



REPORT
OF THE
THIRD CENTRAL PAY COMMISSION
1973

Volume IV

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE



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1973

Volume IV

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MINISTRY OF FINANCE

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CHAPTER 55

DEARNESS ALLOWANCE

1. The system of dearness allowance which originated during the Second World War as a temporary protection against the fall in real wages during a period of rising prices now appears to be a part of the regular wage structure in the different sectors of organised employment in India. Apart from the Central Government employees, the employees of the various State Governments are also given a compensation in the form of dearness allowance either at the same rates as applicable to the Central Government employees or with some variations. In a large number of public sector undertakings the dearness allowance is a separate component of the pay packet. The general approach of the various wage boards has also been to recommend a formula linking payment of the dearness allowance with the movement of the consumer price index. According to an estimate, referred to by the National Commission on Labour, nearly 2/3rd of the industrial working force in the organised sectors is now being compensated on this basis. The position is, however, different in other countries. The information available with us shows that no other country in the world (except Ceylon and Pakistan) seems to be following the practice of paying dearness allowance or cost of living allowance as a separate element of the wage. In most of the countries compensation to Government employees for the increase in the price level is given by way of periodical salary revisions.

2. The existing dearness allowance structure for the Central Government employees is the aggregate result of certain decisions taken from time to time by the Government on the recommendations of the Second Pay Commission, the Das Independent Body (1964) and the Gajendragadkar Commission on Dearness Allowance (1966-67). The last* increase in dearness allowance was granted in accordance with the formula recommended by the Gajendragadkar Commission, with effect from 1-9-1968, when the 12-monthly average of the index reached 215 (base 1949=100). Pursuant to the discussions in the National Council of the Joint Consultative Machinery it was decided by the Government that with effect from 1-12-1968 the entire dearness allowance drawn as on 1-8-1966 by employees getting pay up to Rs. 999 p.m. be treated as dearness pay.

3. The table below indicates the amount of dearness allowance, dearness pay and interim relief at present admissible to employees in various pay ranges.

*On our recommendations three instalments of interim relief were granted to the employees in receipt of pay up to specified pay ranges with effect from 1st March, 1970, 1st October, 1971 and 1st August, 1972.

TABLE I

Pay range	Dearness Pay	Dearness Allowance	Interim Relief	Total
Rs.	Rs.	Rs.	Rs.	Rs.
Below 85	47	24	29	100
85—109	47	24	41	112
110—149	70	28	41	139
150—209	90	32	41	163
210—399	110	36	50	196
400—449	120	40	50	210
450—499	120	44	50	214
500—542	120	AS of 663	70	AS+ 70
543—575	120	—	70	190
@ 576—999	120	—	60@	180
1000—1250†	**	100	60†	160
1251—2250‡	—	100‡	—	100

AS—Amount short of.

**—except for marginal adjustments up to Rs. 1119.

†—with marginal adjustments up to Rs. 1310.

‡—marginal adjustments up to Rs. 2350.

@—except for marginal adjustments up to Rs. 645.

4. Some of the employees' organisations have urged that instead of giving dearness allowance as compensation for the rise in prices, the Government should supply to its employees essential commodities at subsidised rates. A few of the witnesses, who appeared before us, were also of the same view. We have examined this suggestion in consultation with the concerned authorities to ascertain whether the Super Bazars or the State civil supplies organisations could undertake this responsibility. We were informed by the Department of Cooperation that the main object of the Super Bazars, whose number is a little over 100, is to supply essential non-controlled commodities and other consumer goods to the general consuming public at fair prices with a view to creating a healthy impact on the retail trade. The Civil Supplies Organisation of the Department of Internal Trade have informed us that the fair price shops are at present being privately run. We feel that, as in the past, the running of departmental stores for this purpose would not only involve high administrative cost but there would be problems of quality control, restricted field of choice of items and malpractices. Most of the respondents to our Questionnaire§ were of the view that the setting up of any machinery for the supply of subsidised commodities to the Government employees will not be feasible as it will be a costly affair and liable to misuse. We understand that in the Railways the Grain Shop Organisation had to be wound up on account of serious dissatisfaction among the workers and the abuses brought to light by the Grain Shop Enquiry Committee. Some of the official witnesses were also of the view that such

§Question No. 81 (ii).

an arrangement may not only not find favour with the employees but might also be administratively inconvenient. Moreover, any preferential treatment to the Government employees in the matter of obtaining their daily necessities from such stores might be resented by the general public. Having regard to all these factors we have come to the conclusion that the supply of certain essential commodities only to the Central Government employees at subsidised rates is not a feasible proposition. As a periodical revision of pay would also be a highly cumbersome process, the employees should continue to be compensated for the increase in prices by the grant of dearness allowance.

5. The previous two Pay Commissions generally proceeded on the assumption that the dearness allowance was a temporary expedient intended to deal with a temporary phenomenon of rising prices. Subsequent events have shown that there has been a continuous upward trend in prices. The official witnesses, who appeared before us did not visualise any likelihood of the price level going down substantially in future. Certain studies undertaken by the Planning Commission and the Reserve Bank of India also support the view that the prices will continue to rise in the coming few years. It is, therefore, necessary that there should be a regular scheme for compensating the Government employees against erosion of their money income. We are of the view that the dearness allowance should be treated as a compensation to the wage earners and salaried employees against a possible rise in prices over the index level to which the pay structure devised by us is related. Our recommendations in the subsequent paragraphs have been made keeping this concept of dearness allowance in view.

6. Dearness Allowance has hitherto been granted to the Central Government employees for a rise in prices as measured by the All India Average Consumer Price Index Number for Industrial Workers (General) (1949 = 100). The compilation of the 1949 series has now been discontinued by the Labour Bureau. The price index figures published for this series are a mere arithmetical conversion of the new series of the All India Average Consumer Price Index Number for Industrial Workers (General) with 1960 as the base, with the linking factor being obtained by equating 100 in the 1960 series to 121.54 in the 1949 series. We understand that the new series with the 1960 base which is a weighted average of indices of 50 constituent centres, has a larger coverage, better weighting system and improved methodology compared to the series with the 1949 base. Most of the unions and associations have suggested that the 1960 series of the Working Class Consumer Price Index should be used for regulating payments of dearness allowance. We accordingly recommend that the All India Average Consumer Price Index Number for Industrial Workers (General) with 1960 base published by the Labour Bureau should be adopted for the purpose of granting dearness allowance to the Central Government employees in future.

7. There are two essential ingredients of the existing dearness allowance formula viz., the 'time factor' and the 'points factor'. The time factor is a period of 12 months over which the average increase of the

index is to be calculated. The points factor is the 10 points rise or fall in the 12-monthly average of the index with which the review of the dearness allowance is linked. The employees' Unions have generally suggested that increases in the dearness allowance should be given for every 5 points rise over a six monthly period. The present formula is based on the recommendations of the Second Pay Commission. They were of the view that "for budgetary reasons and considering the long term character of Government employment, the remuneration of the Government servants should not change frequently, and that Government servants should be prepared to take the consequence of a small or short term rise of prices, which may often be fortuitous, as counterpart of the security of their emoluments, which are rarely changed to their disadvantage." The official witnesses were also of the view that the dearness allowance formula should be such that it did not involve frequent revisions of the amount of dearness allowance. In fact, a suggestion was made to us that any revisions in the rates of dearness allowance should synchronize with the beginning of a financial year so as to fit in with the budgetary system and facilitate the provision of funds. This would, however, unduly delay the grant of compensation to the Government employees against the increase in the price level. We also prefer a 12-monthly period to a 6-monthly period because there are seasonal fluctuations, and price trends are sensitive to the vagaries of the monsoons; a 12-monthly period is the minimum required for moderating these fluctuations and providing a realistic base for compensating price increases. We feel that the existing formula strikes the correct balance and should therefore continue.

8. We have also examined the feasibility of measuring changes in the cost of living index in terms of percentage increases instead of increases in terms of points as under the present system. A view has been expressed that changes in the index in terms of percentage increases or decreases bring out more correctly the extent of rise or fall in the price level than if such changes are expressed in terms of a fixed number of points. While this is true, it seems to us that the point system is simpler to administer and is more easily understood by the employees. We, therefore, recommend that the point system, which has been in vogue for a long time for regulating the dearness allowance payments to the Government employees, should continue. Since we have suggested adoption of the 1960 base index, we recommend that adjustments in the dearness allowance should be made when the 12-monthly average of the index (1960=100) changes by 8 points. In terms of the 1949 base it would mean a variation of 9.72 points as against the existing formula of 10 points variation.

9. It has been very forcefully represented before us by the associations that as and when there is an increase in the price index of a given order the increase in dearness allowance should be granted to the Government employees automatically. They have argued that there is no justification for denying this benefit to the Central Government employees when such adjustments are automatic in the case of employees serving in most of the public sector under

takings, nationalised banks and the Industrial employees governed by the wage board awards. Experience has shown that in the absence of a precise scheme of dearness allowance by the Second Pay Commission, Government had to appoint two high powered bodies during the intervening period to look into this matter. We think that there are advantages in having a clearly enunciated scheme of dearness allowance for Government employees as this would eliminate a possible source of friction and unrest. We have accordingly proceeded to do so in the succeeding paragraphs.

We are of the view that the Government should have the freedom to weigh the social and economic consequences of the grant or denial of an increase in dearness allowance in a particular situation; for example, during a national emergency or when the Government find it necessary to impose a wage freeze in order to combat inflationary pressures. Similar views had been expressed by the Second Pay Commission also. We, therefore, do not think it desirable that the Government should be bound to automatically sanction an increase in dearness allowance according to any given formula even when the circumstances require that restraint should be exercised on wages and incomes. We would emphasise, however, that in case a policy of restraint on wages and incomes is adopted, it should not be confined to Government employees alone but should cover the entire organised sector.

10. At present the Central Government employees in the various pay ranges are granted dearness allowance on a graduated scale. In this arrangement the percentage of neutralisation is the highest for the employees in the lowest pay slab and it goes on decreasing with the higher pay slabs. The unions and associations have criticised this system as it tends to reduce the wage differentials fixed by a Pay Commission as between the different categories of staff, and the reduction is based on an extraneous factor, namely, the general increase in prices. It has also been pointed out that under this system the neutralisation at the maximum of a lower slab is less than the neutralisation at the minimum of the immediately higher slab and this system leads to unevenness, if not anomalies, in the quantum of compensation for price rises. Demands have, therefore, been made that dearness allowance should be paid as a percentage of pay so that the relativities established on the recommendations of a pay commission as between different categories are not completely distorted by

the fortuitous operation of the dearness allowance formula. In the sectors governed by the wage board awards, the dearness allowance is paid in most cases at a flat rate linked to the consumer price index generally on a point to point basis. The scheme for the grant of dearness allowance on a percentage basis is in vogue in a number of public sector undertakings, like the State Trading Corporation, Indian Oil Corporation, Minerals & Metals Trading Corporation, financial institutions like the Life Insurance Corporation and the nationalised banks. The main advantage of paying the dearness allowance on a percentage basis is that as both the quantum of dearness allowance and the neutralisation percentages change gradually there is no abrupt change either in the amount of dearness allowance payable in different pay ranges or in the neutralisation percentage allowed at different pay levels. By varying the percentage for different pay groups, it is feasible to achieve higher rates of neutralisations at the lower pay ranges and vice-versa. Our endeavour has been to devise a scheme, which while doing away with the disadvantages of the slab system would not at the same time entail much additional administrative work.

11. The question of the upper pay limit to be fixed for the grant of dearness allowance in future has engaged our serious attention. We note that while the employees in the lower pay ranges have been granted increases in the dearness allowance on several occasions in recent years the employees getting a pay of Rs. 1000 and above up to Rs. 2250 were given only once an *ad hoc* dearness allowance of Rs. 100 p.m. in 1966. It has been urged before us that it would be unrealistic to assume that the personnel in these higher pay groups have any cushion left in their salaries in the face of the continued sharp rise in prices. With a view to examine this contention we considered it desirable to collect some information in regard to the consumption pattern of the employees belonging to the higher pay groups. At our request the Central Statistical Organisation attempted a special tabulation of the National Sample Survey data pertaining to the 21st, 22nd and 23rd National Sample Survey rounds on the consumption pattern of urban households belonging to the income groups with household expenditure of Rs. 400 to Rs. 700, Rs. 700 to Rs. 1250 and Rs. 1250 and above per month. The table below shows the weights (averaged over the three rounds) of these expenditure groups together with the weighting pattern of the two sets of index numbers *viz.* for industrial workers and for non-manual employees :—

TABLE II
Percentage distribution of consumption expenditure

Items	Average of National Sample Survey rounds 21 (1966-67), 22 (1967-68) & 23 (1968-69): All India Urban			Industrial Workers (1960)	Non-Manual Employees (1960)*
	Rs. 400-700	Rs. 700-1250	Rs. 1250 & above		
(i) Food	59.9	52.4	41.3	60.9	47.1
(ii) Pan, Supari, tobacco etc.	2.0	2.0	1.8	4.8	1.6
(iii) Fuel & light	5.1	4.5	3.7	5.8	4.7
(iv) Housing	4.7	5.3	4.8	6.3	10.8
(v) Clothing & footwear	7.4	8.7	13.1	8.5	9.7
(vi) Miscellaneous	20.9	27.1	35.3	13.7	26.1
TOTAL	100.00	100.00	100.00	100.00	100.00

*The weights in this case are determined on the basis of data relating to households in the monthly income range of Rs. 100-750.

12. While the data thrown up by the National Sample Survey rounds in regard to the pattern of consumption expenditure in the higher income groups has certain limitations, particularly on account of the small size of the sample, and it may therefore not be desirable to arrive at any conclusions entirely with reference to this data, these, nevertheless, focus attention on certain broad trends. One inference which could be drawn from this exercise is that the pattern of expenditure of the employees in the pay range of Rs. 400—700 is almost indistinguishable from that of the industrial workers as reflected by the weights attached to the various items in the current series of the Working Class Consumer Price Index. In regard to the employees in the pay range of Rs. 700—1250 also it is seen that more than 50% of their expenditure is on food items as against about 60% for the industrial workers. It is only in the case of the employees in the pay range of Rs. 1250 and above that the pattern of consumption differs perceptibly from that of the employees in the lower pay ranges.

13. We feel that while some differentiation might be justified it may not be appropriate to exclude *a priori* all the employees in the higher pay ranges from the scheme of dearness allowance. Having been at pains to recommend certain pay scales for different categories of employees on the basis of the qualifications, duties, responsibilities, etc., we think that the differentials that we have prescribed as between the different categories, should not get grossly distorted over a period of time by the operation of an extraneous factor, namely, a general increase in prices. We think that employees getting pay up to Rs. 2250 p.m. should be entitled to some compensation for an increase in the consumer price index, though the extent of the neutralisation and its periodicity may differ from one category to another, with a greater measure of protection to the more vulnerable sections.

14. As already* stated, the pay structure recommended by us is related to the index average of 200 points for the 12 month ending October, 1972 (1960=100). We accordingly recommend that the various categories of employees be brought within the purview of the dearness allowance scheme in the following manner :—

Rise in prices over the base period adopted for devising the pay structure	Employees to be covered
(1) For the price rise of first 8 points in the 12-monthly average of the 1960 base index	(1) All employees drawing revised pay up to Rs. 900 per mensem with suitable marginal adjustments.
(2) On the index average rising by 16 points	(2) Employees at (1) above plus all employees drawing revised pay up to Rs. 1600 per mensem with suitable marginal adjustments.
(3) On the index average rising by 24 points.	(3) Employees at (1) and (2) above plus all employees drawing revised pay above Rs. 1600 and up to Rs. 2250 per mensem with suitable marginal adjustments.

*Chapters 6 & 8.

We also recommend that as and when employees in any of the higher pay ranges are initially brought within the purview of the dearness allowance scheme, the total amount of dearness allowance to be given to the employees in that range should not be less than the amount admissible at the highest pay range for the categories already covered by the dearness allowance scheme, i.e., the dearness allowance admissible should be on a cumulative basis for the total price rise.

We further recommend that when the index average rises above 24 points the various categories of employees should be covered by the dearness allowance scheme in the same manner as for the first rise of 8 points and the cycle should be repeated. In other words, on the index average going up to 32 points additional dearness allowance should be given to employees drawing pay up to Rs. 900, on reaching 40 points to all those getting pay up to Rs. 1600 and so on for every subsequent increase by 8 points.

We further recommend that the pay plus dearness allowance should in no case exceed Rs. 2400 per mensem.

15. In the light of the discussions in the preceding paragraphs we recommend that in future the dearness allowance should be granted on the basis of the following formula :—

Pay range (Rs.)	Amount of D.A. admissible for an increase of 8 points in the index average (1960 base)
Up to 300	3.5% of pay subject to a minimum of Rs. 7 per mensem and a maximum of Rs. 10 per mensem.
Above 300	2.5% of pay subject to a minimum of Rs. 10 per mensem and a maximum of Rs. 20 per mensem.

By way of clarification, we attach Table III (at p. 5) which indicates the amounts to be paid as dearness allowance to employees drawing certain illustrative amounts as pay. The table has been prepared assuming that the 12-monthly average of the index (1960=100) ranges from 208 to 248 at the intervals of every 8 points. For employees drawing pay at levels intermediate to those indicated in column 1 of the table, the dearness allowance entitlement can be worked out by applying the percentages already recommended and the stipulated minima and maxima.

16. We recommend that should the price level rise above the 12-monthly average of 272 (1960=100) Government should review the position and decide whether the dearness allowance scheme should be extended further or the pay scales themselves should be revised.

17. It will be noticed that the scheme for the grant of dearness allowance recommended above provides for a neutralisation of about 95% on the lowest pay of Rs. 185 p.m. and the neutralisation percentage goes on declining so that in respect of the employees drawing a pay of Rs. 1600 p.m. it works out to about 31%. Most of the unions have represented that the employees at the lowest pay should be given 100% neutralisation against the rise in prices. The National Commission on Labour

TABLE III

Pay	Amount of dearness allowance for 8 points rise in the 12-monthly average of the index (1960=100)	Percentage of neutralisation for 8 points rise	Dearness allowance to be paid when the 12-monthly average of the index reaches					
			208	216	224	232	240	248
1	2	3	4	5	6	7	8	9
	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
185	7.00	95	7.00	14.00	21.00	28.00	35.00	42.00
200	7.00	88	7.00	14.00	21.00	28.00	35.00	42.00
250	8.80	88	8.80	17.60	26.40	35.20	44.00	52.80
300	10.00	83	10.00	20.00	30.00	40.00	50.00	60.00
400	10.00	63	10.00	20.00	30.00	40.00	50.00	60.00
500	12.50	63	12.50	25.00	37.50	50.00	62.50	75.00
600	15.00	63	15.00	30.00	45.00	60.00	75.00	90.00
700	17.50	63	17.50	35.00	52.50	70.00	87.50	105.00
800	20.00	63	20.00	40.00	60.00	80.00	100.00	120.00
900	20.00	56	20.00	40.00	60.00	80.00	100.00	120.00
1000	20.00	50	—	40.00	60.00	80.00	100.00	120.00
1200	20.00	42	—	40.00	60.00	80.00	100.00	120.00
1400	20.00	36	—	40.00	60.00	80.00	100.00	120.00
1600	20.00	31	—	40.00	60.00	80.00	100.00	120.00
1800	20.00	28	—	—	60.00	80.00	100.00	120.00
2250	20.00	22	—	—	60.00	80.00	100.00	120.00*

*Pay plus dearness allowance not to exceed Rs. 2400 p.m.

had recommended that at this level the neutralisation afforded should be 95%. Having regard to the fact that the minimum wage recommended by us is based on the price indices for the 4 metropolitan cities and that the continuance of the compensatory (city) allowance in the various cities, is also being recommended and keeping in view the fringe benefits like the medical care and educational facilities, which are enjoyed by a large number of Government employees, we consider the neutralisation afforded at the lowest level under the dearness allowance scheme recommended by us to be adequate.

18. It has been represented by the associations that the dearness allowance granted from time to time should be treated as pay for all purposes. We are unable to accept this demand as an automatic conversion of the dearness allowance to pay would virtually amount to a revision of the pay structure every time this allowance is granted or modified. We are of the view that the pay structure should be revised only after due deliberation, and taking full

cognizance of the factors we have indicated in Chapter 5. Moreover, this demand, if accepted, would create complications in the matter of grant of pensionary benefits as persons retiring on the same pay at different times would get varying amounts of pension. The question whether a portion of dearness allowance should be treated as pay for specified purposes has hitherto been decided by the Government having regard to various considerations. We consider this arrangement to be satisfactory and therefore, recommend no change.

19. At present the various cash payments to the Government employees in respect of pay, allowances, etc. are rounded off to the nearest 5 paise. In order to reduce the accounting and administrative work in granting dearness allowance on a percentage basis we recommend that the payments on account of dearness allowance be rounded off to the nearest 10 paise. The Government may also consider whether a similar rounding off could be resorted to in respect of all the other cash payments also made to Government employees.

CHAPTER 56

COMPENSATORY ALLOWANCES

I. Compensatory (City) Allowance

The practice of granting compensatory (city) allowance (CCA) to employees to compensate for the high cost of living in the bigger cities dates back to the first quarter of the century. No uniform principle was at first adopted for determining the quantum of CCA and there were variations not only between different Departments but also between different categories of employees, namely, employees whose pay scales had been fixed on considerations of the regional cost of living and other employees who were on uniform rates of pay. The First Pay Commission which prescribed uniform rates of pay and allowances expressed the view that local allowances should be limited to a few costly cities. In view of the high cost of living in the two major cities of Bombay and Calcutta it recommended payment of compensatory allowance to non-gazetted staff serving in those cities and also suggested that such relief should be extended to other cities if and when they were found very expensive. Pursuant to these recommendations, a city compensatory allowance was given to employees in the cities classified as A or B on the basis of population.

2. While examining the existing classification of cities and its basis, the Second Pay Commission took cognisance of the general contention of the employees that population was not necessarily an adequate index of costliness. It observed that the available consumer price index numbers for different cities and towns were not meant to and could not, in fact, measure the expensiveness of one city or town as compared to another and, if a comparison of *inter se* costliness were desired, it would first be necessary to work out an all-India norm with which the levels of cost in different cities could be compared. It suggested that the Government should consider the desirability and feasibility of conducting a survey for this purpose. The Commission felt that there was no sounder criterion than population available at that time. It did not recommend any change in the existing basis of classification of cities and left it to the Government to look into special cases of some small towns which were claimed to be unusually expensive. The distinction between gazetted and non-gazetted officers was done away with and the level of salary adopted as the sole criterion for determining the quantum of CCA in any city or town.

3. The rates of CCA recommended by the Second Pay Commission were as follows :—

Pay range	Rate of CCA recommended	
	'A' class city	'B' class city
Below Rs. 150	10% of pay subject to a minimum of Rs. 7.50 and a maximum of Rs. 12.50	5% of pay subject to a minimum of Rs. 5 and a maximum of Rs. 10 for all persons drawing pay below Rs. 500 per mensem.
Rs. 150 and above but below Rs. 300	8% of pay subject to a minimum of Rs. 12.50 and a maximum of Rs. 17.50.	
Rs. 300 and above	6% of pay subject to a maximum of Rs. 75/-	

These rates were accepted by the Government with some modifications. For employees in 'A' class cities, in the pay range of Rs. 150 and above, the rate allowed was uniformly 8% of pay subject to a minimum of Rs. 12.50 and a maximum of Rs. 75.

4. Subsequently, in 1963 the B class was subdivided into two, viz., B-1 and B-2 and the rates applicable to the erstwhile 'B' cities were continued for the B-2 cities, while higher rates were prescribed for the B-1 cities. The rates of city compensatory allowance in force at present are as follows :—

Class of city	Pay per* month	Rate of allowance
'A' (Population above 16 lakhs)	Rs. Below 150	10% of pay subject to a minimum of Rs. 7.50 and a maximum of Rs. 12.50.
	150 and above	8% of pay subject to a minimum of Rs. 12.50 and a maximum of Rs. 75.
'B-1' (Population above 8 lakhs but not exceeding 16 lakhs)	Below 250	7½% of pay subject to a minimum of Rs. 6 and a maximum of Rs. 15.
	250 and above	6% of pay subject to a minimum of Rs. 15 and a maximum of Rs. 50.
'B-2' (Population above 4 lakhs but not exceeding 8 lakhs)	Below 620	5% of pay subject to a minimum of Rs. 5 and a maximum of Rs. 10.
	620 and above	Amount by which pay falls short of Rs. 629.

*For the purposes of CCA pay is taken as basic pay plus dearness pay.

The total number of regular Central Government employees in the various classes of towns according to their revised classification on the basis of the 1971 Census figures is as follows:—

Class of city	Number of cities	Number of Central Govt. employees (as on 31-3-70)
'A'	5	568504
'B1'	6	247208
'B2'	16	194448
'C'	303	632724*
Unclassified	—	1006321*
Total :		2649205

*Estimated

(Source : Census of Central Government Employees as on 31st March, 1970—Report-10: Directorate General of Employment & Training).

5. A few other important provisions of the rules governing the grant of CCA to Central Government employees are as under:—

(a) The limits of the locality within which CCA is admissible are those of the municipalities or corporations and include such of the suburban municipalities, notified areas or cantonments as are contiguous to the named municipalities or corporations or other areas, as the Central Government may from time to time notify.

(b) A Government servant whose place of duty falls within the qualifying limits of a city, is eligible for CCA irrespective of whether his place of residence is within such limits or outside.

(c) Government servants whose place of duty is in the proximity of a qualified city and who, of necessity, have to reside within the city may be granted the CCA admissible in that city by the administrative Ministries/Departments concerned, if the following conditions are satisfied :

(i) The distance between the place of duty and the periphery of the municipal limits of the qualified city does not exceed 8 kilometres.

(ii) The staff concerned have to reside within the qualified city out of necessity *i.e.* for want of accommodation nearer to their place of duty.

(d) Staff working in aerodromes, meteorological observatories, wireless stations and other Central Government establishments situated within a distance of 8 kilometres from the periphery of the municipal limits of a qualified city are allowed CCA at the rates admissible in that city, even though they may not be residing within those municipal limits subject to the fulfilment of the following conditions:—

(i) There is no other suburban Municipality, Notified Area or Cantonment, within the 8 kilometre limit and

(ii) It is certified by the Collector/Deputy Commissioner having jurisdiction over the area that the place is generally dependent for its essential supplies *e.g.* foodgrains, milk, vegetables, fuel, etc., on the qualified city.

(e) CCA is admissible during leave, joining time, deputation abroad, training abroad and training in

India, or during period of suspension, subject to certain conditions.

6. We have given thought to a suggestion, that because of its imperfections the CCA scheme may be abandoned. We have not found this course to be practicable. It is a matter of general observation that living in a city is more expensive than in a rural Area. House rents and transportation costs are generally higher in many large cities. The concentration in a city, of wage earners who are relatively better paid tends to push up the prices of most wage goods and perishables. Having regard to the generally high cost of living in the larger urban areas and to the long standing practice of granting city compensatory allowance, we are left with no option but to recommend its continuance.

7. The various Associations of Central Government employees have once again contested the validity of adopting the population as the sole criterion for CCA purposes. More specifically, their suggestions in this regard are that certain developing townships where new factories or other installations are sited are, in fact, more expensive than some highly populated cities; that exceptionally expensive towns should be treated on a special footing although their population might not be large enough; that special treatment should be given in the matter of classification in respect of State capitals, district headquarters and places of pilgrimage with a large floating population which is not taken into account in the Census and that the rate of CCA in a region should be determined having regard to the difference between the all-India and the regional price indices. Their other demands include enhancement of the rates of CCA; grant of the CCA in 'C' class towns; and revision of the population limits for classifying cities and towns. Lastly it has been urged that the present limit of 8 kilometres from the boundary of the qualifying area beyond which CCA ceases to be admissible is unrealistic in view of the great expanse of some of the conurbations and it should be increased to at least 32 kilometres.

8. We made efforts to find alternative criteria for determining the relative costliness of various towns and cities. As noted by the Second Pay Commission the Consumer Price Index numbers in respect of different cities and towns cannot be of much help in this connection as they do not represent the value of an identical basket of goods and services. We understand that efforts have been made to construct such special indices but these have not yet met with much success presumably due to conceptual and methodological difficulties; and we have thus found ourselves in the same predicament as the Second Pay Commission in this regard. The alternative course suggested by some associations *viz.*, linking CCA with the difference between the all-India index prepared by the Labour Bureau and the regional indices is also seen to be unsound. The all-India consumer price index and the regional indices are not strictly comparable since they use different weighting diagrams. The difference between any regional index and the all-India index can only reflect the difference in the rates at which the cost varies over time in the region and in the country taken as a whole; it does not show whether the actual cost of living in a particular

region is lower or higher than the average cost at the national level.

9. We attempted to estimate the cost of a uniform consumption basket for a 'standard family' consisting of 3 adult consumption units at different centres. For working out the expenditure on food, the diet schedule recommended by the Indian Council of Medical Research for a person engaged in moderate work, which is expected to provide 2800 calories (net) was adopted. The value of the food basket was estimated for the above-mentioned standard family in respect of 26 cities covering all the four A class cities, 5 B1 class, 7 B2 and 10 C class cities. The total household expenditure was then estimated in each case in accordance with the norms of the 15th ILC, at the average price level prevailing at the centre for the year 1970. We found that there was no uniform link between the size of the population and the cost of the consumption basket as ascertained on the basis of this exercise. When we excluded the abnormal instances, however, we found that the level of expenditure in A, B1, B2 and C class cities was on the average in a descending order, thereby lending some support to the population criterion. We must add that even in this exercise there were a few B1, B2 or C class cities which, perhaps for special reasons, were inordinately expensive. In the absence of any better alternative criterion, we are obliged to fall back on population as a basis for determining the expensiveness of a locality in general.

10. We now proceed to examine whether any changes are necessary in the population ranges adopted at present for classifying the towns and cities for grant of CCA. The population range covered by 'C' class towns is fairly wide, being $\frac{1}{2}$ lakh to 4 lakhs. Estimates are not available for the cost of living in all or even in a representative section of the 'C' class towns. The Family Living Survey of Industrial Workers conducted in 1958-59 by the Labour Bureau covered 50 centres, of which, the centres which fell within the 'C' class were 14. All these centres except two or three had a population which was in the upper half of the range prescribed for the 'C' class. The fact that these towns showed an abnormally high cost in the Family Surveys could be taken to indicate that towns in the upper range of the 'C' classification are likely to have a cost of living comparable to the towns classified as B-2. However, the sample is too small and it is not possible to hazard even a guess as to the relative costliness of the 'C' class towns falling within the upper population range, but not covered by these surveys. It is true that our exercises for estimating the value of a uniform consumption basket for 3 adult consumption units at different places also show that on an average the difference between the figures for the 'C' class and the 'B-2' class was negligible. But this finding being based on averages only, it does not necessarily follow that all the towns in the upper population range of the 'C' class, covered by the Labour Bureau's Surveys would be uniformly as costly as the 'B-2' cities. Any recasting of the existing population criterion for the classification of towns and cities if it is to be based merely on such limited data on the comparative cost of living as is now available, may turn out to be as irrational as the present arrangement. Since the range covered by 'C'

class towns is large, and conditions differ markedly, we are unable to recommend any general recategorisation of 'C' class towns on any revised population criterion. In these circumstances, we do not advocate a general extension of this allowance to 'C' class towns.

11. There is however one direction in which a certain liberalization is possible without much difficulty. In the Census Paper I of 1972 on 'Final Population' the Registrar General has listed out a number of cities which together with the adjoining smaller towns are said to constitute an 'Urban Agglomeration'. An urban agglomeration is described as made up of 'a main town together with the adjoining areas of urban growth and is treated as one urban spread..... Each such agglomeration may be made up of more than one statutory town adjoining one another such as a municipality and the adjoining cantonment etc., and also other urban growths such as a railway colony, university campus etc. Such outgrowths which did not qualify to be treated as individual towns in their own right and have pronounced urban characteristics are shown as constituents of the agglomeration.' The Registrar General adds that 'for all practical purposes the entire urban agglomeration should be treated as one composite urban unit'.

12. We find that the rules now in force regarding the grant of CCA to persons whose place of duty lies up to 8 kilometres of the qualifying limits of a city are rather cumbersome and may in some cases be causing genuine hardship. The employees have demanded that CCA should also be admissible in the outlying area surrounding the big cities where it is not admissible according to the existing rules. We are of the view that the concept of 'urban agglomeration' as described by the Registrar General should be adopted for the purpose of granting CCA. In this context it would only be logical to treat an entire urban agglomeration as a unit of population for the purpose of grading cities into the various classes. We feel that as a result of this approach many of the difficulties being encountered at present in administering the existing rules relating to CCA will be resolved. There will, in that case, be no need for making any relaxation or allowing any exemption, as the Registrar General's delineation of the urban agglomeration should be regarded as fairly liberal and may be held as valid till the next population Census. Our general approach is that all employees whose place of work lies within the urban agglomeration should receive CCA, at the rates applicable to the main city, though it would be for the Government to define this area precisely when issuing orders. There is no need to impose any residence criterion; indeed it would be well-nigh impossible to verify and enforce such a condition even if it were imposed.

13. We believe that the revised pay scales that we have recommended would generally compensate in varying measure, for the increase in the cost of living. In the circumstances, we do not think there is any justification for increasing the existing quantum of city compensatory allowance. We have therefore

*Census of India, 1971, Paper I of 1972—"Final Population" page 155.

decided that all that need be done is to ensure that the absolute quantum of CCA that employees are already receiving should generally be protected. We accordingly recommend the following revised schedule of CCA rates in conformity with the new pay scales :—

'A' Class

- (i) Below Rs. 250 . 6½% of pay subject to a minimum of Rs. 12/-.
 (ii) Rs. 250 and above . 6% of pay subject to a maximum of Rs. 75/-.

'B-1' Class

- (i) Below Rs. 330 . 5% of pay.
 (ii) Rs. 330 and above . 4.5% of pay subject to a maximum of Rs. 50/-.

'B-2' Class

- (i) Below Rs. 750 . 3.5% of pay subject to a maximum of Rs. 10/-.
 (ii) Rs. 750 and above . Amount by which pay falls short of Rs. 759/-.

'C' Class

No allowance.

14. Finally we would urge that the revised scheme of CCA should be implemented with some degree of flexibility. There would be certain towns which for reasons of comparative isolation or by virtue of being places of pilgrimage with a large floating population or State capitals etc., may in fact be abnormally expensive, while they may not qualify for the grant of a CCA according to the population criterion. Such cases should obviously call for special treatment in relaxation of the norms and the Government should consider each such case on merits for the grant of CCA.

II. House Rent Allowance

15. A House Rent Allowance (HRA) is granted to the Central Government employees in certain cities and towns, to compensate them partly for the specially high rents that they have to pay for hired residential accommodation. The Second Pay Commission examined the validity of population as the basis for classifying cities for the grant of HRA and concluded that this was not an unsound general criterion to apply. It, however, suggested that the population criterion might be relaxed and HRA granted at other places also where specially high rents prevailed. There have been many cases where, in relaxation of the population criterion, a town or city has been placed in a class which is not justified on the basis of the population figures. House rent has also been sanctioned in certain hill stations and unhealthy and remote localities on an *ad hoc* basis, irrespective of the population, but generally at rates which are applicable in Class 'C' towns. The existing classification, based on the pre-1971 Census figures and the rates at which HRA is admissible in classified areas are as follows :—

CLASSIFICATION

Class	Population criterion	Number
A	More than 16 lakhs	4 (Calcutta, Bombay, Delhi, Madras).
B-1	Above 8 but not exceeding 16 lakhs	7 (Hyderabad, Ahmedabad, Poona, Bangalore, Kanpur, Lucknow, Nagpur).
B-2	Above 4 but not exceeding 8 lakhs	11
C	Above 50,000 but not exceeding 4 lakhs	235

RATES

Class of city	Pay (including D.P.)	Rate of Allowance
A & B-1	Below Rs. 100/-	Rs. 15/-, flat
	Rs. 100—3,000	15% of pay subject to a minimum of Rs. 20/- and a maximum of Rs. 300/-.
	Above Rs. 3,000/-	10% of pay.
B-2	Below Rs. 100/-	Rs. 10/-, flat
	Rs. 100 and above	10% of pay subject to a minimum of Rs. 15/- and a maximum of Rs. 300/-.
C	Below Rs. 620/-	7½% of pay subject to a minimum of Rs. 7.50.
	Rs. 620/- and above	Amount by which pay falls short of Rs. 665/-.

16. Of the total rent paid by an employee, he is expected to meet out of his own pocket, a sum represented by 10% of his pay and it is only the balance which is reimbursed up to the limits indicated above. The house owner's receipt has to be produced in support of the claim for HRA. However, with a view to reducing the administrative work involved in checking the receipts, this requirement has been dispensed with in respect of employees drawing pay plus dearness pay of less than Rs. 620/- per month. An official residing in his own house is also entitled to HRA and for this purpose the annual rental value as assumed for municipal assessment purposes is taken as the basis for computing the notional monthly rent of the premises and determining the house rent allowance that would be admissible.

17. The more important demands made by the various associations are summarised below :—

- (i) The system of adopting population as the only criterion for determining the costliness in regard to house rent is wrong. HRA should, therefore, be admissible in unclassified cities also.
- (ii) As defence installations are generally located outside the city limits, the employees working there should also be entitled to HRA at the same rates as admissible to the employees in the nearby classified cities.
- (iii) The present scale of house rent allowance is inadequate and the Government should reimburse the employee, the full rent of the house of the size to which the employee is entitled, less 10% of his pay.

18. We made an attempt to get an idea of the variation in house rents during the last decade or so. We were advised by the Labour Bureau and the CSO that the house rent indices which they utilised for computing the consumer price index for the working and middle classes could be adopted as the basis for estimating the average increase in the house rent, in the centres that had been surveyed. The house rent indices for the base year 1960 as well as for 1970 have been published. An estimate of the actual rent paid in 1958-59 is also available and can be related to the 1960 index; therefore, the corresponding figures for 1970 could be estimated.

19. An interpretation of the available figures shows that during the last ten years the increase in the house rent index for the working class has varied widely from centre to centre. Four centres viz., Guntur, Madurai, Coimbatore and Madras show an increase of 75% or more. Eight centres, viz., Sambalpur, Delhi, Yamuna Nagar, Jaipur, Monghyr, Hyderabad, Digboi and Bangalore show an increase of between 50 and 75%. Eleven centres show an increase of 25 to 50%. Bombay happens to be one of the cities where the house rent has increased by less than 25% i.e., 13%. In as many as 17 working class centres, the house rent index has not shown any increase at all. Most of these centres are in mining and plantation areas.

20. In absolute terms also the variation is quite considerable. The estimated expenditure on house rent in 1970 varies from Rs. 2.70 per month in Chikmagalur to Rs. 20.39 per month in Bangalore. Digboi and Madras are two other cities where the expenditure is more than Rs. 20/- per month. In four cities i.e., Hyderabad, Madurai, Coimbatore and Jamshedpur, it varies from Rs. 15/- to Rs. 20/- per month. In twelve other cities it varies from Rs. 10/- to Rs. 15/- per month. In certain 'C' and 'B-2' class cities, like Madurai, Coimbatore, Jamshedpur and in Digboi which is an 'unclassified' city, the expenditure on house rent is more than in many of the 'A' and 'B-1' class cities. On the average, the expenditure on house rent in B-2 class cities is more than in 'A' class cities as the following figures would show :—

Estimated average expenditure on house rent in 1970 in working class centres.

	Average expenditure* per month (Rs.)
A, B-1 class cities	9.95
B-2 class cities**	12.21
C class cities**	8.95
Unclassified cities**	5.69

21. A similar conclusion can be drawn from an analysis of the house rent indices for middle class families as well. In ten centres the index has gone up by 75% or more. Of these, eight were in the 'C' class, one in 'B-2' and one in 'B-1' class. In eleven centres it went up by over 50% but less than 75%, in eighteen centres by over 25% but less than 50% and in six centres by less than 25%. The more significant conclusion is that, in absolute terms, the expenditure on house rent in 'C' and 'B-2' class cities like Vishakhapatnam, Kurnool, Madurai, Shillong etc. is considerably more than in some of the 'A' and 'B-1' class cities. The average expenditure on house rent in cities which are, at present, unclassified comes to Rs. 36.78 per month which is more than in 'C' class cities (Rs. 36.31 per month) and in 'B-2' class cities (Rs. 33.16 per month). The average in the 'A' class cities is Rs. 39 per month.

*Weighted average of expenditure, the weights being the estimated number of working class families in the relevant centres. The figures cover all the 50 centres except Coonoor.

**Of the 11 'B-2' centres as per the existing classification, only 7 were covered by the working class family living survey of 1958-59. Similarly there are over 200 'C' class cities of which only 11 are covered by the 1958-59 Survey. Likewise, only 19 unclassified cities are included in the Survey. These limitations have to be kept in mind in interpreting the figures.

22. These estimates, however, suffer from certain limitations. The survey covers a fixed sample of dwellings which varies from 60 to 240 depending upon the centre. A fixed sub-sample of the original sample is covered every six months while collecting house rent information. Thus the survey which is based on a fixed sample of dwellings that have existed since 1958-59, does not take into account the new colonies that have sprung up in every centre in recent years. As such, the survey has lost its representative character to some extent, as rents have generally tended to be low for old construction as well as for houses which have been occupied by the same tenant for a long time. Further, a substantial part of the sample surveyed represents sub-standard houses.

