

**EAST CENTRAL ZONE INSURANCE EMPLOYEES'
ASSOCIATION**

Jeevan Deep Buildings (1st Floor), Exhibition Road, Patna-800001

Circular No. : 02/2011

Date: 24.01.2011

To,
All Members,

Temporary Employees' Issue Heading Towards Finality

We are happy to inform that AIIEA could secure a breakthrough on temporary employees' issue.

You are aware that AIIEA has been continuously pursuing for a solution to the issue of temporary employees. The Diamond Jubilee Year Conference of AIIEA held at Delhi also discussed this issue and decided to go for a programme of action in case the issue was not resolved early. The latest discussion with the LIC officials was on 8th December 2010 when the AIIEA delegation visited Central Office, Mumbai (please refer AIIEA Circular No.25/2010). It was on the same day that the Supreme Court while dealing with the Petition on the issue of temporary employees of Hyderabad observed that LIC should come out with a solution to the problem of the temporary employees and posted the hearing to 11th January 2011. It was in this background that AIIEA suggested that a solution should be worked out which would cover the temporary employees across the country.

Background: It would be appropriate here to briefly explain the issue relating to temporary employees of Hyderabad. There are around 120 temporary employees working in the cadre of sub staff (Peon) in Hyderabad and Secunderabad Divisional Office areas. This includes Zonal Office, Audit Centre, Zonal Training Centre, Two Divisional Offices, 44 Branch Offices, and One P&GS office. These temporary employees have been working since 1990. (Some of them are working since 1987). They are paid wages at the minimum of the scale. On 17th July 1996, LIC advertised for empanelment of 400 sub staff (against 200 vacancies available at that time) in the Hyderabad and Secunderabad Divisional areas. By that time the temporary employees completed around 6 to 9 years of service. The advertisement of LIC denied even age relaxation for the temporary employees who were working from a period prior to 1993 since the scheme was available only from 1993 onwards.

Aggrieved that their requests for absorption was not acceded to by the LIC, these employees approached our Zonal Unit at Hyderabad in 1998. When our Zonal Unit took up the issue, the Zonal Management expressed helplessness since the Central Office is not agreeing for a separate scheme for the temporary employees who worked for longer durations and that the scheme of 1993 (based on E. Prabhavathy vs. LIC of India) is applicable to all temporary employees whether they worked for 85 days or for more than 6 years.

When finally the test was conducted and the temporary employees were about to be thrown out, SCZIEF and ICEU Hyderabad guided these temporary employees for securing a solution through

a court of law. Initially, the writ petition number 23458/1998 seeking relief for the temporary employees was dismissed by a single judge bench of AP High Court on 3.11.1998.

The matter went in appeal to the Division Bench through Writ Appeal No. 1091 Of 1999. South Central Zonal Unit of AIIEA culled out various judgments concerning temporary employees who worked for more than five years and passed them on to the advocates. Finally, the Andhra Pradesh High Court Bench presided by the Hon'ble Chief Justice passed the following judgment allowing the Appeal.

AP HIGH COURT Judgment dated 16th August 1999

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“It is well settled that an experienced employee is more valuable to the establishment than a well qualified new appointee. In view of this, the further submission of the learned Senior Counsel for Life Insurance Corporation that the regularization of appointments can be considered subject to their appearing a written and interview cannot be accepted. Nonetheless, this Court appreciates the fair submission made by the learned Senior Counsel for the respondent that the appellants’ cases shall be considered in accordance with the scheme that may be framed by Life Insurance Corporation of India. Therefore, the Writ Appeal is disposed off with a direction to the respondents to frame a scheme for regularization of appellants herein and regularize their services in accordance with such scheme.

No Costs.”

Had this judgment been honoured, there could have been a solution at that time for all similarly placed temporary employees across the country since a scheme was to be formulated as per the AP High Court Judgment. But unfortunately the Central Office did not agree and decided to appeal.

