters "and ending on the 31st day of March, 2010" shall be deemed to have been inserted with effect from the 1st day of April, 2010;
 - (C) in clause (17), in sub-clause (c), after item (iv), the following shall be deemed to have been inserted, with effect from the 1st day of April, 2010, namely:-

“(v) in relation to cost ratio for performance year commencing on the 1st day of April, 2010, the ratio specified in column (2) of the Table D below and incurred on a Development Officer specified in the corresponding entry in column (1) thereof shall apply:-

TABLE – D

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Development Officer operating at	cost ratio
(1)	(2)
(a) Cities with population exceeding 25 lakhs	7%
(b) Cities with population of 10 lakhs and above, but not exceeding 25 lakhs	8%
(c) Other centres	10%

Provided that for the performance year 01-04-2010 to 31-03-2011, relaxation of one percent. shall be allowed in the stipulated limits of cost ratio specified in Table –D:

Provided further that for a Development Officer posted in hardship area, the Chairman-cum-Managing Director 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 percent. in the stipulated limit of cost ratio specified in Table – D:

Provided also that the stipulated limits of cost ratio shall be further relaxed by one percent. in respect of a Development Officer who has attained the age of 55 years and has completed minimum period of 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 Company in regard to the special difficulties faced in procuring business in that area.”.

4. For the paragraphs 7A, 7B and 7C of the said Scheme, the following paragraphs shall be substituted, namely:-

“ **7A . Scales of pay, method of fixation and payment of arrears.** (1) On and from the 1st day of August, 2007, the basic pay and allowances of every Development Officer shall be in accordance with Schedule H.

(2) The basic pay of every Development Officer who was in service on the 1st day of August, 2007 or was appointed thereafter shall be fixed in accordance with item II of Schedule H, with effect from the 1st day of August, 2007 or the date of appointment, whichever is later.

(3) Every Development Officer whose basic pay is fixed in accordance with item II of Schedule H, shall be paid for the period commencing on and from the 1st day of April, 2008 or the date of his appointment, whichever is later, the difference of gross emoluments and allowance for technical qualification payable under Schedule H and that paid under Schedule G 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, 2007 to the 31st day of March, 2008 shall be paid equitable relief for the period of such service.

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Explanation : For the purposes of this paragraph the term equitable relief means the difference between the aggregate of gross emoluments and allowance for technical qualifications computed under Schedule H and Schedule G, 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 paragraph 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 years 2010-11 and 2011-12 in such proportion as he may choose within 90 days of the publication of this Scheme.”.

5. In the said Scheme, in paragraph 13,-

(A) in sub-paragraph (3), for the words “revised scale of pay”, the words, figure and letter “scale of pay as per Paragraph 7A” shall be substituted;

(B) after sub-paragraph (3), the following sub-paragraph shall be inserted, namely:-

“(4) A Development Officer, other than the one eligible for grant of benefit under sub-paragraph (3) of paragraph 11A, who has reached the maximum of the scale of pay as per Paragraph 7A as applicable to Development Officer Grade II, may subject to the conditions that he,

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

(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 said scale of pay, subject to a maximum of three such increments. Authority competent to grant such stagnation increments shall be any Officer not below the rank of Scale IV, specifically authorised in this behalf:

Provided that the first such stagnation increment shall be granted from the first day of the month following the date of publication of this Scheme.

Explanation: For the purposes of this paragraph ‘continuous service’ means a period of duty excluding period of extra ordinary leave.”.

6. In the said Scheme, in paragraph 16,-

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

“Provided also that the provisions of this paragraph shall not apply to Development Officers, who joined the service of the Company on or after the 1st day of January, 2004 and in respect of such Development Officers, the provisions of paragraph 16A shall apply.”;

(B) in the Explanation, after item (iv), the following item shall be inserted, namely,

“(v) for the period commencing on the 1st day of August, 2007 as per Schedule ‘H’.”.

7. In the said Scheme, after paragraph 16, the following paragraph shall be inserted, namely: -

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“16A New Pension Scheme Fund:

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

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

8. In the said Scheme, in paragraph 21A,-

(A) in sub-paragraph (2), in the Explanation, for the words, brackets and figures “sub-paragraph (3) of paragraph 13”, the words, brackets and figures “sub-paragraph (3) and (4) of paragraph 13” shall be substituted;

(B) in sub-paragraph (3), in clause (A), in item (ii), for the words “two hundred and fifty rupees”, the words “three hundred and seventy five rupees” shall be substituted.