23. Thus the absolute estimates of expenditure as revealed by these surveys can hardly be taken as reliable indices of the actual expenditure incurred on house rent by government employees in general. Nevertheless these figures do seem to indicate that the criterion for the classification of cities and towns on the basis of population for fixing house rent allowance is not a reliable one. A view has been strongly expressed that house rents in particular cities are likely to fluctuate from time to time depending upon local conditions and growth of industries etc. in the vicinity. It would, therefore, seem futile to attempt laying down a particular rate of house rent allowance on some *ad hoc* basis such as population.

24. We made an attempt to find out the amounts of rent actually being paid by a random sample of government employees. It appeared that on the average the rent paid in Delhi was about 6% in excess of the 25% of pay which a government servant stationed at Delhi is expected to spend on housing. (10% from his own pocket plus 15% house rent allowance, Delhi being an 'A' class city). In some cases the excess over 25% was only about 0.33% while in others the excess was as high as 31%. We have reason to believe that in quite a few cases the residential accommodation for which this rent was being paid was smaller in size than that to which the officers of corresponding pay groups would be entitled if they had received a Government allotment. The Ministry of Finance (Department of Revenue & Insurance) have intimated to us the average rent being paid by their officers in the pay groups of Rs. 700-1250 and Rs. 1300-1600 posted in Delhi as well as the average plinth area of the house occupied by them. These are given below :—

Pay Group (Rs.)	Average Rent (Rs.)	Average plinth area	Average † excess over 25%
700—1250	300	680 sq. ft.	5.8%
1300—1600	463	1300 sq. ft.	6.9%

Under the existing rules officers in the pay group of Rs. 800-1299 are entitled to type V quarters of a plinth area of 1500 sq. ft. and those in the pay group of Rs. 1300-1600 to type VI with a plinth area of 2100 sq. ft.

† Calculated as percentage of the mid-points of the pay groups.

by a ground party, having regard to the facilities that are afforded to the officers on such duties.

38. The Services have made the following proposals in regard to daily allowance :

- (i) The rates of daily allowance are not adequate and should be increased.
- (ii) There should be no reduction in the rate of daily allowance for halt in excess of 10 days for officers on tour and daily allowance at full rates should be allowed for the entire period of halt at an out-station.
- (iii) The restriction on the quantum of daily allowance for certain special kinds of moves on temporary duty referred to above should be removed and full daily allowance should be granted.

39. As regards the first two proposals, we feel that the rates of daily allowance recommended by us for Civilian Officers, Grade I, should be equally applicable to the Service Officers. As regards item (iii) above, the existing practice of allowing a restricted quantum of daily allowance depending upon the facilities afforded to them is sound in principle and we do not consider any change necessary.

40. In regard to transfers from one peace station to another (within India), Service officers are entitled to transfer travelling allowance on the same terms and conditions as applicable to civilian officers, Grade I. For this purpose, no distinction is made between a married officer and a single officer. In the case of moves to and from field service areas, however, the entitlements are slightly different, in that where shifting of the family to another station is involved, the family gets warrants for travel and a disturbance allowance of Rs. 150 but no incidentals. This allowance is also admissible to a single officer but at a reduced rate of Rs. 50. In other circumstances also, a part of the disturbance allowance is paid to married officers as under :—

- | | |
|---|------------------------------------|
| (a) On the move of families when a family station is declared a concessional area. | Full disturbance allowance |
| (b) On the move of families when a station in a concessional area is declared a family station. | 2/3rd of the disturbance allowance |

41. The Services have made the following proposals in regard to transfer travelling allowance :—

- (a) The quantum of disturbance allowance to married officers should be the same as travel grant viz. Rs. 200;
- (b) Married officers should be authorised full disturbance allowance when their families have to move consequent on a station in a concessional area being declared a family station;
- (c) Married officers be authorised 3/4ths of the disturbance allowance if families move to another accommodation in the same station;
- (d) Married officers be authorised disturbance allowance at rates applicable to single officers, if no shift of family is involved.

42. The disturbance allowance is given to married officers, where shift of family is involved, to meet the incidental expenditure when the officer is transferred to a field service area or on return from there. This is in the nature of a transfer grant normally admissible to officers in cases of transfer from one peace station to another. We recommend that the disturbance allowance be paid at the same rates as transfer grant for civilian officers. At present a distinction is being made between compulsory shift of a family from a family station declared as a concessional area and shift of a family to join an officer on a concessional area being declared as a family station. We do not favour such fine distinctions, as the essence of the disturbance allowance provision is to compensate for the extra expenditure caused on account of shifting of an officer's family in certain circumstances. We also recommend that full disturbance allowance should be granted to a married Service officer when his family moves to a station in a concessional area on its being declared a family station. We do not, however, find any justification for grant of disturbance allowance to married officers if their families move to another accommodation in the same station or where the family does not have to shift when the Service officer is transferred.

43. We recommend that the families of Service officers may also be granted daily allowance as for civil officers for the journey period when they have to shift to another station in the event of transfer of a Service officer on field service. In the case of normal transfers also, the Service officers should be granted daily allowance for their family members, for the journey period in lieu of incidentals now admissible.

44. A suggestion has been made that a Service officer on retirement should be entitled to a transfer grant as admissible for normal transfers and also reimbursement of the cost of moving his conveyance from the last duty station to the selected place of residence in India. Our recommendations on this question in respect of civilian employees should apply equally to the Service officers also.

45. **Personnel below Officer rank**—The rules regulating travelling allowance/daily allowance of the personnel below officer rank are different from the civil rules. They are always required to travel on warrant and are entitled to be provided with accommodation, food and transport at Government expense for all their moves. As such, there is no system of payment of travelling allowance or incidental expenses or daily allowance for halts as in the case of civilians who are entitled to a lumpsum transfer grant and incidental expenses on transfer and also daily allowance for halts while on tour. The only allowance that is paid to the Service personnel is a cash allowance, on transfer, of Rs. 40 to the Junior Commissioned Officers (JCOs) and Rs. 30 to the Other Ranks. This cash allowance is admissible only when the Other Ranks are borne on the married establishment of their unit and their families actually reside with them at the time of posting and move with them and they are also taken on the married establishment of the new unit. They also get a ration allowance at a special rate of Rs. 4.50 per day on duty journeys and Rs. 3.50 on leave journeys. On temporary duty at outstations (*i.e.* tours), Other Ranks are provided free food and accommodation where Service

grant of the house rent allowance. House rent in the peripheral areas of a congerie of towns and cities is far lower than in the main town or city itself. Further, the municipal and other service taxes on residences would also be lower in such peripheral areas and we would not therefore be justified in treating these areas in the same way as the main city for house rent allowance purposes.

III. Housing Facilities

31. Since the Second Pay Commission reported, the Government has added considerably to the number of residences available for allotment to their employees. Although the provision of residential accommo-

dation is not a condition of service for the civilian employees, the Government has, as a welfare measure, constructed a large number of residential units for this purpose. The Railways, the Ministry of Defence, and the Posts & Telegraphs are responsible for the construction of residences for their employees while the Ministry of Works and Housing caters to the needs of all other departments in this respect in the major cities. The quarters under the control of the Ministry of Works and Housing are known as the 'general pool'. Individual Departments have also built a large number of residences for their employees. The present position in this respect and the position at the time of the Second Pay Commission are shown in the following table :—

TABLE I
Staff strength and number of quarters in 1970-71
(Figures for 1957 are given in brackets)

Department	Class I & II strength	Quarters	Class III strength	Quarters	Class IV strength	Quarters	Total strength	Quarters	Percentage
Civil Departments (other than those mentioned below)	45,581 (22,436)	12,052 (4,440)	2,85,466 (1,33,193)	48,865 (42,735)	1,04,579 (1,25,751)	43,725 (16,486)	4,35,626 (3,00,556)*	1,04,642 (63,661)	24.0% (21.2%)
Railways	7,740 (3,334)	3,895 (2,080)	5,71,718 (3,54,416)	1,97,164 (1,22,642)	7,80,577 (6,39,496)	3,25,681 (2,40,197)	13,60,035 (9,97,262)£	5,26,740 (3,64,919)	38.7% (36.6%)
P & T	3,564 (1,417)	880 (116)	2,86,177 (1,49,166)	15,480 (5,439)	80,056 (54,257)	3,877 (3,359)	3,69,797 (2,04,840)	20,237 (8,914)	5.4% (4.4%)
	56,885 (27,187)	16,827 (6,636)	11,43,361 (6,36,775)	2,61,509 (1,70,816)	9,65,212 (8,19,504)	3,73,283 (2,60,042)	21,65,458 (1,502,658)	6,51,619 (4,37,494)	
	29.6% (24.4%)		22.8% (26.8%)		38.6% (31.7%)		30.0% (29.1%)		

TABLE I (B)
Staff strength and number of quarters in 1970-71

Defence Civilians	11,556 45.2%	5,225	1,71,540 18.7%	32,137	2,89,427 11.2%	32,550	4,72,523 14.8%	69,912	14.8%
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(Note—Strength of staff is as on 31-3-70; Source : Census of Central Govt. Employees—D G E & T)

*Includes 19,176 unclassified.

£Includes 16 unclassified.

32. Full data in respect of Defence Civilians were not available to the Second Pay Commission, and therefore a comparison of the past with the existing position is not feasible. In the departments other than Defence more than 2 lakh residences have been added in the last 14 years. However, since the staff strength has also increased steadily, the percentage of satisfaction is not tangibly higher than what it was over a decade ago. On the whole, the proportion of staff housed in government accommodation is still less than one-third of the total and the disparity in the percentage of satisfaction *inter-se* among the departments remains as wide as it was previously. While in the Railways as much as 38.7% of the staff have been provided with housing, the corresponding percentage in the P & T remains conspicuously low at 5.4%.

33. The main demands of the various associations of Central Government employees in regard to housing facilities can be broadly summarised as follows :

- Government should ensure that every employee is housed in a government residence. The existing provision is much too inadequate and Government should undertake a crash programme of house building.
- Government should encourage and assist the employees to build or acquire their own houses; and, the assistance should be of different kinds.
- The rent now being charged for houses provided by Government should be reduced.

34. Though the construction of new residences in different departments is not even, there has been a considerable addition to the total pool of residential units. Some official witnesses stated that the Government should accept the responsibility for the proper housing of its employees. Howsoever desirable such an objective might be from the employees' point of view, we do not consider it either feasible or necessary

for the Government to undertake to provide government houses for 100% of the employees. The cost of building houses has gone up considerably. Further, many Government employees are single, or have their families staying elsewhere, and therefore do not need standard accommodation. Housing is, however, an essential welfare measure and adequate provision of it is a pre-condition for increased efficiency on the part of the employee. Consequently, Government would have to redouble its efforts to build more houses. Among the actual types of construction the lower categories should receive preference, and further, efforts should be made to bring down the unit cost of construction so that the available funds could be utilised for the construction of a relatively larger number of houses. We find that at Delhi, in respect of quarters

of Types III and IV, employees with the priority years of 1946 and 1944, respectively, are yet to get an allotment in their turn. The position is slightly better in respect of lower Types of accommodation and it is not bad in so far as higher Types of accommodation are concerned. The imbalance should be redressed, not only through a better distribution of fresh construction, but also by restricting to the absolute minimum necessary, the out-of-turn and discretionary allotments.

35. There is at present a very wide variation between the demand and provision in respect of Government quarters at different places. The new construction planned in the 'general pool' at these places does not also seem to be in proportion to the demand. The position in respect of the four major cities is given in the following table:—

TABLE II

City	Population (lakhs)	Employees (1970) (lakhs)	Demand*	Quarters* available	%age of provision	Physical target for construction completion in the Fourth Plan
(1)	(2)	(3)	(4)	(5)	(6)	(7)
New Delhi/Delhi (urban agglomeration)	36.47	1.657	97134	40142	41.32%	8311
Bombay (-do-)	59.70	1.321	23260	2428	10.43%	1706
Calcutta (-do-)	70.31	1.605	18925	1430	7.56%	1304
Madras (-do-)	31.70	0.855	9899	210	2.14%	933

*Excluding Railways, Defence Civilians and P & T.

36. It will be seen that there is an imbalance in the provision of government accommodation among the metropolitan cities. As noted by the Second Pay Commission Delhi continues to require special treatment since the Central Government employees and their families and other dependents perhaps constitute one fourth of the total population of the city and the available housing in the private sector would not meet the needs of such a large section. However, the number of Central Government employees has steadily increased in the other three metropolitan cities, and along with their families and dependants they constitute 1/8th of the total population in those cities, or roughly half the ratio in Delhi. The number of quarters that have so far been provided as well as the physical targets for new construction, at Bombay, Calcutta and Madras suffer greatly on comparison with the scale of provision at Delhi. It would thus be desirable to allot more funds within the total outlay for the construction of Government residences in Calcutta, Bombay and Madras, as well as other big cities which have a concentration of Central employees. We understand that there are practical difficulties in acquiring suitable land for construction, especially at Calcutta and Bombay. The cost of land is also stated to be considerably higher than at Delhi. The solution to this problem would perhaps lie in adopting measures such as reduction in the floor area per unit, vertical extension and, high density construction. This should receive attention at the highest level.

37. The P&T Department continues to lag very much behind the other Departments, in the extent of provision of quarters. The funds provided for new construction over the years have also been proportionately small. The associations of P&T employees have urged that there should be a crash programme of con-

struction undertaken so as to make up the leeway. It has also been represented to us that new P&T offices are being opened in industrial townships, developing areas etc., without making any provision whatsoever for housing the staff within a reasonable distance.

38. It has been stated that since no private houses would be available in such townships the staff are put to extreme hardship. We recommend that while planning such townships, provision should be made not only for the P&T offices, but for the residential quarters of the concerned staff as well. Further inasmuch as the generality of P&T employees are subject to periodic transfers, the provision of adequate housing assumes importance as well as urgency. We recommend that larger funds should be provided for construction and special efforts be made to build residential units. Greater priority should be given not only in construction, but also in the matter of allotment to that section of the employees who are frequently transferred.

39. Some of the associations have suggested that as the entire cost of the Government residence allotted to an employee, for which standard rent at 6% of the capital cost is being charged, would have been recovered by the Government in about 17 years, that quarter should be transferred to the name of the employee himself at the end of that period. Another demand is that Government should launch a housing scheme financed out of the Death-cum-retirement Gratuity, develop sites at all stations and grant loans on liberal terms to housing cooperatives formed by government servants. These demands are open to a number of objections and do not deserve serious consideration.

40. Yet another demand is that the Government should enter into hire-purchase agreements with House Building Societies, Local Development Authorities,

Housing Boards, Improvement Trusts, etc., and make the houses built by those authorities available to the non-transferable government employees who are already in occupation of government allotments. The condition would be that the employee would vacate the house allotted to him by the Government, and shift to the hire-purchase accommodation. The instalments due on it would be deducted from his salary and the ownership of the house would be transferred to him after the full value of the accommodation has been paid up. We think that there is merit in this suggestion because not only would the house vacated by the concerned employee become available to another who is waiting for his turn but the employee who moves into the accommodation obtained on hire-purchase basis would also come to own that house in due course by paying every month some extra amount over and above what he was paying earlier as rent for the government accommodation.

41. A demand has also been made that the existing minimum of the house building advance, namely Rs. 4800 should be increased to Rs. 10,000 and a larger provision should be made in the budget for house building advances. As the amount of house building advance is calculated at 75 months pay (subject to a maximum of Rs. 70,000) the minimum will automatically increase to over Rs. 10,000 as a result of the revised scales proposed by us. We feel that assistance of this type is an essential welfare measure and the budgetary provision on this account should be increased to the extent feasible.

42. The rules for recovery of rent for a Government allotment provide that rent (for licence fee as it has been lately termed) shall be the lesser of two amounts, namely (i) standard rent as calculated under F.R. 45-A and (ii) 10% (7½% up to a pay +dearness pay of

Rs. 220) of the emoluments as defined under F.R. 45-C. In the Railways, the Posts & Telegraphs and in respect of the General Pool accommodation in Delhi/ New Delhi it is the practice to determine standard rent on the average cost of all houses of one type or group of types irrespective of their date of construction. As new construction is being added and since the cost of building is continuously increasing, the average arrived at for the pool as a whole keeps on increasing. The result is that if the standard rent for a particular type of house has been less than 10% (or 7½% in some cases) of the emoluments, the concerned employee has to pay more for the same house with each re-calculation of the average standard rent subject of course to the limit of 10% (or 7½%) of his emoluments. A demand has been made that flat rates should be fixed for each type of house and should not be varied to the disadvantage of the employee. It is difficult to concede this demand since it will operate harshly in the case of the employees who are in the lower half of the relevant pay range and who might thereby have to pay a higher percentage of their emoluments towards rent. Further, since the ceiling of 10% (or 7½% as the case may be) of emoluments is operative, no employee can have any reasonable objection to paying a rent within this ceiling determined according to a rational formula.

43. Some of the associations have demanded that the rent recoverable should be reduced from 10% to 7½% of the emoluments. At present employees whose emoluments are less than Rs. 220 per month have to pay a maximum of 7½% and the others 10%. The average standard rents for different types of accommodation controlled by the C.P.W.D. and the amount equal to 10% of the emoluments of employees, as they stand at present, are given in the following table :—

TABLE III

Type of Quarters	Pay range of entitled officer (Rs.) (Pay+D.P.)	Range of standard rent or pooled rent under FR 45A (Rs.)	10% of pay as mid-point of Col. 2 (Rs.)	Rent at cost price to Govt. under FR 45B (Rs.)
VIII	3000—4000	271 to 750	350.00	1462
VII	2250—3000	219 to 326	262.50	1462
VI	1300—2249	116 to 225	177.50	768
V	800—1299	103 to 129	105.00	433
IV	500—799	57 to 81	65.00	237
III	350—499	45 to 57	42.50	235
II	175—349	30 to 45	26.20 at 10 % or 19.65 at 7½%	131
I	Below 175	21 to 25	10.95 at 7½%	72

Note:—The recovery would be a little more where a CCA is payable.

It would be seen that there is a subsidy involved in the rent charged even on the standard rent based on FR 45A which excludes the cost of the site and other charges. If the latter two factors are also taken into consideration, as is usual in commercial practice, and the rent calculated under FR 45B the subsidy involved in a Government allotment would work out to a still higher figure. Accordingly the employees who have been allotted Government residence are already at a great advantage compared to those—and these are in the majority—who have to live in hired private houses. This is specially so when we remember that such

employees generally live in inferior accommodation as compared to their due entitlement and may be paying on the average far more than 10% of their salary as rent in large cities, etc. Out of this, only 15 per cent is reimbursed to them as house rent allowance in the A and B-1 class cities. We do not wish to add to the already-wide disparity between the allottee and non-allottee in this matter. Accordingly, we do not think there is any justification for reducing the present percentages of emoluments for purposes of house rent.

44. There would be some increase in the rent payable, where the standard rent exceeds 7½% or 10%

of the present emoluments, because the emoluments to be considered for the purpose of calculating the rent would go up as a result of our recommendation that the dearness allowance and the interim reliefs should be absorbed in basic pay. We feel the Government allottees should not grudge this small increase. We, however, recommend that the pay limit up to which the rent is recoverable at 7½% should be raised from Rs. 220 to Rs. 300, in the revised pay structure.

45. The employees' unions as well as the service associations have represented that the recommendation of the Second Pay Commission that preference should be given in the allotment of houses to those who are transferred from one place to another, has not been implemented. We have been informed that the Government did not consider it desirable to give such a preference in view of the likely criticism from the non-transferable employees waiting for allotments at a particular station. We have felt that the transferable employee is at a particular disadvantage since he cannot wait indefinitely for an allotment in his turn. There are also Central Government employees who are transferred regularly from one station to another every three or four years in the interest of service. Officers posted to headquarters organisations of their respective departments are also transferred after the completion of the tenure of three to five years. In respect of both these categories it would be practicable and indeed desirable to establish pools, by setting apart an adequate number of houses for allotment to them. We recommend accordingly. We understand that this has already been done at Delhi in the case of All India Service officers who serve in Delhi under the Central Government or under the Delhi Administration on a fixed tenure.

46. The Association of the civilian employees of the Defence Ministry have complained that those who are posted in Delhi Cantonment and some other areas around Delhi are not at present entitled to share in the general pool of accommodation in Delhi. A demand has been made on their behalf that they should be included with other staff in Delhi and made eligible for general pool accommodation. It happens that the responsibility for providing accommodation for the Defence Civilian employees is that of the Ministry of Defence. We understand that an effect has been made to provide government residences to such employees up to 15% of the strength. This is a figure which compares very unfavourably with the percentage available to other Central Government employees in Delhi. We recommend that the Ministry of Defence should look into this grievance and increase the housing facilities. Government might also examine the feasibility of sparing some general pool houses near the cantonment area for these employees and for other employees who are similarly placed. We are not, however, in a position to recommend that the employees in question should be grouped with other Central Government employees.

IV. Rent-Free Quarters

47. The practice of providing quarters, free of rent to certain categories of Government employees has been in vogue for a long time. Where rent-free quarters have not been provided to any of the employees who are entitled to this concession, there is provision for payment of compensation in lieu of rent-free quarters.

Generally the primary consideration for the grant of a rent-free residence is that the concerned officials are required, for the proper discharge of their duty, to reside on or near the premises where they work. Another consideration in certain cases has been that, but for the extension of this concession, a higher scale of pay or a special pay or a compensatory allowance of some kind or other would have to be granted.

48. The First Pay Commission, while not suggesting any change in the policy followed in this regard, recommended that in the case of future recruits the Government should definitely restrict the grant of the concession to the categories who fully satisfied the general conditions prescribed.* The Second Pay Commission expressed the view that it is desirable that a Government residence should be provided where it is necessary that an employee should live on or near the premises where he works, for the efficient discharge of duty, but such a residence should be rent-free only if the nature of his duties or the conditions under which these have to be performed are such that a higher scale of pay or special pay etc. would have to be granted but for the concession of a rent-free house. Following this approach, the Commission recommended that in future an employee should not be admitted to the concession unless the principle enunciated was satisfied. With regard to those employees who were at the time of the report in enjoyment of the concession it recommended as follows :—

- (i) Class IV staff outside the Railways who were in enjoyment of the concession on the ground that they did so before 1st October, 1952, should not be deprived of it.
- (ii) Class IV Railway staff who were in enjoyment of the concession on the date of its report, should continue to enjoy it.
- (iii) The extension of this concession to certain categories of staff in the Posts & Telegraphs Department such as postmasters, sub-postmasters, branch postmasters and linemen, was justified and should continue.† The Government accepted these recommendations.

We consider the criteria laid down by the Second Pay Commission, and accepted by the Government, as sound. No change is, therefore, called for in the policy followed in this regard.

49. On a rough estimate about 3.5 lakhs of employees are in enjoyment of this concession. The largest component in this group (a little over 2 lakhs) is made up of the police personnel in the Central Reserve Police Force, the Border Security Force, the Central Industrial Security Force, the Indo-Tibetan Border Police, etc. The second largest group are the Railway employees who continue to enjoy the rent-free concession in terms of the recommendations of the Second Pay Commission. Their number at present is about one lakh which is diminishing with progressive retirements. The Railways have not extended this concession to any other category, nor is it their intention to do so. Some 16,500 P&T officials

*Para 77, page 49.

†Paras 3 and 4, Pages 370—371 of the Reports.

comprising Telegraph Masters, Postmasters, Sub-Postmasters, Branch Postmasters, etc., are eligible for rent-free quarters. In addition, some 6,500 linemen of the Telegraphs Branch are exempted from the payment of rent when quarters are provided, though the provision itself is not obligatory. In the Ministry of Defence, Technical Foremen, Technical Assistant Foremen and Technical Chargemen in the Ordnance Factories, Religious Teachers in the Army, Civilian Drivers in the Transport Companies and Nursing personnel, numbering roughly 6,500 are eligible for rent-free accommodation. Medical and Para-Medical personnel, Wardens, and House-keeping staff in Government Hotels and Hostels, managerial and other essential staff in Government presses, staff of the All India Radio posted in remote places have also been granted this concession.

50. The compensation paid when such quarters are not provided, even though prescribed as a condition of service, varies from department to department.

(a) In the police formations it is generally only the personnel below gazetted rank who are entitled to this concession. When not provided with quarters they are eligible to draw the actual rent paid for the hired accommodation, subject to a maximum of 10% of the pay. The 10% limit applies to the unclassified as well as to the classified towns and no further HRA is paid at rates applicable to other civilian employees. In the Intelligence Bureau, and in the Central Bureau of Investigation, gazetted as well as non-gazetted officials are entitled to rent-free accommodation. Compensation in lieu of such quarters has been determined according to prevailing local conditions, or on the basis of the 'confrere' principle viz., the conditions should be the same as those applicable to police officials of the States where the officials are posted. Further, State police officials who are brought over on deputation carry their earlier conditions with them.

(b) In the Railways the general practice is to pay to the non-gazetted employees, an allowance in addition to the HRA (where admissible), at certain prescribed rates subject to a maximum of Rs. 50/- where the pay does not exceed Rs. 500/- per month and at the rate of 10% of pay where the pay exceeds Rs. 500/- per month, provided the allowance plus the house rent allowance claimed under the usual rules does not exceed the amount actually paid as rent.

(c) In the Posts and Telegraphs Department the compensation in lieu of quarters is generally at the rate of 10% of pay in the unclassified towns. In the classified cities and towns, compensation is paid, in addition to the H.R.A. admissible under the normal rules, at the following flat rates :—

- (i) Higher Selection Grade and Lower Selection Grade Postmasters/Telegraph Masters in-charge of Telegraph Offices . . Rs. 10/- p.m.
- (ii) Time-scale Postmasters/Telegraphists in-charge of Telegraph Offices . . Rs. 5/- p.m.
- (iii) When no quarters are provided to the Linemen of the Telegraph Branch an allowance of Rs. 4/- per month is given in unclassified

towns and an extra amount of Rs. 2/- p.m. is added to the normal House Rent Allowance entitlement in the classified cities and towns.

(d) In other departments, *ad hoc* provisions have been made in certain cases, while no specific provisions exist in respect of the others.

51. We note that at present there is no uniformity in the compensation that is allowed where a Government residence is not actually provided to the officials who are eligible to it on a rent-free basis. We think that certain guide-lines should be followed so as to bring about uniformity in this matter, in the various Departments. As a general proposition it seems reasonable to provide that the quantum of such compensation should correspond to the amount deducted as house rent for government accommodation, from the employees not entitled to rent free accommodation. In the classified cities, this amount should be in addition to the house rent allowance which would be admissible to the corresponding employees. In both cases the total amount so payable should not exceed the amount actually paid by the employees as house rent. We recommend accordingly. The revised rules should apply only to those who are able to produce actual rent receipts. In other cases the existing rates would continue to apply.

52. As for the Linemen in the Posts and Telegraphs Department, in view of the general increase in rents, we recommend that the compensation should be enhanced to Rs. 10/- in the unclassified towns; the same amount should be paid in addition to the usual HRA in the classified cities and towns also; in both cases the amount will be subject to the condition mentioned above.

V. Other Compensatory Allowances

53. Apart from the compensatory (city) allowance and house rent allowance, Central Government employees are allowed certain compensatory allowance on account of the peculiar local difficulties. The following table indicates the details of these allowances, the number of beneficiaries and the total expenditure during 1970-71 :

TABLE IV

Particulars of Allowance	Number of civilian employees drawing the allowance	Expenditure during 1970-1971
	(In lakhs)	(In lakhs of Rs.)
Hill Compensatory Allowance (including Winter Allowance)	0.47	112.00
Bad Climate Allowance	0.08	12.22
Project Allowance	0.07	43.73
Remote Locality Allowance, Border Area Allowance & Disturbed Area Allowance	0.16	42.32
Total	0.78*	210.27@

*Excludes civilians in Defence Services.

@Includes expenditure on Civilians in Defence Services.

54. The hill compensatory allowance is granted to Government employees as a compensation for the higher cost of living at hill stations owing to the higher cost of most of the essential commodities, and the relatively low temperatures prevalent there necessitating increased expenditure on warm clothing and fuel. The compensation is in the form of a hill compensatory allowance, which is admissible throughout the year, and a winter allowance, which is admissible during winter months only. The rates for grant of the hill compensatory allowance and the winter allowance presently* in force are as under :—

(1) HILL COMPENSATORY ALLOWANCE

Station	Pay per month (inclusive of Dearness Pay)	Rate of Hill Compensatory Allowance
(1)	(2)	(3)
(i) Hill stations situated at a height of 1000 metres or more above sea level but below 1500 metres.	Up to Rs. 870	5% of pay subject to a minimum of Rs. 5 and maximum of Rs. 10.
	Rs. 871 and above	Amount by which pay falls short of Rs. 880.
(ii) Hill Stations situated at a height of 1500 metres or more		
(a) Stations which are either State Capitals or have a permanent population of 40,000 according to the last census.	Below Rs. 150	10% of pay subject to a minimum of Rs. 7.50 and a maximum of Rs. 12.50.
	Rs. 150 to 870	8% of pay subject to a minimum of Rs. 12.50.
	Rs. 871 and above	Amount by which pay falls short of Rs. 939.60.
(b) Other stations	Below Rs. 250	7½% of pay subject to a minimum of Rs. 6 and a maximum of Rs. 15.
	Rs. 250 to 870	6% of pay subject to a minimum of Rs. 15 and a maximum of Rs. 20.
	Rs. 871 and above	Amount by which pay falls short of Rs. 890.
(2) WINTER ALLOWANCE		
(i) Hill Stations situated at a height of 1300 metres or more but below 1500 metres.	Up to Rs. 870	5% of pay subject to a minimum of Rs. 5 and a maximum of Rs. 12.50.
	Rs. 871 and above	Amount by which pay falls short of Rs. 882.50.

*w.e.f. 1-2-1969.

(1)	(2)	(3)
(ii) Hill stations situated at a height of 1500 metres or more	Up to Rs. 870	10% of pay subject to a minimum of Rs. 10 and a maximum of Rs. 25.
	Rs. 871 and above	Amount by which pay falls short of Rs. 895.

Note :—(1) In both the above cases winter allowance is admissible for six months from October to March at stations North of the Tropic of Cancer and for four months (16th November to 15th March) at stations South of that latitude.

(2) Employees posted in Shillong on or after 1-6-1966 and drawing pay (plus Dearness Pay) over Rs. 500 and up to Rs. 870 get hill compensatory allowance of Rs. 40/- p. m. only with marginal adjustments.

55. It has been represented that the rates of hill compensatory allowance should be improved on account of the increased costliness of the hill stations. Some of the unions have also suggested that the hill compensatory allowance should be paid at the same rates as are applicable to the State Government employees. We are unable to accept this suggestion, because the rates of hill compensatory allowance vary among the various State Governments and further, the rates of these allowances have to be related to the rates of pay admissible to the employees whether under the Central Government or under the State Governments. We do not also find it possible to accept the suggestion that the hill compensatory allowance should be granted on the basis of height-cum-distance from the plains. We feel that compensation for service in remote localities should continue to be in the form of a remote locality allowance and it would not be sound to introduce this factor in a scheme for the grant of compensation at hill stations.

56. The Hill Compensatory Allowance is presently admissible at stations which are situated at a height of 1000 metres or above. In respect of the hill stations situated at a height of 1500 metres or more, a further distinction has been made between those which are either State Capitals or have a permanent population of 40,000 or more and other stations. As bigger hill stations generally have greater facilities in the matter of regular supplies of goods and essential commodities than are available in a small station, we do not consider it necessary to continue the existing differential rates of hill compensatory allowance depending upon the size of the population of the hill station or whether it is a State Capital. We consider that for grant of differential rates of hill compensatory allowance height of the hill station alone should be the criterion. We, therefore, recommend that for the purpose of grant of hill compensatory allowance the hill stations should be classified into the following categories with reference to their height :—

- (1) Hill stations situated, at a height of 1000 metres or more but below 1500 metres, and
- (2) Hill stations situated at a height of 1500 metres or above.

57. At present the rates of hill compensatory allowance are linked with the rates of the compensatory (city) allowance for A, B-1 and B-2 class cities. However, while the compensatory (city) allowance is admissible to all the employees in the A and B-1 class cities and up to the pay limit of Rs. 620 in B-2 class cities, the hill compensatory allowance is restricted to those getting pay up to Rs. 870 p.m. We feel that since the hill compensatory allowance is also in the nature of a compensation for the higher cost of living, all employees posted there, irrespective of the pay drawn, should be paid the hill compensatory allowance, wherever admissible. We accordingly recommend that the hill compensatory allowance should be paid to all employees at the following rates :—

- (i) At hill stations situated at a height of 1500 metres or more as per the rates of compensatory (city) allowance applicable in A class cities.
- (ii) At hill stations situated at a height of 1000 metres or more but below 1500 metres as per the rates of compensatory (city) allowance applicable in B-1 class cities.

58. We recommend that the winter allowance which is intended to subsidise the additional expenditure incurred during winter months, on fuel, heating, clothing, footwear, etc. by the employees posted at hill stations should continue as an additional compensation. We think that having regard to the higher expenditure on these items the rates of the winter allowance need improvement and we accordingly recommend that winter allowance should be paid at the following rates to all employees getting a pay up to Rs. 1250 per mensem :—

Station	Rate of allowance
1. Hill stations situated at a height of 1000 metres or more but below 1500 metres.	Same rate as for compensatory (city) allowance in B-1 Class cities subject to a minimum of Rs. 10 and a maximum of Rs. 25 per mensem.
2. Hill stations situated at a height of 1500 metres or above.	Same rate as for compensatory (city) allowance in A class cities subject to a minimum of Rs. 15 and a maximum of Rs. 40 per mensem.

59. Some of the unions have represented that the winter allowance at stations to the south of the Tropic of Cancer should also be paid for a period of 6 months as in the case of stations situated to the north of the Tropic of Cancer. As the duration of the winter is shorter in the southern part of the country, we do not recommend any change in the existing position.

60. A bad climate allowance is granted to Central Government employees to compensate them for the rigours of service in areas which have a bad climate. The allowance is granted only at those places which have been declared by the State Governments concerned as bad climate areas and where bad climate allowance is granted by the State Governments to their own employees. However, the rates of these allowances for the Central Government employees differ from those fixed by the State Governments for their employees. There are two different rates of bad climate

allowance for Central Government employees; the higher rate which is the same as the rate for compensatory (city) allowance in 'A' Class cities, and the lower rate which corresponds to the rate for compensatory (city) allowance applicable in B-2 Class cities but the maximum amount of the allowance has been restricted to Rs. 49.52 and Rs. 10.00 per mensem respectively. The upper pay limit for grant of the bad climate allowance in both the cases is Rs. 620 per mensem only. No definite criterion has been prescribed for the grant of the lower or the higher rates of bad climate allowance.

61. We recommend that the bad climate allowance at all localities classified as bad climate areas should be granted to employees getting pay up to Rs. 900 per mensem. Further, this allowance should be paid as per rates applicable for compensatory (city) allowance in 'B-1' Class cities. We recommend that the present practice of paying the bad climate allowance to Central Government employees at those places where the State Governments allow a similar allowance to their own employees should continue.

62. Central Government employees working at undeveloped and out of the way places in connection with the construction of major projects are granted a Project or Construction allowance. The allowance is given in respect of Central Government projects and also at places where there may be State Government projects. It is intended primarily to compensate the staff for the lack of amenities such as housing, schools, markets, dispensaries at the project sites. The allowance is withdrawn in a phased manner as and when the various amenities become available at or near the project site. The phased withdrawal usually takes place over a period of 3 years. Generally the allowance is sanctioned only for large projects, which involve the establishment of a large construction organisation and where the construction is spread over a number of years. Only such of the staff as are employed on the project and reside within the project areas or in a nearby locality, are eligible for grant of this allowance. It may also be granted to such Central Government staff of other departments as have their offices located in the project area for the work of the project provided they also reside within the project area or in a nearby locality. No specific rates for the grant of the allowance have been prescribed, but it is subject to the following ceilings :—

Pay range	Rate
Below Rs. 100	25% of pay
From Rs. 100 to Rs. 300	20% of pay
From Rs. 301 to Rs. 500	20% of pay subject to a minimum of Rs. 62.50 and a maximum of Rs. 85/-.
From Rs. 501 to Rs. 600	Rs. 100/-
From Rs. 601 to Rs. 699	Rs. 120/-
From Rs. 700 to Rs. 1299	Rs. 125/-
From Rs. 1300 to Rs. 1599	Rs. 150/-
Rs. 1600 and above	Amount by which pay falls short of Rs. 1749.

63. It has been urged that the project allowance should be admissible to Central Government employees at the same rates at which such an allowance is granted by the State Governments to their own employees. Further, it has been stressed that the project allowance should be sanctioned simultaneously to Government

employees of all Ministries/Departments working at the same project site instead of the present practice of the allowance being sanctioned by different Ministries at different times. We are unable to accept the demand for linking the rates of Project Allowance for Central Government employees with those of the State Governments. These rates have to be fixed in relation to Central Government scales of pay. We, however, consider that the Project Allowance to the Government employees belonging to various departments but working at the same project site should be sanctioned from the same date. We accordingly recommend that :—

- (i) In respect of Central Government projects, orders should be issued centrally by the Government so that there is no time lag in the grant of the project allowance to the affected employees of the various Ministries/Departments.
- (ii) In respect of State projects, Central Government employees should be given the project allowance from the date they join their duties at the project site if State Government employees are already getting the project allowance.

64. As regards the revised rates for the grant of the allowance, we would leave it to the Government to determine these taking into account the revised rates of pay, rates for other compensatory allowance, etc.

65. It has been urged by the unions and associations that the project allowance should not be withdrawn, but be merged with pay, as the employees experience hardship when the allowance is withdrawn. We are unable to accept the demand for the merger of project allowance with pay as this would go against the very rationale for the grant of this allowance. We, however, recommend that the process of withdrawal of the project allowance in a phased manner should begin only after certain amenities by way of provision of schools, markets, medical facilities and reasonable housing facilities have become available within the project area or in its proximity. In fact the phased reduction in the quantum of the project allowance or its final withdrawal should be linked with the progress made with the provision of the above mentioned facilities and amenities.

66. Central Government employees are granted remote locality allowance, difficult terrain/border allowance and disturbed area allowance at certain places because of the exceptional combination of circumstances which make living conditions both rigorous and expensive or which call for extra effort from the Government employees, thereby increasing the onerousness of the tasks to be performed. Some of these allowances are :—

- (1) Assam Compensatory Allowance;
- (2) Border Special Allowance admissible in Uttarkhand Division of Uttar Pradesh;
- (3) Special Allowance admissible at Chini/Pangi, at Lahaul & Spiti in Himachal Pradesh and in North East Frontier Agency (now Arunachal Pradesh);
- (4) Tripura Allowance; and
- (5) Disturbed Area Allowance admissible in Mizo Hills and hill areas of Manipur.

The rates of these allowances differ from area to area and the Central Government generally follow the State Governments in the matter of classification of an area for the grant of these local allowances. We recommend continuance of this practice. It is not feasible for us to lay down any uniform rates for the grant of these allowances at different places as the local conditions vary. We would, therefore, leave it to the Government to decide whether the existing rates need revision in the light of the revised scales of pay and the new rates of compensatory allowances recommended by us.

VI. All India Transfer Liability Allowance

67. Several unions and service associations representing employees have cited the liability to be transferred to any place in India as one of the reasons in support of their demand for higher emoluments. Many unions have asked for a separate allowance as compensation for this liability. It has been argued that transfers even within a restricted zone entail a good deal of hardship and disturbance and put the Government servant to extra expense because of the inadequacy of the allowances admissible on transfer; further, that on transfer to a distant area, these hardships multiply as the education of children is dislocated, especially if they have to be put in a school having a different medium of instruction and the family as a whole experiences difficulties in adjustment due to variations in food habits and social customs.

68. Similar demands were made before our predecessor Commissions. On a suggestion from the Comptroller and Auditor-General, the First Pay Commission recommended the grant of a special pay to certain categories of staff of the Indian Audit and Accounts Department who were subject to frequent transfers all over India. During 1947-48, Government issued several orders allowing compensatory allowance at the rate of 10% of basic pay to certain categories of personnel of the Indian Audit and Accounts Department, Defence Accounts Department and P & T Accountants' Cadre on account of their liability for service all over India. However, these orders were withdrawn with effect from 1st August, 1954, on the ground that there was basically no justification for the grant of this allowance and that such additional remuneration had not been granted to several other categories of employees who were also liable to be transferred anywhere in India which amounted to discrimination as between employees similarly placed.

69. On this subject, the Second Pay Commission* expressed the following views :

“Revival of a system of additional remuneration throughout service, whether in the form of a higher pay, special pay, all-India transfer liability allowance, or disturbance allowance, irrespective of whether there is transfer or not, must be ruled out straightaway. Compensation sought for expenditure and inconvenience involved in transfers should obviously not be payable irrespective of whether a transfer takes place. Any such system would be the more indefensible because, as pointed out earlier, many of those liable to all-India transfers are not actually transferred; and some are transferred more or less frequently than

*Para 44 of Chapter XXXIV of its Report.

others. In such a situation, a higher scale of pay conferring permanent benefits extending even to pension and gratuity, would be particularly objectionable."

The Second Pay Commission* also did not favour, in the event of transfer to a place in another jurisdiction or zone, the grant of any special allowance either of a recurring nature or in a lump sum because "it is not only transfer from one jurisdiction to another that involves inconvenience and additional expenditure, but also a transfer within a jurisdiction." It thus pointed out that the hardship and difficulties caused due to transfers should be compensated by the provision of adequate allowances for the incidental expenditure in connection with the transfer, leave travel concessions, provision of adequate educational facilities for the children of Government employees and preferential treatment in the matter of accommodation to the employees subject to transfers all over India.