LIC went into appeal before the Supreme Court (Civil Appeal No.2104 of 2000) which finally ruled in its judgment dated 22nd November 2001 that the employees may be allowed to be absorbed as per the Scheme of the Supreme Court formulated in E. Prabhavathi Vs LIC of India in 1996, if these employees were not already allowed so.

Temporary employees of Hyderabad approached AP High Court again for a direction on proper implementation of the judgment. While ruling on the implementation of the Supreme Court Judgment, AP High Court Bench in its judgment dated 10th June 2003 (in Writ Petition No.4819 of 2002) ruled that:

- 1) vacancies to the extent of the number of temporary employees should be kept aside
- 2) remaining vacancies should be filled up from the open market candidates who have gone through the test and interview and were selected

LIC went on appeal to Supreme Court and hence the present petition.

While hearing the present case, the Supreme Court judges observed that these temporary employees have already worked for more than 15 years and they cannot be expected to compete with the fresh candidates in writing the same test. During the AIIEA conference held at Delhi, the position of the case was reported and it was also felt that the solution to the temporary employees across the country can be obtained through this petition in Supreme Court, if LIC accedes to a scheme. AIIEA followed up on these lines and suggested to LIC to come out with a Scheme before the Supreme Court. In fact on 8th December 2010 the Supreme Court while hearing the case remarked that the LIC should not delay the matter and come out with a Scheme. Now the LIC has filed an affidavit committing for formulation of a scheme covering the temporary employees across the country.

From 1998 onwards, Our Zonal Unit, SCZIEF was dealing with the legal support in this case in coordination with the Divisional Union of Hyderabad. Temporary employees supported by the BMS and AILICEF joined the petition at a very late stage in the AP High Court. There is no unit of Life Association in Hyderabad. Few temporary employees are there who are supported by INTUC but they did not become a party to the petition. Even in the Supreme Court, it is only the Advocates engaged by our Hyderabad Divisional Union that are arguing the case. Shri G. Vivekananda of Hyderabad and Smt. Anjani Aiyagari are the regular advocates and Senior Advocates are engaged at all the stages of the arguments. Hence, this case was dealt by the AIIEA units at the Zonal and Divisional levels at Hyderabad since the beginning.

The petition in respect of Hyderabad temporary employees came up for hearing on 11th January 2011 at the end of the day. The court posted it for 12th January 2011. When the petition came up for hearing on 12th January 2011, LIC agreed to frame a scheme for temporary employees who worked for more than five years through a limited test and interview. An affidavit was submitted by LIC in the Supreme Court on these lines. The Supreme Court posted 18th of January 2011 for the final order of the case.

Final Order of the Supreme Court:

As mentioned earlier, LIC had placed an affidavit before the Supreme Court on 11th January 2011. LIC reiterated the affidavit when the case came up for final hearing on 18th January 2011 with some minor changes. The Operative Portion is as follows:

1. Those employees, who have completed 85 days in two consecutive years will also be entitled to compete once in the examination to be held for open recruitment, with relaxation of age as long as they were not over age at the time of their initial appointment.
2. LIC of India is having approximately about 5000 vacancies of Class IV all over India and LIC of India will additionally hold AS A ONE TIME MEASURE, one time limited examination for those temporary persons who are working in LIC of India for more than five years and who had possessed minimum eligible qualification and age as prescribed at the relevant time of their entry into LIC of India would be considered. **For this purpose,**

LIC of India will hold a limited written examination which will be in the vernacular language with a limited syllabus which will be announced in advance.

The affidavit also stated that the candidates selected through the process of the simple test as above and the interview thereafter would be posted in the respective Zone. Based on this affidavit, Supreme Court passed an order to implement the above Scheme for absorption of temporary employees who worked for more than five years **within a time frame of six months**.

With the present order of the Supreme Court, finality has arrived on the issue of temporary employees who worked for longer durations like five years and above. AIIEA could finally find a solution for temporary employees across the country along with the temporary employees of Hyderabad.

With Greetings,

Comradely Yours



General Secretary