9. In the said Scheme, after Schedule-G, the following Schedule shall be inserted, namely:-

“SCHEDULE – H

[See paragraphs 3, 7A, 7B, 11, 11A, 13, 15B, 16 and 17]

I . Scales of Pay (Basic Pay),-

1. **Development Officer Grade I** : Rs. 12175-755(8)-18215-780(9)-25235-820(2)-26875-840(4)-30235

2. **Development Officer Grade II** : Rs. 8280-540(3)-9900-615(4)-12360

II. A. Fixation of Basic Pay (in the scale of pay),-

Stage No.	Development Officer Grade -I		Development Officer Grade -II	
	Existing Basic Pay (Rs.)	Revised Basic Pay (Rs.)	Existing Basic Pay (Rs.)	Revised Basic Pay (Rs.)
(1)	(2)	(3)	(4)	(5)
1.	7850	12175	5400	8280
2.	8335	12930	5750	8820
3.	8820	13685	6100	9360
4.	9305	14440	6450	9900
5.	9790	15195	6850	10515
6.	10275	15950	7250	11130
7.	10760	16705	7650	11745
8.	11245	17460	8050	12360
9.	11730	18215		
10.	12230	18995		
11.	12730	19775		
12.	13230	20555		
13.	13730	21335		
14.	14230	22115		
15.	14730	22895		
16.	15230	23675		
17.	15730	24455		
18.	16230	25235		
19.	16755	26055		
20.	17280	26875		
21.	17820	27715		
22.	18360	28555		
23.	18900	29395		
24.	19440	30235		

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B. Fixation of Basic Pay (at Stagnation Stages),-

Stage No.	Development Officer Grade -I	
	Existing Basic Pay (Rs.)	Revised Basic Pay (Rs.)
(1)	(2)	(3)
1.	19980	31075
2.	20520	31915
3.	21060	32755

Notes:-

1. The term 'Existing' refers to the Basic Pay (including Stagnation Stages) as applicable in accordance with Schedule G.
2. The Basic Pay of the Development Officer, to whom this Scheme applies, shall be fixed as on the 1st day of August, 2007, at the corresponding stage in the respective revised scale of pay:

Provided that in respect of Development Officers Grade I, who have already been granted as on the 31st day of July, 2007, one, two or three Stagnations Increments in the existing scale of pay, their Basic Pay in the revised scale of pay shall be fixed at the corresponding first, second or third stages above the maximum of the revised scale of pay, as the case may be.

III. Dearness Allowance:

(1) The scale of dearness allowance applicable to the Development Officers shall be determined as under,-

- (a) Index : All India Average Consumer Price Index for Industrial Workers
- (b) Base : Index No.2944 in the series 1960 = 100
- (c) Rate of dearness allowance: - For every four points in the quarterly average over 2944 points, the dearness allowance shall be calculated at the rate of 0.15 percent. of Basic Pay.
- (d) Revision of dearness allowance: - Revision of dearness allowance may be made on quarterly basis for every four points rise or fall.

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

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

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

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

IV. House Rent Allowance.-

(1) The house rent allowance to Development Officers, except those who have been allotted residential accommodation by the Company shall be at the rates specified in the table below depending on the place of posting,-

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

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

(2) Cities shall include their Urban Agglomeration.

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(3) 'pay' means Basic Pay and Stagnation Increments as per sub-paragraphs (3) and (4) of paragraph 13.

(2) The Development Officer, who is allotted residential accommodation by the Company, shall pay for such accommodation appropriate licence fee as may be decided by the Company from time to time and shall not be entitled to any house rent allowance.

V. City Compensatory Allowance.-

With effect from the 1st day of August, 2007, the city compensatory allowance payable to the Development Officer shall be as specified in the Table, namely:-

Table

Sl. No. (1)	Place of posting (2)	Rate (3)
1.	Cities of Mumbai, Navi Mumbai, Kolkata, New Delhi, Chennai, Ahmedabad, Bengaluru, Hyderabad, Pune, Faridabad, Ghaziabad, Noida and Gurgaon	3% of pay subject to a maximum of Rs.675/- per month
2.	Cities with population exceeding 12 lacs, except cities mentioned in serial number 1, Gandhinagar and all cities in the State of Goa	2.5% of pay subject to a maximum of Rs.625/- per month
3.	Cities with population of 5 lacs and above but not exceeding 12 lacs, State capitals with population not exceeding 12 lacs, Chandigarh, Mohali, Panchkula, Pondicherry, Port Blair	2% of pay subject to a maximum of Rs.545/- per month

Note:

- (1) For the purposes of this item, the population figures shall be as per the latest Census Report.
- (2) Cities shall include their Urban Agglomeration.
- (3) 'Pay' means Basic Pay and Stagnation increments as per sub-paragraphs (3) and (4) of paragraph 13.