70. We find that it is customary to specify in the order of appointment of practically all the categories of Government servants, including Class IV personnel, that their services are liable to transfer all over India. In actual practice, however, it is only in the case of officers in Class I and Class II that transfers anywhere in India are fairly general. In their case, this factor has been taken into account in fixing the pay scales. On the other hand, only a small proportion of Class III staff and only a negligible number of Class IV staff are subjected to such transfers. The typical Class III and Class IV categories who are actually transferred all over India are the employees serving in departments having large field establishments, members of the Central police forces and staff serving in the survey, investigation and inspection wings of the Ministry of Food and Agriculture, Programme Evaluation Organisation, National Sample Survey Organisation, Survey of India, Geological Survey of India, etc. and in the Defence Accounts Department.

71. We do not favour a special pay to be granted throughout service to compensate for the liability of transfer anywhere in India, which is at best a contingent one. Since the frequency of transfers is likely to vary widely from one individual to another even within the same category of employees, a recurring allowance would operate unevenly, being unduly favourable for some and distinctly unfavourable for others.

72. As regards hardship and dislocation caused by transfers within limited zones, compensation to the extent necessary is provided through the provisions governing grant of transfer T.A. The question that remains to be considered is whether any allowance should be paid in lump sum or on a monthly basis, if and when the transfer of a Class III or Class IV employee actually takes place outside the home State or 'home jurisdiction'. The Board of Arbitration which recently considered the claim made by the transferable Class III and Class IV staffs of the Defence Accounts Department, allowed the demand for the grant of all-India transfer liability allowance at 10% of the basic pay in the event of their transfer outside the jurisdiction of the 'home-Controller'. In accordance with this Award, Government issued orders in October, 1970, defining the term 'home-Controller' in terms of areas

and zones and allowing with effect from 1-1-1970 the grant of all-India transfer liability allowance at 10% of basic pay to employees transferred outside the jurisdiction of the 'home-Controller' unless the transfer was at the request of the employee, or to his home State, or it did not involve change of station or promotion to a higher grade. The position now is that only the Class III and Class IV employees of the Defence Accounts Department are entitled to this allowance.

73. Most senior civil servants who have expressed views on this subject are of the opinion that transfers of Class III and Class IV staffs should be avoided as far as possible because these employees are put to real difficulties in establishing themselves at the new place of posting. Some, like the Comptroller and Auditor-General, are also of the view that a transfer liability allowance should be given to compensate employees for factors like difference in regional languages requiring children to be educated elsewhere and the necessity for maintaining two establishments for a time. A few witnesses have preferred compensation being provided in the form of a lump sum grant at the time of each transfer to the grant of a regular allowance throughout the period the person remained posted outside the 'home' zone. The Controller General of Defence Accounts, who favoured the grant of this allowance, pointed out anomalies resulting from the operation of the existing orders with regard to 'home' zones in the case of the employees of the Defence Accounts Department. For instance, a person employed in the Eastern Command Area on transfer from Patna to Nagaland is not entitled to the allowance, because he continues to remain under his 'home-Controller', but another transferred from Patna to Gorakhpur will be entitled to the all-India transfer liability allowance if the other conditions were satisfied. In some cases, an inter-zonal or inter-jurisdictional transfer might involve only a short move and within the same linguistic region, while another within the same zone or jurisdiction might result in a longer journey to a place in a different linguistic area. The hardship involved in a transfer also depends upon the difficulty or relative ease with which it is possible to get reasonable accommodation at the new place of posting. We do not think that the hardship caused on transfer is relatable only to the distance involved or to the fact that it is inter-regional or inter-zonal in character. In fact, so many variables are involved that it is not feasible to lay down a set of well-defined and readily applicable criteria for the grant of this allowance which would work out rationally in the circumstances of each case.

74. The factors resulting in hardship to the Government employees at the time of transfer are well-known. The more appropriate course would be to take effective measures to mitigate hardship and to meet the genuine needs of the employees rather than grant a recurring monetary compensation for as long as the employee remains posted outside his home State or 'home jurisdiction'. We have kept this in mind in formulating our recommendations on the allowances admissible on transfer, leave travel concessions, children education allowance, and measures to improve the housing situation for Central Government employees and the grant of house rent allowance. Government should also give preference to the employees, who are transferable in the matter of allotment of Government accommoda-

*Para 45 of Chapter XXXIV of its Report.

tion. We feel that these steps would go a long way in mitigating the difficulties resulting from a transfer which are cited in support of the demand for the all-India transfer liability allowance.

75. Finally, we wish to draw attention to the review which will be called for of the rate at which the all-India transfer liability allowance is being sanctioned under the orders of October, 1970. Under these orders, only the basic pay is taken into account while calculating the amount of the allowance, and all other elements like dearness pay, special pay, etc. are excluded. With the coming into force of the revised scales of pay recommended by us, the quantum of the allowance if calculated at the same percentage as before will go up sharply. We feel that such an increase would be largely fortuitous and not justified by the needs of the situation, which originally led to the grant of the allowance. We would, therefore, recommend that with the coming into force of the proposed scales of pay, the rate for purposes of calculating the amount of the all-India transfer liability allowance should be reduced from 10% to 7½% till such time as these orders continue to remain in force. For the reasons already stated, we are not in favour of extending this allowance to other categories.

VII. Risk Allowance

76. Through our questionnaire (Item 58 ix) we had invited observations regarding the conditions of eligibility for the grant of the danger allowance or quantum thereof in cases warranting the grant of such an allowance. From the replies received and the subsequent evidence tendered by the employees' unions, we find that a number of categories of Central Government civilian employees are exposed to certain hazards in the course of their duties. These categories are: preventive staff of the Customs department, para medical staff, particularly those working in infectious diseases wards etc., staff exposed to X-rays and other injurious types of radiation, electricians and wiremen working on high tension lines, laboratory staff handling pathogenic organisms or corrosive, toxic and poisonous chemicals, certain categories of press workers coming in contact with lead or lead fumes, railway staff working in marshalling yards or engaged in shunting operations etc. There are certain other categories of employees who are more liable to injury or accident than the average civilian e.g. the police personnel including those employed in the Border Security Force and the Central Reserve Police, fire-fighting staff and those working in the ammunition factories etc. The list is only illustrative and not exhaustive and is intended to convey an idea of the general categories of personnel involved in hazardous duties. We are not dealing here with the Defence combatant personnel who constitute a special class.

77. The general demand of the unions of these categories of employees is for grant of a danger allowance as a percentage of monthly pay or as a fixed monthly amount. Some Unions have suggested that the employees performing hazardous duties should be insured at Government cost.

78. According to the information furnished to us by the departments, we find that very few categories are at present in receipt of a hazard allowance. The Second Pay Commission had recommended that certain unskilled staff employed in Defence factories or work-

shops of other Government departments, whose work is exceptionally heavy, or whose normal duties involve special risks, such as those of chemical process workers or of employees who have to handle explosives, should be given a special pay of Rs. 3/- per month. Accordingly, the staff in the Defence and Railway Ministries numbering about 15,000 and 7000 respectively have been given this allowance. (The number of staff receiving this allowance in the other Ministries is only about 20). The allowance has been extended also to sweepers working in underground sewers and in infectious diseases hospitals. For all these unskilled categories, we have already* recommended the grant of special pay at the rate of Rs. 10 per month.

79. Apart from the unskilled staff, certain other categories in the Defence establishments, who handle ammunition and explosives, are entitled to an allowance at varying rates. The customs preventive staff, including the officers, are also in receipt of a compensatory allowance at varying rates. A special pay of Rs. 10 per month is given to certain semi-skilled operatives working in the boiler house or in cold storage plants under the Delhi Milk Scheme.

80. The question arises whether any special consideration needs to be attached to the semi-skilled or skilled posts or posts of a supervisory nature, which may involve relatively greater risks and if so, whether it would be appropriate to recognise and provide for such risks by grant of a higher scale of pay, or by grant of a special pay or compensatory allowance. We feel that except in the case of the unskilled categories, for whom we have recommended the grant of special pay for reasons already explained, it is not necessary to grant a hazard allowance to most of the other categories of staff. These categories are recruited primarily for the jobs which they man and in such cases the proper course would be to take into account the element of hazard while fixing their scales of pay. This we have generally done. However, as certain categories are already in receipt of certain allowances of this nature, which we have mentioned in the preceding para, we would suggest that the Government should appoint a committee to examine the feasibility of rationalising the grant of such an allowance to various categories engaged in work of a hazardous character.

81. The information that we have been able to collect regarding the extent of serious injury or death due to the various occupational hazards is of a fragmentary nature. Broadly, it can be stated that the percentage of staff involved in serious accidents during the last five years has been relatively small or negligible and even the percentage of minor accidents has been within narrow limits. We are, therefore, in favour of an arrangement calculated to provide necessary protection to the employee while at work and direct benefit to the employee if and when affected. For the necessary protection to the employees at work in the case of some jobs, protective clothing and appliances like aprons, gloves, gumboots, goggles and screens are provided. Further, for the categories of staff engaged in certain types of work whose health may get affected in gradual doses

over a prolonged period, thereby reducing the normal span of life, in some of the Departments free milk, lemon juice or barley water etc. is supplied depending on the nature of the hazard. In some cases there is provision for special medical examination of staff exposed to health hazards to detect incipient illness or disease. We recommend that these preventive aspects should receive more attention and the Government should ensure that all such measures as are considered necessary by the medical authorities are taken for these employees. As regards compensation in the event of injury or death, the employees governed by the provisions of the Workmen's Compensation Act, 1923, are eligible in such contingencies to certain benefits under that Act. The other civilian staff under the Central Government are governed in this matter by the provisions of the Central Civil Services (Extraordinary Pensions) Rules, 1939. In view of the improvements we have recommended in the Extraordinary Pension Rules we suggest that a comprehensive review of the provisions of the Workmen's Compensation Act should be undertaken with regard to possible changes in the rate of compensation, the list of specified hazardous occupations and the coverage of the Act.

82. A peculiar condition of service brought to our notice by the employees of the BCG Vaccine Laboratory under the Ministry of Health is that all its employees are subjected to X-ray examination once in six months to find out if they are suffering from T.B. Those who are found suffering from T.B. are not allowed to continue in the Laboratory even after they have been cured but are given alternative employment. (Normally a Central Government employee suffering from T.B. is allowed to rejoin the same post after he is declared medically fit). An extra allowance has been asked for to cover the insecurity and the hazards of X-ray radiation to which the employees of the Laboratory are subjected much more than other Government employees.

83. We understand that the condition of X-ray examination has been laid down by the World Health Organisation for all the B.C.G. Vaccine Production Laboratories. This precaution is being taken with a view to protect the B.C.G. Vaccine Laboratory from possible contamination by the virulent tuberculosis germs from a worker suffering from tuberculosis. During the last five years, five cases of T.B. have been detected among the staff members.

84. While we appreciate that the employees suffering from T.B. should be excluded from the B.C.G. Vaccine Laboratory in the public interest, we feel that priority should be given to finding alternative employment for such employees of the Laboratory.

85. Many of the associations, in their written memoranda as well as in their oral evidence, have argued that some categories of staff have to pay extra premium for their life insurance policies. On enquiry from the LIC, we learn that it has been recently decided not to charge occupational premium extras in those cases where it is Rs. 4 per thousand per annum or less, provided the individual is insured under whole life or endowment assurance scheme. This would mean that practically all the categories of

Central Government employees except aviation personnel (both civil and air force) and those working in dam, lock and reservoir construction are now exempt from payment of the extra premium. The complaint is, therefore, no longer relevant.

VIII. Transport between place of work and residence

86. As a rule, Government have not accepted any liability for providing either free transportation or a subsidy for travel between the place of work and the residence of the employees. Some exceptions have, however, been made and the conditions under which these have been made are given below :—

- (i) The distance between the place of work and the nearest populous area where sufficient housing accommodation is available should not be less than 8 kilometres and further, the cost of transport should be disproportionate to the emoluments of an employee. However, where the place of work and residence are situated within the same city or urban area no concession should be allowed even if the distance between the two places exceeds 8 kilometres.
- (ii) The employee should himself bear the cost of transport up to a prescribed limit and the Government's contribution should also be subject to certain limits.

87. The information that we have been able to collect shows that exceptions on this basis have been made only in a few cases. Under the Department of Revenue and Insurance, some 55 officers of the Air Customs pool have been provided free transport from a central point in Calcutta to the Dum Dum Airport and back a distance of about 18 kms. In the Archaeological Survey of India employees with emoluments of less than Rs. 100 under the South Western Circle, Aurangabad are paid a transport allowance equal to the total rail fare by the lowest class actually incurred less Rs. 6 subject to a maximum of Rs. 15 per month. A similar concession has been given to officials of the Archaeological Survey at Nagarjunakonda having monthly emoluments not exceeding Rs. 200. For the Civilian employees of the Defence Ministry posted at Dehu Road, Telgaon and Avadi whose emoluments exceed Rs. 100 but not Rs. 200 per month, the excess over Rs. 10 per month of the actual cost of a railway season ticket by the lowest class is reimbursed up to a maximum of Rs. 6 per month. In the P&T, officials posted in the Airport Sorting Offices at Dum Dum (Calcutta) and Santa Cruz (Bombay) have been given the facility of free transport. At Hyderabad officials posted to the Airport Sorting Office are granted actual bus fare for journeys from selected points in the city to the place of duty and back.

88. In the Ministry of Railways free card passes or concession tickets are granted for travel between residence and place of duty subject to two conditions, namely (i) the staff have to live away from the place of duty owing to railway quarters not being available, and (ii) the place of residence is reasonably near to the place of work so that the employee can conveniently commute to and fro. No particular distance condition has been laid down. Free card passes

are issued to all those to whom the concession was admissible prior to 14-12-1953, while for others concessional season tickets at 1/3rd of the public rate are issued. The actual number of employees benefiting from these concessions is not known.

89. The associations of the Defence Civilian employees have demanded that subsidy available at the Dehu Road, Avadi, etc., should be extended to other places which are similarly removed from areas of population. Employees' associations of the P&T have urged that departmental conveyance should be provided for women employees of the telephone exchanges etc., who either finish their duty or have to start their duty at odd hours in the night. A demand has also been made that in places like Madras where the concession of free transportation to the Airport Sorting Office was withdrawn recently, the same should be restored. It has also been stated that in some cases the Railway Mail Service staff who work in travelling sections in trains have to traverse considerable distances between the Railway Stations and the rest houses provided by the department, where they are expected to stay before resuming another spell of duty. In such cases a conveyance allowance has been demanded. Some other associations have made a general demand that a transport allowance should be granted to all those whose place of duty is more than 8 kms. from their residence.

90. We are not in favour of a general extension of either the free transport facility or the grant of subsidy for expenditure on transport where the place

of work is at a distance of over 8 kms., from the residence. An employee should usually be expected to travel between the place of residence and work at his own expense. In those cities where the C.C.A. is admissible, a part of it is granted in view of the extra cost on transport in such places. There are, however, cases where genuine hardship would be caused, specially to the low paid employees, when their place of duty happens to be located at a considerable distance from built up residential areas where they perforce have to reside, as would be the case in respect of Defence installations (for reasons of security) or Meteorological and Radar installations (for technical reasons). This would be true also in the case of employees such as those of the Civil Aviation and the P&T Departments who have to attend regularly to their duties at the airports which necessarily are located well beyond city limits. The case of those employees who have to come on or come off duty at odd hours of the night or to travel long distances from rest houses in between two spells of duty also would fall under the same category.

91. While no change seems to be necessary in the general provisions in this behalf we feel that there is room for flexibility in their implementation. Some assistance is called for specially in the type of cases referred to above either in the shape of free transport, a subsidy, or a conveyance allowance. The exact nature and scale of assistance will depend on local conditions and these are matters to be decided by the Government.

TRAVELLING ALLOWANCE

I. Travelling Allowance for Civilian Employees

Travelling allowance is a compensatory allowance granted to a Government employee to cover the expenses which he incurs in travelling (on tour or transfer) in the interest of public service. It is given in the form of conveyance allowance, permanent travelling allowance, mileage allowance, daily allowance or the actual cost of travelling.

2. For the purpose of calculating travelling allowance, Government employees are divided into the following four grades :

- | | |
|--|--------------|
| (i) Employees in receipt of actual pay of Rs. 800/- or more | First Grade |
| (ii) Employees in receipt of actual pay of Rs. 220/- or more but less than Rs. 800/- | Second Grade |
| (iii) Employees the maximum of whose pay scale exceeds Rs. 110/- but whose actual pay is less than Rs. 220/- | Third Grade |
| (iv) Employees the maximum of whose pay scale does not exceed Rs. 110/- | Fourth Grade |

3. The purpose of this gradation is generally to determine the class of travel to which an employee is entitled, the rates of incidental charges for a train journey, the rates of daily allowance and mileage allowance for a road journey and rates of baggage allowance. We recommend that the revised gradation of Central Government employees for purposes of travelling allowance, daily allowance etc. should be as follows :—

- | | |
|-----------------|--|
| Grade I . . . | Rs. 1,000 and above. |
| Grade II . . . | Rs. 650 and above but less than Rs. 1,000. |
| Grade III . . . | Rs. 330 and above but less than Rs. 650. |
| Grade IV . . . | Less than Rs. 330. |

In proposing a relatively higher pay limit for Grade II employees who are at present entitled to travel by first class, we are influenced by the consideration that in our opinion the present minimum limit for eligibility to travel by first Class is too low. The corresponding limit in many of the State Governments is much higher. In the Railways the pay limit for eligibility to travel by first Class has been raised from Rs. 300 to Rs. 350 (total emoluments Rs. 546) for those staff who have joined Railway service on or after 1-8-1969. While the existing low limits might have been justified in the days when the demand for first Class accommodation was not very great, there can be no justification for it in present conditions when sufficient first Class

accommodation is not available to meet the public demand. Having regard to these considerations we have recommended that the new pay limit for Grade II should be fixed at Rs. 650. In order, however, to make third Class travel more comfortable, we suggest that reservation charges for a seat (for day journeys) and sleeper berth (for night journeys) should be paid to Grade III and IV employees.

4. **Mileage Allowance**—The present rates of mileage allowance for rail journeys on tour are as follows :—

Grade of Officer	Class of accommodation to which entitled	Mileage allowance admissible
First Grade	First Class	Incidentals @ 35P for every 10 kilometres or part thereof if it exceeds 5 kilometres.
Second Grade	First Class	Incidentals @ 24P for every 10 kilometres or part thereof if it exceeds 5 kilometres.
Third Grade	Second Class	Incidentals @ 13P for every 10 kilometres or part thereof if it exceeds 5 kilometres.
Fourth Grade	Third Class	Half the fare of 3rd Class by passenger train as incidentals.

As a measure of economy, the incidentals for rail and steamer journey were restricted in 1966 to one daily allowance at the ordinary rates for every 24 hours of journey or part thereof. The mileage allowance for journeys on tour by rail is given to meet the incidental expenses such as transport, reservation, portage, refreshments etc. The amount depends on the distance travelled.

5. The main demands regarding the mileage allowance for rail journeys are that the restriction on incidentals imposed in 1966 should be withdrawn and that the rates of incidentals should be substantially increased. We feel that the existing restriction on incidentals is essentially a sound one and since the daily allowance rates have been revised by Government from time to time, we do not consider that any undue hardship or inconvenience has actually been caused. We do not, therefore, see any reason for withdrawing the restriction imposed in 1966.

6. We, however, wish to suggest a change in the existing procedure regarding mileage allowance for journeys on tour performed by rail. The present method of compensating the journey period by a system of incidentals and the period of halt by daily

allowance seems to us to be somewhat cumbersome. We observe that in the Railways, an employee on tour is granted a daily allowance for the entire period of absence from the headquarters including the time occupied in the journey. Full daily allowance is granted for each completed day of absence from the headquarters reckoned from midnight to midnight *i.e.* each calendar day. For absence from headquarters for less than 24 hours the daily allowance is admissible at the following rates :—

- | | |
|--|----------------------|
| (i) For absence not exceeding 6 hours | 30% of normal rate. |
| (ii) For absence exceeding 6 hours but not 12 hours | 70% of normal rate. |
| (iii) For absence exceeding 12 hours and upto 24 hours | Full daily allowance |

In case the period of absence from headquarters falls on two calendar days it is reckoned as two days and daily allowance for each is calculated as above. We think that the Railway practice has the merit of simplicity and we recommend its adoption in all Central Government departments in replacement of the system of incidentals. We further recommend that for absence exceeding 6 hours but not 12 hours, instead of 70% of the normal rate of daily allowance as provided in the Railway rules, only half daily allowance should be given.

7. Officers getting a pay of Rs. 2250 and above per month are entitled to travel on tour by air-conditioned (sleeper) accommodation. Grade I officers who are in receipt of a pay of Rs. 1600 and above may also travel by air-conditioned accommodation, but they have to pay one paise per kilometre from their own pocket. We understand that this has been done with a view to discourage travel by ACC first class because of the limited accommodation available. We are of the opinion that the objective could be better achieved by raising the pay limit for entitlement to travel by ACC Class than by levying a surcharge of one paise per kilometre from officers in the pay range of Rs. 1600-2249. We accordingly recommend that in future officers drawing 2250 and above in the new pay scales should alone be entitled to travel by ACC first class. The levy of surcharge of one paise per kilometre should be dispensed with. In the Railways, the officers in the Junior Administrative Grade and above (that is, those drawing Rs. 1300 or more) are entitled to travel by ACC. We recommend that the pay limit for ACC travel for Railway officers should also be the same as for the other Central Government employees *i.e.* Rs. 2250 in revised terms.

8. Travel by air is permissible on tour or transfer to officers who are in receipt of an actual pay of Rs. 1800 per month and above. A demand has been made that the concession of air travel should be extended to officers drawing pay of over Rs. 1200. We do not see much justification for this proposal since the existing rules already provide for special permission for travel by air where air travel for non-entitled officers is considered necessary in the public interest. In our view the criterion for eligibility to travel by air and by ACC first class should be more or less similar. We, therefore, recommend that the revised pay limit for air travel should be Rs. 2250 as for ACC travel except

that officers drawing pay between Rs. 1800 and 2250 in the new scales may also travel by air at their discretion if the distance involved is more than 500 kilometres and the journey cannot be performed overnight by rail.

9. In the Railways, only Members and Additional Members and the General Managers are permitted to travel by air at their own discretion. Officers of the rank of Directors and Secretary in the Railway Board and the Heads of Departments may also travel by air with the prior approval of the Railway Board and the General Managers of Railways respectively. Other officers are not permitted to travel by air save in exceptional circumstances. Associations of Railway Officers have demanded that the Railway officers should be permitted to travel by air in the same manner as other Central Government officers. Since non-entitled persons can be authorised to travel by air if required in the public interest, no change in the present policy appears to be called for.

10. The existing rates of road mileage are as follows :—

TABLE I

Grade	Lower rates of Road Mileage	Higher rates of Road Mileage
	Per Km.	Per Km.
First Grade	10 paise	32 paise
Second Grade	8 "	24 "
Third Grade	6 "	10 "
Fourth Grade	4 "	6 "

Higher rates are permissible for journeys in one's own car/conveyance or by hiring a full taxi. Lower rates are meant for travel by taking a single seat in a public conveyance plying for hire.

11. The main representation made regarding the mileage allowance for journey by road is that in view of the significant increase in the maintenance and operation costs of conveyance, the present rates of mileage allowance are inadequate and should be improved. We understand that the existing rates of road mileage for journeys in one's own car or other conveyance were fixed in 1944 on the basis of the average of rates then prescribed by the various State Governments for their employees. We also find that the existing rates in most of the State Governments are much higher, the lowest being 35 paise per kilometre while the average rate is 40 paise and the highest rate 50 paise per kilometre. At our instance, certain studies were conducted by the Cost Accounts Organisation of the Ministry of Finance and the Central Road Research Institute to work out the cost of operation and maintenance of motor vehicles. These studies show that the running and maintenance cost of an Ambassador Car (excluding fixed costs like insurance, depreciation, interest, taxes etc.) works out to 30.4 paise per kilometre (excluding driver's wages) on the basis of an average run of 50 kilometres per day or 18,000 kilometres per annum. If the fixed charges are also taken into account the cost per kilometre works out to 49.82 paise. It is obviously not necessary for the Government to meet the entire cost of the

maintenance of a vehicle (especially items like insurance, depreciation, interest charges etc.) since the vehicle is not used exclusively for official work. Nevertheless, there is enough justification for increasing the existing rates of road mileage.

12. We accordingly recommend that the rate of road mileage for a journey by car or full taxi should be 40 paise per kilometre. The rate of road mileage for journeys by motor-cycle or scooter should be 15 paise per kilometre. Only Grade I and Grade II officers should be entitled to travel by car or taxi. In the case of travel by bus, the employees should be entitled to bus fare in addition to the daily allowance.

13. At present the road mileage covers not only the cost of travel but also the expenditure on incidentals. On the analogy of our recommendation regarding the mileage allowance for rail journeys, we recommend that the expenditure on incidentals during journey by road should also be met by grant of daily allowance and the road mileage should represent only the economic cost of travel by car or other conveyance. Further, in our opinion, there is no justification for a differential in road mileage rates as between various grades of officers using the same means of conveyance because the cost of maintenance of a vehicle and its propulsion charges do not vary according to the status of an officer.

14. A demand has been made that the road mileage should be admissible for journeys on tour from the residence of the employees instead of from their duty point. It has been argued that as the employees have to carry luggage etc., they invariably proceed on tour from the residence and not from the point of duty. It has also been suggested that actual taxi or scooter charges from the residence to railway station or bus terminus or air port should be reimbursed. We are not inclined to accept this proposal, as there would be administrative difficulties in calculating varying distances from residence instead of from the duty point. We think that there will not be any appreciable difference if the basis of calculation was revised from the place of duty to the place of residence. Some employees might benefit under one system and some under another.

15. **Conveyance Allowance**—Conveyance allowance is a monthly allowance granted to an employee who is required to travel extensively at or within a short distance of his headquarters (16 kilometres) under conditions which do not entitle him to a daily allowance. This allowance is subject to a minimum prescribed monthly mileage being performed on official duty excluding journeys from residence to office and back. The present rates of conveyance allowance are as follows :—

TABLE II

Average monthly travel on official duty	Rates of conveyance allowance for journeys by	
	Owned motor-car	Other modes of conveyance
	Rs.	Rs.
201—300 Km.	60 p. m.	20 p. m.
301—450 Kms.	90 p. m.	30 p. m.
451—600 Kms.	120 p. m.	40 p. m.
601—800 Kms.	150 p. m.	50 p. m.
Above 800 Kms.	180 p. m.	50 p. m.

16. The main demands made regarding the conveyance allowance are that the existing rates are too low as these do not take into account the present-day transport costs; that the nature of duties of the employees of certain Departments e.g. Income-tax, Central Excise & Customs, Engineering, etc. requires them to travel extensively at their headquarters and that they too should be granted conveyance allowance; that all employees who are granted conveyance allowance should be given interest-free loans once in their career for the purchase of a conveyance; and that the condition of a minimum mileage to be covered every month should not be insisted upon in sanctioning conveyance allowance. As regards the demand for the grant of conveyance allowance to certain additional categories of employees, we would point out that this is an administrative matter which can best be decided by the Government. We do not consider it reasonable to grant interest-free loans to the Government employees for the purchase of a conveyance. As regards distance to be covered every month, the average monthly mileage for eligibility of conveyance allowance was reduced to one hundred miles on the recommendation of the Second Pay Commission and we consider the existing limit as quite reasonable. The existing rates of conveyance allowance were fixed in 1961 and we feel that these should be revised so as to bring them in line with the present-day transport costs. We accordingly recommend the following revised rates of conveyance allowance :—

TABLE III

Average monthly travel on official duty	Rates of conveyance allowance for journeys by	
	Owned motor-car	Other modes of conveyance
	Rs.	Rs.
201—300 Kms.	100 p. m.	35 p. m.
301—450 Kms.	150 p. m.	50 p. m.
451—600 Kms.	175 p. m.	60 p. m.
601—800 Kms.	200 p. m.	70 p. m.
Above 800 Kms.	225 p. m.	75 p. m.

17. We further recommend that the existing pay limit of Rs. 700 per month for admissibility to the car allowance should be revised to Rs. 1,000 in the new pay scales. This limit may be relaxed in the case of doctors and any other special categories. At present the conveyance allowance is sanctioned for each incumbent of a post specifically. Every time there is a change in incumbency, even though it might be within a short period of, say, six months or a year, it is calculated and sanctioned afresh on the basis of the record of movement of the new incumbent. This seems to us to be unnecessary. We recommend that conveyance allowance should be determined for a post on the basis of controlled travelling and it should be subjected to a review only once in two years.

18. **Daily Allowance**—The existing rates of daily allowance are as follows :—

TABLE IV

Grade of Government employee	Ordinary places	Delhi, Simla, Madras, Jammu and Kashmir etc.	Bombay, Calcutta and Certain hill areas
I. Pay upto Rs. 1000	Rs. 14.00	Rs. 19.50	Rs. 24.50
Pay exceeding Rs. 1000	Rs. 14 for the first Rs. 1000+Rs. 2.25 for every addl. Rs. 500 or fraction thereof subject to a maximum of Rs. 23.50.	Rs. 19.50 for the first Rs. 1000+90 paise for every addl. Rs. 250 or fraction thereof subject to a maximum of Rs. 23.50.	Rs. 24.50 for the first Rs. 1000+90 paise for every additional Rs. 250 or fraction thereof subject to a maximum of Rs. 28/-.
II.	75 paise for every Rs. 20 of pay or fraction thereof subject to a maximum of Rs. 12 and a minimum of Rs. 4.50.	Re. 1 for every Rs. 20 of pay or fraction thereof subject to a maximum of Rs. 16 and a minimum of Rs. 6/-.	Re. 1.50 for every Rs. 20 of pay or fraction thereof subject to a maximum of Rs. 20 and a minimum of Rs. 7.50.
III.	-do-	-do-	-do-
IV.	Rs. 4.50	Rs. 6.00	Rs. 7.50

19. The rates of daily allowance were enhanced from 15.9.1962 by about 25% for officers drawing pay of Rs. 700 and above and by 33-1/3% for officers drawing pay of less than Rs. 700. There was a further increase of about 25% from 1-3-1968 in the case of staff drawing pay up to Rs. 400 per month. The last revision took place with effect from 1-1-1971 when the rates for all grades were generally increased by 50%. Notwithstanding these periodic revisions, demands have been made for further increases in the quantum of daily allowance on the grounds of general increase in the cost of food, accommodation and transport, increase in the hotel tariffs for board and lodging as also the relatively higher rates of daily allowance paid by the public sector undertakings and private firms.

20. The existing system of prescribing rates of daily allowance for every Rs. 20 increase in pay for employees in Grades II and III appears to us to be cumbersome, besides being virtually of no effect for Grade II officers, since the maximum rate of Rs. 12/- per day for ordinary places is reached at a pay of Rs. 320 including dearness pay. We find that on the Railways as also in a number of public sector undertakings, flat rates of daily allowance have been prescribed for certain broad pay ranges. We consider that a similar system could be adopted for the Central Government employees also. An advantage of this system will be that employees of the same status would be getting the same amount of daily allowance irrespective of variations in their pay. There have also been demands to this effect.

21. On the question of increase in the rates of daily allowance we consider that the existing rates do not adequately cover the cost of stay in hotels, though they may be regarded as satisfactory in other cases. We recommend the following higher rates of daily allowance in those cases where employees have to

stay in hotels or other establishments providing board and/or lodging at scheduled tariffs.

TABLE V

Grade (pay in the revised pay scales)	Ordinary places	Delhi/ Madras/ Simla, J & K etc.	Bombay/ Calcutta and Certain hill areas
	Rs.	Rs.	Rs.
I. Rs. 1000 & above	35.00	40.00	50.00
II. Rs. 650 & above but below Rs. 1000	25.00	30.00	35.00
III. Rs. 330 & above but below Rs. 650	15.00	20.00	25.00
IV. (a) Pay below Rs. 330 (Class III)	12.00	16.00	20.00
(b) Class IV	6.00	8.00	10.00

Employees who avail of either Government or public sector guest houses or who make their own private arrangements will continue to get daily allowance at the existing rates. We suggest that these rates may be suitably linked to the revised grade we have recommended in para 3 of this Chapter and flat rates of daily allowance, based on existing rates, worked out for each grade in such a manner that the existing entitlement of daily allowance of employees of various grades is generally not reduced in the revised scales. These rates should be uniformly applicable to Railway and other employees.

22. At present the daily allowance at full rates can be drawn only for the first 10 days of a continuous halt at any one place on tour. If such halt exceeds the period of 10 days then for the next 20 days the daily allowance is given at 3/4ths of the normal rate and for the next 60 days at half the rate. In special circumstances, there is provision for relaxation of the existing limits. The principle underlying the 10-day limit for the drawal of full daily allowance at a place is that the expenditure of a Government employee

becomes progressively less as the length of stay increases, the assumption being that it should be possible to make cheaper arrangements for board and lodging for a longer stay as compared to a short stay of 10 days or less. The demand is for the daily allowance at full rates being admissible for the entire period of halt irrespective of its duration. We find that on the Railways full daily allowance is admissible for the first thirty days of tour. We think this limit is reasonable, and we recommend that full daily allowance may be granted to other Government employees also for the first 30 days of halt on tour, whereafter it may continue at half the rate.

23. When a Government employee on tour is provided free board and lodging at the expense of the Central Government, State Government or an autonomous body, he is entitled to draw only 1/4th of the daily allowance admissible to him. If only free board or lodging is provided, he can draw 1/2 of the admissible rate. The existing rule under which the daily allowance is reduced when free board or lodging is provided is basically a sound one and should be retained. Considering, however, the relative expenditure on food charges and accommodation; we suggest that if only free lodging is provided to an employee, he may draw 3/4ths of the daily allowance instead of half daily allowance as at present.

We understand that on the Railways, employees when on tour are entitled to stay free of cost in the Railway rest houses or waiting rooms, where available. Their daily allowance is also not reduced on this account. As there are a number of differences between the Railway rules and the civil rules, owing perhaps to differences in conditions of work, we do not think it necessary to attempt a uniformity between the two sets of rules. We would, however, suggest that the Railways should consider either levying charges for the accommodation provided or reducing the daily allowance by 1/4th, as recommended for other employees.

24. **Journey on Transfer**—A Government employee is entitled to draw travelling allowance for himself and members of his family for a journey on transfer from one station to another if he is transferred in the public interest. "Family" for the above purpose means a Government employee's wife or husband, as the case may be, residing with the employee, and children residing with and wholly dependent on the employee. It has been urged that, as in the Railways, for journey on transfer, the term "family" should include parents, brothers and sisters living with and entirely dependent on the employee. This demand was made before the Second Pay Commission also who felt that any such widening of the definition of "family" would involve additional cost to the public exchequer which would not be justified in the interest of public service. However, as all the transfers are authorised in public interest, it would not be equitable to burden the employees with the cost of transport of their dependents. We, therefore, recommend that the definition of "family" adopted by the Railways for the purpose of travelling allowance on transfer may be extended to the rest of the Central Government employees also.

25. **Transfer Grant**—At present, a Government employee is entitled for a journey on transfer to a lump sum grant of half a month's pay subject to a maximum of Rs. 200. The Confederation of Central Government Employees and several other Associations have suggested that this limit should be increased to Rs. 500. In addition, they have also asked for a rehabilitation grant and a disturbance allowance equal to one month's salary. We find that some of the State Governments and Public Sector Undertakings have adopted a sliding scale of lump sum grant based on the classification of employees into grades. In our view it would be more logical to fix the transfer grant on the basis of the classification of the employees into grades. Having regard to all the relevant factors, including the present cost of packing, loading, unloading etc. of personal effects, the expenditure incurred on repairing or replacing personal effects damaged or lost in transit and the expenses necessitated by dislocation of existing arrangements, maintenance of double establishments etc., we recommend the following revised rates of transfer grant :—

Grade	Pay Range	Transfer Grant
	Rs.	Rs.
Grade I	2000 and above	500
Grade I	1000—1999	400
Grade II	650—999	300
Grade III	330—649	200
Grade IV	Class III other than those covered by Grade II and III	150
Grade IV	Class IV staff	100

We have also recommended certain additional benefits for the employees on transfer in regard to transfer grant as well as children's education. In view of these improvements suggested by us, there is no case for the grant of a rehabilitation or disturbance allowance as proposed by some associations.

26. **Transfer Incidentals**—The following rates are at present admissible :

Grade I	70 paise per 10 Kms.
Grade II	48 paise per 10 Kms.
Grade III	26 paise per 10 Kms.
Grade IV	Single fare of III class by passenger train.

Some of the Unions have demanded that the above rates should be increased and made available for all the members of the family. We have earlier suggested that incidentals for journeys on tour should be replaced by daily allowance. Following the same reasoning we recommend the replacement of transfer incidentals also by the grant of daily allowance for the employee as well as for the members of his family, the children below 12 years being given half the daily allowance. The advantage of our proposal is that the amount of incidental charges is directly related to the size of the employee's family.

27. Baggage Allowance—An employee on transfer is entitled to reimbursement of cost of transportation of personal effects at the following scale :

Grade	With family	Without family
First Grade	2240 Kilograms	1500 Kilograms
Second Grade	1120 "	750 "
Third Grade	560 "	450 "
Fourth Grade	190 "	115 "

The main demand in regard to the transport of personal effects is that the present scale of baggage allowance being too low, the maximum limit should be increased to 5000 kilograms for an employee with family and to 3000 kilograms for an employee without family. We understand that the existing baggage limits were fixed as far back as 1919 and have not been revised since. Personal effects include articles of furniture and other bulky household articles. With the persistent and steady increase in prices, employees on transfer are now not in a position to dispose of furniture etc. at the old station and buy them again at the new station. Some of the State Governments and Public Sector undertakings have adopted higher rates of baggage allowance than those prevalent in the Central Government departments. On the Indian Railways also the rates of baggage allowance for their employees are far superior to the rates prevalent in other Central Government departments. We, therefore, recommend the following revised scale of baggage allowance :

Grade	With family	Without family
Grade I	Full wagon	2000 kilograms
Grade II	3000 kilograms	1000 kilograms
Grade III	1500 kilograms	750 kilograms
Grade IV	600 kilograms	250 kilograms

28. A related demand is for the facility of transport of personal effects by passenger train or by road instead of by the goods train. At present, a Government servant is entitled to reimbursement of the actual cost of transport of personal effects by passenger train up to the cost of carriage of the maximum quantity of permissible baggage allowance by the goods train. For transport of personal effects by road between points connected by rail, reimbursement is restricted up to the limit of the amount which would have been admissible had the same quantity been taken by the passenger train, but not exceeding the amount which would have been admissible had the maximum quantity of personal effects been carried by the goods train. Thus two limits operate on the carriage of personal effects by road. One is the overall ceiling limit of the amount payable on transport of the maximum quantity of personal effects by goods train. The other is the amount that would be admissible for carriage of the same quantity (as carried by road) by passenger train. Ordinarily, the cost of conveyance of personal effects by passenger train is nearly double that by the goods train. The cost of carriage by road is perhaps slightly higher than the cost of carriage by passenger train. The result

is that the quantity that can be carried by road without having to pay out of one's pocket gets reduced to about 40% of the permissible baggage allowance. We, therefore, recommend that the restrictive condition of limiting reimbursement for conveyance by road to the cost of conveyance of an equal quantity by passenger train may be removed, so that employees on transfer may transport their personal effects by road subject to the cost not exceeding the cost of transportation of the maximum permissible quantity by goods train.

29. Transfer T.A. on retirement/death—At present travelling allowance is admissible to a Government employee for himself and his family on retirement from his last headquarters to the permanent home town as declared by him. This allowance is limited to actual fare, without incidentals and the actual cost of transportation of personal effects on his entitled scale. In the case of an employee who availed of the benefits of leave travel concession during one year preceding the date of retirement, the amount of travelling allowance at the time of retirement is reduced by the amount reimbursed to him on account of the forward journey to the home town. The family of a Government employee who dies while in service is entitled to similar travelling allowance, as admissible to the family of a retired Government employee of the same grade.

30. Some of the suggestions received for liberalisation of the above provisions are: (a) Travelling allowance should not be reduced on account of the availing of the leave travel concession; (b) Transfer grant and incidentals should also be admissible as in the case of normal transfer; (c) cost of transportation of conveyance should also be admissible as in the case of officers transferred during service; and (d) a retiring Government employee should have the freedom of settling in any station after retirement and the benefit of travelling allowance in such cases should not be restricted for journeys to home town only.

31. We think that it would be an unduly liberal concession to allow a retiring Government employee the benefits both of the leave travel concession and travelling allowance in the year of his retirement. We recommend that leave travel concession need not be granted in the year of retirement. It cannot, however, be disputed that a retiring Government employee has to incur the same expenditure on packing and incidentals as a serving employee on transfer to another station. We, therefore, consider it reasonable to allow transfer grant and incidentals to a retiring Government employee on the same terms as for a serving employee on transfer. In regard to the cost of transportation of a conveyance, if the possession of a conveyance by the Government employee while in service was considered to be in the public interest, necessary facilities for its transportation to the selected place of residence should also be provided on retirement of the official. We feel that it would be gracious on the part of the Government to extend these benefits to an employee who has put in a lifetime's service under the Government.

32. As regards the demand that a retiring Government employee should be entitled to transfer travel-

ling allowance to any station of his choice, we think that it need not necessarily follow that an employee will invariably settle in his home town after retirement. A Government employee declares his home town at the time of entry into Government service. Circumstances can and do change with the passage of time, and he may find it more convenient to settle down after retirement at some other station. We recommend that a retiring Government employee should have the freedom to settle down in a station of his choice and transfer travelling allowance should be admissible to him accordingly, subject to the amount being limited to what would have been admissible to him had he proceeded to his declared home town.

33. These concessions *mutatis mutandis* should also be admissible to the family of a Government employee who dies while in service.

