

**Discontentment among LIC Officers**

1818. SHRI S. K.  
VAISHAMPAYEN :  
SHRI ROSHAN LAL :  
SHRI PRAKASH  
MEHROTRA :  
SHRI KHURSHED ALAM  
KHAN :

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is a lot of discontentment amongst the officers and staff of the L.I.C.;

(b) whether it is also a fact that this situation is continuing for the last several months and adversely affecting the working of the L.I.C.; and

(c) if so, what steps are proposed to be taken by Government to set right the situation?

THE MINISTER OF STATE IN  
THE MINISTRY OF FINANCE  
(SHRI ZULFIQARULLA): (a) to  
(c) A statement is annexed.

**Statement**

(a) to (c) The Officers and employees of the Life Insurance Corporation of India have been agitating for sometime past to press for their following demands:

**Class I Officers.**—Revision of grades and allowances w.e.f. 1-4-1973 and removal of anomaly at common pay ranges between Class III & I also payment of bonus to Class I on par with Class III from the year 1975-76 onwards;

**Class II Officers.**—Withdrawal of the new scheme of work norms.

**Class III and IV Employees.**—Revision of pay, allowances and other terms and conditions of services.

Government recently decided to grant interim monetary relief ranging between Rs. 75 and Rs. 250 p.m. at various pay levels to Class I Officers of the LIC, GIC and its Subsidiaries d.e.f. 1-6-1978. Though the ceiling of

2400 (Basic Pay+Dearness Allowance+Adjustment Allowance,+Interim Relief) continues to be operative, the officers stagnating at this ceiling have also been granted relief of Rs. 100 each p.m. The interim relief so given will be set off against the future revision in the scale of pay and allowances.

Following the grant of interim relief as mentioned above, Class I Officers of the LIC have withdrawn their agitation.

The LIC proposes to invite the representatives of the Class I Officers for talks shortly.

**Class II Officers.**—An agitation was launched by the National Federation of Insurance Field Worker against the scheme of 'cost norms' introduced in 1976. In pursuance of the assurance given by the Finance Minister in the Rajya Sabha on 22nd March, 1978, *de novo* discussions were made between the LIC management, the Field Workers Federation and representatives of Government. The management of the LIC had offered a modified scheme for appraising the performance of the Development Officers making substantial improvements as well as concessions as compared to the 1976 scheme. The offer was not acceptable to the Federation of Development Officers. The LIC, therefore, took necessary action to implement the revised scheme for assessing the performance of Development Officers on the basis of new offer.

Government are of the view that the new scheme of 'cost norms' is fair to the Development Officers, as well as to the Policy holders and the LIC. The new scheme takes due care of the demand and aspiration of the Development Officers in the matter of security of service, protection of emoluments, normal grade increment etc. Only those Development Officers who operate at uneconomic cost would attract the penal provision of the new scheme.

*Class III & IV.*—The last settlement governing the scale of pay, allowances and other terms and conditions of their service expired on 31st March, 1977. Thereafter, the Union submitted the fresh Charter of Demands. The first round of negotiations with the Unions took place in August, 1978. No agreement was however reached. The L.I.C. have already invited the representatives of the Unions to resume the negotiations shortly.

The agitation launched by the officers and the employees of the Corporation has affected the new business of the Corporation. There has been a drop of Rs 265 crores (sum proposed) in new business in India between 1st October, 1978 to 31st January, 1979, in comparison to the business sum proposed during the corresponding period of the financial year of 1977-78.

#### Borrowings of sick companies

1819. SHRI SATCHIDANANDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the Reserve Bank Survey of December, 1977 wherein it has been mentioned that about 289 sick companies have borrowed Rupees 1 crore from Public and Rupees 860 crores from Banks and in addition there are 8000 small-scale units on the sick list with a borrowing of Rupees 200 crores;

(b) if so, what are the details thereof; and

(c) what action has been taken or is proposed to be taken to recover this amount?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLA): (a) and (b) Yes, Sir. The Reserve Bank of India collect information in respect of advances of scheduled commercial banks to sick industrial units enjoying aggregate credit limits of Rs. 1 crore and above. At the end of December 1977, there were 289 such sick industrial

units involving aggregate bank credit of Rs. 858.45 crores. The Industry-wise break-up of these 289 sick units and the relative bank finance involved are given in the Annexe (See below). No statistical data in respect of bank credit to sick small scale units are collected by Reserve Bank of India. On a rough estimate made by Reserve Bank of India, there were 8000 sick small scale units involving banks funds of the order of Rs. 200 crores.

(c) It has been enjoined upon banks to quickly examine the potential viability of sick units on a case by case basis and come to an early decision on the steps necessary to rehabilitate them. Appropriate steps are also taken by banks to recover the outstanding dues from defaulting units which are not considered suitable for rehabilitation.

#### ANNEXURE

*Industry-wise break up of sick units as on December, 1977*

	No. of Units	Amount involved (in crores of Rs.)
1. Engineering and Electricals	76	225.78
2. Iron and Steel	20	41.57
3. Textiles	73*	260.40
4. Jute	30	79.85
5. Chemicals	17	94.75
6. Sugar	27	40.49
7. Rubber	5	21.22
8. Cement	3	10.90
9. Others	38	83.49
	289	858.45

\*This excludes Units taken over by National Textile Corporation.