VI. Hill Station Allowance.- With effect from the 1st day of the month following the date of publication of this Scheme, the hill station allowance payable to the Development Officer shall be as mentioned in the Table below :-

TABLE

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Sl. No. (1)	Height of Place of posting (Above Mean Sea Level) (2)	Rate (3)
1.	1500 meters and over	2.5% of the Basic Pay subject to maximum of Rs.370/- per month
2.	1000 meters and over but less than 1500 meters, Mercara and places which are specifically declared as "Hill Stations" by Central Government or, as the case may be, the State Government for their employees	2% of the Basic Pay subject to maximum of Rs.290/- per month
3.	Not less than 750 meters and surrounded by and accessible only through hills with a height of 1000 meters and over	2% of Basic Pay subject to a maximum of Rs.290/- per month

Note: 'Pay' means Basic Pay and Stagnation increments as per sub-paragraphs (3) and (4) of paragraph 13.

VII. Allowance for Technical Qualification.-

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

TABLE

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

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

- (2) The grant of allowance for technical qualification shall not affect the seniority of the Development Officer concerned.

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- (3) The revised allowance for technical qualification as mentioned in column (3) of the said Table, or any part thereof, shall not count for the purpose of any allowance or for any service or terminal benefit.

VIII. Fixed Personal Allowance.- With effect from the 1st day of August, 2007, the fixed personal allowance payable to the Development Officers on account of computerisation shall stand revised as mentioned in column (3) of the Table below, namely:-

TABLE

Sl. No.	Development Officers in the Scale of Pay (as on 1.11.1993) of	Revised Fixed Personal Allowance (FPA)	Increment portion of Fixed Personal Allowance as per the (Schedule-D)	Dearness Allowance on Increment portion of Fixed Personal Allowance as per Schedule-D as on 01-11-1993
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
1.	Grade I	840	230	18.68
2.	Grade II	615	130	12.74

Note: The revised fixed personal allowance (FPA) as mentioned in column (3) of the Table shall not qualify for any Allowance or for any service or terminal benefits. However, the increment portion of FPA

as per the Schedule-D as mentioned in column (4) of the said Table shall rank for Provident Fund and Pension, and the said increment portion along with Dearness Allowance thereon as on the 1st day of November, 1993, as shown in column (5) of the said Table shall rank for Gratuity and encashment of earned leave.

- IX. Paradeep Port Allowance.-** With effect from the 1st day of the month following the date of publication of this Scheme or the date of appointment, whichever is later, every confirmed Development Officer posted in the office of the Company in Paradeep Port shall be paid an allowance of Rupees one hundred and ten per month so long as he is posted in that office. This allowance shall not be treated as Basic Pay for any purpose.”.

[F.No. S-11012/07/2010-Ins.I(iv)]

(Tarun Bajaj)
Joint Secretary (Insurance & Pension)

EXPLANATORY MEMORANDUM

1. The Central Government has accorded approval to revise the Scales of Pay and conditions of service of Development Officers in the Companies with effect from the dates specified in the notification. The General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976 is amended accordingly with effect from the dates as specified in the notification.
2. Further, consequent upon the amendment in the General Insurance (Employees') Pension Scheme, 1995 in respect of employees joining on or after the 1st day of January, 2004, the General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Development Staff) Scheme, 1976 is amended accordingly with effect from the 1st day of January, 2004.
3. It is certified that no Development Officer of the Companies is likely to be affected adversely by the notification being given retrospective effect.

NOTE: The Principal scheme was published vide Notification No. S.O. 327(E) dt. 29-04-1976 subsequently amended by Notification No. S.O. 761(E) dated 01-12-1976, S.O. 2444 dt. 30-07-1977, S.O.1048 dt. 29-03-1978, S.O.414(E) dt. 28-06-1978, S.O.3430 dt. 16-11-1978, S.O.80(E) dt. 13-02-1987, S.O. 781(E) dt. 22-08-1988, S.O.478(E) dt. 13.06.1990, S.O. 766(E) dt. 09-10-1990, S.O. 201(E) dt. 10-03-1992, S.O.82(E) dt. 02-02-1994, S.O. 593(E) dt.30-06-1995, S.O.522(E) dt. 18-07-1996,S.O. 145(E) dt. 25.02.1997, S.O. 730 (E) dt. 27.8.1998,S.O.696 (E) dt. 30.8.1999 ,S.O. 588(E) dt. 22.6.2000, S.O.781(E) dt. 30.8.2000, S.O.7(E) dt. 02-01-03, S.O. 1499 (E) dt. 19.06.2008 and S.O. 1831 (E) dt. 23.07.2008.

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