34. As mentioned earlier, the travelling allowance and daily allowance rules of the Railways differ in several important particulars from the rules applicable to the other Government employees. Some of the differences have arisen because of the different conditions of work, or because the Railways being in charge of providing transport could give concessions to their staff; others can be ascribed to purely historical circumstances and to the management peculiarities of the former companies. We have examined this matter carefully. We feel that although on a number of matters uniformity could and should be brought about between the Civil and Railway rules in regard to travelling allowance, yet in view of the differences in the conditions of work etc., it is neither feasible nor desirable to attempt complete uniformity. We discuss below some of the important provisions of the Railway travelling allowance/daily allowances rules.

Daily Allowance—The rates of daily allowance associated with various pay ranges in the Railways are different from those on the Civil side. The Railway rates of daily allowance are less favourable than Civil rates in certain pay ranges but in others these are slightly more favourable. We see no reason why the daily allowance rates should not be uniform in Railways and other Civil departments. It is accordingly recommended that the pay slabs and daily allowance rates for the Railway employees may be the same as for the others.

Incidentals on Tour—The Railways have not adopted the system of incidentals either on tour or on transfer but allow daily allowance calculated from the time of leaving headquarters till the time of return. We have recommended adoption of the Railways' practice on the Civil side also.

Road Mileage/Conveyance Allowance—The rules should be uniform as between the Railways and the Civil departments in regard to these items.

Transfer Travelling Allowance—Unlike the other employees, Railway employees do not get either the incidentals or transfer grant on transfer. The scale of baggage allowance enjoyed by them is as follows :

Gazetted Officers	2 Wagons and a Motor Wagon
Class III employees	1 Wagon and a Motor Wagon

Class IV employees . 1000 Kgs. If such an employee has more luggage, even a wagon may be allowed. In addition, 2 animals may be permitted to be transported.

The Second Pay Commission had observed that the baggage allowance on the Railways was obviously excessive and may be taken away, but the Railway Staff should be allowed transfer grant and incidental charges at the same rates as admissible to the other employees. The Railway Board did not accept this recommendation as the facility of transport in a whole wagon was a long enjoyed concession. We have considered whether any change in the existing position is required. We have recommended an improved scale of baggage allowance for the civil employees and we feel that this could be adopted for Railway employees also without causing undue hardship. We also recommend that the railway employees should be allowed the benefits of transfer grant and daily allowance on transfer for themselves and members of their families in the same manner as for other Central Government employees. We understand that the J.C.M.* Board of Arbitration has also recommended a transfer grant, but with some reduction, for Class III and Class IV Railway employees. Our recommendation will bring the railway employees on par with other Government employees in the matter of transfer travelling allowance.

35. Sometimes, the Government employees have to send their children for studies, because of language or other difficulties, to a place other than the place of their posting. In such cases, normally children rejoin their parents during the vacation. We recommend that the children of Government employees staying away from them for the prosecution of their studies may be allowed free travel by third class for a distance beyond 150 Kilometres once a year to and from school or college during an approved vacation to join their parents at the station of posting of the Government employee. As concessional rail fares are normally allowed by railways for school children during approved vacations the benefit of such concessions should be taken into account while allowing reimbursement of travel fare.

36. A Government employee may have to leave his family behind in certain circumstances at the old station in the event of his transfer to a new station and may have, therefore, to retain the accommodation at the old station. It has been demanded that without affecting his entitlement of accommodation at the new station, a Government employee should be allowed to retain Government accommodation or be paid house rent allowance in lieu where admissible for a specified period at the old station. We have not found it possible to agree to these proposals as the existing facilities are adequate in our opinion.

II. Travelling Allowance for Officers and Personnel of Armed Forces

37. **Service Officers**—In regard to Travelling Allowance and Daily Allowance, Service Officers of the Defence Forces are by and large governed by rules similar to those applicable to civilian Grade I officers. The quantum of their daily allowance is restricted in certain special kinds of moves on temporary duty *i.e.* manoeuvres, camps and exercises or when performing duty with an officer's own unit or when accompanied

*Joint Consultative Machinery

messes exist, and money allowance in lieu of rations, where Government cannot provide these facilities.

46. The Services have proposed that the personnel below officer rank should also get the transfer grant, incidental expenses and a daily allowance at Rs. 7.50 a day for halts on temporary duty (*i.e.* tour). They have also suggested that the rate of duty journey ration allowance should be raised to Rs. 7 per day.

47. We find that the conditions of service of personnel below officer rank in the Armed Forces are not comparable to those of the civilian employees. Frequent

change of station is one of the hazards inherent in military service and we have taken this into account in prescribing pay scales of these categories. We are persuaded that it is either desirable or feasible to apply civil rules of travelling allowance/daily allowance regardless of the material differences in the conditions of service between civilian employees and Armed Forces personnel. However, keeping in view the present high cost of living, we recommend that the cash allowance on transfer may be increased from Rs. 40 to Rs. 45 for Junior Commissioned Officers and equivalent and from Rs. 30 to Rs. 45 for Other Ranks, subject to the existing conditions.

LEAVE TRAVEL CONCESSIONS

I. Railway Employees

In the matter of leave travel concessions, the Central Government employees can be divided into three broad categories: the railway employees, the civilian employees other than the railway employees and the personnel of the armed forces. There are substantial differences in the concessions provided to each of these three categories of employees, those for the railway employees being relatively the most liberal. The relevant provisions in this behalf as applicable to a railway servant are as follows:

	Number admissible every year	
	Passes	Privilege Ticket Orders (PTOs)
Gazetted officers	6 Sets	6 sets
Non-gazetted officers	1 set up to 5 years' service; and 3 sets thereafter	6 sets

Journey on passes is free and on PTOs the railway servant has to pay one-third of the public rate. A set of passes or PTOs means tickets for self, members of the family and dependent relatives for journeys to any station in India and back. There is no restriction about the concession being available for journeys to home-towns or to journeys performed during earned leave. Gazetted officers are entitled to a First Class Pass which means that they can travel in first class and also take an attendant in third class at public expense. Gazetted officers appointed before 1st August, 1969 are entitled to a First Class 'A' Pass which means that they can take up to two attendants along with them instead of one allowed to a normal First Class pass-holder. Non-gazetted railway servants drawing a salary of Rs. 350 per month or more and Nurses and Lady Health Visitors drawing Rs. 250 per month or more are also given First Class Passes which means that a section of Class III railway employees have the facility of taking attendants with them at public expense. The beneficiaries of the concessions available to railway servants not only include the members of their families but also the dependent relatives. In addition, 6 single journey passes in a year are allowed for each of the sons and daughters of railway servants, who are students, including a ticket for the guardian (except for sons over 15 years of age). Even when serving outside the Railways on deputation, the railway servants continue to enjoy the privilege of free passes and PTOs for a certain period and they also retain these privileges, but on a reduced scale, after retirement from service.

2. These privileges have been criticised in the past. The Second Pay Commission described the travel privileges of railway employees as "conspicuously extravagant, and in large part indefensible". The Estimates Committee in their 29th Report (1967-68) on Commercial and other Cognate Matters pertaining to the Ministry of Railways expressed the view that there was no justification whatsoever for such a high scale of free travel passes and privilege ticket orders". The Committee recommended a curtailment of the existing liberal scale of travel concessions available to railway employees in consideration of "the great demand from the travelling public for seats and berths on almost all the main railway routes, the possible adverse effect on the earnings of the Railways from passenger traffic and the present unsatisfactory position of the Railway finances".

3. We have given careful consideration to this matter more so since it has not been possible for the Government in the past to implement the recommendations made by the Second Pay Commission and more recently by the Estimates Committee. We have also noted the explanation given by the Ministry of Railways to the Estimates Committee. The existing privileges are justified mainly on the ground that these have been enjoyed by the railway employees since the inception of the railways in India, that it is customary for transport undertakings all over the world to extend such concessions to their employees and that the curtailment of the existing privileges will cause resentment and lower the morale of the railway employees. In this regard we note that the scale of travel concessions was varied, and on occasions liberalised, after Independence and thus the existing concessions are not entirely traditional. As regards the practice followed by the transport undertakings and foreign railways, the position does not seem to be strictly comparable. In most countries, the railways are not run as a Government department and then their employees do not necessarily have the privileges normally associated with Government service. Further, the scale of travel concessions has to be viewed in the context of the relevant local factors. While other transport undertakings might be in a position to extend travel benefits to their employees by simply utilising the surplus capacity, it would not be correct to say that the Indian Railways have sufficient spare capacity on the passenger trains for absorbing the additional demand created as a result of providing free passes and concessional PTOs to the 1.4 million railway employees, their families and dependent relatives and to retired railway servants.

4. We feel that apprehensions about the lowering of the morale of railway employees if these concessions

are disturbed, may be somewhat exaggerated, as this is a matter to be assessed in the light of the scale of the curtailment suggested. If after curtailment, the railway employees still remain entitled to reasonable concessions, then it would not be correct to assume that the step will lead to demoralisation. The Government has withdrawn various concessions in the past from different sections of employees. For instance, the PTO concessions of 1948 available to non-railway employees were withdrawn in 1949 and the all-India transfer liability allowance was withdrawn by the Government in August, 1954. In certain cases, the special allowances admissible to employees serving in some Union territories were also withdrawn in stages.

5. Having regard to the special requirements of the Railways, we readily concede that in the matter of travel concessions the railway employees need not be treated at par with other Government employees. On the other hand, we have to examine the reasonableness of the existing scale of these concessions bearing in mind that the Railways are run on commercial lines, and as an essential public utility, their primary concern should be the convenience of the travelling public. We are convinced that the present rail travel privileges of railway employees are not in keeping with contemporary standards and that as a first step, these should be reduced to the level recommended by the Estimates Committee (Fourth Lok Sabha) in their 29th Report (1967-68) and reiterated in their 67th Report (February, 1969). *We, therefore, recommend that the number of passes of the gazetted officers should be reduced to the level admissible to the non-gazetted officers at present. As regards PTOs, their number should be reduced from 6 to 3 per year for both the gazetted officers as well as the non-gazetted officers. The facility for taking attendants on First Class 'A' and First Class Passes should be abolished, but lady officers including Lady Health Visitors and Nurses may be allowed to take one attendant on journeys on a pass or PTO provided they are not accompanied by their husband or other male relative. We also recommend that only those members of the family should be eligible to travel on free passes and PTOs as are covered under the Travelling Allowance Rules for journeys performed on transfers. In making these recommendations, we have kept in mind the need for reducing the disparity between the gazetted and non-gazetted employees of the Railways.

6. In the case of retired railway servants, the existing privileges cannot be justified from the standpoint of public requirements. In our view, the most that the Railway administration can be legitimately called upon to do out of deference to the past loyal services of the retired employees would be to allow each of them the benefit of one set of free passes every year. We recommend accordingly for all railway employees of Class I, Class II and Class III who retire after having rendered more than 20 years' ser-

vice. We recommend no change in the provisions concerning the travel concession available to retired railway servants of Class IV.

7. In view of the revised scales recommended by us, the present limits for entitlement to different classes of passes should be reviewed to avoid a situation where a very large number of railway employees become entitled to a First Class Pass on the introduction of the revised scales of pay recommended by us. We would also suggest that those who are today entitled to a Second Class Pass should not become entitled to travel in the first class on the abolition of the second class passenger compartment considering the liberal standard already adopted in the grant of First Class Passes.

II. Civilian Employees of the Central Government other than the Railway Employees

8. The concession admissible to the civilian employees of the Central Government other than the Railway employees consists mainly of the Government bearing the cost of travel to a specified home-town and back once in a block of two years, with the employee bearing the cost of the first 400 kms. of the journey (160 kms. in the case of Class IV employees).

9. The main demands made by the Unions and Service Associations of non-railway civilian employees are as follows :

- (i) LTC should be available every year instead of once in a block of two years.
- (ii) Utilisation of the concession should not be linked to journeys to home-towns, but it should be available for visiting any place in India.
- (iii) LTC should also be available for journeys performed during casual leave.
- (iv) The scope of LTC should be widened to include dependent parents, etc.
- (v) The existing provision that a Government servant should bear the travel expenses for the initial distance of 400 kms. (160 kms. in the case of Class IV employees) should be removed.

10. In support of the above demands, it has been argued that in the circumstances prevailing today, Government servants do not find it possible to perform journeys even for meeting important social and family obligations. It is said that with the employee not finding it possible to afford the high cost of travel, he is not able to derive the full benefit of going on leave because of his inability to leave his duty station. On restricting the concession to journeys to and from the home-town, many of the witnesses have stated that the old concept of an ancestral home or birth-place is no longer valid. It is said that with the growing mobility of the social class from which most Government servants come, they have now often to visit places other than the home-town for meeting their parents and other members of the family on important social and family occasions.

11. In our view, the existing facility of visiting the home-towns once in two years is not inadequate

*Prof. V. R. Pillai considers this recommendation too drastic to be practicable. He recommends a reduction in the number of passes for gazetted officers from 6 to 4 per year and the facility for taking one attendant being made available also to officers drawing Rs. 1500 p. m. or their families while travelling alone.

and making it annual would result in more or less doubling the expenditure on these concessions. The existing provisions already allow some adjustment in computing the block of two years which can enable the employee to perform journeys in successive years. Further, if the family is living in the home-town, the employee can avail of this concession for himself once every year. We do not think that there is a strong case for allowing this concession annually instead of once in a block of two years as at present.

12. As regards widening the scope of the travel concession to cover journeys to places other than the home-town, we feel that under changing social conditions characterised by the disintegration of the joint family and the dispersal of the educated wage-earning class, the idea of the ancestral home-town or birth-place has lost much of its attraction. It would be fair, therefore, to accept that Government employees might on occasions be called upon to perform journeys to places other than their home-towns in order to fulfil social obligations or maintain family ties. Although this justifies some relaxation in the existing rule, the total removal of this restriction would alter the basic justification for which the Leave Travel Concession Scheme was originally introduced. The concession instead of being purely compensatory in nature for those having to undertake long journeys for visiting home would become an unrestricted fringe benefit for all Government employees available also for journeys undertaken to visit hill stations and places of interest during leave taken solely for rest and recuperation. While the latter outcome might be desirable and also justifiable to some extent in a situation where employees find it difficult to meet the expenses on private journeys, the need for economy in administrative expenditure requires that this concession for journeys to places other than home-towns should be provided at less frequent intervals. We feel that the best course would be to continue with the existing provision as regards the journeys to home-towns once in a block of two years with the modification that once in a block of four years, every Government employee should be allowed to avail of the LTC for journeys to any place in India subject to all other conditions laid down in the existing scheme. We recommend accordingly. In allowing the concession of journeys to places other than home-towns, the benefit should be extended to those employees also whose home-towns are situated within 400 kms, or, in the case of Class IV servants, within 160 kms.

13. As regards the definition of family for purposes of the LTC, we recommend that it should be the same as suggested by us for purposes of travelling allowance for journeys on transfer.

14. An employee can avail of the travel concessions only if he takes regular leave for a minimum period of 15 days, although the condition of leave does not apply to journeys performed by the members of family of Government servants. In our view, the existing restriction is an unnecessary irritant and the employees are sometimes forced to take leave simply to become entitled to this concession. Thus, the employee remains absent from duty for a longer period than would be the case if the LTC were pro-

vided also for journeys performed during casual leave. We, therefore, recommend that the employees should be permitted to avail of the Leave Travel Concession for journeys performed during casual leave also without specifying any minimum period of absence.

15. With regard to the pressing demand for the reimbursement of the full cost of travel by rail without the employees having to bear the initial cost of the first 400 kms. or 160 kms. in the case of Class IV employees, the argument cited in support is mainly the rise in the cost of travel. We feel that this question has to be examined in the light of the repercussions upon the State Governments. Although a few State Governments have introduced somewhat similar schemes, the majority of the State Governments have not so far provided leave travel concessions to their employees. In the Leave Travel Concession Schemes introduced by the State Governments, the same restriction as to the employee bearing the cost of travel for a certain initial distance of the journey has been laid down, although in two or three States the distance is less than that prescribed in the Central Leave Travel Concession Scheme. Changing the initial distance for which the employee has to bear the cost of travel has direct financial implications in that the number of prospective beneficiaries under the LTC Scheme will increase according as the limit is reduced. Finally, the increase in the number of applications for LTC will add considerably to clerical and accounting work. For these reasons we do not recommend any change in the existing provisions pertaining to the employee bearing the cost of travel for the first 400 or 160 kms. of journey.

III. Armed Forces Personnel

16. A Defence Service officer stationed in field area is entitled to free conveyance for visiting every year his family at home or wherever residing in Government accommodation. If the Service officer is posted in a peace station, he and his wife are entitled to free conveyance to the home station and back but in the case of his wife there is a distance restriction of 965 kms. each way. In alternate years, the Service officer and his wife are entitled to reimbursement of the cost of rail travel up to a distance of 965 kms. each way for journey to a leave station and back. The children of Service officers are not covered by these concessions, but for their travel Form D concessions can be used, i.e., the children can travel by first class on payment of second class fare. The Service officer and his wife can also travel on Form D in addition to their other privileges.

17. The Service Headquarters have proposed that the Service officer, his wife and dependent children should be allowed free conveyance to a selected leave station of the officer's choice and back once a year. We have examined the existing provisions and feel that these are on the whole much more advantageous than the corresponding provisions on the civil side. We are of the view that because of the rigours Service personnel have to face, they should be treated better than normal civilian employees in the matter of travel concessions. We recommend that these concessions should continue. We further recommend that the dependent children of the Service officers

should also be allowed the same travel concessions as the wife of the Service officer once in a block of two years and that the limit of 965 kms should not apply in the case of journeys undertaken to home-towns. We also recommend that for purposes of travel concessions, the definition of family in the case of Service officers should be the same as for the civilian employees of the Central Government. The extra privileges in the matter of leave travel enjoyed by Service officers engaged on flying and submarine duties should be continued.

18. As regards the use of Form D concessions by a Service officer for himself and his wife and children, there is no limit today on the number of times this concession can be availed of. We feel that the use of Form D concessions should be limited to 3 sets in a year, a set covering both the outward and the return journey. The facility of Form D concessions should, however, be available in excess of this number for certain specific purposes like children going to a boarding school and returning to parents, journeys in connection with medical treatment in military hospitals etc.

19. Today, the personnel below officer rank are allowed to travel on free railway warrant from duty station to home station every year; and if married, the wife and children can travel on concession voucher by paying half railway fare to home-town and back every year. In a cycle of two years, one of the railway warrants can be surrendered by the Serviceman for equal cash value to pay for the difference between the rail fare and the concession voucher for the family. The Service Headquarters have suggested

that free conveyance for the Serviceman, his wife and children should be allowed every year to home or leave station and the family should be given a concession voucher once a year to go home unaccompanied by the head of the family.

20. It is seen that in the case of personnel below officer rank the travel concessions are linked to journeys undertaken to the home-town only and that in the case of wife and children, they have to bear half the cost for such a journey. We recommend that for journey to home station once every year, the free concession voucher should cover the wife and children also and that in every alternate year, personnel below officer rank along with wife and children should have the option to travel to a leave station other than the home station with Government bearing the cost of the outward and the return journey up to a distance of 965 kms each way as in the case of Service officers. We find that the existing travel concession to the members of family of the personnel below officer rank is by way of a concession voucher amounting to half of the rail fare, the cost of the voucher being borne by the Railways. We would not recommend any change in this practice and would suggest that the expenditure on account of the half rail fare that is being borne today by the Servicemen should be reimbursed to them. We also recommend that for the purpose of travel concessions the definition of family in the case of personnel below officer rank should be the same as in the case of Service officers. We would not recommend extending the facility of Form D concessions to the personnel below officer rank.

CHAPTER 59

EDUCATIONAL FACILITIES AND ALLOWANCES

Central Government employees are being given assistance in the matter of education of their children under the following schemes :—

- (1) Children's Educational Allowance.
- (2) Reimbursement of Tuition Fee.
- (3) Payment of Hostel Subsidy.
- (4) Kendriya Vidyalayas (Central Schools)

through the Kendriya Vidyalayas Sangathan (Central Schools Organisation) to cater *inter alia* to the needs of transferable Central Government employees.

The table below indicates the number of beneficiaries and the total expenditure during 1969-70 on children's educational allowance and reimbursement of tuition fee.

TABLE I

Ministry/Department	Children's Educational Allowance		Reimbursement of Tuition Fee	
	No. of employees who availed of the concession	Total expenditure during the year 1969-70	No. of employees who availed of the concession	Total expenditure during the year 1969-70
Railways*	6,754	16,57,000	1,96,015	1,03,00,000
Defence (Civilians)	89,246	1,94,33,483	35,546	28,94,783
Posts & Telegraphs	54,848	1,27,59,399	41,296	35,18,602
Other Ministries/Departments	44,674	1,12,08,521	29,584	29,01,062
Armed Forces Personnel	1,71,158	2,64,34,538	3,016	1,58,065
GRAND TOTAL	3,66,680	7,14,92,941	3,05,457	1,97,72,512

*Relates to 1968-69.

2. The children's educational allowance is admissible to all permanent and quasi-permanent non-gazetted Government servants and to temporary non-gazetted servants having not less than three years of service, drawing a basic pay up to Rs. 349/- per month. The allowance is payable in respect of children who are between the age limits of 5 and 18 years and are studying in Primary, Secondary and Higher Secondary classes at a place other than where the Government servant is posted and/or residing. In the Railways the allowance is admissible only if (i) a school of the requisite standard does not exist at the station where an employee is posted or (ii) even if it exists, accommodation is not available. For employees in other Government Departments these two conditions do not apply. The rate of the allowance is Rs. 10/- per month per child for primary classes and Rs. 15/- per month per child for Secondary and Higher Secondary classes. The total allowance admissible to an employee at any time is restricted to Rs. 60/- per month in the Railways and to Rs. 50/- per month in other Government Departments.

3. The reimbursement of tuition fee is admissible to Central Government employees drawing a basic pay of Rs. 600/- per month in respect of fees payable and actually paid by them on behalf of their children for education in India in recognised Middle and High Schools or Higher Secondary Schools and corresponding classes in technical or other vocational schools. No reimbursement of tuition fee is permissible in respect of primary classes but exceptions have been made in the case of West Bengal and certain schools in Gujarat. In States where education is free and no fees have been prescribed for schools run by the State Government, reimbursement of fees charged by Government-aided and recognised unaided schools and also departmental schools is made subject to the following ceilings :—

Class VI, VII and VIII,	Rs. 5/- per month
Class IX	Rs. 6/- per month
Class X	Rs. 7/- per month
Class XI	Rs. 8/- per month

Reimbursement is restricted to tuition fees only and does not cover special fees like library fee, games fee, etc. Reimbursement is not admissible in respect of a child for more than two academic years in the same class. If children's educational allowance is claimed under the first scheme, reimbursement of school fee is inadmissible under the second scheme for the same child.

4. The scheme for the payment of hostel subsidy provides educational assistance in the form of 'hostel subsidy' to non-gazetted permanent and quasi-permanent Government servants and temporary Government servants with one year's service drawing a basic pay not exceeding Rs. 349/- per month. The subsidy is admissible in respect of children, studying in Central Schools at a place away from the station at which a Government servant is posted and/or residing. The subsidy is in respect of expenditure on food charges only and not for lodging, electricity and water charges. The subsidy is admissible at the following rates :—

Pay range	Amount of Subsidy
Up to Rs. 125/- per month	Rs. 47.50 per month
Rs. 126 to Rs. 255 per month	Rs. 42.50 per month
Rs. 256 to Rs. 349 per month	Rs. 35.00 per month

If the total monthly food charges fall short of Rs. 55/- per month during any period, corresponding reduction, equal to the amount by which the charges are short of Rs. 55/- is made in the subsidy payable for that period. But if at any time the total food charges exceed Rs. 55/-, no additional subsidy is admissible in regard to such excess. The subsidy is admissible in respect of not more than three children at a time and the total number of children for whom the subsidy under the scheme and the children's educational allowance could be drawn should not exceed four in all. According to the information furnished by the Commissioner, Kendriya Vidyalayas Sangathan, the number of children of government employees in respect of whom the Principals of Central Schools had issued certificates to the parents for claiming the hostel subsidy during the year 1970-1971 and 1971-1972 was as follows :—

Year	No. of children of civilian Central Govt. employees	No. of children of Armed Forces Personnel	Total
1970-71	39	102	141
1971-72	38	100	138

5. The Railways are also running fourteen subsidised hostels for the children of Railway employees belonging to different linguistic groups. During 1970-1971, 680 children availed of this facility and the net expenditure incurred by the railways during that year was Rs. 4.17 lakhs. The manner in which subsidy is provided by the Railways under their scheme is slightly different; instead of fixing the quantum of hostel subsidy, the railways follow a system of recovering fixed amounts per child. The rates at which recovery is

made from the employees in various pay ranges are shown below :—

Pay range (including Dearness Pay) and 50% of the running allowance.	Amount recoverable per child (p. m.)
Up to Rs. 195	Rs. 7.50
Rs. 196 to Rs. 335	Rs. 12.50
Rs. 336 to Rs. 459	Rs. 20.00

6. The number of Central Schools in 1970-71 was 140 and the number of students on their rolls was 82,336. While education up to Class VIII is free in these schools, tuition fee at Rs. 6, Rs. 7 and Rs. 8 is charged from students in Classes IX, X and XI respectively. The total expenditure on the Central Schools Organisation for the year 1970-71 was Rs. 3.48 crores.

7. Apart from the four schemes of educational assistance mentioned above which are applicable to the employees in general, certain other schemes of educational assistance are also applicable to specific categories of personnel such as Defence Services personnel, personnel of the Indian Foreign Service etc. The schemes falling under this category are (a) Sainik Schools, (b) Military Schools, and (c) Educational assistance to Indian Foreign Service personnel.

8. It was urged before us by some of the employees' associations that children's educational allowance should be allowed irrespective of whether the child stays with the parents or not. Suggestions were also made that the 2 schemes of children's educational allowance and reimbursement of tuition fee should be merged into a single scheme and a suitable single allowance paid to all employees. The question whether any two or more of the existing schemes of educational assistance could be integrated into a single scheme was therefore considered by us in some detail. The schemes of children's educational allowance, payment of hostel subsidy and of Kendriya Vidyalayas were recommended by the Second Pay Commission mainly to cater to the needs of transferable Central Government employees. The scheme of reimbursement of tuition fee on the other hand was introduced by Government as a social security measure to provide partial relief to the employees against rising cost of living. As the different schemes are intended to serve different purposes, we do not favour the integration of any of the existing schemes of educational assistance and recommend that all the four schemes should continue with the modifications suggested by us in the succeeding paragraphs.

9. We feel, that the scheme for children's educational allowance requires to be reviewed. The Second Pay Commission had recommended that the scheme then in operation in the railways should be extended to other Central Government employees also. The essential characteristic of the railway scheme then was that the children's educational allowance would be admissible only if the employee was compelled by the absence of proper schooling facilities at the station of his posting to keep his children at a different station. However, when the Government extended the scheme

to other Central Government employees, the above basic stipulation was not followed *in toto* and the benefit of children's educational allowance was extended to all cases where the children studied at a place away from the place of posting of the employee. Apparently the Government had taken a very broad view on the assumption that no Government servant would go out of the way to send his children to other places for schooling, merely for the sake of a small allowance which will meet only a part of the additional expenses involved. This assumption is, however, not entirely correct. Government employees may, in any case, keep their children and their families at places other than their place of posting for their own convenience and facilities. According to the scheme as it stands at present these persons too are eligible for the children's educational allowance. The large disparity between the number of beneficiaries under the railways (about 7000) and under the civil departments other than the railways (about 2 lakhs) though the total number of employees is of the same order, would show that the conditions imposed by the railways have successfully screened out those who have not been compelled by circumstances to send their children away from their stations of posting. It is also significant that the railways have not adopted the relaxations introduced by Government in other departments. The unions representing the railway employees have made a grievance of the fact that the conditions for the grant of the allowance in other civil departments are more liberal. We are of the view that having regard to the experience of the railways and the fact that no working difficulties have come to light, the principles followed by the railways for grant of children's educational allowance should be adopted in respect of other Government employees also. Accordingly, we recommend that, as in the railways, the children's educational allowance should be admissible to employees in other Departments also only if a school of the requisite standard does not exist at the station where an employee is posted or on account of non-availability of the accommodation in such a school. Although this would mean some deliberalisation of the existing concession in departments other than the railways, we feel that the principles for the grant of children's educational allowance should be uniform in all Government departments and there are good reasons for the proposed modification of the present scheme. We would also recommend that the certificate regarding non-availability of accommodation in a school of the requisite standard, as enjoined in the Railway scheme, should be obtained from the district educational authorities, or similar authority, satisfactory to the sanctioning officer and it should not be made incumbent on the Government servant to collect certificates from various schools in order to establish the fact of non-availability of accommodation.

10. Representations have been made by the Unions that the upper pay limits for admissibility of children's educational allowance and reimbursement of tuition fee should be raised. Demands have also been made that the rates of children's educational allowance should be raised and that the reimbursement of tuition fee should cover all types of fees, cost of books, stationery etc., as also conveyance charges from residence to

school and back. It was further suggested that fees actually charged by schools recognised by Government, whether aided or unaided, should be reimbursed.

11. According to our recommendations children's educational allowance should in future be applicable only to those Central Government employees who are compelled by the absence of proper schooling facilities at the station of their posting to keep their children at a different station. The bulk of the non-gazetted employees in the various Government departments either do not have a transfer liability or have such a liability within a particular zone or area only. It is mostly the Class II and Class I officers working in departments like Railways, P&T, Defence, Customs and Central Excise, Income Tax and Accounts, who have a transfer liability throughout the country. They have to undergo hardships when they are transferred from one station to another involving changes in the medium of instruction particularly when the transfers take place during mid-term. The existing scheme of children's educational allowance which is applicable to employees getting a basic pay up to Rs. 349/- only does not, therefore, meet the requirements of the personnel who actually need such help. Having regard to these circumstances we recommend that children's educational allowance on the basis of the criteria recommended by us should be paid to Central Government employees drawing pay up to Rs. 1,200/- per month at the rates indicated below:—

Primary classes	Rs. 15/- p.m. per child
Secondary and Higher Secondary classes	Rs. 20/- p.m. per child

The total amount of the allowance should be restricted to Rs. 60/- p.m. per employee.

12. We further recommend that the upper pay limit for admissibility of reimbursement of tuition fee, should be Rs. 1200/- p.m.

We are unable to accept the suggestions that the fee charged by schools recognised or unrecognised, aided or unaided, should be reimbursed as this might encourage a tendency among the employees to send their children only to the more expensive schools. Further this might also result in discrimination against those employees who are not able to admit their children in such private schools or prefer to keep their children with them.

Further, we find ourselves unable to accept the demand for reimbursement of the cost of books, stationery etc. and the suggestion that all fees charged by the schools should be reimbursed.

13. Suggestions were also made to us that the schemes for educational assistance should be extended to cover graduate and post-graduate education (including technical courses). College education in the country is already subsidised to a large extent. Further, the educationists have generally favoured adopting a selective basis for admission to colleges. Any allowance which would increase the number of students in colleges on a non-selective basis would be a retrograde step. We are, therefore, of the opinion that the various schemes of educational assistance may continue

to be admissible only to children studying up to the pre-university classes and should not be extended to cover college education.

14. The present procedure for reimbursement of tuition fee involves considerable administrative and accounting work, as the receipts for fees paid monthly by the Government servants to the school authorities have to be verified and checked every time the reimbursement is claimed. Similarly, the fees vary not only as between the schools located in different cities but also from one class to another in the same school. This involves additional work all round for preparation, verification and payment of claims. With a view to reducing the administrative and accounting work we recommend that the tuition fees may be reimbursed on production of certificates twice a year from the head of the school giving particulars of the children studying in the schools, the classes in which they are studying, the amount of the fee charged etc. A similar certificate could also be obtained when children are transferred from one school to another.

15. Some of the unions of railway employees have represented that schools with subsidised hostel accommodation should be opened at the headquarters of each Railway division and that all categories of employees should be made eligible to send their children to these schools. We were informed by the Ministry of Railways that as against the total capacity of 765 seats in the 14 subsidised hostels run by the railways in 1970-71, only 680 children of railway employees availed of the facility. Thus there was a surplus of 85 seats in that year. We were also informed that the railways have attempted to set up one subsidised hostel for each major linguistic area. In addition to the hostels opened by the railways, hostel facilities are also provided for students by 12 Kendriya Vidyalayas. We recommend that the question of opening more hostels may be considered by the Government.

16. The hostel subsidy is at present admissible to employees drawing a basic pay of Rs. 349/- per mensem or less. However, it is mostly the Class I and Class II officers who are subjected to transfers from one part of the country to the other. There does not, therefore, appear to be any justification for restricting the pay limit to Rs. 349/- per mensem only. We feel that the hostel subsidy should be available to all Central Government employees who because of the transfer are required to keep their children in a hostel. We, therefore, recommend that there should be no upper pay limit for payment of hostel subsidy and the concession should be admissible to all employees who on account of a transfer are obliged to keep their children in a hostel. As regards the rates of subsidy, these appear to have been fixed on an *ad hoc* basis, keeping in view the expenditure on board, lodging and the paying capacity of the employees. With a view to simplifying the rates, we recommend that the hostel subsidy should be allowed at a uniform rate of Rs. 60/- per mensem per child. The subsidy may continue to be limited to not more than three children and the total number of children who may avail of the hostel subsidy and children's educational allowance should not exceed four as at present. Further, the hostel subsidy should be allowed irrespective of whether the child is in a Central school or any other

recognised school. At present only 12 Central Schools have hostel facilities and they cannot be expected to meet the needs of all transferable Government employees. It is, therefore, necessary to extend this facility to the children residing in the hostels of all recognised schools. The expenditure on the grant of hostel subsidy is not likely to be much as the number of Central Government employees availing of this facility would be relatively small.

17. Under the existing orders children's educational allowance is admissible to all permanent and quasi-permanent Government servants and temporary Government servants having not less than three years service. Reimbursement of tuition fee on the other hand is admissible to all Central Government employees without any condition with regard to length of service. The concession of hostel subsidy is admissible to all permanent and quasi-permanent Government servants and such of the temporary Govt. servants who have put in not less than one year's service. We think that there should be a uniformity of treatment under the three schemes and accordingly recommend that the benefit of the schemes of children's educational allowance, reimbursement of tuition fee and payment of hostel subsidy should, subject to the other conditions being fulfilled, be admissible (i) to all permanent and quasi-permanent Central Government employees and (ii) to all temporary employees who have completed not less than one year's service.

18. It was also suggested by some of the unions that more Central Schools should be opened in different cities. The Ministry of Education informed us that it was not possible to meet the demand for opening more Kendriya Vidyalayas due to paucity of funds. The Government propose to open six additional Vidyalayas every year. This, according to the Ministry of Education, would cover only a small percentage of employees and the demands of a large number of employees would remain unfulfilled. We recommend that in order to satisfy the assessed needs of employees for the purpose, Government should take steps to open as many more Central Schools as possible.

19. An employee who is transferred to a new station in the middle of an academic session, has to incur expenditure either on keeping two establishments or on purchasing, for his school going children, new uniforms and text-books, paying fresh admission fees etc. As transfers are generally made in the public interest, we are of the view that Government should compensate the employees for this additional expenditure by grant of a subsidy. Accordingly, we recommend that where an employee is transferred in the middle of an academic session and shifts his children to a school requiring purchase of a new set of books, he should be granted a subsidy at the following rates :—

Primary classes	Rs. 20/- per child
Secondary classes	Rs. 40/- per child
Higher Secondary classes	Rs. 60/- per child

This should be available to employees drawing pay up to Rs. 1,600/- per mensem and be admissible up to a maximum of four children.

DEATH-CUM-RETIREMENT BENEFITS

Age of Superannuation

The Central Government employees normally superannuate on attaining the age of 58 years. The exceptions are :—

- (i) The ministerial employees who were holding substantive appointments on 31st March, 1938, are retained in service till the age of 60 years.
- (ii) The Class IV employees and workmen are retained in service till the age of 60 except that :
 - (a) in the Railways, the Class IV staff with few exceptions are retired at 58. The Class IV staff who were recruited in the Railways prior to 1st December, 1962 and for whom the age of superannuation was 60 years, are allowed to continue up to that age; and the Class IV staff who had no prescribed age limit and were allowed to serve as long as they are physically fit continue to enjoy the same terms.
 - (b) Class IV employees of the Secretariat Security Force who entered service on or after the 15th September, 1969, retire on attaining the age of 58 years.
- (iii) Police personnel in the Border Security Force and the Central Reserve Police who in this matter are governed by the provisions of the relevant Acts are retained in service up to the age of 55 years.

2. At the time of the Second Pay Commission the normal age of superannuation for the majority of Central Government employees (other than Class IV and industrial staff) was 55 years. The Second Pay Commission had recommended the raising of the age of superannuation from 55 to 58 years. Initially, the Government did not accept this recommendation because it felt that raising the age of superannuation would reduce employment opportunities in the immediate future. However, the position was reviewed subsequently and the age of superannuation was raised from 55 years to 58 years with effect from 1st December, 1962. The main considerations which weighed with the Government in reaching this decision were : the shortage of experienced and trained manpower which could be met partly by raising the age of retirement; the insignificant effect this would have on employment opportunities (*viz.* of less than 1% of the total volume of additional employment

needed for the educated unemployed during the Third Plan period) and the improved expectation of life and the state of physical fitness of Government employees.

3. Some of the service associations have asked for raising the age of superannuation to 60 years on account of increased longevity and the fact that with late marriages a large number of Government employees are not free from family responsibilities till much later in life. On the other hand a few of the unions have suggested that the age of retirement be lowered to 55 years mainly with a view to improving the promotion prospects of the employees and providing increased employment opportunities to the educated unemployed in the country. A majority of the service associations do not, however, favour any change in the existing age limits for superannuation. The official witnesses have generally favoured the *status quo*.

4. According to the information available with us the age of superannuation is 70 years in U.S.A. and in some of the Latin American countries like Brazil, and Peru; it is 65 years in West Germany, Canada, Australia and Chile. In U.K. and Japan there is no prescribed age of retirement but full pension becomes payable at the age of 60 and 55 years, respectively. The age of retirement is 63 years in Phillipines and 64 years in Lebanon which is reduced to 60 for posts involving physical work. In Czechoslovakia, Ghana, Ceylon and Thailand, the age of superannuation is 60 years. It is lower in Malayasia and Kenya, being only 55 years. Thus, with a few exceptions the age of retirement in the other countries for which information is available with us is 60 years or more.

5. Consequent upon raising of the age of retirement for Central Government employees in 1962, a large number of State Governments had also raised the age of retirement of their employees from 55 to 58 years. Subsequently, however, some of them again reduced the age of superannuation to 55 years. The position now is that while in the States of Andhra Pradesh, Assam, Bihar, Jammu & Kashmir, Kerala, Mysore, Nagaland, Orissa, Rajasthan and Tamil Nadu the age of retirement is 55 years, it is 58 years in Gujarat, Haryana, Himachal Pradesh, Madhya Pradesh, Maharashtra, Manipur, Punjab, Tripura, Uttar Pradesh and West Bengal.

The public sector undertakings generally follow the Central Government in this matter.

6. We find that there has been a further improvement in the expectancy of life at birth as revealed by the provisional 1971 Census figures. The table below

indicates the expectation of life at birth during the last 20 years :—

TABLE I
Expectation of life at birth

Period	Male	Female	Combined for Male and Female
1951-60	41.9	40.6	41.3
1961-65	45.7	44.3	45.0
1966-70	48.2	46.8	47.5

7. Apart from the general improvement, there has also been improvement in the expectancy of life at the age of 50/55 years which is of greater relevance in the context of the superannuation age for Government employees. The table below indicates the information available from the Census figures in this regard :—

TABLE III

Sl. No.	Category of Government pensioners	Total Number of pensions sanctioned in 1940	Casualties up to 1950	Survivors	%age of survivors	Total Number of pensions sanctioned in 1950	Casualties up to 1960	Survivors	%age of survivors	Total Number of pensions sanctioned in 1960	Casualties up to 1970	Survivors	%age of survivors
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Gazetted Officers	501	94	407	81.24	177	26	151	85.31	595	68	527	88.57
2.	Class III	3992	861	3131	78.43	1866	449	1417	75.93	3044	551	2493	81.89
3.	Class IV	1419	356	1063	74.91	601	168	433	72.04	776	181	595	76.67

It will be seen that the percentage of survivors among gazetted officers during 10 years after retirement went up from 81.24% in 1950 to 88.57% in 1970. The corresponding figures of survivors for the Class III and Class IV staff have changed from 78.43% to 81.89% and from 74.91% to 76.67% respectively. Thus apart from the general increase in the expectancy of life in the country both at birth and at the age of 55 years there has also been a definite improvement in the expectancy of life of Central Government employees in particular.

9. The main arguments which have generally been urged in support of the plea for reducing the existing age of superannuation are its effects on the employment situation and in improving the promotion prospects of the existing employees. In so far as the latter is concerned, the advantage of any improvement in promotion prospects by reducing the retirement age can only be a limited one as while it might expedite promotions of the existing employees, they will retire earlier from the Government service. As regards the impact of such a step on the employment situation, which is of course a more important consideration, we find from the information furnished by the Ministry of Finance, that the retirements from Government ser-

TABLE II

Expectation of Life

Ages	1941-50		1951-60		1966-70*	
	Male	Female	Male	Female	Male	Female
50	14.9	16.2	16.5	17.5	19.9	20.8
55	12.4	13.7	14.0	15.1	16.7	17.5
60	10.1	11.3	11.8	13.0	13.7	14.3

*The figures are provisional and are based on the Expert Committee Projections revised in the light of 1971 Census Provisional Population Totals.

8. The Second Pay Commission collected some data from the Comptroller & Auditor General about the casualties among Government pensioners within 10 years of their retirement. We requested the C. & A.G. to furnish similar data for the subsequent period.

