

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
**LOK SABHA**  
**UNSTARRED QUESTION NO- 3587**  
ANSWERED ON- 20.12.2021/ 29 AGRAHAYANA, 1943 (SAKA)

**Wage Revision in Insurance Companies**

3587. SHRI HIBI EDEN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government plans to consider wage revision proposals of public sector general insurance companies;
- (b) if so, the details thereof including the details of negotiations being conducted for the same;
- (c) whether the Government has observed rising online loan apps and related cases of individual debt burden in India; and
- (d) if so, the details thereof including the manner in which such loans are being regulated by the Government?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(Dr. BHAGWAT KARAD)

(a) and (b): Wages in public sector general insurance companies (PSGICs) are settled periodically on the basis of negotiations between PSGICs and the unions of workmen employees of PSGICs, in terms of the provisions of section 19 of the Industrial Disputes Act, 1947. In case of non-workmen employees, wage revision is agreed to between PSGICs and associations of such employees after discussions among them. PSGICs negotiate/ discuss with unions/associations through the General Insurers' (Public Sector) Association of India (GIPSA). Based on such settlement/discussions, the amendments proposed by GIPSA to the schemes made by the Central Government under section 17A for regulating the terms and conditions of PSGIC employees are considered by the Government. Government is not in receipt of any such wage settlement/revision proposal at present.

(c) and (d): The Reserve Bank of India (RBI) had constituted a working group on digital lending, including lending through online platforms and mobile apps, and the group's report is placed on its website([https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=52589](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52589)). As per the report, there were approximately 1,100 lending apps available for Indian users on the Android platform during the period from 1.1.2021 to 28.2.2021.

Credit related issues are mostly deregulated by RBI and banks are required to take credit related decisions based on their Board-approved policies, broad regulatory guidelines and the bank's internal assessment of commercial viability of the loan. Further, given the risks associated with loans sourced over digital lending platforms, instructions were issued by RBI *vide* its circular dated 24.6.2020 to all Scheduled Commercial Banks (excluding Regional Rural Banks) and non-banking financial companies (NBFCs) to adhere to Fair Practices Code and Outsourcing Guidelines for loans sourced over digital lending platforms, either through their own arrangements or under an outsourcing arrangement. The list of banks and registered NBFCs is published on the official website of RBI. RBI has also advised that wherever banks and NBFCs engage a digital lending platform as their agent to source borrowers and/or recover dues, the banks/NBFC concerned should disclose the name of the digital lending platform engaged as agent on its website and also advise its agents to disclose upfront to the customer the name of the bank/NBFC with whom it is associated.

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