The requisite information is given in the table below :—

vice during the period 1964-68 have been as follows :—

Year	Number of employees who retired from Government service.
1964-65	5,900
1965-66	5,800
1966-67	12,900
1967-68	13,000

The comparatively lower figures for the years 1964-65 and 1965-66 are on account of the raising of the age of retirement in 1962. The Ministry of Finance has estimated that during 1972-73 about 32,000 Government servants would retire. Out of this about 50% may be from the Class IV posts. Thus a reduction in the existing age of superannuation to 55 years, would result in making available immediately about 96,000 additional jobs only. It has also to be borne in mind that in view of the increased cost of living and the continued family responsibilities a large num-

ber of retired Government employees are obliged to take up some employment even after retirement. While some of them get re-employed in the public sector undertakings, and other autonomous bodies under the Government, quite a large number seek commercial employment in the other sectors of the economy. A reduction in the age of superannuation for Government employees may not therefore, *ipso facto*, improve the overall employment position for the educated unemployed. Moreover, having regard to the increased expectancy of life and the powers which already vest in the Government to weed out inefficient employees before reaching the normal age of superannuation we do not see any justification for reducing the existing age of superannuation.

10. We are also not convinced of the validity of the argument for an enhancement of the age of superannuation. It has been estimated by the Ministry of Finance that the retirements during the next 10 years are expected to show a progressive increase at the rate of 20% every year going up to about 1 lakh employees in 1980-81. We are of the view that any enhancement of the retirement age at the present moment would shut out a substantially large number of new entrants to the Government service in the next 10 years or so. Since there are age limits for entry into Government service, sudden curtailment of recruitment now will permanently deprive or curtail the opportunities of persons fresh from universities or technical institutions to enter Government service. We think that with the advancement of science and technology and the various additional responsibilities devolving upon the Government in diverse fields, it is necessary that persons qualified in the latest techniques should continue to get inducted into Government service. Any enhancement of the age of superannuation at this stage would reduce during the period by which this is done, the employment opportunities for the very large number of technical, engineering and professional students passing out from the Universities, technical institutes and various industrial training institutes.

11. Some representations have been made that the age of superannuation for the scientific and technical employees should be raised. At present while the normal age of superannuation for scientific and technical personnel is the same as for other Government employees, the rules provide that in rare and exceptional circumstances extensions of service may be granted to scientific and technical personnel up to the age of 62 years. We consider this to be an adequate arrangement in the present context.

12. We also consider that since the age of retirement has a vital bearing on the career prospects and retirement benefits of Government employees and is also an important factor in the attractiveness of Government service, it should not be changed frequently. We, therefore, come to the conclusion that having regard to all the considerations the age of superannuation should continue to be 58 years for the Central Government employees.

13. We notice a lack of uniformity in regard to the age of superannuation for the Class IV and industrial staff in the Railways and in other Government Departments. While the Class IV staff and the indus-

trial staff in the other Government Departments are retained up to the age of 60 years, the bulk of the staff in the Railways are retired at the age of 58 years. Some of the Railway unions have made a grievance of this discrimination against the railway employees. The Railways appear to have kept the age of superannuation lower as in the railways a relatively higher standard of physical fitness is expected from the generality of these categories of staff. The higher age of retirement for the Class IV and industrial staff in the other civil departments has been continuing for a very long time. We recommend that having regard to all the various considerations, Government should look into this matter and remedy the existing lack of uniformity in regard to the age of superannuation for the Class IV and industrial staff in the different Government Departments as circumstances permit.

14. The Police personnel should continue to be retained in service up to the age of superannuation fixed for them under the relevant Acts governing their service conditions.

15. We would further recommend that the retirement of Government employees should take effect from the afternoon of the last day of the month in which the employee concerned attains the age of superannuation instead of the afternoon of the actual date of his superannuation. This would simplify accounting work in regard to the calculations of pay and allowances, average emoluments, qualifying service, etc. which would help in the speedy settlement of pension claims.

Premature Retirement

16. Under FR 56 (j) the Government has the absolute right to retire in public interest a Class I or Class II Government officer (who had entered Government service before reaching the age of 35 years), after he has attained the age of 50 years, by giving him 3 months' notice in writing or 3 months' pay and allowances in lieu of such notice. As regards the Class I and Class II officers who entered Government service after attaining the age of 35 years and all the Class III employees as also the Class IV employees who entered service after 23rd July, 1966, similar premature retirement is possible after they have attained the age of 55 years. This rule does not, however, apply to Class IV Government servants who entered Government service on or before 23rd July, 1966. Similarly, Class III Government employees who are not governed by any pension rules could also be retired in public interest under the provisions of F.R. 56(1) after they have completed 30 years of service by giving a similar notice. A Government servant also has a reciprocal right to retire voluntarily under the provisions of FR 56(k) and FR 56(m). Further, under Rule 48 of the Central Civil Services (Pension) Rules, 1972, Government may retire in public interest an employee who has completed 30 years' qualifying service with a similar option being available to the employee also.

17. The associations of Government employees have criticised the powers under which Government can retire the employees before attaining the normal age of superannuation. They have contended that instead

of proceeding under these rules, action against the corrupt or inefficient employees should be taken under the provisions of the Central Civil Services (Classification, Control and Appeal) Rules. They apprehend that these powers are liable to be misused and should therefore be withdrawn.

18. We find that the Government have already provided sufficient safeguards against the possible misuse of these powers by the authorities concerned by stipulating that action under these rules is to be taken on the recommendations of committees specially constituted for the purpose. Further, these powers are not to be used to retire a Government servant on grounds of specific acts of misconduct as a short cut to initiating formal disciplinary proceedings. It has also been stipulated that these rules should not be used to retire a Government servant on the ground that he may not be suitable to continue in his officiating post or for promotion to the higher post for which he might be eligible.

19. We think that the existing provisions for the compulsory retirement of Government employees before they have reached the normal age of superannuation are salutary as they are directed towards maintaining the efficiency and integrity of the public services. We do not, therefore, consider it necessary to suggest any change in this regard.

Voluntary Retirement

20. Suggestions have often been made that in addition to the provisions for early retirement discussed above, Government servants should be allowed to retire voluntarily from public service on proportionate pension after serving for periods ranging from 15 to 20 years. It has been argued that movement of personnel from the Government to the other sectors of employment would be in the overall national interest in cases where the personal circumstances, temperament or inclination of an employee are not conducive to his further continuance in Government service. Further, if the unwilling workers are allowed to move out from Government service it would not only provide better promotional opportunities for those left behind but would also be conducive to the efficiency of Government service. The Administrative Reforms Commission recommended* that a civil servant might be allowed to retire voluntarily on proportionate pension and gratuity after he had completed 15 years of service. It also recommended that Government servants who were superseded be allowed to retire even earlier on similar terms if they had put in at least 10 years' service. We had sought specific comments on this recommendation *vide* question No. 65 of our Questionnaire. Most of the respondents have favoured implementation of this recommendation.

21. The question of voluntary retirement after completion of 15—20 years' service was represented before the previous two Pay Commissions also. The First Pay Commission were of the view that—

“It would be a serious wastage of manpower and would impose an unconscionable burden on the

*Recommendation No. 59 in the Report on Personnel Administration.

State to retire, in their prime, employees still capable of good work.”

The Second Pay Commission remarked that—

“It is odd that while seeking greater security for employees in one matter and another and side by side with the proposal to raise the age of superannuation, demands should have been made which would have the obvious effect of reducing the Government's assurance that its employees would normally serve it through practically the whole of their working life. In other words, what is asked is the maximum security for the employee and the minimum for the Government. There is no logic or equity in this combination of demands.....”

They also cited the practice in other countries where an employee could generally retire with retirement benefits only after completion of 30 years' service or so. Having regard to this and the fact that the civil service is looked upon as a career service, the Second Pay Commission did not favour any further liberalisation of the then existing provisions regarding voluntary retirement.

22. We have given considerable thought to the question of voluntary retirement after completion of 15 years of service. This facility would mainly be availed of by the officers appointed to the Class I and Class II services under the Central Government. Since most of these services are organised in a hierarchical pattern with little or no provision for lateral induction above the Junior Administrative Grades, the result of such a facility would be that while experienced officers who have acquired special skills or training under the Government might go out of the services there would be no lateral induction at these senior levels. We think that while a system of voluntary retirement with proportionate pension might be appropriate in a situation where there is free mobility and interchange between the Government service and the non-governmental sectors, in our country this stage has not been reached and our society cannot afford the luxury of trained and useful personnel being drained away from the Government to the private sector by the lure of higher salaries and without any scope for replenishment for carrying on essential task. We also appreciate the force of the arguments advanced by our two predecessor bodies. It should be recalled that the service concept is based upon an arrangement spanning the entire career of a Government employee and pension is a reward admissible generally after long years of service. Premature retirement on proportionate pension, if permitted generally, would dilute the service concept and would reduce the efficacy of pension as an instrument for retaining the services of key personnel. It would also make it all the easier for the private sector to engage those Government employees whom they consider useful for their purposes.

23. We also think that even in respect of employees who might have been superseded in service, the chances of promotion to a higher post are not lost for good and in many cases such employees get promoted to the higher posts subsequently. There is the risk that superseded officers if allowed this facility, would benefit more than those not superseded.

A differentiation which rewards the inefficient relatively to the efficient cannot be advocated.

24. Having regard to all these considerations we are unable to accept the demand for allowing voluntary retirement of Government employees after 15 to 20 years of service.

25. Apart from the rules for early retirement discussed in para 16 above, the Central Government employees are also allowed to retire with pensionary benefits in the following cases :—

- (i) Government employees who opt for permanent absorption in public enterprises are given their *pro-rata* pension and gratuity based on the length of qualifying service under Government till the date of absorption. The pension and gratuity is paid to such employees immediately on their absorption in addition to the pay of the post in the public enterprises.
- (ii) Scientific employees of the Government on absorption in autonomous organisations like Council of Scientific & Industrial Research, Indian Council of Agricultural Research, Central Universities, etc. are eligible* for *pro rata* pension and gratuity based on the length of their qualifying service under Government till the date of absorption. The *pro rata* pension, gratuity etc. admissible in respect of the service rendered under the Government is disbursable either from the earliest date from which the Government servant could have retired voluntarily under the rules applicable to him, or from the date of absorption in the institution, whichever is later.

We recommend that the benefits referred to in sub-para (ii) above should be extended to various categories of technical personnel also on similar absorption in these organisations.

Restrictions on commercial employment after retirement

26. Some of the associations representing Class I officers have urged that the existing rules which require these officers to seek permission from Government before taking up commercial employment within two years of retirement should be rescinded. In the civil departments, such a permission is required in the case of pensionable officers only; for non-pensionable officers, the only restriction is in regard to employment as a contractor or in a firm of contractors. In the Railways, however, both pensionable and non-pensionable Government employees have to furnish an undertaking at the time of retirement that they would not seek employment within two years of retirement without prior permission of the Government. Officers belonging to the Indian Revenue Service cannot set up practice before expiry of two years from the date of retirement in any area within the legal limit of their jurisdiction during the three years immediately before retirement. In other areas, private practice can be set up only with the previous sanction of the

*Vide Ministry of Finance O.M. No. 24(12)-EV/66 dated 16-6-1967 as amended by O.M. No. F44(8)-EV/71 dated 19-6-1972.

Government. The penalty for infringement of the existing orders is denial of pension in respect of the period for which the person accepts commercial employment or such longer period as the Government may decide. We have been informed by the Department of Personnel that the main object of imposing these restrictions is to ensure public confidence in the disinterestedness and integrity of public servants at the high level. Accordingly, except for Class II engineers there are no restrictions on other Class II, Class III and Class IV staff.

27. The Committee on Prevention of Corruption (Santhanam Committee) had recommended that if it was legally permissible, no Government servant should be allowed to accept any commercial employment in the private sector for two years after retirement. This recommendation was considered by the Government in consultation with the Attorney General who advised that whereas a total ban on commercial employment by retired Government servants could not be defended in law, refusal of permission based on certain well-defined criteria could be. Accordingly, requests from retired Class I officers who drew salaries of Rs. 1500 per month and above at the time of their retirement, for permission to take up commercial employment within two years of retirement, are now considered by a Committee consisting of the Minister-in-charge of the Ministry under which the applicant last served prior to retirement, and the Minister in the Department of Personnel. Cases of other Class I officers are scrutinised by the Ministry/Department administratively concerned, and the orders of the Minister-in-charge obtained before granting or refusing permission. While giving permission factors like the dealings, if any, of the officer with the concerned party while in service, the reputation of the firm and the hardship involved in refusal of permission, etc. are taken into account. According to the information furnished to us, there were 135 cases in which permission was sought by officers belonging to the All India and Class I services during the five years 1967 to 1971 and it was refused in 24 cases only.

28. The Administrative Reforms Commission recommended† that these restrictions should be removed or approval should be given as a matter of course. It also suggested that if the salary received in the new employment together with pension exceeded the last pay drawn, the pension should be withheld in part or toto as might be necessary.

29. The majority‡ of us are of the view that in the present circumstances it would neither be desirable to put a complete ban on commercial employment after retirement nor to remove these restrictions altogether. We think that the existing arrangements under which such requests are considered on the basis of certain well-defined criteria is a satisfactory arrangement and should continue.

We further recommend that employees who are governed by the Contributorv Provident Fund Rules should also be subject to similar restrictions.

†Recommendation No. 62(2) Report on Personnel Administration.

‡Prof. A. K. Das Gupta is, however, in favour of a total ban on commercial employment after retirement.

The ban should also apply to cases where Government servants are allowed to retire voluntarily under the existing rules.

We do not find it possible to agree to the recommendation of the Administrative Reforms Commission to withhold pension in full or part with reference to the emoluments received in the new employment. We think that there need not be any nexus between the retirement benefits received by a Government employee for service rendered under the Government and the emoluments which he might receive in a commercial employment after retirement as these are earned from different employers and under different circumstances.

Retirement Benefits

30. There are two main schemes of retirement benefits for the Central Government employees, namely, the Pension Scheme and the Contributory Provident Fund Scheme. Most of the non-industrial staff in departments other than the Railways are governed by the pension scheme. The industrial staff in these departments, persons appointed on contract for specified periods, as also scientific and technical personnel entering Government service at a relatively advanced age are generally covered by the contributory provident fund scheme. However, the industrial staff recruited after 18th November, 1960 can continue on the contributory provident fund scheme, so long as they are temporary but on confirmation they are automatically brought over to the pension scheme. An option is also available to the industrial staff recruited before that date to come over to the pension scheme. In the railways a pension scheme similar to the one in force in the other civil departments was introduced in 1957 and all Railway employees recruited after 16th November, 1957 are governed by the pension scheme only. Such of the Railway employees recruited prior to this date as have not opted for the pension scheme are governed by the State Railways Provident Fund Scheme. As on 31st March, 1972, out of the 13.73 lakhs employees in the Railways, 6.82 lakhs were governed by the pension scheme and the remaining were covered by the contributory provident fund scheme.

Principles governing grant of pension

31. There are certain underlying principles governing the grant of pension. An employee is not eligible for pension unless the qualifying service is paid for and is rendered in a post under the Government and he is the holder of a substantive appointment at the time of retirement. Pension is not sanctioned as a matter of course. If the service has not been satisfactory the pension sanctioning authority has the power to make such reduction in the amount of pension as it thinks proper. Similarly, future good conduct of the pensioner is also an implied condition of every grant of pension and its continuance in future. If the pensioner is convicted of a serious crime or is found guilty of grave misconduct, the pension sanctioning authority can withdraw the pension in full or in part, either permanently or for a specified period.

32. It has been contended by the unions and associations that pension is in the nature of a

deferred payment and Government servants have, therefore, a legal right to receive it. This matter was represented before the Second Pay Commission also which was of the view that "good conduct and efficiency during service should continue to be insisted upon and it would be ill advised to do away with a provision designed to secure honest and efficient service." In the course of our deliberations, no specific cases regarding misuse of the powers to reduce or withdraw pension by the administrative authorities have been brought to our notice by the employees' organisations. Moreover, any reduction of pension in full or in part can be made only in consultation with the U.P.S.C. We consider that this is an adequate safeguard against any improper exercise of the powers by the executive authority.

33. The Supreme Court has held* that pension is a valuable right vested in a Government servant and that the right to receive pension is property under Article 31(1) of the Constitution and if it is denied to an employee, a Writ of *Mandamus* could be issued to the State to properly consider the claim of the pensioner for payment of pension according to law. Thus, courts will not allow refusal, reduction or forfeiture of pension unless there are genuine grounds for doing so, and the employees can also seek redress in the Courts of Law, whenever they feel that justice has been denied to them. Having regard to these considerations we are unable to accept the demand of the employees' associations and recommend that pension should be sanctioned and continued only if certain conditions, which are mainly concerned with safeguarding the efficiency and integrity of the Government service, are satisfied.

Existing position

34. A Government servant borne on pensionable establishment who resigns his post before he is due to retire voluntarily on completion of 30 years of service or at the age of 50/55 years, as applicable, forfeits the pensionary benefits which he would otherwise get for the service rendered under the Government. On superannuation or premature retirement Government servant is eligible for pension and gratuity provided he has completed a minimum qualifying service of 10 years. Maximum pension is earned on completion of 30 years of service. The pension is calculated at the rate of 1/80th of the average emoluments drawn during the last three years of service multiplied by the years of service subject to the maximum pay limit of Rs. 1,800 per mensem and an overall ceiling of Rs. 8,100 per annum for determining the pension. The *Death-cum-Retirement Gratuity* is earned at the rate of 1/4th of the emoluments drawn immediately before retirement, for each completed 6-monthly period of service subject to a maximum of 15 months' emoluments. The maximum amount of Gratuity is limited to Rs. 24,000.

35. The retirement benefit of employees governed by the contributory provident fund scheme consists of the amount contributed to the provident fund by the Government. These employees are required to contribute an amount equal to $8\frac{1}{2}$ per cent of

*Deokinandan Prasad Vs State of Bihar Writ Petition No 217 of 1968 decided on May 4, 1971.

their emoluments and there is a matching contribution by the Government. The Railway employees governed by their contributory fund scheme are in addition entitled to a special contribution, which has been discussed later.*

Unlike the employees governed by the pension schemes, there is neither any monetary limit on emoluments for earning the matching Government contribution nor is there any ceiling on the length of service for earning such contribution. Thus an employee governed by the contributory provident fund scheme can continue to receive matching Government contributions on emoluments exceeding Rs. 1,800 per mensem and will continue to benefit from these contributions even if the service rendered exceeds 30 years. Further, resignation from service in the case of an employee who has rendered a service of five years or more does not entail any forfeiture of the Government contribution.

36. Since Government service is looked upon as a career service, there are advantages in having a pension scheme for the generality of the employees who enter Government service at different levels at the normal age of recruitment. The contributory provident fund scheme, on the other hand, is of advantage in cases where lateral induction of specially qualified and experienced personnel is considered necessary as such personnel enter the Government service at an age when the pensionary scheme may not be of much benefit to them. This scheme is useful for short term contract appointments or where mobility of scientific and technical personnel into and from Government Departments, research institutes, universities, etc. is considered desirable in the overall interest. The pension schemes on the other hand, which offer a lump sum gratuity on retirement coupled with an annuity for life and social security for the family in the shape of a family pension should continue to apply to the generality of Government employees who enter Government service as a career service.

Emoluments

37. It has been represented before us that the emoluments for purposes of pension should either be the last pay drawn or the average emoluments drawn during the last 10 or 20 months of service. We are unable to accept the demand for calculating pension with reference to the last pay drawn as, while on the one hand this would adversely affect employees who might have officiated in a higher grade during the last 36 months of service but might have been reverted to a lower post just before retirement, on the other hand certain employees might earn higher pension based on purely fortuitous short-term promotions and postings. The existing provision for calculation of average emoluments over a period of 36 months has been continuing for a long time. Both the First and the Second Pay Commissions recommended its continuance. We do not, therefore, recommend any change in the existing formula for calculation of emoluments over a period of 36 months for purposes of pension.

Rates of pension

38. There is a general demand from the employees for increasing the rates of pension and gratuity as the

* Paragraph 49 infra.

existing benefits are considered by them to be inadequate in the context of the increased cost of living. They have urged that the existing restriction of 30 years on the service qualifying for pension should be removed and pension should be calculated with reference to the total service rendered by an employee. In this context they have pointed out that in Punjab and Haryana, consequent upon raising the age of superannuation from 55 to 58 years, the qualifying service for pension was also increased to 35 years for the Class IV staff and 33 years for others. There are also representations that the existing ceilings of Rs. 8,100 per annum for pension and Rs. 24,000 for gratuity should be increased as these were fixed long ago and there has been considerable erosion in money values since then. The new ceilings suggested for pension generally range between Rs. 1,000 to Rs. 1,500 per mensem. In regard to the formula for calculating pension, the general demand is that it should be 1/60th of the average emoluments for every year of service instead of 1/80th as at present.

39. With the introduction of the Liberalised Pension Rules in 1950, pension is calculated at the rate of 1/80th of the average monthly emoluments as against the previous rate of 1/60th for each year of qualifying service up to 30 years. The scheme for payment of death-cum-retirement gratuity introduced simultaneously provided for a gratuity at the rate of 9/20th of monthly emoluments subject to a maximum of 15 months' pay or Rs. 22,500, whichever was less. We understand that when the computation of pension was changed from 1/60th for every completed year of service to 1/80th and instead a gratuity was allowed, the extra liability on the Government was estimated to be marginal only. We requested the Controller of Insurance to indicate whether, having regard to the changes that have taken place from time to time in the interest rates, rates of mortality, age of superannuation, etc., the Government has lost or gained financially by granting pension at the rate of 1/80th of average emoluments for each year of service plus gratuity, instead of 1/60th without gratuity. While it was not possible for the Controller of Insurance to indicate the precise position in view of the numerous changes that have taken place from time to time, it was indicated that at present the contribution rate for pension at 1/80th plus death-cum-retirement gratuity is lower than that for pension at 1/60th by about 0.3 per cent.

40. In considering the demand for improving the existing pensionary benefits we have to take note of the age of retirement, the nature of our pension schemes, the need to maintain the attractiveness of Government service and other relevant factors. At present most of the employees appointed direct to the Class III and Class IV services and posts enter Government service prior to completing the age of 23 years and thus before reaching the normal age of superannuation render a qualifying service of about 35 or 37 years in the case of Class III and Class IV staff respectively. The upper age limit for recruitment to the Class I organised services has recently been raised from 24 years to 26 years for the non-technical services and to 30 years temporarily for the engineering services. Even in respect of these services the average age of recruitment is generally below the

prescribed upper age limit and the officers appointed to these services also render a qualifying service of more than 30 years before reaching the normal age of superannuation. The maximum service qualifying for pension has remained 30 years despite the enhancement of the age of superannuation by 3 years in 1962.

41. Most of the employees' associations have drawn our attention to the fact that in other countries the superannuation pension works out to about 50 to 80 per cent of the last pay drawn. They, however, seem to overlook the fact that in most of the other countries where higher rates of pension are allowed, the pension schemes are generally of a contributory nature. For example, in Australia, Canada, France, Japan, Phillipines and USA, where higher rates of pension are allowed, the employees are required to contribute to the pension fund an amount ranging between 4 to 7 per cent of their salary. The pension schemes operated by the United Nations, as also the International Bank for Reconstruction and Development, International Monetary Fund and Asian Development Bank are also contributory with the rate varying between 7 to 7 $\frac{1}{2}$ per cent of the monthly remuneration. It is note-worthy that even without any improvement of the existing pension formula, there would be a substantial increase in the amount of pension admissible to the Class IV and Class III employees on account of the improved pay scales recommended by us. We are, therefore, unable to recommend an improvement of the existing pension formula as it would increase substantially the pension liability of the Government. We, however, consider that the existing restriction on the maximum service qualifying for pension as also the existing ceilings on the amount of pension and gratuity need to be reviewed. In U.K., where the pension scheme is non-contributory like ours and the pension formula is also the same, there is no ceiling on the maximum amount of pension and the maximum service qualifying for pension goes up to 45 years. While we do not recommend adoption of the U.K. practice *in toto*, as conditions are different, we think that there is enough justification for increasing the qualifying service for pension and gratuity from 30 years to 33 years and we recommend accordingly. This would benefit almost all the Class IV and Class III employees and those of the Class II and Class I directly recruited employees who enter Government service up to the age of 25 years.

42. The existing ceilings on pension and gratuity were fixed more than 15 years ago. We were told by many of the official witnesses and the Chairman, Union Public Service Commission, that along with suitable revised salary scales, an improvement in pensionary benefits was equally necessary to safeguard the quality of the intake into the higher services. We have not found it possible for the various reasons discussed in Chapter 7 to recommend any improvement of the highest salaries under the Government. While we appreciate the validity of the argument that retired officers should not look forward to maintaining the same standard of living to which they were accustomed while in service, we do feel that those officers holding important assignments should be enabled, in the public interest to function

while in service, relatively free from avoidable pecuniary worries occasioned by the sharp fall in emoluments following their impending retirement.

43. Taking various factors into consideration we recommend that the upper pay limit for the grant of pension be fixed at Rs. 2,500 per mensem. This represents the minimum of the pay scale for the posts of Joint Secretary, and broadly the mean of the pay scale recommended by us for the generality of the heads of departments in the various scientific, engineering, technical and other services.

We further recommend that the existing ceiling on maximum pension should be increased from Rs. 675 per mensem to Rs. 1,000 per mensem. This would mean that the maximum pension would be earned by a person drawing Rs. 2,500 per mensem after 32 years service. The maximum qualifying service for pension is being fixed at 33 years, so that persons in the lower and middle pay ranges derive full benefit. The upper limits on pay and pension are being retained to ensure that pensions are kept at reasonable levels and disparities in pensions, between the highest and lowest are moderated.

Death-cum-Retirement Gratuity

44. Consequent to our recommendations for raising the maximum qualifying service as also the maximum limit on pay for earning pension, we recommend that the qualifying years for earning gratuity should also be raised from 30 to 33 years and the maximum limit on pay for that purpose should be raised from Rs. 1800 to Rs. 2500 per mensem.

45. We also examined the question of the maximum amount of gratuity which could be admissible on an actuarial basis on the adoption of these revised limits and on enhancement of the maximum pension from Rs. 675 per mensem to Rs. 1000 per mensem. We were informed by the Controller of Insurance that taking into account the revised limits for pay, qualifying service and maximum pension recommended by us, the maximum amount of death-cum-retirement gratuity could be fixed up to Rs. 40,000 on the same principle as was adopted when the scheme of death-cum-retirement gratuity was introduced initially under the Liberalised Pension Rules. It appears to us that it may not be appropriate to fix the maximum amount of gratuity purely on actuarial basis. While this concept could be followed when the grant of pension was initially changed from 1/60th to 1/80th of the average emoluments and in lieu a death-cum-retirement gratuity was introduced, the same principle would not hold good when an improvement of the pension and gratuity rates is considered. We have also not found it possible* to accept this principle while considering the demand of the Services Headquarters for improving the rates of pension of Service Officers. Moreover, a raising of the maximum amount of gratuity to the extent of Rs. 40,000 would mean an increase of more than 66 per cent and only the employees drawing higher salaries would be benefited by this. Since we have recommended raising of the existing ceiling on pension, we think that raising of the maximum amount of gratuity to Rs. 40,000 would be an increase of an

*Para 11—Chapter 53

unconscionable order. Having regard to all these considerations, we recommend that the maximum amount of gratuity should be raised from Rs. 24,000 to Rs. 30,000 only.

46. We would also recommend that the exemption limit on gratuity for purposes of tax liability should also be correspondingly raised from Rs. 24,000 to Rs. 30,000.

Death Gratuity

47. In case a permanent Government servant dies while in service, death gratuity is paid at the following rates :—

Length of service	Death gratuity
Below 1 year	2 months' pay
1 year and above but less than 5 years	6 months' pay
5 years and above	¼th of emoluments for each completed 6-monthly period of qualifying service subject to a maximum of 15 times the emoluments and a minimum of 12 times the emoluments.

Permanent Government servants governed by contributory provident fund scheme who die while in service are also paid a death gratuity to make up the difference between the Government contribution to the provident fund and the gratuity at the above rates. While we do not recommend any change in the existing formula for payment of death gratuity we recommend that the maximum amount of death gratuity should be raised to Rs. 30,000.

Service Gratuity

48. At present a permanent employee who superannuates or is invalided out with a qualifying service of less than 10 years is paid a service gratuity at the rate of ½ month's emoluments for every completed 6-monthly period of service for the first 4 years and at the rate of 3/8 month's emoluments for every 6-monthly period thereafter up to the qualifying service of 9½ years. We do not recommend any change in the existing position.

State Railway Provident Fund

49. Both gazetted and non-gazetted Railway employees with a service of not less than 15 years who are governed by the State Railway Provident Fund Scheme are at present allowed a special contribution at the rate of 1/4th of a month's pay for each completed 6-monthly period of service but not exceeding 15 months' pay or Rs. 35,000, whichever is less. We have been informed by the Railway Board that for such employees the Government contribution and the special contribution to the provident fund together constitute the retirement benefits which in other civil departments are given in the shape of pension and death-cum-retirement gratuity. Accordingly, when pensionary benefits to the other civil employees were improved in 1956 and 1957, the maximum of the special contribution to the provident fund for the Railway employees was also increased from Rs. 25,000 to Rs. 35,000. We have not examined whether and to what extent any further increase in this contribution

should be made consequent upon the enhancement of the maximum pension and gratuity being recommended by us for pensionable employees. The Government may decide the same as they deem fit.

Family Pension Scheme

50. Central Government employees, both permanent and temporary, borne on pensionable establishments are governed by the Family Pension Scheme, 1964, under which family pension is admissible in case of death of the Government servant while in service or even after retirement. This benefit is available only if the Government servant had completed a minimum of one year of service or had retired on pension. The amount of family pension admissible under the scheme is as follows :—

Pay of the Government servant	Monthly family pension
Below Rs. 200	30% of pay (before 1-3-1970 the minimum of family pension was Rs. 25. From the above date minimum pension was raised to Rs. 40 per mensem).
Rs. 200 and above but below Rs. 800	15% of pay subject to a maximum of Rs. 96 and a minimum of Rs. 60.
Rs. 800 and above	12% of pay subject to a maximum of Rs. 150.

The scheme also provides that in case an employee dies in harness after having rendered a minimum of 7 years' service, the family pension should be paid at an enhanced rate so as to be equal to 50 per cent of the last pay drawn or twice the ordinary family pension at the rates indicated above, whichever is less. The family pension at the enhanced rates is admissible for a period of 7 years or till the normal date on which the Government servant would have superannuated, whichever is earlier. Thereafter, the family pension is payable at the ordinary rate only. The scheme is contributory and every employee governed by it is required to surrender a portion of his gratuity, if admissible, representing 2 months' emoluments subject to maximum of Rs. 3,600.

51. It has been represented by the unions and associations that the existing rates of family pension and the ceilings are too low and do not, therefore, provide adequate protection to the families of the deceased employees. It has also been argued that the family pension scheme being in the nature of a social security measure, the employees should not be called upon to contribute towards the same. Demands have also been made that the family pension at the higher rates should be paid for a longer period.

52. We have been informed by the Government that when the family pension scheme was introduced in 1964, it was estimated that the ultimate annual cost of the scheme at the end of 25 years would come to about Rs. 17 crores per annum. The contribution of the employees was estimated to cover about 8 per cent of the total expenditure on the scheme. There was a liberalisation of the original scheme in 1966 when provision for payment of family pension at an enhanced rate was introduced and further in 1970 when the minimum family pension was raised

from Rs. 25 to Rs. 40 per mensem. These liberalisations have involved additional expenditure on the scheme but there has not been any corresponding increase in the contribution from the employees.

53. A family pension scheme has been recently introduced for the industrial workers covered by the Employees Provident Fund Act, 1952 and some other categories of workers in the coal mines. In respect of the former a Family Pension Fund has been created by diverting a portion of the employer's and employee's contribution to the provident fund to which an equal contribution has been added by the Central Government. While the employees have to contribute 1-1/6% of their pay, the employers and the Central Government also contribute an equal amount. Thus the contributory principle has been made an integral part of the scheme introduced for the industrial workers also.

54. We think that it is a healthy principle to require a contribution from Government employees for a

scheme which confers a long term benefit on their families. We do not, therefore, recommend any change in the existing arrangement under which the Government employees are also required to contribute partly towards the financing of this scheme. Since we have recommended the pay limit of Rs. 2,500 for earning pension we recommend that, while the contribution of the employees should continue to be equal to two months' emoluments, the maximum amount of contribution should be raised from Rs. 3,600 to Rs. 5,000.

55. We also consider that the existing rates of family pension are inadequate and do not provide sufficient succour to the families of the deceased Government employees, particularly those who die in harness. According to the information furnished to us by the various Ministries/departments the number of Central Government employees who died while in service during the last 6 years is, as given in the table below :—

TABLE IV

Statement showing the number of Central Government employees who died while in service during the period 1965-1966 to 1970-1971 and the percentage of deaths per year for each class of employees.

Length of service	Class I	Class II	Class III	Class IV	Total
Less than 10 years' service	71	73	4355	7140	11639
10—30 years' service	289	527	16293	20715	37824
More than 30 years' service	77	103	2619	2590	5389
Total number of deaths during the period 1965-1966 to 1970-1971	437	703	23267	30445	54852
Average number of deaths per year	73	117	3878	5074	9142
Total number of employees as on 1-1-1971	34200	46100	1544900	1337500	2962700
Percentage of deaths in each class per year	0.21	0.25	0.25	0.38	0.31

It would be seen that while expressed as a percentage of the total number of employees the cases represent an insignificant percentage, but taken absolutely the number of cases are large enough to merit sympathetic consideration. It is noteworthy that the bulk of the cases relate to employees who have rendered between 10 to 30 years of service. In such cases the family responsibilities are likely to be such that the death of the bread earner would place the family in really indigent circumstances. We are of the view that having regard to the above mentioned features, and the sharp increase in the cost of living that has occurred since the scheme was introduced in 1964 [the 12-monthly average of the index (1949=100) having gone up from 135 in January, 1964 to 243 in October, 1972] the existing rates of family pension as also

the ceilings need improvement and we accordingly recommend the following rates of family pension :—

Pay of the Government servant	Amount of family pension per mensem
Below Rs. 400	30% of pay, subject to a minimum of Rs. 60 and a maximum of Rs. 100.
Rs. 400 and above but below Rs. 1200.	15% of pay, subject to a minimum of Rs. 100 and a maximum of Rs. 160.
Rs. 1200 and above	12% of pay, subject to a minimum of Rs. 160 and a maximum of Rs. 250.

56. A suggestion has been made that superannuation pension should be granted for a minimum period after retirement out of which the period for which the pension had actually been drawn by the employee on death after retirement could be deducted. It seems to us that if the Government were to commit themselves to pay pension for a minimum stipulated period, the overall financial commitment would increase as while those who live either up to the normal period or a ripe old age will claim their pension, Government will have to assume the liability to pay the pension to the families of those persons who have died earlier. We think that the existing death-cum-retirement gratuity scheme was introduced primarily to safeguard the interest of those families where the pensioners die soon after retirement. Further, the family liabilities cannot be considered to be of the same order after retirement as in cases of death while in service. Having regard to all these considerations we are unable to accept the demand for payment of superannuation pension for a minimum guaranteed period of 10 years or so.

57. There may, however, be cases where an employee dies either just before or soon after the date of superannuation with the result that the family does not get the benefit of the enhanced family pensionary rates which, under the existing rules, are payable for a period of 7 years or the age of superannuation, whichever is earlier. The families of such deceased Government employees may be put to hardship on account of the operation of these restrictions. The hardship could be somewhat mitigated if the family pension at the enhanced rate is paid for a minimum period irrespective of whether the death occurs while in service or soon after retirement. We accordingly recommend that in case an employee dies after having rendered a minimum of 7 years' service the family pension should be paid at an enhanced rate equal to 50% of the last pay drawn or twice the ordinary family pension at the rates indicated in para 55 above, whichever is less, for a maximum period of 7 years or the age of 65 years, had he survived, whichever is earlier. We also recommend that in cases of death after retirement, the amount of family pension at the enhanced rates should not exceed the normal superannuation pension (uncommuted value) to which the Government employee would be entitled to on superannuation.

58. We also recommend that family pension in cases of death after retirement should be given only to those who were members of the family of the Government employee as declared at the time of retirement.

59. We also recommend that the Government should consider introducing a contributory family pension scheme for the Railway employees also who are at present governed by the State Railway Provident Fund Scheme and are thus not eligible for the benefit of the family pension.

Invalid Pension

60. A Government servant who is declared by the medical authorities to be permanently incapacitated for further service is granted an invalid pension if he has rendered qualifying service of 10 years or more. The

invalid pension is proportionate to the length of his service before invalidment, and thus there may conceivably be cases where the amount of pension is very small. A Government servant invalidated out of service on account of permanent incapacity, apart from being unable to earn for the family, would himself become a burden upon them. We think that an employee who is retired from Government service on medical grounds for a disability which renders him completely unfit for further service should not get an invalid pension which is less than the family pension. Accordingly, while not suggesting any change in the existing conditions for grant of invalid pension, we recommend that the amount of invalid pension should not be less than the amount of family pension at the ordinary rates.

Temporary Service

61. At present all service rendered in a substantive capacity and in a temporary or quasi-permanent capacity which is followed by confirmation counts for pension. Temporary and quasi-permanent employees are paid a terminal gratuity at the following rates under the provisions of the Central Civil Services (Temporary Service) Rules, 1965 :—

For temporary employees

Length of Service	Amount of gratuity
Below 5 years	Nil
Continuous service of 5 years or more but below 10 years.	1/3rd of a month's pay for each completed year of service.
Continuous service of 10 years or more	One month's pay for each completed year of service subject to a maximum of Rs. 12,000 or 12 months' pay, whichever is less.

For Quasi-permanent employees

Length of Service	Amount of gratuity
Below 5 years	(i) No gratuity for temporary service. (ii) Half a month's pay for each year of quasi-permanent service.
Continuous service of 5 years or more but below 10 years.	Half a month's pay for each year of quasi-permanent service including 2/3rd of temporary service.
Continuous service of 10 years or more.	At the same rates as for temporary employees.

62. The Administrative Reforms Commission recommended* that if a temporary employee has continued in Government service without a break for at least 10 years, all such service, whether followed by confirmation or not, should count for pension and gratuity on the same scale as admissible to permanent Government employees. We sought specific comments on this recommendation *vide* Question No. 68 of our Questionnaire and a large number of respondents have favoured the implementation of this recommendation of the Administrative Reforms Commission.

63. We feel that employees who are recruited for temporary assignments are rightly paid a terminal

*Recommendation No. 61 in the Report on Personnel Administration.

gratuity as the character of their service is distinguishable from the character of service of permanent Government employees. It can also be argued that the security of tenure, and the attraction of pension, result in better candidates joining permanent posts than those joining temporary posts, *ceteris paribus*. We, therefore, think that the temporary and quasi-permanent employees should continue to be paid a terminal gratuity only as heretofore.

64. At present, while the terminal gratuity for temporary and quasi-permanent employees with a continuous service of 10 years or more is the same, there are differences in respect of service below 10 years. We do not see the justification for the differentiation in the rates of terminal gratuity between quasi-permanent and temporary employees with a continuous service of 5 years or more but below 10 years. We recommend that temporary employees with a continuous service of 5 years or more and all quasi-permanent employees should be paid a terminal gratuity at the rate of half a month's pay for each completed year of service below 10 years and for continuous service of 10 years or more at the rate of one month's pay for each completed year of service subject to a ceiling of Rs. 15,000, or 15 months' pay, whichever is less.

65. While we consider the existing system of paying a terminal gratuity to temporary and quasi-permanent employees to be a satisfactory arrangement, we think that the terminal benefits to these employees for the service rendered under the Government should not be less than what would be available to employees governed by the contributory provident fund scheme. We accordingly recommend that the amount of terminal gratuity paid to a temporary or quasi-permanent employee should not be less than the amount which he would have got as matching Government contribution to the provident fund if he were on the Contributory Provident Fund Scheme from the very inception of his continuous temporary service. We recommend that the matching contribution of the Government in such cases should be worked out so as to be equal to the amount actually contributed by the temporary employee himself to the provident fund subject to the matching contribution not exceeding 8-1/3% of his pay. The benefit of a contributory provident fund should not, however, be extended to temporary and quasi-permanent employees who are made permanent. They should on confirmation be automatically brought over on the pension scheme applicable to the other permanent Government employees.

Benefit of added years

66. There is a demand that scientific, medical and technical officers who enter Government service at a late age should be allowed full pension on completion of 20 years of service. It has been urged that these officers have to spend many years in acquiring the necessary specialised qualifications and should not be placed at a disadvantage compared to other officers who enter Government service at the normal age of recruitment. At present under Article 404-B*, CSRs, an officer appointed after 31-3-1960 to a service or post for which post-graduate research or specialist qualification or

*Incorporated as rule 30 in the Central Civil Services (Pension) Rules, 1972.

experience in scientific, technological or professional fields is necessary and to which candidates of more than 35 years of age are normally recruited, may be allowed to add to his service qualifying for superannuation pension (but not for any other class of pension) the actual period not exceeding 1/4th of the length of service or the actual period by which his age at the time of recruitment exceeds 25 years or a period of .5 years, whichever is least. This concession is not admissible to officers whose qualifying service at the time of superannuation is less than 10 years. Further, an officer if recruited at the age of 35 years or more has the option to come over to the contributory provident fund scheme instead of the pensionary scheme. This concession of added years of service is not given automatically and a decision to grant it in each case has to be taken at the time of recruitment by the administrative Ministry in consultation with the Ministry of Finance and the Union Public Service Commission. It appears to us that the rule is neither generally known to the candidates at the time of their selection nor has it been utilised by the concerned Ministries/Departments. According to the information made available to us, after 1960 the benefit has so far been extended in two cases only.

67. The benefit of added years of service is given to late entrants in some other countries also. For example, in the U.K. for a civil servant who joins service after attaining the age of 40 years, the length of service is treated as 8/5 of the actual length of service. This concession is also admissible to a civil servant who joins service between the age of 30 and 40 years but in his case the service rendered before attaining the age of 40 years is disregarded.

68. We think that the existing provision for giving the benefit of added years of service to specially qualified or experienced personnel appointed to posts where these qualifications are necessary in the public interest is salutary and should continue. We would also recommend that the scientific, medical, technological and other professional services and posts where the benefit of added years of service is considered essential should be identified in consultation with the Union Public Service Commission and the Ministry of Finance, and a suitable provision incorporated in the relevant recruitment rules so that the benefit is automatically available to all the candidates who are recruited in accordance with the provisions of those rules and it should not then be necessary to take a decision in each individual case at the time of recruitment. Further, in the advertisements issued by the Union Public Service Commission for recruitment to such services and posts it should be mentioned that this benefit would also be available so that candidates of better quality are attracted to the Government service.

Extraordinary Pension

69. At present, compensation to the industrial workers in cases of death or disability arising out of and in the course of their employment is paid under the Workmen's Compensation Act, 1923. Those Government employees who are not covered by the provisions of this Act are entitled to benefits under the Central Civil Services (Extraordinary Pension) Rules. While the compensation under the Workmen's Compensation Act in cases of death and for various degrees of permanent or temporary disablement is paid as a

lump sum amount, the benefits under the Extraordinary Pension Rules comprise gratuity and monthly pensionary benefits. The compensation under the Extraordinary Pension Rules is admissible only when the death or injury occurs in circumstances which can be attributed to 'risk of office' or 'special risk of office'. The risk of office is defined as an accident or disease to which a Government servant is exposed in the course of and as a consequence of his duties but does not include a risk common to human existence in modern conditions. Special risk covers risk of injury inflicted by violence, mobs or persons, risk of injury suffered in an accident which has occurred in circumstances which materially increase the risk beyond the normal risk of office, and risk of contracting diseases to which a medical officer is exposed while attending to patients suffering from venereal or septicaemic diseases. In cases of disablement the injuries have been classified as belonging to Class A, B and C depending upon whether these have been sustained as a result of risk of office or special risk of office and also with reference to the nature of injuries. Cases falling under Class A and B involving loss of an eye or a limb, etc. qualify for payment of a permanent pension. In cases of death attributed to special risks of office the family is entitled to a gratuity as well as family pension, the rate for the latter being different from the rate of family pension under the Family Pension Scheme. The family pension consists of both widow's pension and pension for children as also provision for children's education allowance. Under Article 320 of the Constitution, consultation with the Union Public Service Commission is a requirement for grant of the benefit of extraordinary pension. However, this has been dispensed with in respect of Class III and Class IV staff. Further, extraordinary pension awards are sanctioned by the administrative authorities in consultation with the Comptroller and Auditor General and in cases of disagreement as regards the admissibility and the quantum of the awards, the matter is referred to the Ministry of Finance.

70. It appears to us that the existing rules for grant of extraordinary pensionary benefits are rather complicated and it may not always be clear whether a particular case falls within the purview of these rules and, if so, under which category of risk of office. The rules are capable of varying interpretations resulting in differing benefits to employees exposed to similar risks. There have not been many cases where benefits of this kind have been granted. The following table gives information in regard to the awards sanctioned under the provisions of these rules during the period 1966 to 1971 :—

TABLE V

	Class I	Class II	Class III	Class IV	Total
(i) Number of employees granted pension for injuries suffered as a result of					
(a) Risk of office	—	—	65	55	120
(b) Special risk of office	—	—	83	—	83
(ii) (Number of cases where pension was sanctioned to the widows/children/parents of Government servants who were killed or died of injury received as a result of					
(a) Risk of office	1	2	47	5	55
(b) Special risk of office	—	—	417	40	457

71. We recommend that the basic criteria for an award under the Extraordinary Pension Rules should be whether the death or injury is attributable to service or aggravated by service rather than the existing distinctions with reference to the risk of office and special risk of office. In the Armed Forces, a similar criterion is in vogue and even in respect of industrial workers the compensation is payable if the injury or death of a workman is attributable to an accident arising out of and in the course of his employment.

72. We also recommend that the existing classification of injuries into various classes for the grant of benefits under the Extraordinary Pension Rules should be replaced by a list similar to that under the Workmen's Compensation Act which should form a part of the rules so that it should be clear to all as to which type of injury would entitle an employee for the grant of benefits under these rules.

73. We, further, recommend that the family pensionary benefits to widows and motherless children under the extraordinary pension rules should be rationalised and their rate structure brought in line with the benefits admissible under the Family Pension Scheme, 1964. Since the death in these cases is attributable to service conditions, we recommend that the restriction under the family pension rules for payment of the family pension at the higher rate for a period of 7 years or the date of superannuation, whichever is earlier, should not apply in these cases and family pension at the higher rate under the family pension rules should be paid to the widow for life and motherless children up to the appropriate ages subject to the fulfilment of the other conditions.

74. We recommend that in addition to the widow's pension, gratuity, children allowance and children's education allowance should continue to be admissible as at present.

75. We consider it unusual that a pension should be granted to an employee for an injury resulting in loss of limb etc. even though the employee continues to be in service and earns his monthly salary. We, therefore, recommend that in cases of disablement attributable to service, the employee, if retained in service, should be paid a compensation in lump sum only. However, in cases where the disability results in invalidment out of service, the existing arrangement for payment of a monthly pension should continue.

76. For the reasons mentioned in para 60, we have recommended that the amount of invalid pension in ordinary cases where a person is invalided out of service should not be less than the amount of family pension admissible under the Family Pension Scheme. For the same reasons, we recommend that the amount of disability pension to an employee under the Extraordinary Pension Rules should not be less than the amount of family pension that would be admissible to the widow under these rules.

We would recommend that Government should determine the pensionary benefits under the Extraordinary Pension Rules in the light of above recommendations and our general recommendations on pensionary benefits.

Compulsory Insurance

77. It has been represented to us that since the existing superannuation and family pensionary benefits are inadequate, these should be supplemented by the Government taking out insurance policies for the employees either with or without some contribution from them. The Second Pay Commission had recommended introduction of a compulsory insurance scheme for low paid Government employees. This recommendation was, however, not implemented as a family pension scheme for Government employees was introduced in 1964, the provisions of which were more liberal than the scheme recommended by the Second Pay Commission.

78. According to the information available with us compulsory insurance schemes are in operation for the employees in the States of Mysore and Rajasthan. In both the States the schemes are contributory and are run departmentally by the respective State Governments. We have been informed that the schemes have benefited not only the employees but also the concerned State Governments, as while the risk has been covered in respect of the former, the latter have secured the use of sizable resources for departmental activities.

79. The Chairman, Railway Board has suggested to us the adoption of a departmentally run scheme of compulsory insurance for all the Central Government employees, under which the initial contribution of the employees to the compulsory provident fund could be treated as a notional premium. It was claimed by the Chairman, Railway Board that since there will be no need for any special documentation, the scheme could be run economically. We have been advised by the Controller of Insurance that if this scheme is to be run on an equitable basis, certain amount of documentation and administrative set-up will be necessary for purposes of review of premium rates on an actuarial basis from time to time, for grant of policy loans, for payment of surrender value to those members who leave Government service etc. We do not, therefore, favour the adoption of a scheme of compulsory insurance for its employees by the Government itself departmentally.

80. We have examined whether any other scheme could be adopted to provide an additional cover to the families of the Government employees. Since we have recommended improvements in the superannuation pension, family pension and the extraordinary pension, we are of the view that if these benefits are to be supplemented further, it should be on a wholly contributory basis by the employees themselves. Accordingly, we requested the Controller of Insurance to suggest a scheme which did not involve any special administrative cost for the Government but could be run in the same manner as the existing family pension scheme. The Controller of Insurance has sent us a scheme, under which all Government employees will be required to pay a single rate of contribution of Rs. 5 per mensem which will be deducted from their monthly pay bills and credited to the Government. In case of death while in service an amount of Rs. 5,000 will be paid to the family of the Government employee. In cases of superannuation, or if an employee demits office for any reason, he will be paid back the actual amount contributed by him till then, *without addition of any interest.*

81. The essential feature of this scheme is that it is mainly the interest earned on the contributions paid (which are returnable) which finances the death benefits payable to the families of employees who die while in service. We have been informed by the Controller of Insurance that this scheme is financially fully self-supporting and Government does not have to subsidise the same in any manner.

82. Since this scheme does not involve much of additional administrative work and is also financially self-supporting, it commends itself to us particularly because it provides an additional cover to the employees on payment of a small contribution. The scheme has the added advantage that while covering the risks, the amount actually contributed by the employee is also paid back to him.

83. Having regard to all these features, we commend adoption of the above scheme for the Central Government employees. We recommend that whereas all existing permanent employees and temporary employees with one year's service on regular establishment should be given an option to be governed by this scheme, it should be made compulsory for all such categories of employees who enter Government service in future. We also recommend that no advances for any purpose should be allowed to the employees out of the amounts contributed by them under this scheme.

Provident Funds

84. All temporary Government servants with one year's service and all permanent Government servants other than those who are subscribers to the contributory provident fund, are required to subscribe to the General Provident Fund. The amount of subscription should be not less than 6% of their emoluments (8-1/3% of emoluments in the case of railway employees) except for Class IV employees for whom the minimum rate of subscription is Rs. 4 per mensem if their pay is less than Rs. 75 per mensem and Rs. 5 for others. Employees governed by the contributory provident fund rules have to subscribe each month a sum not less than 8-1/3 per cent of their emoluments as on the 31st March of the preceding year. Government also makes a matching contribution to the account of each subscriber subject to a maximum of 8-1/3 per cent of his emoluments. In both cases the balances in the provident funds earn interest at rates which are fixed by the Government from year to year. The rate of interest fixed on these balances for the year 1972-73 is 6.00 per cent per annum on the first Rs. 10,000 and 5.30 per cent per annum on balances in excess of this amount.

85. Most of the employees' organisations have represented that the rate of interest on the balances in the provident funds should be raised so as to make it comparable with the rates allowed by the Nationalised Banks on long term fixed deposits. It has also been argued that since the employees are required to subscribe compulsorily to the provident fund, it is incumbent upon the Government to protect the balances from a fall in their real value on account of inflation. The fall in the value of rupee is a phenomenon applicable to all savings and no special protective device is called for in respect of the provident

fund balances of Government employees alone. The general question of inflation has been discussed earlier*.

86. The other suggestions relate to issue of pass books in respect of provident fund accounts, further liberalisation of grant of advances from the provident fund and decentralisation of the maintenance of provident fund accounts so as to facilitate speedy settlement on retirement.

87. We have been informed by the Department of Economic Affairs that the interest rates on the provident fund balances are fixed with reference to the Government's borrowing rates from time to time. For working out the rate of interest the average redemption yields on securities of Central rupee loans with unexpired maturity of 5 years or more are taken into account. The rate of interest on provident funds as a whole is first determined and thereafter a small premium is allowed to all subscribers on the first Rs. 10,000 of their balances. In allowing this premium the income tax concession enjoyed by the higher paid employees on amount credited in a year to the provident fund is also taken into account.

88. It seems to us that while the interest rate paid by the Government on provident fund deposits can reasonably be expected to reflect somewhat the cost at which the Government borrows money from the open market the rate so fixed should also correspond closely to the interest rates allowed by nationalised banks, etc. on long term deposits. It is well known that Central loans are generally subscribed to by institutional investors, rather than by small businesses and individuals. Since Central Government securities etc. are approved securities, there is a direct inducement on the part of the trustees of funds etc. to divert their investible surplus to these investments. The lower interest rates applicable to such securities need not therefore be the sole determinant of the provident fund interest rates, in disregard of the higher rates available to small investors from the Nationalised Banks etc. on long term deposits. There is force in the employees' demand that since provident fund contributions are compulsory, the Government has a moral responsibility to protect the interest of the subscribers. It is also to be noted that the tax concessions on provident fund contributions would generally be available to employees in the higher income brackets only. Moreover, interest earned on National Savings Certificates, and on short term deposits in banks as well as the dividend income from the shares of Indian companies have also been exempted up to Rs. 3,000 per annum from the income tax. It could, therefore, be argued that to this extent the interest accruing on provident fund balances is not much different from the interest accruing on National Savings Certificates, short term deposits, etc. At present nationalised banks pay interest up to 7½ per cent per annum on 7-year fixed deposits. Recently, the Board of Trustees of the Employees' Provident Fund organisation have also raised the rate of interest on employees' provident fund balances for the year 1972-73 to 6 per cent per annum from 5.7 per cent in 1970-71, having regard to the return that they

are getting from the investments of the provident fund money. We recommend that the rate of interest on the provident fund balances of the Central Government employees should be broadly comparable with the interest allowed by the nationalised banks on long term deposits. We would leave it to the Government to determine the precise rate of interest having regard to all these factors.

89. Some of the unions have complained that at present the provident fund accounts of the employees remain incomplete as in many cases the amounts contributed by them are for various reasons not adjusted in the books of the Accountants General. It has, therefore, been suggested that the employees should be provided with pass books showing up to date balances in their provident fund accounts in the same manner as is being done by the postal authorities/banks in the case of savings bank accounts. We consider that this suggestion is wholesome and, if implemented, would result in speedy payment of the provident fund balances to the employees at the time of retirement and would also expedite disposal of applications for refundable/non-refundable withdrawals from the fund while in service. We accordingly recommend that Government should introduce an arrangement of issuing pass books to the employees showing the up to date position of their provident fund balances.

90. In regard to the withdrawals from the provident fund, the rules provide for grant of refundable advances from these funds for meeting expenses on obligatory ceremonies, medical treatment, higher technical education of dependents etc. For other purposes not specified in the rules advances can be given with the approval of the Ministry of Finance. The rules also permit non-refundable withdrawals from the provident funds by employees with at least 20 years of service for meeting expenditure on the marriage of children and other dependents, medical expenses, cost of higher technical education of children and for acquiring a house site for building a suitable house. The various purposes for which advances from the provident fund can be taken and also for which the non-refundable withdrawals are permissible are sufficiently comprehensive to cover most of the general requirements of the employees. The existing provisions in this behalf are adequate and we recommend no changes therein.

91. The question whether the provident fund accounts of other employees could be decentralised like the provident fund accounts of Class IV employees (which are now maintained by the concerned departments) is a matter for the Government to consider in consultation with the Comptroller & Auditor General having regard to its feasibility.

Relief to pensioners ✓

92. We have received numerous representations suggesting that we should recommend some measures for protecting the pensions of the existing Government employees from erosion on account of the possible increases in the cost of living in future. We have given consideration as to the manner in which some relief could be provided to the future pensioners.

*Chapter 55.

In reply to our Questionnaire* most of the respondents have favoured the grant of dearness allowance to the pensioners at the same rate as applicable to the serving Government employees. A similar suggestion was made by the Comptroller & Auditor General also. The Comptroller & Auditor General also referred to the provisions of the U.K. Pensions (Increase) Act 1971 under which the U.K. Government has abandoned the concept of relief of hardship and has accepted an unqualified obligation to maintain the purchasing power of the public service pensions by means of two yearly reviews. While we do not favour the adoption of the U.K. practice as the conditions in this country differ, we feel that there is enough justification for giving relief on a regular basis to the future pensioners also. We are, however, unable to accept the suggestion that relief to the future pensioners should be allowed at the same rate as applicable to the serving Government employees as the family and other responsibilities of a pensioner cannot be considered to be of the same order as of a serving Government employee. Having regard to all these considerations we recommend that all future pensioners, irrespective of the amount of pension drawn by them, should be given a relief at the rate of 5 per cent of their pension subject to a minimum of Rs. 5 per mensem and a maximum of Rs. 25 per mensem. The relief at these rates should be given as and when there is a 16 points rise in the 12-monthly average of the All India Working Class Consumer Price Index (1960=100). The relief for the first time at these rates should be paid when the 12-monthly average of this index reaches 216.

93. It has been represented that the Central Government pensioners and their families as also the families of the deceased Central Government servants and pensioners should be entitled to the same medical facilities as available to the serving Government employees. At present, only such of the pensioners as are living in areas covered by the Central Government Health Service Scheme facilities can become its beneficiaries for themselves and their families on

payment of the usual nominal contribution. Retired Railway employees and their families can avail of the medical facilities in some nominated hospitals on a contributory basis. At places where there are no such nominated hospitals they can consult Railway doctors on payment of the prescribed fees. Thus the only benefit not available to the pensioners is that they are not entitled to claim reimbursement of medical expenses. We are not in favour of extending this benefit to the pensioners and the families of the deceased Government servants because of the obvious administrative difficulties involved in entertaining claims from the large number of pensioners scattered throughout the country. We have separately recommended the extension of the Central Government Health Service Scheme to areas having concentration of Central Government employees. As the Central Government Health Service Scheme is extended to cover more and more places, a large number of pensioners will automatically become eligible for the benefits available under the scheme.

Personnel belonging to the All India Services

94. The death-cum-retirement benefits of the personnel belonging to the All India Services are contained in the All India Services (Death-cum-Retirement Benefits) Rules, 1958. The general provision of these rules as also the quantum of various benefits are similar to the benefits available to the other Central Government employees governed by the Central Civil Services (Pension) Rules, 1972. The recommendations made above in regard to the death-cum-retirement benefits of Central Government employees would apply to the personnel belonging to the All India Services also.

Union Territory Employees

95. The recommendations made above would also apply to the employees of the Union Territories who, in the matter of retirement benefits, with a few exceptions, are governed by the same rules and regulations as applicable to the other Central Government employees.

*Question No. 67 (ii).

CHAPTER 61

HOURS OF WORK, HOLIDAYS AND OVERTIME ALLOWANCE

I. General

We deal in this chapter with the general provisions relating to the hours of work required to be put in by different categories of Government employees and the number of holidays allowed in a calendar year. The grant of casual leave (which is not a recognised form of leave) and payment for overtime work performed outside office hours or on holidays are also discussed in this chapter. Our suggestions in regard to the provisions of the Hours of Employment Regulations applicable to certain categories of railway servants have already been discussed in the Chapter on the Ministry of Railways.

II. Hours of Work

2. The hours of work prescribed for the Central Government employees differ according to their function and place of work *i.e.*, according as they are in the category of office staffs working in administrative offices, or workshop staffs or operating and maintenance staffs employed in public utility services in the Railways, Posts and Telegraphs and Civil Aviation Departments. Again, while no fixed hours of work are prescribed for the chowkidars, cooks, etc., there are categories like the police personnel and fire-fighting staffs who may be called to duty at any time of day and night.

3. Excluding the 11 lakh employees in the Railways who are governed by the provisions of the Hours of Employment Regulations and the operating and maintenance staffs in the P & T and Civil Aviation Departments, the two bulk categories of employees to be considered in the matter of hours of work are the staffs working in the administrative offices and the industrial staffs including those employed in the workshops. For the former, the working week consists of 6 days except that every second Saturday of the month is a holiday; the net weekly hours of work being $37\frac{1}{2}$ approximately. Office staffs in the Armed Forces Headquarters and the inter-Service organisations also put in approximately $37\frac{1}{2}$ hours of work every week, but they work only from 9 A.M. to 2 P.M. on all Wednesdays and Saturdays except in the second week of every month, in which Wednesday is a full working day and Saturday is a closed day. In the subordinate formations of the Armed Forces Headquarters, the office staffs are required to work for 6 hours every day without any break; their net weekly hours of work coming to 36. As against this, the workshop staffs are generally governed by the provisions of the Factories Act which permits up to 48 hours of work per week. This, however, represents only the broad picture and there are substantial variations as among different sections of

employees both on the industrial as well as the non-industrial side. For instance, non-industrial categories including the office staffs employed in industrial units have usually the same hours of work as prescribed in the workshops which are longer than the hours prescribed for the staff in the administrative offices. The same is true of the clerical staff in the railways working in the offices at stations, sheds, depots and yards and those employed in post and telegraph offices. There are a number of industrial establishments where the net weekly hours range from 42 to 45 per week. These variations have crept in either as legacies of the past or because of differences in the treatment of such matters as lunch-break, giving half-holiday every Saturday, etc. In fact, we find from the information supplied to us that even under the same Ministry *e.g.*, the Ministry of Railways or the Ministry of Defence, there is no uniformity in regard to the net weekly hours prescribed for the workshop staffs employed in the different industrial establishments. The position with regard to each is given below :

TABLE

	Net working hours per week
<i>Ministry of Defence</i>	
1. Ordnance Factories	44½
2. Establishments under the Army	42 to 48
3. Establishments under the Navy	45
4. Establishments under the Air Force	36 to 42
5. Research & Development Organisation	42½ to 46½
<i>Ministry of Railways</i>	
1. Eastern Railway	42½ to 46
2. Northern Railway	45 to 48
3. North Eastern Railway	48
4. North Eastern Frontier Railway	46 to 48
5. South Central Railway	47½ to 48
6. Western Railway	48
7. Central Railway	48
8. Southern Railway	47 to 48
9. South Eastern Railway	47 to 48

The information given above for the different railway zones pertains only to the staff working on the shop-floor. If we consider other categories of industrial staffs, *viz.*, those working in a power house or a printing press, we come across more variations not only as between the different railway zones but also within the same zone.

4. In the various establishments of the Posts and Telegraphs Department, the hours of work prescribed are different for the different categories of staff. For the office staffs working in the administrative offices, the hours prescribed are the same as in the other departments. The post offices remain open from 10 A.M. to 6 P.M. (including on Saturday) without any regular break provided for lunch, although staffs are allowed break for half-an-hour in rotation for having their meals. The same is the position for the telegraph offices and the RMS Record offices, although in the former some staff is employed to work in shifts in order to provide 24-hour service. In the telephone exchanges and wireless stations, round-the-clock service is maintained through shift-working.

5. The basic question to be considered is whether the existing variations are justified on grounds of public requirements. Since these variations are not reflected generally in the pay scales prescribed, it is also to be considered whether they are equitable. The Second Pay Commission* considered this issue and reached the following conclusion :—

“On the question of uniformity in weekly hours among the various groups of employees, we are of the view that it is not necessary or feasible. We are fortified in this view by practice in many other countries and in outside employment in this country.”

6. We have been able to collect some information regarding the weekly hours of work prescribed for the office staffs and the industrial staffs in the public sector undertakings and in private industry. We find that the public sector undertakings generally follow the Government pattern prescribing less number of working hours for the office staff in administrative offices, etc. and the provisions of the Factories Act in regard to the workshop staffs, including clerical and allied staff, employed in the workshops. In private industry, the most common pattern for the industrial staffs is to provide for a 48-hour working week with a lunch-break of half-an-hour on each working day. As against this, the hours of work per week for the non-industrial staffs are generally less, ranging from 37½ for those working in administrative offices to 48 for those working in industrial units. We also find that the net weekly hours prescribed for the non-industrial staffs in the private sector are more than 37½ generally and it is in a very few cases that the figure is lower than 37½. Our analysis shows : (i) that employees working in administrative offices of Government are more privileged in the matter of hours of work as compared to their counterparts in the public sector undertakings and private industry; (ii) that in this respect the industrial employees whether in the Government or outside are, with some exceptions, treated uniformly; and (iii) that the differential in net working hours between the industrials and non-industrials is more in the Government than in the public sector undertakings or the private industry.

7. The information that has been furnished to us in respect of the State Government employees working in administrative offices etc., indicates that as many as 9 State Governments follow the Central Government

pattern in prescribing a 37½ hour working week for their staff. The rest have prescribed shorter hours ranging from 33 to 36 hours per week, except in Bihar where the State Government employees are required to work only for 30 hours a week.

8. From the information that we have been able to collect for a few countries in regard to working hours prescribed for civil servants and others, we find that in many countries there has been a trend for reducing the number of working hours along the lines recommended by the ILO† viz., that where normal weekly hours of work are either forty-eight or less, measures for the progressive reduction of hours of work to forty a week should be taken. Thus, industrial workers in France, West Germany, Canada, Australia, United Kingdom and the USA now have a 40-hour working week. Countries where the industrials have longer working hours are the Netherlands (42½), Belgium (43 or 44) and Japan, Malaysia and Thailand (48). We also find that in most of these countries the non-industrial workers have shorter hours of work although the differential between the two varies considerably from country to country. In the UK, non-industrial civil servants work 3 hours less per week than the manual workers and 4 hours less if posted in London. In the USA and Canada, the normal working hours per week for non-industrial employees are 37½ as against 40 for industrial workers; in the Netherlands and Belgium non-industrials have shorter working hours, the difference ranging from 2½ hours to 4 hours. Countries where non-industrials work very much shorter hours than the industrials are Thailand (13 hours less per week), Malaysia (9½ hours less) and Japan (9½ hours less). Only in the case of one country, viz., West Germany, we find that non-industrial workers and public servants work from 2 to 3 hours more than the industrial workers.

9. The practice of prescribing for the staff in the administrative offices shorter hours of work than for the industrials is often justified on the ground that work in the administrative offices involves the application of mind, which is more exacting and tiring than the jobs in the workshops requiring generally the performance of physical tasks of a repetitive nature. We would hesitate to adopt this approach even though differences in this respect between office workers and industrials are almost universal and found in most countries. We feel that in our country the disparity is a little too wide and it is perhaps due to our traditional attitude which has so far placed a higher social value on general education than on the acquisition of manual skills. Thus, while we generally agree with the approach of the Second Pay Commission and feel that it would not be feasible or desirable to aim for uniformity, we think that there is considerable scope for reducing the disparity that exists today in the hours of work prescribed for the staff in administrative offices and for the industrial workers.

10. To take up first the hours of work prescribed for industrial workers, excluding those in the Railways who are governed by the provisions of the Hours of Employment Regulations, we would suggest that the existing provisions should be reviewed in respect of each

*Para 11 of Chapter XXXV of their Report (page 400)

†Recommendation No. 116 adopted in the 46th Session of the ILO at Geneva on 6th June, 1962.

class of industrial establishments in order to ensure much greater uniformity than exists at present. While we are reluctant to suggest any rigid formula in this respect in view of the variations in the local and other requirements of the different units, we would recommend that the limit of 48 hours should not be exceeded normally and where any class of industrial workers is required to put in longer hours of work in a week due to clearly unavoidable reasons, some way should be devised to compensate them for this unusual liability. We urge this approach only in respect of the normal run of industrial workers and not those covered by the Hours of Employment Regulations, or who are required to attend a place of work and wait for a call when the need for their services arises like chowkidars, gatemen, etc.

11. As regards the desirability of reducing the number of working hours for the industrials below the statutory maximum of 48 hours in a week, we find that quite a number of industrial establishments already provide for shorter working hours. In the incentive schemes formulated for the workshop staffs some allowance is generally made for the fact that a worker is not normally expected to work throughout the prescribed period and the time-rates are fixed accordingly. Those who argue in favour of a reduction in working hours make the point that beyond a certain limit, the provision of longer hours of work is self-defeating as it tends to reduce output and increase absenteeism. They also say that it is difficult for workmen in a tropical or semi-tropical climate to put in as much work as those working in countries having colder climates where the working hours are already shorter.

12. While we are of the view that the worker should not be overstrained and should be allowed sufficient leisure to fulfil family and social obligations and for recreation, we should not at the same time lose sight of the overriding need for increasing production. We would be reluctant, therefore, to suggest any measure which results in a less intensive utilisation of costly machinery and equipment. In making the Recommendation No. 116 for a progressive reduction of hours of work to forty a week, the ILO also cautioned that due regard should be paid to

"the level of economic development attained and the extent to which the country is in a position to bring about a reduction in hours of work without reducing total production or productivity, endangering its economic growth, the development of new industries or its competitive position in international trade and without creating inflationary pressures which would ultimately reduce the real income of the workers; . . . the need in the case of the countries still in the process of development for improving the standards of living of their peoples."

The National Commission on Labour felt that the above cautionary remarks had a bearing on the situation in our country. While not proposing any immediate reduction in working hours, it commended the concept of 40 hours of work per week to be kept as a goal to be reached in two stages, the first stage being a working week of 45 hours.

13. Keeping these considerations in view, we would recommend that in general the gross working hours

prescribed in the industrial establishments under the Government should be 48 hours in a week and 8 hours in a day; but within this period of 8 hours, the workers should be allowed a break for half-an-hour to take their meals, thus yielding a net of 45 hours per week. As regards the industrial establishments where the net weekly hours of work are less than 45, the position should be reviewed because we do not see why any disparity in this respect should be allowed to persist as between staffs employed in different workshop establishments.

14. We have particularly noted the disparities existing as between the workmen employed in the different railway zones and we find that in some railway zones, shorter hours of work are being countenanced for purely historical reasons. It appears that this is in line with the approach commended in the Rajadhyaksha Award (1947), viz., that the old favourable entitlements should be maintained. We feel that these traditional entitlements should not be allowed to continue any longer. In times of emergency, the Railway Administration in consultation with the Federations were able to provide for uniform working hours in the workshops of all the railway zones and the last occasion when this uniformity was given up was as recently as March, 1972. We are confident that the Railway Federations would themselves not be averse to uniformity being achieved in this respect among the workers employed in the different railway zones and we recommend that this uniformity should be brought about by increasing the net working hours, where necessary, to 45 per week.

15. As regards office staffs whose net hours of work are 37½ per week, we find that the differential that exists today between the industrial and non-industrial workers under the Government is much wider than is generally in vogue in the developed countries of the west or in the non-Government sector in India. The non-industrial employees working in administrative offices have shorter hours of work than not only the non-industrial workers outside but even those employed in industrial establishments under the Government. The daily working hours in administrative offices were increased by half-an-hour during the periods of emergency, viz., from November, 1962 to November, 1967 and again in December, 1971, when these office staffs worked to a 40½-hour week. Considering that the country has to make great strides on the path of development and has still a long way to go to ensure a certain minimum standard of living to vast masses of people, it is odd to continue a feature which tends to reduce out-turn of work in Government offices. We feel that the net weekly hours of work prescribed during the emergency should be the normal working hours. We, therefore, recommend that the hours prescribed for the administrative offices should be 7 effective hours a day, exclusive of lunch-break

16. In this context, we have also considered the demands made by the clerical and operating staff working in industrial establishments and in the field offices of the Railways and P & T that either the working hours should be reduced in their case or their longer working hours should be compensated for by higher remuneration. The clerical staff working in the field offices like stations, sheds, depots, workshops and

yards, made similar demands before the Miabhoj Railway Labour Tribunal (1969) which gave its report in July, 1972. This Tribunal* did not accept the demands for making a departure from the present practice and held that the existing provision which required clerical staff to work the same hours as the other staff in the field offices, when the duties of clerks were such that their presence throughout was necessary for the efficient working of the entire staff, was not objectionable. We agree with these views and do not suggest any change in the existing arrangements in the interest of efficiency. We feel that with the increase in working hours suggested by us for the office staff in administrative offices, the demand for reducing disparity has been met to an appreciable extent. In certain cases it should be possible to rotate the clerical and other staff between workshops, field offices and administrative offices in such a way that the liability of working somewhat longer hours in the workshops etc. is shared by all such staffs over periods of time. In any case we do not know of any such system, namely, of compensating longer working hours by higher remuneration, either in the public or the private sector. The scales of pay are determined on the basis of worth of charge taking into account all relevant factors including working hours. We would, therefore, not favour the approach of linking differences in the hours of work to the scale of remuneration as that would tend to disturb unduly the structure of emoluments devised for these employees.

III. Weekly Off

17. It is universally recognised that every worker should be allowed a day of rest in a week and that this facility should be denied only in exceptional circumstances or where it is felt that the nature of work is very light or of essentially intermittent character. Most of the labour laws which have covered this aspect provide for a weekly off to the workmen, e.g., Section 52 of the Factories Act, 1948; Section 71-D of the Indian Railways (Amendment) Act, 1956; and the Minimum Wages (Central) Rules, 1950. Of the Central Government employees, who in this matter are not covered by any legal provision, the office staffs are generally provided a break from work on Sundays and on every second Saturday of the month. The operating and maintenance staff employed in Railways, Posts and Telegraphs and Civil Aviation Departments are given a weekly off in rotation. For certain categories of staff like the running staff of the Railway Mail Service and the operating staff under the Civil Aviation Department, there is provision for either assuring a sufficient number of days of rest in their cycle of duty or allowing hours of rest, after a prescribed number of shifts, which is comparable to the facility of weekly off. There is also a group of employees comprising mainly the Linemen of the Posts and Telegraphs Department, who remain on 'call duty' although the total number of hours of actual work performed by them in a week are, on an average, short. Such staffs are not allowed any kind of weekly off. A weekly break is also not provided in a regular manner to sizable groups of class IV employees like cooks, bearers, waiters and attendants in a rest house. Chowkidars, watchmen and watermen also do not have a weekly break unless they are working in an office which

closes on Sunday. Sweepers too do not have a regular weekly break. However, many of these categories working in establishments under the Ministry of Defence and Railways are entitled to weekly off.

18. A major demand for liberalisation that has been made by several unions representing office and other staffs is for a 5-day week by making every Saturday and Sunday of the week holidays. It has been said in support that a two-day break every week has become the practice in most of the advanced countries and that where such a provision has been made, there has been no noticeable decline in productivity. Some unions have also suggested that every Saturday can be made a holiday by distributing the total weekly hours of work in such a way as does not result in any reduction. In the same connection, it is said that while Government would be getting the same amount of work done, it would result in the employees' saving the cost of transportation to office and back on one more day in every week.

19. While a 5-day week has gained popularity in the advanced countries of the world, it is not as yet a universal phenomenon. In India, very few private firms have settled down to a 5-day week. Among the State Governments, only three, viz., Punjab, Haryana and Mysore have experimented with this idea. The State Governments of Punjab and Haryana informed us that they considered a 5-day week to be an improvement over the earlier arrangement, particularly as the number of hours of work in a year remained the same. They also informed us that the new arrangement had not resulted in any serious complaint from the general public, but recently the Government of Punjab switched back to the old pattern, viz., a 6-day working week with only the second Saturday of every month being a holiday, as they felt that members of the public were being inconvenienced due to the long week-end. The Government of Mysore introduced the system of 5-day week in May, 1971 but discontinued it after the declaration of emergency in December, 1971.

20. We have examined this proposal with great care and feel that conditions in India, by way of its industrial health and the capacity for sustained work over a continuous period of time in our climatic conditions are quite different from parallel conditions in the developed countries. In the workshops, it would certainly reduce productivity if the workmen were given two days off in a week and their hours of work in the remaining five days extended to nine hours per day to keep the net weekly hours at the level of forty-five. As for the employees engaged in providing essential 24-hour services like the open-line staff in the Railways and operating and maintenance staff in the Posts & Telegraphs and Civil Aviation Departments, the idea of a 5-day working week would be completely unworkable. This proposal has also to be considered in the context of the large number of holidays to which Central Government employees, excluding the operating staff employed in certain essential services, are already entitled. The workmen in those countries where the 5-day week is the rule, have far fewer holidays than the workmen in this country. We are, therefore, of the view that in the existing circumstances, it would not be appropriate to consider the idea of a 5-day week for Central Government employees nor the suggestion that instead of one Saturday every

*Paragraph 5.31 of the Report (page 60).

month, two Saturdays in the month should be granted as holidays.

21. A few have also suggested that the old practice under which every Saturday is treated as a half-holiday should be resumed. This suggestion was also made by the Administrative Reforms Commission*. According to the evidence received by us, we find that the majority view is against the provision of half-holidays. It is said that the atmosphere in the offices on half-holidays is not quite the same as on a normal working day and that the employees have to come to the office, in many cases after covering long distances, for only a short duration. We think that the existing arrangement of giving only the second Saturday of the month as a holiday is the most suitable for the administrative offices and no change is called for.

22. For those categories of staff, who are not assured a regular weekly off, we would suggest some arrangements to be devised for giving them a rest day at least once in a fortnight. In the large establishments it might be possible to secure this by a system of rotation, or by employing a small number of additional staff to enable rest days to be given at periodical intervals to categories like chowkidars, watchmen, cooks, waiters, sweepers etc. In some establishments, the feasibility of employing casual workers on some days in order to give rest to the regular staff should also be explored. We are not in favour of the proposal made by a few unions that where a weekly off is denied, the employee should be monetarily compensated. The main justification for a weekly break is the need for the employee to have a day for rest and for discharging his domestic and social obligations. Monetary compensation is, therefore, not an adequate substitute and it might also promote a tendency among both management and staff to overlook the basic need for a periodical break and come to view the monetary compensation provided in lieu as an acceptable and therefore permanent feature. We, therefore, recommend that an employee should be given a 'compensatory off' when he is called to work on his normal off-day and that this should be allowed as soon thereafter as possible. This is already provided for the employees covered by the Factories Act, 1948, the Indian Railways (Amendment) Act, 1956 and the Minimum Wages (Central) Rules, 1950.

23. There might be cases, however, where it is not practicable to give a 'compensatory off' in the interest of Government work. The rate at which such work performed on a holiday or the normal off-day should be compensated in that event has been dealt with later in this chapter.

IV. Public Holidays

24. In the matter of public holidays also, there are marked disparities between different sections of Central Government employees. The office staff working in administrative offices are assured 16 public holidays in a year including the three national holidays—the Republic Day, the Independence Day and Mahatma Gandhi's Birthday. On the other hand, open-

line staff in the Railways and other staffs concerned with the provision of essential 24-hour services are allowed only the three national holidays although most of them have to work on the national holidays also on payment of monetary compensation in lieu. In the Posts & Telegraphs Department also, certain categories of workers employed in the Railway Mail Service are entitled to only 3 national holidays; certain other categories like postmen, post office clerks, P&T Motor Service drivers, telegraphists and telephone operators are entitled to only 9 effective holidays in a calendar year.

25. The principles governing the declaration of public holidays were reviewed in 1947 when it was decided that only festivals of general significance and birthdays of world figures of importance to India should be included in the list of public holidays. The system of communal or sectional holidays was abolished as it was felt that there was no justification for having holidays on occasions which were devoid of general interest. A list of 20 holidays was issued in 1948, to which some more came to be added in subsequent years. There were thus 23 closed holidays by the time the Second Pay Commission made its report. On the recommendation of the Second Pay Commission, the number of public holidays was reduced from 23 to 16; the remaining 7 being placed on the list of restricted holidays of which the employee could avail up to 2 in each calendar year. Since then the position has remained unchanged except for the additions made to the list of restricted holidays.

26. As for the State Governments, the majority seem to provide for public holidays on a much more liberal scale than the Central Government. Except for a few States like Haryana, Mysore, Kerala and Maharashtra, who allow 15 to 17 holidays in a year, the others allow from 19 to 27, but in Assam the number of public holidays is 31 in a year and in Jammu and Kashmir, the number of holidays allowed varies from 31 to 36 in different areas of the State. Most States do not follow the practice of declaring additional holidays in case any festival recognised as a holiday falls on a Sunday or a closed holiday. For instance, in Haryana, where every Saturday of the month is also a holiday, except for the three months from May to July (when only the second Saturday of the month is a holiday), it frequently happens that the number of effective holidays in a year comes to only about 10. The system of restricted holidays is in vogue in the majority of States.

27. If we consider the entitlement to holidays of the staff in administrative offices, we find that the civil servants in India are much better off than the civil servants in the developed countries. Commenting upon this phenomenon UN experts† have observed that an "ingenious statistician would probably have little difficulty in providing support for a proposition that public holidays in a country are in inverse proportion to the country's resources". The information that we have been able to collect for the foreign countries in this respect indicates that the number of public holidays in the advanced countries is generally 11 or less.

*Recommendation No. 56 of their Report on Personnel Administration, April, 1969 (page 104).

†Paragraph 290 of Part one of the U. N. Handbook of Civil Service Laws and Practices, 1966 (page 109).

Thus, there are only 11 public holidays in a year in Canada, West Germany and Japan, 9 in the United States of America and 8½ in the United Kingdom. In Kenya also, the public holidays in a year number 11.

28. Except for the 3 national holidays, the remaining public holidays are declared on the occasions of important religious festivals and birthdays of religious and social reformers of interest to an Indian community. We are reluctant to single out any religious festival or occasion for suggesting discontinuance of an existing holiday, but we recommend that no section of employees should be allowed more than 16 holidays in a year. According to information furnished by the Ministry of Railways, it appears that certain classes of railway servants in some of the railway zones are allowed more than 16 paid holidays in a calendar year due to historical reasons in accordance with the approach recommended in the Rajadhyaksha Award (1947). We feel that there is no justification for continuing this kind of traditional entitlement year after year and that the concerned classes of employees having more favourable entitlements in the matter of public holidays should be brought over to the general level.

29. Even without abolishing any existing holiday, it is possible to reduce the effective holidays allowed to the Central Government employees in a calendar year. According to the existing practice, whenever any of the approved 16 closed holidays falls on a Sunday or a 2nd Saturday, one of the restricted holidays is declared a public holiday in lieu, in order to ensure that the employees get the benefit of 16 effective holidays in a year. We are not convinced of the rationale of this practice and would suggest that it should be discarded as soon as possible.

30. We have considered whether the system of restricted holidays cannot be dispensed with since it causes unnecessary dislocation of work in the offices and requires an account to be kept of the number of restricted holidays availed of by the staff. We believe that the system of restricted holidays is being continued because it serves an important purpose in meeting, to some extent, the aspirations of the various religious communities without, at the same time, increasing unduly the number of closed public holidays. We suggest no change in the existing system except that an attempt should be made to control the number of Festivals declared as restricted holidays.

31. As regards those employees who are entitled to only 3 national holidays or 9 effective holidays, we would not recommend any change because the curtailment in their case is justified by the essentiality of public services which they are instrumental in providing. We would, however, urge that each Department should keep the position in this respect under constant review in order to mitigate, wherever possible, the hardship visited upon the staff affected. Such staffs are already allowed a slightly larger quantum of casual leave than others and this factor, viz., the relatively less number of holidays, should be deemed as taken into account while fixing pay. It would not be appropriate to follow the approach that all sections

of Central Government employees should be allowed the same number of public holidays and that if certain sections of the employees, as a public requirement, are allowed less number of holidays, they should be separately compensated for it. As noted earlier, public holidays are given for certain traditional religious or social observances, and once an employee is required to forgo the public holiday, an extra day of leave can hardly be adequate recompense. It would not be sound to think in terms of monetary compensation for every curtailment of a benefit like weekly off, public holiday etc., because such an approach would detract from the neatness of the pay structure and cause wide repercussions. For instance, several employees are not able to fully utilise the earned leave to which they are entitled and once we start compensating a section of employees for being allowed less number of holidays than others, the employees would also start considering themselves entitled to monetary compensation for leave not availed of by them, especially if leave applied for is refused in the exigencies of public service.

32. Finally, we may consider the question of compensation for work performed by the staffs on public holidays to which they are entitled. In certain essential public services like Railways, Posts & Telegraphs and Civil Aviation, it is not possible to avoid calling the staff to work on the public holidays allowed to them. There are certain other categories also who have to render duty on holidays, the most notable such category being that of policemen deployed on law and order duty on the occasion of certain religious festivals. We feel that wherever possible, the employees concerned should be allowed compensatory off in lieu, but where it is not practicable, monetary compensation should be provided at the rates suggested by us later in this chapter.

V. Casual Leave

33. Provisions pertaining to the grant of casual leave to employees are in the nature of executive instructions. It has never been deemed to be a recognised form of leave and the latest set of rules, viz., the Central Civil Service (Leave) Rules, 1972, specifically mention that casual leave is not recognised as leave under those rules. This feature notwithstanding and despite the fact that casual leave is intended to cover casual absences for personal reasons, it has in practice come to be viewed by the employees as a supplement to the regular forms of leave provided to them. Since an employee while on casual leave is treated as on duty and his pay not intermitted for that reason, an employee finds it more convenient to avail of casual leave, sometimes for as long as 7 days or so, for reasons for which the grant of regular leave would have been more appropriate. We examined the feasibility of doing away with the system of casual leave which does not exist in this form in most of the countries for which we collected information. We feel that it will not be advantageous on the whole to do away with the system of casual leave altogether.

34. In the matter of entitlement to casual leave, the Central Government employees are divided into three broad groups. Most of the employees in Government departments other than Railways as well as

railway servants other than the open-line staff are entitled to 12 days' casual leave in a year. The workshop staffs in the Railways have been allowed 12 days' casual leave in a calendar year from 1st September, 1971 in accordance with the Award given by the Board of Arbitration. The second group consists of open-line staff in the Railways and certain other categories of operating and maintenance staffs in the Posts & Telegraphs and Civil Aviation Departments who have been allowed more than 12 days' casual leave, usually 15 days in a calendar year, in consideration of the fact that they are entitled to less than the 16 effective holidays allowed to the Central Government employees generally. The third group of employees comprises the workshop staffs working outside railways who are allowed 7 days' casual leave in a calendar year. In no case, is the unutilised portion of casual leave allowed to be carried forward to the succeeding year.

35. Some of the unions have asked that the existing quantum of casual leave should be increased to the level of 15 or 20 days and that an employee should be able to carry forward to the next year the balance of the casual leave not utilised by him. In our view the existing quantum of casual leave is quite adequate and no further increase would be justified. We also do not accept the suggestion that unutilised portion of casual leave should be allowed to be carried forward to the succeeding year.

36. As for the employees, who are not entitled to all the public holidays, there are some sections who are allowed 17 days' or even 20 days' casual leave in a calendar year as against the quantum of 15 days generally allowed to such employees. We were informed that these liberal provisions are being continued for historical reasons in certain railway zones, viz., the North Eastern Frontier Railway and in the South Central Railway. We recommend that all the operating and maintenance staffs who are entitled to less number of public holidays in a year than the number allowed to the office staff in administrative offices, should be allowed 15 days' casual leave in a calendar year and that no class of employees should be allowed more than 15 days' casual leave in a year. In case, a higher amount of casual leave has been allowed in certain cases due to the remoteness of the region, a better method would be to allow one or two days' journey time whenever a person proceeds home on casual leave rather than allowing an enhanced quantum of leave every year as a regular provision.

37. In the case of the workshop staffs outside the railways who are entitled to 7 days' casual leave in a year, the disparity in this respect is not a substantial one because they are also entitled to special non-cumulative leave on medical certificate of 5 days in a calendar year on leave salary. Since most of these employees are holding posts, the maximum of which does not exceed Rs. 300 per month, the leave salary in their case works out to the pay being drawn by them at that time. The stipulation for producing a medical certificate to get the special non-cumulative leave, in our view, is more an irritant than a deterrent to the availing of this leave. We feel that there is no particular advantage in providing two different types of leave for more or less the same reason and it would

reduce accounting work and lead to greater uniformity if the special non-cumulative leave was abolished and the quantum of casual leave increased from 7 days to 12 days. We, therefore, recommend that all workshop staffs outside the railways should also be allowed 12 days' casual leave in a calendar year and that the 5 days' special non-cumulative leave should be abolished.

38. We suggest no changes in the remaining provisions attaching to the grant of casual leave, viz., the number of days for which it can be availed at a time and the treatment of the Sundays and holidays falling within the period of absence on casual leave.

39. We received a few suggestions for liberalising the provisions relating to special casual leave. We have examined the existing position and find that the provisions introduced after the report of the Second Pay Commission are quite adequate and do not need any change.

VI. Overtime Allowance

40. For the work done in excess of the prescribed hours, the Central Government employees in the various Departments are entitled to payment of overtime allowance (OTA) under the following different schemes:

- (i) All those employees who are deemed to be workers under the Factories Act or under the Minimum Wages Act are entitled to OTA at twice the ordinary rate of their wages for the work done in excess of 9 hours on any day or for more than 48 hours in any week. Workshop staff in the Ministry of Defence, Railways, Posts and Telegraphs, etc. are governed by these provisions.
- (ii) Other Railway staff have been divided into four categories, viz., Intensive, Essentially Intermittent, Continuous and Excluded. The Hours of Employment Regulations which have a statutory character, prescribe for the first three categories a maximum limit of work of 45, 75 and 54 hours per week respectively. The actual hours of rostered duty are usually less than these limits; but overtime payment at one and a half times the ordinary rate of pay, becomes admissible only if the statutory limit for a two-week period is exceeded. In some special cases overtime payment is made when the hours worked during a week exceed 48.
- (iii) Non-industrial staffs working in workshops who are not covered by any other scheme, are allowed overtime allowance at time-rate for work in excess of prescribed hours but not in excess of 48 hours in a week or 9 hours on any day. For work in excess of 9 hours on any day or 48 hours in a week, they have to be allowed OTA at the same rate as is admissible to the industrial staffs provided the non-industrial staffs have the same hours of work and holidays as the industrial staffs and the nature of duties of the

non-industrial staffs is such that their presence throughout is essential for the efficient working of the industrial staffs. If these conditions are not satisfied the rate of OTA for non-industrial staffs is to be the time-rate for work done in excess of one hour over the prescribed hours of work.

- (iv) In the Posts & Telegraphs Department, staff working in telegraph offices, telephone exchanges and in the Railway Mail Service of the postal wing, have had the benefit of overtime allowance schemes since before the Second Pay Commission. Following the recommendations of that Commission, the system was extended to the staff working in post offices also. OTA is admissible if on any day the overtime duty performed exceeds 30 minutes. Such periods are rounded to the next half hour. Supervisory staff such as postmasters in the various grades, engineering supervisors etc. are not entitled to OTA.
- (v) Overtime allowance was extended generally to all office staff and similar categories, in the Central Secretariat and its attached and subordinate offices on the recommendations of the Second Pay Commission. The Gazetted Officers and those in receipt of a sum of Rs. 620 and above as basic pay and dearness pay are not eligible for overtime payment. No OTA is admissible for the first hour of duty after the prescribed working hours as the 'office staff' have shorter aggregate working hours than other staff and a distinction is necessary on that account.
- (vi) Special provisions have been made for the employees of the Mints, the Security Press, and the Customs and Central Excise Departments. In the latter, Class II gazetted officers have also been made eligible for overtime earnings, which is not the case in any other organisation. Further, special rules have been framed in respect of particular categories such as Parliament Assistants, Staff Car drivers, staff of the Central Registry and Watchmen. The staff working in the Budget Division of the Ministry of Finance are given a budget honorarium equal to a month's emoluments but not exceeding Rs. 600 for the work done after working hours, in connection with preparation of the budget.

In most cases certain monetary or other limits have been imposed on the extent of overtime worked. Generally the earnings should not exceed 1/3rd the monthly emoluments. For the personal staff of officers of the rank of Deputy Secretary and above, the limit is half the month's emoluments.

41. The recommendations of the Second Pay Commission, which were accepted by the Government, enlarged the coverage of the staff eligible for the payment of overtime allowance. The total expenditure on OTA in all departments including the civilian establishments of the Ministry of Defence came to Rs. 41.53 crores in 1971-72. Of this total, Rs. 15.51 crores

were incurred in the civilian establishments of the Defence Ministry such as Ordnance Factories and Inspection Directorates. Expenditure on this item in these organisations increased by 78% from 1970-71 to 1971-72. OTA in the P&T accounted for Rs. 10.17 crores, and that in the Railways for Rs. 9.06 crores. The per capita expenditure in 1971-72 was the highest in the Department of Civil Aviation (Rs. 576) followed by the Ministry of Finance (Department of Economic Affairs and Department of Revenue and Insurance) Rs. 337.9. The per capita expenditure in the Defence Establishments (at Rs. 328.20) was about the same. The P&T recorded a per capita expenditure of Rs. 275 while the lowest per capita expenditure (Rs. 66.60) was in the Railways.

42. The percentage increase in expenditure on OTA during the 4 years from 1968-69 till 1971-72 shows wide inter-departmental variations. It is 200% in the Ministry of Works, Housing and Urban Development, 71% in the Ministry of Finance (Department of Economic Affairs and Department of Revenue and Insurance), 63% in the Department of Civil Aviation. According to the Ministry of Finance, which has the Mints under it, the increase in the OTA was due to the effort put in to remedy the sudden shortage of coins in 1971-72. The lowest increase was in the Railways with 24.5%. The sudden spurt in overtime expenditure under the Ministry of Defence from 1970-71 to 1971-72 has to be ascribed to the unforeseen demands made on the Ordnance Factories and other connected establishments during the latter years. In the P&T and in all the other departments the increase was about 56%. In the P&T the expenditure has been continuously rising since overtime was made generally applicable. A study conducted by that Department in 1970 ascribes a large part of the expenditure to the shortage of staff and absenteeism and to the adoption in 1964 of the practice of basing the overtime payments on pay, dearness pay, city compensatory and certain other allowances, as in other departments rather than on pay and dearness pay as was the practice till then.

43. If the Ministry of Defence (for which full figures are not available), and the Railways (where the rate of growth is comparatively low) are omitted from consideration, then in all the other departments, during the four years from 1968-69 to 1971-72 the overtime expenditure went up from Rs. 9.78 crores to Rs. 16.64 crores, an increase of 73.2%. A projection of this figure would suggest that overtime payment would double itself in about six years. This rate of growth is disconcertingly high; and against this background we have viewed the various demands made on behalf of the associations for a further liberalisation of the overtime scheme.

44. The points made by the employees' unions with regard to overtime allowance can be summarised as follows :

Overtime should not be obligatory. It has been alleged that the authorities have misused the discretion vested in them and have harassed the staff with disciplinary action in cases where they could not perform overtime duty. OTA should be at double the time rate for all duty performed in

excess of the prescribed duty hours and for work done on holidays. There is no justification for the non-payment of compensation for the first one hour of overtime duty in the case of office staff. As government servants are required to work overtime under the orders of their superiors there should be no ceiling on the overtime allowance and in any case the maximum limit in the case of both the 'personal staff' and 'other staff' should be the same as both perform overtime duty under the specific orders of their superiors.

OTA should be given to the railway employees for every hour after the rostered duty hours like other Central Government employees. The averaging clause has, it is alleged, been misused by the authorities and should be deleted. The clerical cadres of the railways who have been denied OTA should be paid OTA whether they perform their duties in workshops, sheds, factories, offices or at railway stations.

45. Many of the witnesses have strongly opposed the very system of overtime working. In their view the attraction of overtime has led to work being deliberately delayed, and to the accumulation of heavy arrears, with consequent loss of efficiency. On the other hand some other witnesses felt that the system had existed for a long time and it would be very difficult to do away with it. If the staff are detained beyond the prescribed hours it is unfair to ask them to do so without some compensation. They felt that the grant of a compensatory off for overtime work was not the ideal substitute for a person obliged to stay on beyond the prescribed hours in the public interest. If adequate supervision and safeguards are provided in respect of the procedure for ordering overtime duty they see no reason why it should lead to any abuse.

46. We find that in most States the ministerial and other comparable staff do not get any OTA. Assam seems to be the exception. Some other States pay overtime only to peons and jamadars attached to headquarters organisations. On the other hand in most countries abroad civil servants who are called upon to work beyond the prescribed hours are paid overtime. The exceptions seem to be the Philippines and West Germany. In the Philippines, however, an allowance called meal allowance is paid when a civil servant is detained beyond his prescribed hours of work.

47. Payment of OTA to the factory and workshop staff is guaranteed by law. In this context, the total abolition of the system, strongly advocated by some responsible witnesses, has to be interpreted as being relevant primarily to the 'office staff' type of workers. For these categories there can be little doubt that much of the increase in overtime expenditure in recent years is unjustified. The Government informed the National Labour Commission in 1968, that there was a 15 to 20 per cent excess of staff engaged on routine duties like typing, despatch etc. It is difficult to reconcile the existence of such a surplus in offices, with the mounting overtime expenditure. There is therefore an immediate and pressing need to keep the expenditure on OTA within reasonable limits.

48. We*, therefore, recommend that the system of overtime allowance should be withdrawn in respect of the categories and establishments to which the practice was extended subsequent to the Report of the Second Pay Commission. It may continue in other cases, including categories which are governed by the provisions of an enactment such as the Factories Act, and the Hours of Employment Regulations. Even in respect of these categories we feel that at least some of the overtime expenditure now being incurred, is due to the shortage of staff. Such shortages should be made up expeditiously. Where overtime working, as a regular measure, is unavoidable, as happens in certain operative offices, the compensation should be in the form of off-days rather than through a cash benefit. For the categories which would become ineligible for overtime payment as a result of our recommendation, a system of compensatory offs and payment of honoraria should be introduced. Honoraria should however be considered only for compensating the overstayal, during periods of unusual activity or due to unforeseen circumstances such as the compilation of the Budget, Parliamentary work during Sessions, organisation of large conferences, fairs etc., and work connected with emergencies. Where the system of overtime work continues, the period of overtime should be calculated on a weekly basis and should be admissible only if the work put in during a working week of six days exceeds 48 hours; in reckoning these 48 hours, the period allowed for meal breaks should be included. In the Government Presses, where the prescribed weekly hours are less than 48, the work done between the prescribed hours and the weekly norm of 48 hours is compensated in the form of overtime at double the time-rate. Compensation for such work should be only at the time-rate in future.

VII. Weightage for Night Duty

49. Prior to the Report of the Second Pay Commission, weightage for night duty was not a generally recognised practice. While the P&T and the Customs staff were allowed this weightage, the Railway staff was not. The Second Pay Commission did not consider it fair to deny weightage altogether and recommended that when night duty was such as to require continuous application, it should be allowed weightage of ten minutes for every hour worked. Following this recommendation it now appears to be a more or less general practice in Central Government departments (except the All India Radio and the Overseas Communications Service) to allow weightage for night duty.

*While the Member Secretary is in entire agreement with the recommendations of the Commission to curtail expenditure on overtime and to adopt stringent administrative measures so as to eliminate its abuse, he is of the view that in certain circumstances, payment of overtime allowance might serve a useful and legitimate purpose. As an instance, he would cite cases where the work is of a fluctuating nature, and it may both be administratively more convenient and economical to work the existing staff longer hours during peak periods rather than to employ extra staff on a long term basis. Such legitimate use of overtime in operational departments like the P & T, Civil Aviation and Communications need not, according to him, be prohibited. In normal administrative offices, however, overtime allowance can, perhaps, be largely replaced by a system of honoraria, as recommended by the Commission.

50. In the Railways, the weightage for night duty was introduced with effect from 1-8-1962 as a result of the recommendations of the Second Pay Commission. It was initially restricted to certain categories of staff with basic pay not exceeding Rs. 470 per month who were classified as "continuous" and "intensive" under the Hours of Employment Regulations. Subsequently, as a result of an Award given by the J.C.M. Board of Arbitration, the "essentially intermittent" category was admitted to the benefit of night duty allowance at two-thirds of the rate for "intensive" and "continuous" workers. Out of the "excluded" category, such supervisory staff and sisters-in-charge as are on regular shift duty were also admitted to the benefit of night duty allowance at the same rate as for "intensive" and "continuous" workers. The Board of Arbitration rejected the demand for night duty allowance in respect of the remaining "excluded" categories.

51. On a further reference to the Railway Labour Tribunal, 1969 (Miabhoy Tribunal), it was decided that night duty allowance should be granted to all Railway employees irrespective of their classification or irrespective of the pay limit and that the allowance should be calculated taking into account not only dearness allowance but also compensatory allowances (other than house rent). The present position, therefore, is that night duty allowance is payable to all class III and class IV staff for work performed between 10 P.M. and 6 A.M. the weightage being 10 minutes for every hour of night duty.

52. In the P&T Department, weightage for night duty is given either by a reduction in the weekly working hours or by a reduction in the term of night duty. The 'night' is defined as the period between 8 P.M. and 6 A.M. The weightage for night duty, however, differs in different branches. Thus, it is 20 minutes per hour of night duty in the Postal Branch and stationery offices in the RMS Branch except when such duty consists of less than six hours' duration and is performed partly by day and partly by night, in which case the weightage is 10 minutes. In the RMS Sections, 12 minutes' weightage is allowed, while in the Telegraph Traffic Branch, shorter duty terms for night shift and overlapping night and day shifts are in force. The practice of reduced weekly working hours is followed in respect of the categories in the Telegraph Engineering Branch, viz., Telephone Operators, Wireless Operators, Repeater Station Assistants, Auto-Exchange Assistants etc.

53. It is perhaps somewhat academic at this point of time to question the necessity for the grant of a weightage for night duty. There are arguments in favour of, as well as against, this practice but since the staff have come to regard it as something to which they are justifiably entitled, we do not want to re-open this issue. We, however, feel that any further liberalisation in this regard as asked for by some of the employees' associations should be examined carefully. The two principal demands relate to a more liberal definition of 'night' and a more liberal weightage for night duty. The definition of 'night' varies; in some departments (e.g., Railways, Civil Aviation and Meteorological Departments) it is reckoned as the period between 22 hours and 6 hours while in others (e.g., P&T and

Customs Departments) it is reckoned as the period between 20 hours and 6 hours. We consider that the former definition of 'night' as the period between 22 hours and 6 hours is reasonable and satisfactory, particularly in this tropical country. As for the suggestion for a more liberal conversion factor for weightage for night duty, the present weightage of 10 minutes for every hour worked cannot be considered as inadequate. In our opinion, weightage of 20 minutes per hour for some categories in the P&T and 33-1/3% for customs staff are clearly excessive. We recommend that the Government should consider bringing about a degree of uniformity on this basis with regard to both these matters. As the liberal weightage for night duty is a long-enjoyed concession in the P&T Department, the staff may be given the option either for cash compensation on the same terms and conditions as recommended for other Central Government employees or for continuance of the existing system of restricted duty hours.

54. Another demand relating to night duty is that it should be compensated in the form of a cash allowance rather than in the form of reduced working hours and that it should be calculated taking into account not only dearness allowance but also compensatory allowances. The system of cash compensation obtains in the Railways, Ordnance Factories and the Civil Aviation Department, while a reduction in working hours is the method in vogue in the P&T Department. Whether one or the other method should be followed is a matter for Administration to decide depending on local conditions and circumstances. As for the calculation of cash compensation, our view is that only pay and dearness allowance should be taken into account and compensatory allowances excluded.

55. We find that the principle of "continuous application" recommended by the Second Pay Commission as a criterion for the grant of night duty allowance has caused some practical difficulty in its interpretation. On the Railways, the term "continuous application" was interpreted to mean continuous employment as defined in the Hours of Employment Regulations. Elsewhere, it has been interpreted as having reference to cases where night duty is required to be performed as a regular measure and not occasionally. Yet another interpretation is that the night duty should not be of an intermittent nature with specific periods during the night when there is absence of significant activity. As we see it, weightage for night duty or cash compensation in lieu should be granted only when night duty calls for continuous performance of related tasks without considerable interludes of inaction or rest. Further, night duty allowance should not be granted where the weekly working hours have been fixed at a reduced level taking the occurrence of night duty into account. We also do not favour any weightage for night duty to those categories of employees who may be called upon to perform duties during night occasionally, such as supervisory staff. There would also be no case for the grant of night duty allowance where such duty is an inseparable characteristic of the job itself, e.g., nurses and sisters-in-charge in hospitals; in such cases the proper course would be to take the factor into account when fixing the pay scale itself.

CHAPTER 62

LEAVE ENTITLEMENTS

Different sections of Government employees are, in the matter of leave entitlements, governed by different sets of rules. Provisions having the widest applicability are those contained in the recently-promulgated Central Civil Services (Leave) Rules, 1972, and the near-identical provisions contained in the Revised (Railway) Leave Rules applicable to all railway servants, including industrial workmen. The only sections of employees who are not covered by these two sets of rules are members of the all-India Services and the workmen employed in Government industrial establishments other than Railways; the former are covered by the All India Services (Leave) Rules, 1955, which are similar to Central Civil Services (Leave) Rules, 1972. As for the industrial employees of the Government, they are governed either by the provisions relating to leave contained in the Factories Act or by the rules or instructions of the departments concerned. In a few departments, industrial staffs have been brought under the Revised Leave Rules, 1933. However, most departments including the departments (other than Railways) employing bulk of the industrial staffs, viz., Defence and the P&T have not extended the Revised Leave Rules to the workmen. In the Government Presses and the Meteorological Department, the employees who joined service before 17th November, 1961 could opt for the Revised Leave Rules, but this option has not been given to the staff who joined service on 17-11-1961 or thereafter. There are now only a few employees left in service who joined Government service prior to the coming into force of the Revised Leave Rules and who opted for one of the older rules applicable to them.

2. The different sets of rules mentioned above have given rise to disparities in leave entitlements as between the non-industrial employees and the industrial staffs (except in the Railways). Among the industrial staffs also, there are marked variations, the widest disparity being as between the industrial railway staff and the industrial staffs employed in all other departments. The table below compares the entitlements in respect of different kinds of leave admissible to non-industrial staffs and all railway servants, and the industrial staffs generally, though certain special categories enjoy other terms :—

TABLE

	Non-industrial and all Railway staffs	Industrial staffs
1. <i>Earned Leave/ Annual Leave</i>	(a) Non-Industrial staff* (excluding Railway staff).	1 day for every 20 days' work performed during the previous year, provided the
(i) Rate of earning	1/11 of duty period.	

*Temporary employees in the 1st year of service earn leave @1/22 of duty period.

	Non-Industrial and all Railway staffs	Industrial staffs
	(b) All Railway staffs : 30/31 days in alternate years of service, i. e., 1/11 of duty period (approx.).	employee worked for 240 days during the year.
(ii) Maximum accumulation	180 days	60 days.
(iii) Availability at a time	120 days	30 days
2. Half Pay Leave		
(i) Rate of earning	20 days for each completed year of service	20 days for each completed year service on medical certificate only.
(ii) Commuted Leave	Upto 240 days during the entire service on medical certificate only. Twice the amount of such leave is debited against half pay leave.	15 days on medical certificate in a year. Twice the amount of such leave is debited against half pay leave.
3. (a) Casual Leave (Non-cumulative)		
	12 days in a year; 15 days for staff not entitled to the 16 public holidays in a year.	7 days in a year.
(b) Special Non-cumulative Leave		
	Nil	5 days in a year on leave salary.
4. Leave not due		
	180 days during entire service and 90 days at a time. On medical grounds, upto 360 days during entire service. Debitable to half pay leave to be earned in future.	Nil
5. Extra-ordinary Leave		
	For permanent staffs, no limit but total continuous absence not to exceed 60 months; for temporary staffs, 3 months at a time, but up to 18 months, if suffering from tuberculosis, leprosy, etc.	Same as for Non-Industrial staff.

We have noted the extent of casual leave admissible to different sections of employees only to facilitate proper comparison even though casual leave is not a recognised form of leave.

3. It is clear from the information contained in the above table that the leave entitlements of industrial employees compare unfavourably with those of non-industrial employees. A number of unions representing industrial workmen have forcefully contended that they should be allowed the same amount of leave as the non-industrial civil servants. They have also stated that the bulk of the industrial workers who are employed in the Railways have already got this advantage and the remaining industrial workers in other departments should also be brought at par with them. We find that similar demands were made before the previous pay commissions who did not accept them for practical and other considerations viz., that the leave rules for industrial employees of the Government should not be very different from those for industrial workmen in private establishments, and that the nature of work in certain Services like Railways and P&T might call for special treatment in some respects.

4. While we are reluctant to endorse disparities in conditions of service as among different sections of employees, we feel that in the matter of leave it might not be desirable or feasible to adhere rigidly to a uniform approach. Our study of the leave provisions prescribed in the public sector undertakings and private establishments shows that while the provisions of the Factories Act only have been applied in the case of industrial workers, more liberal entitlements have been made generally for the non-industrial staffs. This is because absence on leave of workers in industrial establishments causes more serious dislocation or direct fall in out-turn in these establishments than in others, since their absence tends to have widespread repercussions on the entire production process. The effect is particularly adverse in assembly line work, or in group production because of the high degree of integration.

5. The Second Pay Commission* had felt that the "logical course would be to make applicable to industrial staffs under the Railways the leave terms proposed for industrial staffs generally." They referred to the view of the Railway Administration and employees that all categories of railway staffs should receive uniform treatment in regard to leave, medical facilities, retirement benefits, etc., but observed that "there is at least equally strong, if not stronger, reason in favour of treating industrial staffs under the Railways on the same footing as other industrial staffs."

6. The difference in entitlement of industrial staff in Railways and outside Railways, which was only 3 days at the time of the Second Pay Commission, has now become wider with the implementation of the Award dated 20th September, 1971, given by the Board of Arbitration. Under the terms of this Award, workshop staffs on the Railways, who had no casual leave before, are now entitled to 12 days' casual leave in a year. The observation made by the Second Pay Commission that the amount of casual leave granted to the Railway staff, if any, should lead to a

reduction in the rate of earned leave, has been obviously disregarded.

7. In the case of industrial employees working in the Government departments other than Railways, the existing rate of annual leave is generally as prescribed in Factories Act, viz., one day for every 20 days of work performed during the previous year, provided 240 days of work was performed by the employee in that year. Holidays falling during the earned leave of an industrial employee are not set off against the leave account as is done under the Revised Leave Rules. Thus, the maximum leave that an industrial employee outside Railways can earn is a total of 14 days which is about half of what accrues to the non-industrial civil servants and all railway servants. However, in the matter of leave provisions, the industrial workers under the Government are not worse off than their counterparts in the public sector undertakings and in private industry. Further, any enhancement of the leave entitlements of these industrial workers will have repercussions outside, especially in the public sector undertakings, and adversely affect production. We are, therefore, not in favour of enhancing the quantum of annual leave earned by those industrial workers under the Government who are governed by the leave provisions of the Factories Act supplemented by departmental instructions.

8. As regards the workshop staff in the Railways, we feel that, in the matter of leave entitlements, there is little justification for treating them differently from the workshop staff in other Government departments. It would be advantageous also to take note of the relations in this respect among the different groups of railway servants. We notice that uptill August, 1971, there was long-standing parity in the total package of leave terms admissible to the workshop staff and the open-line staff in the sense that the non-admissibility of 12 days' casual leave to the workshop staff was made up by their entitlement to 15 holidays in a year as against 3 for the open-line staff. Now that casual leave has been allowed to the railway workshop staff there is every justification for reducing the amount of annual leave earned by them. This is also consistent with the approach recommended by the Second Pay Commission. Taking all the circumstances into account, we feel that the earned leave of workshop staff should be reduced to the extent of the casual leave allowed to them from 1st September, 1971. The result of this recommendation would be to reduce considerably the gap that exists today in the leave terms applicable to railway workshop staff and workshop staffs in the other departments and to restore parity between the workshop staff and open-line staff in the railways taking into account the annual leave, casual leave and the public holidays allowed to them.

9. In some countries, e.g., the USA, United Kingdom and Canada, the rate at which leave is earned increases with the employees' length of service, and in some countries the rate increases as the pay increases, e.g., Malaysia and Kenya, in West Germany, however, both these principles are followed in determining the leave entitlements of civil servants. The Second Pay Commission had based their recommendations on the former approach and suggested differential rates for employees during the first 5 years of service, the next 10 years of service and thereafter.

*Paragraph 10 of Chapter XXXVI (Page 424) of its Report.

While this recommendation was not accepted by the Government, we find that in the Leave Rules framed earlier in 1954 for the civilian industrial employees in the Defence Services, differential rates had been provided for workmen having different lengths of service to their credit.

10. Differential rates on the basis of pay does not appeal to us. Differential rates on the basis of length of service may be justified on the ground that the needs of an older employee are greater because of family responsibilities, failing health, etc. These grounds however do not appear decisive as younger employees also require leave for attending to private affairs and recreation. Since differential rates should not lead to much overall change, there will have to be some liberalisation for the older employees, and a corresponding deliberalisation for the younger employees. We do not think that such a position would be acceptable. The majority of the witnesses also did not favour the system of differential rates of earning leave. Further, differential rates would lead to avoidable complications in computing entitlement of leave and maintaining leave accounts.

11. We do not suggest any change in the case of workshop staffs whose earned leave is governed by the provisions of the Factories Act, 1948 supplemented by Departmental instructions. We recommend that the Civilian in Defence Services (Industrial Employees) Leave Rules, 1954 should be repealed. As for the railway workshop staff, the amount of annual leave earned by them should be reduced by 12 days.

12. As regards the non-industrial civil servants, most of the unions and associations have suggested that the rate of earning leave should be made 1/10 of the period spent on duty instead of 1/11 and that this would also simplify calculation and be in accord with metric system adopted by us. It has also been suggested that there should be no limit on accumulation of leave since an employee earns it after performing duty and he should not be denied the full benefit of leave so earned for failure to avail of it in time. It has been stated that where leave is refused in the public interest, it is particularly unjust to make some of it lapse by placing a limit on maximum accumulation. Some have also suggested that the limit of 120 days on the period of leave that can be availed at a time should be enhanced. We have already referred to the relatively more favourable leave entitlements of non-industrial employees of Government and we feel that no change should be effected which further widens the gap as between the non-industrial and industrial employees of the Government.

13. We have taken note of the leave entitlements of civil servants in those countries for which we were able to collect information and find that the entitlements in the Central Government compare quite favourably with those allowed by some of the most developed countries in the world. The number of public holidays allowed to Government employees in India are also much more than in other countries as pointed out in the previous chapter. Moreover, in most countries, there is little, if any, accumulation of leave allowed to those who do not avail it. From the point of view of efficiency also, it is essential that Government servants take leave periodically to relax

and recoup their health for being able to perform their work on resumption of duty after leave with greater zeal and efficiency. If the present limit on accumulation is removed or liberalised, it would reduce to some extent the incentive that the Government servants have today for availing leave periodically. A sample study conducted by the Ministry of Finance in 1970 with reference to data pertaining to leave availed by different classes of Government servants during 1967, 1968 and 1969 showed that approximately 40% of the gazetted staff did not avail of any leave in a year while the corresponding percentage for non-gazetted staff was around 12. This analysis also showed that gazetted staff and Class I officers had generally good leave balances while Class III and Class IV personnel had much less leave to their credit. Thus, the existing ceilings on accumulation of leave and the period for which the leave can be availed at any one time have hardly any significance for the majority of Government servants.

14. We do not, therefore, recommend any change in the case of these employees as regards rate of earning leave, the limit on accumulation of earned leave and the limit on the period of leave that can be availed at any one time.

15. We find that temporary Government servants, in the first year of their service, can earn leave at the rate of 1/22 of the period spent on duty, i.e., half of what is prescribed for the permanent staffs. On a temporary servant becoming quasi-permanent or permanent, the leave earned by him in the first year of service is recalculated, this time at the rate of 1/11 of the period spent on duty. Considering the large number of employees who join Government first as temporary employees and the fact that most of them become quasi-permanent after completing 3 years' service, the existing provision only throws up a lot of cumbersome clerical and accounting work without conferring much advantage. In our view, the existing differentiation between permanent and temporary employees in regard to earning leave in the first year of service is unnecessary and can be abolished without any difficulty and we recommend accordingly.

16. Another matter in relation to earned leave which has been pressed before us is that a Government servant should be able to claim leave as a matter of right. We find that rule 7 of the CCS (Leave) Rules, 1972, specifically mentions that—"Leave cannot be claimed as of right." We are in full agreement with what the rules say on this point, viz., that when the exigencies of public service so require, leave may be refused or revoked by the competent authority. We do not feel that any change is called for in this regard.

17. As regards leave salary, it is at present reckoned as the average of actual pay drawn during the 10 completed months immediately preceding the month in which the leave commences or the substantive pay of the employee if it is more. However, employees proceeding on earned leave from a post the maximum of which does not exceed Rs. 300 are entitled to draw leave salary equal to the last pay drawn in order to reduce the clerical and accounting work involved. Since, however, the limit of Rs. 300 per month fixed in the year 1968 covered personnel up to the level of

UDCs etc., and taking note of the revised scales suggested by us for such categories of posts, we feel that this limit should be raised to Rs. 600 per month and we recommend accordingly. Except for this, we recommend no other change in the method of calculating leave salary.

18. In respect of half pay leave, very few unions and associations have asked for improvements in the earning rate. We are informed that the majority of employees does not avail of half pay leave unless it is necessitated on medical grounds or for pursuing whole-time courses of study and, therefore, most employees have substantial balances of half pay leave to their credit. Provision also exists for combining half pay leave with other kinds of leave and of availing leave not due which is debitable to the half pay leave that may be earned subsequently. We do not, therefore, see any need for improving the existing rate of earning half pay leave, but there is one provision concerning this kind of leave which in our view requires re-examination. The leave salary admissible on half pay leave is half the amount of leave salary admissible during earned leave subject to a maximum of Rs. 750 per month. This ceiling which was fixed some 50 years ago and which has continued despite the First Pay Commission's recommendation to the contrary, is unduly now low considering the fall in the purchasing power of the Rupee. The Second Pay Commission, on grounds of economy, had not suggested any change except where half pay leave was availed on medical certificate or for pursuing any approved course of study, otherwise than on study leave terms and under the existing rules, the limit of Rs. 750 does not apply in such cases. We feel that the economy achieved by enforcing this limit would be negligible since only a few civil servants are affected. Occasions when the senior civil servants resort to half pay leave are not common and those who proceed on half pay leave do so because of sickness or for pursuing an approved course of study, at which time the limit does not operate anyway. Official witnesses were also of the view that this limit should be removed. We have been informed that the ceiling of Rs. 750 per month is being retained on the ground that it is contained in the Fundamental Rules and that it would not be appropriate to make a more liberal provision in the CCS (Leave) Rules, 1972. This is not sufficient, in our view, to continue this provision made years ago when it is no longer consistent with present circumstances. We would, therefore, recommend that the present limit of Rs. 750 on leave salary during half pay leave should be dispensed with altogether.

19. Regarding commutation of half pay leave into leave on full leave salary, several unions and associations have demanded that the existing limit of 240 days on commuted leave during the entire service of a Government servant should be removed. They have argued that since it is only on medical grounds generally that half pay leave/commuted leave is taken, this restriction adversely affects the Government servant specially at a time when he is likely to be facing financial difficulties. We feel that there is substantial force in this reasoning and we recommend that the present limit of 240 days on commuted leave during the entire service may be removed. The existing ceiling which is quite liberal must be coming into

operation very rarely and perhaps only in cases of long illness. Removing the limit will entail hardly any extra expenditure and will benefit mainly those suffering from persistent illness.

20. A few unions have also demanded that an employee should be able to avail of commuted leave on grounds other than on medical grounds also, particularly for pursuing courses of study. We feel that the balance of half pay leave earned by the employee should be viewed as a kind of insurance to be utilised in times of illness and other compelling circumstances. We are of the view that if the scope for having half pay leave commuted is widened unduly, it would only encourage employees of a particular type to exhaust all the half pay leave in their account. We feel, however, that commutation of half pay leave should be allowed where leave is required for an approved course of study considering the desirability of encouraging the Government employees to improve their qualifications which are considered useful for the Government also. We recommend that up to a maximum of 180 days of half pay leave during entire service should be allowed to be commuted where such leave is utilised for an approved course of study.

21. Study leave is a special kind of leave granted to Government servants in addition to their normal leave entitlements to enable them to undergo special courses of study or specialised training in professional or technical subjects closely connected with their sphere of work. In granting study leave, it is ensured that the proposed course of study or training would be of definite advantage from the standpoint of public interest. Generally, study leave is not granted for prosecuting studies in academic or literary subjects, but an officer of the Indian Economic Service or the Indian Statistical Service may be granted study leave for obtaining a doctorate and a medical officer may be granted study leave for post-graduate study in medical sciences on a certificate by the Director-General of Health Services that it would be valuable in increasing his efficiency. Ordinarily, study leave is not granted for more than 12 months at any one time and 24 months during the entire service. The leave salary admissible during study leave is equal to that admissible during half pay leave, but a study allowance is also admissible in addition which, if the study is pursued in India, is equal to half the daily allowance to which the officer is entitled and which for foreign countries, in terms of sterling, is 12s (now 60 new pence) for Australia and New Zealand, 16s (now 80 new pence) for UK, £ 1 in the European countries and 30s (now £1.50) in the USA.

22. The main demands regarding the provisions of study leave are that the scope of subjects for which study leave is granted should be widened, the period for which the study leave can be availed of should be extended and full leave salary should be admissible during study leave.

23. We are in general agreement with the approach that Government employees, particularly in the technical and specialised branches, should be encouraged to improve their professional qualifications and expertise. The activities of Government are becoming increasingly varied and complex and the civil service personnel should be motivated to maintain a high

standard of professional competence. In this context, the study leave rules can make an important contribution. Accordingly, we have analysed the existing provisions in order to identify such of them as discourage Government servants from pursuing useful courses of study, and to suggest liberalisation where necessary. At the same time, we cannot lose sight of the fact that during the period of study leave, no work is actually performed for the Government and that the period of study leave is not debited to the leave account.

24. As regards the widening of the scope of study leave, we feel that the existing provisions are more or less adequate, but we would suggest that the special provisions made in the rules for officers of the Indian Economic Service, the Indian Statistical Service and medical officers should be extended to many more categories of specialists and technical personnel after due examination on the merits of each case.

As regards the suggestion that the period for which study leave should be granted should be increased, we note that the existing rules already allow for combination of study leave with other kinds of leave subject to a total period of 28 months. We do not feel any change is called for in this regard.

25. We are of the view that the provisions governing emoluments need to be liberalised in order to encourage Government servants to pursue useful courses of study related to their sphere of functions. The existing provisions, under which a leave salary as on half pay leave is admissible in conjunction with a study allowance, is somewhat complicated and can be made simpler insofar as the study courses at institutions in India are concerned. We suggest that for courses of study pursued in India, the emoluments during study leave should be regulated in the same way as during earned leave subject to the emoluments not exceeding the pay that the officer would have otherwise drawn had he remained on duty. We also suggest that no study allowance should be paid during this period. The Conference of Training held in 1969, whose recommendations have been communicated to us by the Department of Personnel, had also suggested that the leave salary admissible during study leave should be the same as during earned leave.

26. In the case of courses of study pursued abroad, it would be necessary to continue with the existing provisions as these are flexible and enable the cost of living in different countries to be taken into account. If salary as during earned leave is provided for study leave to be availed abroad, it would mean the virtual curtailment of this benefit insofar as the courses available in the foreign institutions are concerned. There are a number of highly specialised fields where facilities for study and further research are available only in a foreign institution. In such cases, it is in the public interest to enable Government servants, particularly the scientists and technicians, to utilise study leave provisions. Although officers are also being deputed to approved training courses abroad by the Government, the circumstances under which the Government decides to send a person on deputation are somewhat different from those under which study leave is granted; normally the criteria

for deciding cases of training on deputation are stricter than for the latter. We do not, therefore, recommend any change in the existing provisions relating to study leave availed outside India. The rates of the study allowance admissible in the foreign countries should, however, be reviewed by the Government from time to time to ensure that they do not reach such a level as to discourage officers from taking up useful courses of study abroad.

27. We have also considered in this connection a proposal for the provision of sabbatical leave for the civil servants. We find that the provisions contained in the Study Leave Rules are already meeting to a large extent, the objectives which are sought to be achieved by the provisions of sabbatical leave. According to information gathered by us, the system of sabbatical leave is yet to become prevalent in our universities. While the system has certain attractive features, we feel that in this matter the lead should come from the universities. Further, the estimates made so far indicate that the provision of sabbatical leave for the civil servants will be quite expensive and the expenditure incurred on it might not be justified in relation to the priorities assigned to other elements of the Plan formulated for the advancement of education. With the liberalisation in Study Leave Rules proposed by us, there does not seem to be any need for the present to provide for sabbatical leave also under the Government.

28. "Departmental Leave" is granted only to certain classes of employees in the Survey of India and the Posts and Telegraphs Department. It affects certain categories of Class III employees and the Class IV employees in the Survey of India attached to survey parties with field and recess duties and to members of the seasonal staff in the Posts & Telegraphs. On the recommendations of the Second Pay Commission, provision was made in the Leave Rules that leave salary during departmental leave should not exceed half pay but should not be less than 10% of the pay on duty. The leave salary during departmental leave is, however, not payable unless the Government servant returns to duty when required by his superior officer, but in case of death of the Government servant, the leave salary due is paid to his heir. Departmental leave does not count as duty and the period for which leave salary is drawn is debited to the half pay leave account.

29. The unions representing the employees in the Survey of India have represented that while Class III Government servants in the Survey of India who are sent on departmental leave are being given 50% of their pay, the Class IV employees are allowed only Rs. 10 per month plus an amount at the rate of Re. 1 for each year of service and an additional amount ranging from Re. 1 to Rs. 3 for mates and from Rs. 3 to Rs. 5 for the Dafadars. They have demanded that there should be no distinction between the employees in Class III and those in Class IV and that

*Prof. A.K. Das Gupta feels that the provisions for leave for study abroad should not be different from what they are for study at institutions in India. He is of the view that individual applications for leave for study abroad should not be given any special encouragement, since there is already a provision for deputation for study abroad.

leave salary during departmental leave should be 75% of pay, and it should be payable every month. They have also demanded that the period of departmental leave should not be debited to the half pay leave account. The Surveyor General has suggested that the disparity between Class III and Class IV employees should be removed and they should both be allowed 50% of their basic pay and this leave salary should be paid to them every month during departmental leave and not only on their reporting back on duty. When these rates were originally fixed, the guiding consideration was to provide such rates as were adequate to make the employee stick to his appointment and to ensure his return to duty as and when required and prior to the report of the Second Pay Commission these rates were being fixed *ad hoc* taking local conditions and departmental requirements into account. We are aware that the leave salary paid during departmental leave is only a kind of retaining fee, that it is quite different from the leave salary allowed to other employees during earned leave, and a person can take up other employment during departmental leave. We, therefore, do not consider it necessary to increase the maximum limit of 50% prescribed today, but as regards the minimum of 10%, our feeling is that it is somewhat on the low side, especially during the early part of departmental leave during which period the employee might not be able to secure alternative employment. While we do not wish to suggest any amendment in the Leave Rules as it is difficult for us to anticipate the local conditions in different areas, we feel that the Departments concerned should review the position and allow from 10% to 25% of pay. We agree with the Surveyor General that not paying the leave salary during departmental leave every month causes hardship to the Government servant. The only justification for making such a provision seems to be to induce the Government servant to report back on duty after the departmental leave as the failure to do so would result in loss of the leave salary accumulated during the entire period of departmental leave. We are of the view that a balanced approach should be adopted between these two conflicting considerations and the policy should be to pay the leave salary on a monthly basis for the first three months because it is during this period that the hardship experienced would be the greatest. Thereafter, the leave salary should be payable when the Government servant returns to duty. Finally we feel it is not just to set off the period of departmental leave for which leave salary is paid against the employee's credit of half pay leave. The existing provision simply results in denying the benefit of half pay leave earned by the Government employee during the period of duty and considering that the departmental leave is granted in public interest and not at the request of the Government servant, this provision is not fair and we recommend that it should be deleted from the Leave Rules. However, for purposes of calculating the amount of half pay leave due, "year" should be construed, not as meaning a calendar year in which duty is performed but as twelve months of actual duty.

30. A female Government servant can be granted maternity leave for a period of three months from the date of its commencement or to the end of six

weeks from the date of confinement whichever be earlier. During the period of maternity leave the leave salary is equal to the pay drawn immediately before proceeding on leave. This is a special kind of leave which is not debited to the leave account. Under the existing provisions, no limit has been prescribed on the number of times this leave can be availed of. We find that in the year 1967, orders were issued by the Government that maternity leave should not be granted in case the applicant has three or more living children at the time the leave was applied for, but these orders were withdrawn soon afterwards and never implemented. We feel that the orders issued in 1967 was reasonable and also consistent with the policy of Government in the area of family planning. We recommend that the Leave Rules should be amended to specify that a female Government servant should be granted maternity leave only if she has less than three living children at the time of application for such leave.

31. As regards other kinds of leave like leave not due, special disability leave, hospital leave, seamen's sick leave, and quarantine leave, we have not received any worthwhile suggestion and we do not suggest any change in regard to them as the existing provisions seem to be satisfactory.

32. Finally, we may discuss a demand that has been almost universally made before us in connection with leave to the effect that the Central Government employees should be allowed to encash earned leave more or less in the same way as the employees of the State Governments of Kerala, Tamil Nadu, Mysore, Andhra Pradesh and Maharashtra are allowed. Some of the public sector undertakings and private firms are also allowing the benefit of encashment of a portion of leave. Taking note of the schemes introduced by the State Governments in this regard, the Comptroller and Auditor General commended the adoption of a similar scheme to the Central Government in 1969. The matter was still under consideration when this Pay Commission was constituted and Government remitted this proposal for our consideration. We find that a similar demand made before the Second Pay Commission* was rejected by them on the ground that "leave allowances are not even remotely intended to serve as a means of supplementing an employee's earnings and we are of the view that encashment of any portion of earned leave should not be allowed."

33. We have examined the provisions of the scheme of leave encashment prevailing in some of the States and find that generally an employee can encash a portion of earned leave equivalent to the amount of leave actually availed of by him—both the enjoyed and encashed leave being debited to the leave account—though some exemptions from this provision in certain circumstances are allowed by one or two State Governments. Usually the employee has to take leave for a certain minimum period to become entitled to encash an equal amount of leave. Only earned leave due can be encashed.

*Paragraph 17 of Chapter XXXVI of its Report (page 429).

34. The reasons urged before us in support of this proposal are as follows :—

1. Many non-Government organisations and five State Governments have already extended this benefit to their employees without experiencing any difficulty or much financial burden.

2. The present circumstances are such that most Government employees are not able to move out of their place of posting during leave because of the high expenditure on travel and on the arrangements necessary for temporary stay at an outside station.

3. Allowing encashment of a portion of leave only when the employee actually proceeds on leave, will encourage those employees to take rest from their duties who do not generally proceed on leave and stay at their post for long periods. This would also help improve their efficiency.

4. If leave is allowed to be encashed only when an employee proceeds on leave for a minimum period of say three weeks or a month, it would ensure that employees do not avail of leave for short spells and at frequent intervals.

5. Since leave encashed will also be deducted from the leave account, very few of the employees would be in a position to take leave for periods of 2 months or more. Thus, there would be fewer occasions when it would be necessary to make officiating arrangements and some saving would occur to Government thereby.

35. We have examined the feasibility of introducing the scheme of leave encashment for Central Government employees and find that it will create problems because of certain conditions peculiar to the Central Government. We have been informed that it would not be practicable to introduce such a Scheme for the Armed Forces personnel. In the case of certain essential services run by

the Central Government, it would not be possible to allow people to proceed on leave without making alternative arrangements on the operational posts. The saving anticipated on the ground that officiating arrangements would be avoided would thus not materialise in the case of certain major departments. We were informed by at least one State Government which has gained experience of the working of the scheme of leave encashment that on the whole the scheme has worked well and after an initial rush of applications for leave and encashment of leave, the situation has normalised. Many of the witnesses also supported this measure, but some of the senior civil servants were not in favour and they expressed doubts about the workability of this scheme in departments managing essential services like the Railways and P&T.

36. We are also not convinced of the rationale of allowing a benefit like leave to be 'encashed'. We are thus unable to accept the proposal for allowing the employees to encash a portion of their leave.

37. We have received a suggestion that the employee should be allowed to encash the leave due to him on the date of superannuation, and if the employee dies in harness an amount equal to the leave salary for the period of earned leave to his credit should be paid to his family. We would not favour a general provision for the encashment of leave due on the date of retirement for it would encourage employees to accumulate 4 month's leave during the last years of their service—usually, to the detriment of their own health and of the efficiency of the public services. As regards the leave standing at the credit of an employee who dies while in service, we feel that the cash equivalent of the leave salary that he would have got had he gone on earned leave on the date of death should be given to his family subject to a maximum of leave salary for 120 days, and we recommend accordingly.

CHAPTER 63

MEDICAL FACILITIES

The Central Government civilian employees are provided medical facilities under the following schemes :—

- (i) Central Government Health Scheme (CGHS)
- (ii) Medical Reimbursement Scheme under the Central Services (Medical Attendance) Rules, 1944.
- (iii) Railway Medical Scheme

The Railway Medical Scheme and the Medical Reimbursement Scheme respectively account for 13.99 and 14.34 lakh employees, while the CGHS accounts for the rest, that is, about 1.49 lakhs.

2. The benefits admissible under the CGHS and the Railway Medical Scheme are essentially similar in that both provide for free medical aid including outdoor treatment, supply of drugs and hospitalised and specialised treatment by whole-time medical staff mostly at hospitals and dispensaries maintained exclusively for the beneficiaries. There are, however, certain differences between the two schemes, the most notable being that the Central Government Health Scheme is contributory while the Railway scheme is non-contributory; the definition of 'family' on the Railways is more liberal as it includes minor brothers and sisters of employees subject to the father not being alive; and domiciliary visit to attend on the family members is free in the Central Government Health Scheme but has to be paid for in the case of the Railways.

3. The Medical Reimbursement Scheme which too is non-contributory covers the Central Government employees other than those governed by the Central Government Health Scheme and the Railway Medical Scheme. The medical coverage under the reimbursement scheme is broadly comparable to that available under the Central Government Health Scheme and the Railway Medical Scheme except that no separate medical institutions or medical staff are maintained for the employees governed by the reimbursement scheme and they are dependent on State Government or recognised hospitals for indoor treatment and on State Government medical officers who are declared as Authorised Medical Attendants (AMAs) for out-door treatment. Arising from this difference in the institutional arrangement, the employees have to incur expenditure initially on purchase of medicines as well as for examination, treatment etc. by Authorised Medical Attendants or at authorised hospitals and claim reimbursement later. The Central Government staff stationed at Calcutta (other than Railway staff) are also governed by the medical reimbursement scheme.

However, Class III & IV staff and gazetted officers Cl. II whose basic pay is less than Rs. 500 per month are entitled to receive treatment from private medical practitioners (allopaths only) who are recognised as Authorised Medical Attendants for the purpose.

4. The Central Government Health Scheme is the most popular scheme for providing medical facilities. It has been in operation in Delhi, Bombay and Allahabad for some years and has recently been extended to Meerut, Kanpur and Calcutta. A few more cities (*viz.* Madras, Nagpur etc.) are proposed to be covered during the current Plan period. Its extension to other places where there is a concentration of employees has been generally sought by the employees' associations. The main impediments in the way of rapid expansion of the Central Government Health Scheme are stated to be lack of concentration of Central Government employees in certain localities, reluctance on the part of the qualified medical and paramedical staff to serve anywhere in India, difficulty in getting suitable accommodation for locating Central Government Health Scheme dispensaries, clinics and other facilities and the exiguous financial resources. We feel that these difficulties though real, are not likely to prove insurmountable. In view of the importance of proper medical facilities for the well-being of Central Government employees and its bearing on the efficiency of Government servants and in view also of the large-scale abuses to which the medical reimbursement scheme is liable, we feel that there is an urgent need for pushing ahead with the extension of the Central Government Health Scheme as vigorously as possible. We accordingly recommend that the Central Government Health Scheme should be extended to other cities and towns on a priority basis.

5. The more important of the demands made for improving the working of the Central Government Health Scheme are that there should be separate and exclusive hospitals for Central Government Health Scheme beneficiaries; ambulance service should be available in each dispensary; employees should have the freedom to purchase from the market medicines which are outside the approved formulary or which may be out of stock for the time being and get the cost reimbursed; and the Central Government Health Scheme should be made non-contributory.

6. We do not favour setting up hospitals exclusively for the Central Government employees as we feel that it would not be correct to protect Government employees alone from the difficulties arising from congestion in hospitals and shortages of medical staff, equipment, drugs etc. This is not, however, to deny that there may indeed be a case for improvement

of existing medical facilities at places covered by the Central Government Health Scheme. We, therefore, suggest that the facilities at present provided under the Central Government Health Scheme should be improved.

7. The provision of ambulance service in each dispensary would be uneconomical and wasteful and the present system of pooling of ambulance service in the hospitals so as to ensure maximum utilisation should, therefore, continue. Permission for direct purchase by employees of medicines which are out of stock or outside the approved formulary has been demanded on the ground that the procedure for local purchase of such medicines by the dispensaries is time-taking. We suggest that Government should review the procedure to make it more expeditious and delegate more powers, if necessary, for the purpose to the medical officers in charge of dispensaries.

8. The demand that no contribution should be charged from Central Government Health Scheme beneficiaries has to be examined in the context of the following facts. The existing scale of contribution is very nominal ranging from one-third to three-fifths of 1% of pay. These rates were fixed in 1954 when the scheme was first introduced and have not been revised since, even though there has been a more than three-fold increase in the annual net expenditure per employee in the Central Government Health Scheme from Rs. 39.33 in 1957-58 to Rs. 143.42 in 1970-71 and the expenditure can be expected to keep on increasing in the future also. The scale of contribution under the Central Government Health Scheme is lower than that under the Employees State Insurance Scheme. These considerations do not justify a change in the contributory character of the scheme. On the other hand, they would justify an increase in the existing rates of contribution. We have, however, refrained from suggesting this course mainly because medical attendance and treatment is one of the important fringe benefits enjoyed by Government employees, particularly those in the low pay ranges. We accordingly recommend that the contributory basis of the scheme as also the existing rates should be maintained.

9. A number of demands have been made for liberalisation of the existing provisions in regard to the medical reimbursement scheme in one form and another. Some of these demands have been directed at what are considered to be the restrictive and troublesome features of the scheme. Some other demands have been made in the name of simplification of certain procedures for which there is probably some room. The main demands are: all the registered private medical practitioners including practitioners of indigenous systems of medicine should be recognised as Authorised Medical Attendants; the restriction that medicines should be purchased only from approved chemists should be removed; the period of treatment by an Authorised Medical Attendant for each ailment should be increased from 10 to 20 days; advances should be admissible for out-door medical treatment also; industrial employees with less than one year's service should also be entitled to the benefits of this scheme; consultation/visiting fees charged by the Authorised Medical Attendants should be reimbursed

in full; diet charges should not be charged from indoor patients and cost of dentures, spectacles, hearing aids etc. should be reimbursed.

10. We are not in favour of the demand for declaring all doctors as Authorised Medical Attendants as reimbursement of the cost of medicines is made on the certificates given by the Authorised Medical Attendants and a certain amount of Government control is obviously necessary. It would follow that the Government should be free to replace or debar an Authorised Medical Attendant according to the circumstances. We would, however, recommend that in rural and other areas not adequately served by State Government Authorised Medical Attendants, certain selected registered medical practitioners may be declared as Authorised Medical Attendants. In our view this would be an improvement on the existing arrangement in Calcutta of permitting all registered private practitioners to function as Authorised Medical Attendants. The State Governments are encouraging indigenous systems of medicine and have opened Government Ayurvedic/Unani/Homoeopathic dispensaries. We, therefore, think that there should be no bar to declare the practitioners of indigenous systems of medicine as Authorised Medical Attendants provided they are in Central or State Government employment. Employees should have the option to consult them and claim reimbursement.

11. Under the existing rules, medicines must be purchased only from Government fair price shops/co-operative stores run by Central Government/State Governments/local bodies where such shops exist within a radius of two kilometres from the residence of the Government servants; failing this, the medicines must be purchased from the approved chemists. These restrictions were introduced to prevent abuses and we are, therefore, unable to agree to the employees' demand in this regard.

12. The employees' unions have demanded that in the context of the employees' inability to meet the expenses initially from their own resources pending reimbursement by Government, medicines prescribed by Authorised Medical Attendants should be allowed to be supplied on credit by Government dispensaries, hospitals, or approved shops and payment should be made directly by the Government. A linked proposal is that there should be direct settlement of accounts between the hospital authorities and the Government for medical examination and treatment in the hospitals. Acceptance of these suggestions would lead to a lot of unnecessary administrative work, rather we feel that the remedy lies in expeditious settlement of reimbursement claims. Advances are already admissible for treatment as in-patients in the hospitals and to out-patients suffering from T.B. etc. Employees drawing pay not exceeding Rs. 750 per month are eligible for the advance which is limited to 4 months' pay or Rs. 500. These provisions seem to us to be adequate.

13. Exception has been taken by the employees to the present limit of 10 days for medical attendance at the consulting room of an Authorised Medical Attendant or at the residence of the patient. The reason for this restriction is that if a patient cannot be cured within 10 days it is but proper that he should be referred to a hospital where specialist facilities are

available. This is a salutary and reasonable provision and should continue.

14. We are in sympathy with the demand that industrial employees with less than one year's service should also be entitled to the benefits of this scheme. This restriction does not apply to industrial staff in Railways and those in Delhi governed by the Central Government Health Scheme. We, therefore, suggest that the industrial and work-charged staff should be entitled to the same medical facilities as are available to non-industrial employees and on the same terms and conditions.

15. The justification for the demand for full reimbursement of the consultation/visiting fees charged by the Authorised Medical Attendants appears to be that these fees have gone up considerably and consequently employees have themselves to bear the difference between the actual fees and the amounts reimbursible under the rules. It appears that the existing rates were fixed long ago. The Government should review the position and fix the rates keeping in view the present day conditions.

16. At present, diet charges paid to hospitals by Central Government servants and members of their families during the course of their treatment as in-door patients are reimbursed in full provided the pay of the Government servants concerned is not more than Rs. 380 per month in the case of patients suffering from Tuberculosis and Mental Diseases and Rs. 180 per month in the case of patients suffering from other diseases. In our view, the existing pay limits are quite reasonable and do not call for revision. The revised pay limits in the new scales of pay, for reimbursement of diet charges, should be Rs. 640 in the case of patients suffering from Tuberculosis and Mental Diseases and Rs. 400 in the case of patients suffering from other diseases.

17. We do not also think that there is any justification for reimbursement of the cost of dentures, spectacles and hearing aids as we do not wish to add to the financial commitment of the Government.

18. The Administrative Reforms Commission in its report on Personnel Administration (Recommendation No. 63) suggested that in order to reduce the scope for abuse in the medical reimbursement scheme a suitable monetary ceiling (in a month or in a year) should be fixed for reimbursement of medical expenses. We feel that the remedy for the bogus claims should not be such as would put innocent employees to unnecessary hardship. The abuses should be prevented by meting out exemplary punishment to those found guilty—whether Authorised Medical Attendants or employees or chemists—and by other measures. A system of selective review of medical reimbursement claims beyond a certain monetary limit could also be introduced with advantage.

19. A proposal that has been strongly pressed before us by several employees' associations is that the medical reimbursement scheme may be partially replaced by the grant of a fixed medical allowance for out-door treatment while continuing the existing facilities in regard to indoor treatment. The rates of fixed medical allowance which have been proposed vary from 5% to 30% of pay or from Rs. 10 to Rs. 100 per month. It has also been suggested that the employees should

have the freedom of choice between the fixed medical allowance and the medical reimbursement scheme. The benefits claimed for granting a fixed medical allowance are :—

- (a) In small towns and villages no Authorised Medical Attendant is available in the vicinity and the staff at present get no reimbursement for treatment taken from available sources.
- (b) It will enable staff to take advantage of cheaper indigenous systems of treatment, if desired.
- (c) A beneficiary will have a psychological advantage that he can go to a doctor or chemist of his choice.
- (d) Much of the clerical work involved in scrutiny and payment of medical reimbursement claims would be avoided.

As far as we know, a fixed medical allowance is at present being granted only by the Government of West Bengal among the State Governments and by the Life Insurance Corporation among the Public Sector Undertakings. The rate of the allowance granted by the West Bengal Government is Rs. 8.35 per month or Rs. 100 per annum. In addition, employees are entitled to free in-door or out-door treatment in Government hospitals for themselves and their families. The Life Insurance Corporation also is paying a similar allowance at the rate of Rs. 100 per annum. Besides the additional financial implications the main objection against this proposal is that Government servants, particularly in the low pay ranges are likely to use this allowance to meet their day-to-day expenses and the money may not be available when they need it for the purpose for which it is intended. We are thus led to conclude that the proposal for the grant of a fixed medical allowance would not subserve the purpose behind it and we do not therefore recommend it.

20. Another suggestion is that a group medical insurance scheme should be introduced for the Central Government employees. At our request, the Life Insurance Corporation worked out the outline of a group medical insurance scheme. According to this scheme there will be limits placed on the maximum amount of expenditure within which benefits can be availed of for various types of ailments. Besides, an initial expenditure for each ailment will have to be borne by the employee and the expenditure above this limit only would be reimbursible. The definition of 'family' under the insurance scheme would also be restrictive as it would be confined to the Government employees and his spouse and children, whereas under the existing rules parents are also entitled to medical facilities. The premium which will have to be paid by the Government also appears to be high. In view of the restrictive conditions that will be attached to any scheme of group medical insurance and its prohibitive cost we have come to the conclusion that this approach will not be feasible.

21. The Railway Federations have forcefully brought to our notice the inadequacy of medical facilities along branch lines and at way-side stations and have asked for the facility of treatment by private doctors or at the nearest recognised hospitals, and subsequent reimburse-

ment of medical expenses incurred. We feel that the difficulties of railway employees at way-side stations in getting medical treatment are genuine and recommend that they should be allowed to avail of the facilities available at the nearest recognised hospitals without the prior approval of the Authorised Medical Attendant, and to get reimbursement on the certificate of the medical officer in charge of the hospital. In addition, in the rural areas and at way-side stations and along branch lines where there may be no recognised hospitals at a reasonable distance (say 8 kms.) from the residence of a railway employee, a scheme of empanelment of private doctors may be introduced for consultation and treatment. Medical reimbursement may also be allowed in such cases but the period of treatment from such doctors for each disease may be limited to 3 days only. It should be possible for the Railway employees to contact a Railway medical officer within this period.

22. Under the Central Government Health Scheme and the medical reimbursement scheme, definition of 'family' for medical facilities is spouse, children and parents living with and dependent upon the Government servant. The definition of 'family' on the Railways for the purpose of medical facilities includes spouse, children, mother if widow, unmarried and widowed sisters and brothers below 21 years of age if father is not alive provided all of them are dependent upon and living with the Railway employee. It has been demanded that the father also should be entitled to get medical facilities. The Railway definition of 'family' is in some ways more liberal as it includes minor, brothers and unmarried/widowed sisters. But in another sense it is less liberal since an employee's father is not treated as a dependent. If the employee's father is alive, even his mother and minor brothers

and unmarried/widowed sisters are not treated as dependents. We do not consider it necessary to have uniformity in regard to the definition of family under the Railway Medical Scheme and the Central Government Health Scheme/Medical Reimbursement Scheme. We consider that the existing practice may continue.

23. We have given particular thought to a proposal for prescribing a compulsory periodical medical check-up for Government employees beyond a specified age as part of comprehensive health care. Such a scheme, in our opinion, will be in the interest of the employees as well as of the Government. The advantages will be two-fold. The employees would get timely attention and incipient diseases could be treated promptly. It may even mean all the difference between reasonable health and total incapacitation or even death. The Government would be able to improve the standard of physical fitness and, therefore, the efficiency of its employees. We accordingly suggest that all the Central Government employees may be subjected to a compulsory medical examination at the ages of 40, 45 and 50. Thereafter, they should undergo such an examination at intervals as recommended by the Ministry of Health. We appreciate that such a scheme may involve additional expenditure to the Government but the benefits that will accrue to the Government as well as the employees would make the expenditure worthwhile.

We suggest that a beginning may be made by extending the scheme to the employees covered by the Central Government Health Scheme. The Railway and Ordnance Factories may also cover such of the employees as are posted at places having hospitals run by the Central Government. Depending on the results and the response of the staff the scheme could be extended gradually to cover all the employees.

CHAPTER 64

STAFF AMENITIES

I. Uniforms, Protective Clothing, and Protective Accessories

Uniforms are being supplied at Government expense to most of the Class IV staff (except a few categories like the gardeners, water-carriers and gangmen), and to some selected Class III categories like the postmen and linemen in the Posts and Telegraphs Department, and the Station Masters, guards, ticket collectors, etc., in the Railways. Protective clothing such as water-proofs and warm overcoats are also issued in certain specified localities. Protective accessories such as gum boots, boiler suits, goggles and gauntlets are being issued to the specified categories whose duties require the issue of these accessories.

2. The principle is that uniforms etc. should be supplied by the Government only in those cases where their use is essential for the efficient discharge of their duties by certain classes of staff, and not as a general amenity or a perquisite. These are thus generally issued so that the public and the superior officers should be able to readily identify the staff whose duties involve continuous public contact or whose official position must be known if they are to function smoothly and effectively. Protective garments and accessories are provided either as a protection against inclement weather for those who work out-doors or against hazards such as are encountered in factories etc.

3. In 1970-71 the total expenditure on uniforms etc., of the Central Government has been estimated at Rs. 4.38 crores which is distributed as follows :—

Railways	Rs. 2.28	crores
P & T	Rs. 1.32	crores
Others	Rs. 0.78	crores
Total	Rs. 4.38	crores

The Railways and the P&T have laid down the scale and style of supply applicable to the different categories peculiar to those departments. The Ministry of Home Affairs (now the Department of Personnel) has issued similar instructions in respect of other departments. The cloth used for fabricating the uniforms is Khadi. Some exceptions have been made in respect of the uniforms given to certain categories of Railway staff such as Station Superintendents, Ticket Collectors, Travelling Ticket Examiners, Conductor-Guards, etc., who are issued with uniforms made of mill-cloth. Also where special clothing is called for and Khadi material of suitable quality is not manufactured the use of mill-cloth has been permitted. There is some

variation in the number of sets of uniforms supplied as well as the style of stitching as between one department and another and between different categories within the same department. The scale of supply, the frequency and the type of uniforms supplied and the cloth used—cotton or woollen—are also dependent on the climatic conditions which normally obtain in different localities.

4. Uniforms are stitched according to certain standard sizes. The Railways have adopted only six standard sizes, while the P&T department has evolved twelve. The measurements of the employees are taken periodically to determine the size of the uniform which would fit them.

5. Those who receive uniforms, etc., are also given a washing allowance of Rs. 2 per month. Exceptionally staff-car drivers and Jamadars in attendance on Ministers and on officers of and above the rank of Joint Secretary receive a higher allowance of Rs. 2.50 per month. While the Nursing staff in the P&T receive Rs. 4 per month, similar staff in the Ministry of Health and in the Railways receive Rs. 4.50 and Rs. 5 per month, respectively.

6. The various associations have voiced several complaints about the present arrangements and have generally made the following demands :—

- (i) Mill cloth should be used for the fabrication of all uniforms. Khadi cloth is unsuitable for the fabrication of uniforms since it is difficult to keep clean. Uniforms made of Khadi do not give a smart appearance.
- (ii) The scale of supply should be increased and some more categories of staff should be made eligible for the supply of uniforms.
- (iii) The washing allowance is inadequate and should be increased to Rs. 5 per month.
- (iv) The present arrangements for stitching are dilatory and unsatisfactory and often result in the supply of ill-fitting cloth. Uniforms must be stitched not according to certain standard sizes but after taking individual measurements. Alternatively, each employee should be given a kit allowance and permitted to have his uniforms stitched on his own.

7. It is understood that the question whether Khadi or Mill-made cloth should be used for making uniforms of Government employees has been decided on broader consideration of policy. We have, however, no specific recommendation to make on this question, except to bring to the notice of the Government, the views expressed by a large section of the employees in this matter.

8. We understand that the major Departments are already aware of the complaints about unsatisfactory tailoring arrangements, the resultant ill-fitting uniforms and the delay in supplying them. Some remedial action has also been taken by them. The Posts and Telegraphs Department had set up an internal committee called the Committee of Standard Sizes of Uniforms in 1968 and its report was submitted in the same year. The various suggestions made by that Committee would, if implemented, resolve much of the difficulty experienced by the P&T staff in obtaining well fitting uniforms. The Railways had also set up an Uniforms Committee in 1969 which submitted its report in 1970. Some of the observations made by that Committee lend credence to the complaints made by the staff federations. The Committee observed—

“Supplies are not received on the due dates. Uniforms received from the Stores Depots are often dumped in small congested rooms at stations and staff are allowed to pick up their uniforms. Those who come first pick up the largest size available, with the intention of altering the uniform to suit their sizes, with the result those who arrive later are left with no other alternative but to take the smaller sizes which do not fit them even after alteration.”

The Committee has suggested that measurements should be taken regularly every three years of each employee entitled to receive uniforms and orders placed at the time of stitching for the correct size of the uniform. Since this matter has been brought to the notice of the Railway Ministry, we hope that that Ministry would take the necessary measures to remedy the defects.

9. The question of uniforms seems to be engaging the attention of Government continuously and efforts are made to satisfy the justifiable demands of the employees. The National Council under the Joint Consultative Machinery Scheme, provides another and permanent forum where this question has been discussed and with some success. We feel that changes in the existing scales and standards of supply as also in the amount of washing allowance, are matters which can be more appropriately settled by the Government in consultation with the staff. In view of the existence of a satisfactory machinery for these purposes, we would not make any specific recommendations on these demands made by the employees' associations.

10. We would however like to draw the attention of the Government pointedly to the need for ensuring the timely supply of uniforms of the proper fit. Delay in supply is a genuine grievance and unless this is remedied, it would be difficult to enforce the regulation that uniforms shall be worn by the specified categories while on duty and consequently the very purpose of supplying uniforms may be defeated. Likewise, the supply of ill-fitting uniforms would be a disincentive to wearing them. A smartly cut and clean uniform does much to create an impression of efficiency and service. Conversely, ill-fitting and badly kept uniforms can harm the image of a governmental organisation, specially of a public utility service such as the Railways or Posts and Telegraphs. The demand that a kit allowance be given *in lieu* of government supply arises partly out of these deficiencies. The demand, however, seems to be unjustified. Uniforms

have inherently to have a certain uniformity about them, of colour, texture, as well as style. It would be impossible to ensure any of these qualities if each employee is allowed to have his uniform fabricated privately. At present the cloth is being purchased centrally through the Director General of Supplies and Disposals and uniforms are fabricated by tailors on the basis of competitive bidding. This advantage would be lost if each employee is individually to buy cloth and get it stitched. The major exception made in this regard now is in respect of uniforms for the nursing staff who have been given an allowance *in lieu* of uniforms at rates varying from Rs. 75 to Rs. 150 per annum, depending on the grade. In this case, however, the exception appears to be justified in view of the difficulty in evolving standard sizes for these uniforms and in any case the exception pertains to a small number of staff *i.e.*, about 5,500 only. Even for such staff, instead of giving an uniform allowance the Government may, examine the feasibility of supplying the special grades of cloth (cotton, woollen, or synthetic) and sanctioning an amount towards tailoring charges, leaving it to the officials to have their uniforms stitched in conformity with the regulations. This alternative arrangement may also be useful for other categories of staff where the numbers are relatively small, the staff is dispersed, and the standard of tailoring required calls for individual measurements. This concession would not however, be justified in other cases.

II. Canteen Facilities

11. Provision of Canteens forms a part of the staff welfare activity of the Government. Departments which have industrial establishments under them, have a statutory obligation under the Factories Act, to provide canteen facilities in accordance with the rules framed by the concerned State Government. For the other employees the Government has on its own made provisions.

12. The Railways, Posts and Telegraphs and the Defence Ministry have issued separate orders in regard to the provisions of canteen facilities in those departments. For the employees working in the other departments of the Government of India, the Ministry of Home Affairs (now the Department of Personnel) has laid down norms for providing canteen facilities. In the orders issued by the Department of Personnel, canteens and tiffin rooms have been classified as follows :—

Canteens/Tiffin Rooms	Category	No. of Employees
Canteen	A	for 700—1200
	B	for 500—699
	C	for 250—499
	D	for 100—249
Tiffin Rooms	A	for 50—99
	B	for 25—49

Till recently an interest free loan was being granted up to a limit of Rs. 5000, for the purchase of stores, utensils, and other cooking equipment. This has now been changed to an outright grant. A subsidy to meet the cost of establishment at the rate of 50% in

respect of canteens and 100% in the case of tiffin rooms is also admissible. A nominal rent of rupee one per mensem has been fixed towards rent of the canteen accommodation. Accommodation for housing the canteen may also be hired wherever necessary. Provision has also been made for the fitting of exhaust fans, gas cooking ranges with hoods and for a separate place for washing and claiming, as well as for a separate store room. Grants to cover the cost of suitable initial equipment are made as indicated below :—

Type of canteen	For equipment	For Kitchen utensils & crockery.	Furniture*	Total
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
A	10,000	2,500	5,000	17,500
B	8,000	2,000	4,000	14,000
C	6,000	1,500	3,000	10,500
D	5,000	1,000	2,000	8,000

*Replacement after every 8—10 years.

In addition to the free supply of water and electricity for lights, fans, refrigeration and sterilisation, the Departments bear 25% of the charges for gas and electricity used for cooking purposes for an initial period of five years. The Railways, the P&T and the Ministry of Defence have made more or less similar provisions.

13. The All India Railwaymen's Federation has demanded that the difference between the canteens provided under the Factories Act and the other Canteens should be done away with. We, however, feel that as the provisions made for the purposes under the Factories Act would differ marginally from State to State, no uniformity is possible in this regard. However, if the provisions made under the departmental rules are more favourable, these should be adopted even for the canteens provided under the Factories Act. Another demand is that the canteen facilities should be extended to all offices, etc., where there are more than 25 persons working and that the full cost of providing accommodation, furniture, crockery and utensils, fuel and energy, and the salaries of the employees and 50% of the other items of expenditure should be borne by the Railway Administration. Under the revised orders issued in 1971 by the Department of Personnel, canteens will be provided for a minimum of 50 employees and a tiffin room for a minimum of 25 employees. A joint canteen or tiffin room is to be provided by combining adjoining offices where the number in each office separately would not justify it. It is understood that action is under way in the Railways, Defence, and the P&T to liberalise their provisions on these lines. These relaxations would seem to be adequate.

14. The only important demand of the employees that has not so far been conceded by the Government is that the full cost of the establishment of the canteens should also be borne by Government. If this demand was to be conceded, it would mean that the Government would be financing the Canteens *in toto*, (ex-

cept the cost of material) while allowing them to be run by the staff. We are unable to recommend this course, as the canteen should be more or less self-supporting, so far as its running expenditure is concerned, and should not become a drain on the public revenues. In the matter of food, etc., the best arrangement would be to leave the management to the consumers; at the same time it is also necessary that the staff themselves feel responsible in some measure for the finances of the canteens, so that they would take adequate interest in their management.

15. Finally, we would like to draw attention to the fact that the canteens in certain Ministries are often used as meeting places at all hours of the day by various persons who may have no work to do. Not only do they waste their own time but they also disturb others. Canteens should, therefore, be kept open only during specified hours.

III. Advances to Government Servants

16. Advances from public funds for various purposes are admissible to Central Government employees under the provisions of the General Financial Rules. These advances are of two kinds, viz., interest-bearing advances and interest-free advances. Advances granted for the purchase of conveyances and for house building purposes, etc., are interest-bearing, whereas advances granted in connection with festivals, natural calamities, etc., are interest-free. The amount of these advances, the conditions of admissibility, and the methods of their recovery have been prescribed keeping in view a variety of relevant factors.

17. In regard to the advances for purchase of conveyances the only important point urged by the Unions relates to increasing the amounts of the advances so that the actual cost of the conveyance could be met. Having regard to the increases in the cost of conveyances in recent years, we recommend that the maximum amount of advance for the purchase of Motor Car should be raised to Rs. 18,000, for Motor Cycle/Scooter to Rs. 3,500 and for Bicycle to Rs. 250.

18. Another demand made by the Unions is that the rate of interest chargeable on house building advances should be reduced. It has been brought to our notice that some of the financial institutions such as the Reserve Bank of India, State Bank of India and the L.I.C.* charge lower rates of interest from their own employees than what is being charged by the Government for advances granted to their employees for house building purposes. At present the rate of interest charged by the Government on house building advances is the same as that applicable to all other advances. We are not aware of the basis adopted, nor of the various factors taken into account for determining the rate of interest on interest-bearing advances under the Government. The question whether a differential lower rate could be prescribed in respect of advances for house-building purposes, at least in respect of loans advanced to employees drawing less than Rs. 900 per month, would be for the Government to consider having regard to all relevant factors.

*Life Insurance Corporation.

19. Government might consider whether the advance for purchase of warm clothings could be raised from the existing amount of Rs. 200/- in view of the increased prices of woollens. We would further recommend that an appropriate advance should be admissible to Class II and Class I employees also on their first posting to a hill station.

IV. Other Welfare Measures

20. In this Section we examine the demands of the employees regarding the measures which the Government, as a model and enlightened employer, should take for providing congenial physical conditions for work in offices, opportunities for the healthy enjoyment of leisure, for promoting cooperative and cultural activities among the staff, and for mitigating acute distress caused by unforeseen and adverse circumstances.

21. **Working Conditions**—The associations of the employees have complained that the pressure on office accommodation has continued unabated for the last two decades and have alleged that there has been no planning to catch up with the mounting requirements. At the time the Second Pay Commission reported, the shortage of office accommodation in Delhi, Calcutta and Bombay was respectively estimated to be 11.7% 5.6% and 10.6%. According to the annual report of the Ministry of Works & Housing for 1971-72 the present position in these three cities is as indicated below :—

TABLE I

Station	Requirement (in lakhs sq. ft.)	Availability (in lakhs sq. ft.)	Shortage (in lakhs sq. ft.)	Shortage as % age of total require- ment.
1	2	3	4	5
Delhi	65.75	57.67	8.08	12.3
Calcutta	24.77	20.84	3.93	12.5
Bombay	8.73	7.99	0.74	9.2

These figures would indicate that the relative availability of office accommodation has not improved and it has in fact deteriorated specially in Calcutta. Even out of the available accommodation a considerable proportion is hired or requisitioned. The extent of such hiring and requisitioning is 6.43, 4.27 and 2.16 lakh sq. feet in Calcutta, Delhi and Bombay, respectively. We have, therefore, to conclude that generally the availability of office accommodation has not kept pace with the demand for it. We have not been able to make any assessment of the actual shortages in the Railways, Posts and Telegraphs, and in respect of the defence civilian staff. However, from the memoranda of the associations as well as from the visits we have paid to the field offices etc., we have gained the impression that there is considerable scope both for providing more space, as also for improving the accommodation in use by better lighting, improved ventila-

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tion using exhaust fans, greater cleanliness, and more liberal use of paint. There is scope also for re-arranging furniture, record rooms, etc., to make the atmosphere more livable. We think that improvements can be effected at relatively low cost if attention is paid to these details.

22. In addition to the normal office accommodation, operating staff under the Departments of Railways, Posts and Telegraphs, Civil Aviation, Health, etc. have been provided with rest-houses, retiring rooms, and dormitories where they could take rest between two spells of duty or arrange for their meals. In a number of cases, such accommodation is stated to lack elementary sanitary facilities, proper ventilation, and adequate lighting.

23. The provision of adequate office space along with other essential facilities like rest houses, rest rooms, and dormitories, should receive the close attention of the Government. Tidy offices, which are well lighted and adequately protected against bad weather conditions, and fitted out with functional furniture and storage space not only give an impression of efficiency but actually promote it. While the construction of new buildings would take time, improvements to existing buildings can be undertaken quickly and at a comparatively low cost. Similarly, the provision of rest houses etc., is also a comparatively less expensive proposition. We urge the Government to attend to these matters with expedition.

24. **Staff Welfare**—During the last two decades the Government has made efforts to promote the welfare of its employees by encouraging sports and other group activities, by assisting the establishment of cooperative credit and consumer societies and by setting up holiday homes, community centres, creches, etc. The Railways have established a staff benefit fund from which financial assistance is given for the education of the staff and their children, for recreational facilities and for relief when the family is in distress, in the event of the protracted illness or the premature demise of the employee. The Ministry of Railways every year make a grant to the Staff Benefit Fund at the rate of Rs. 4.50 for every non-gazetted railway employee. In addition, *ad hoc* grants are also made for promoting sports activities. During 1972-73 an *ad hoc* grant of Rs. 9.35 lakhs has been sanctioned. Further, an annual recurring grant of Rs. 2 lakhs is also made for the organisation of inter-railway tournaments and participation in national championships. Assistance to consumer cooperative societies is given separately. There are at present 436 such societies with a membership of about 2 lakhs.

25. In the Posts & Telegraphs Department welfare activities are financed out of a Welfare Fund to which Government makes a non-lapsable grant-in-aid of Rs. 10 lakhs per annum. The fund is utilised for promoting sports and other cultural activities, for giving assistance to the children of P&T employees for technical education and, in deserving cases to exceptionally meritorious children of the employees for non-technical education, and to afford financial and medical assistance in cases of serious and protracted illness. Assistance to cooperative credit and consumer societies is separately given. A voluntary fund known as the Minister's Benevolent Fund has also been

established for the purpose of helping the members the Fund or their families in the event of acute financial distress.

26. For the civilian employees of the Ministry of Defence, there are a number of funds in operation. The Defence Civilian Welfare (TB) Fund is intended to give assistance to the employees who suffer from tuberculosis, cancer or leprosy. The fund is mainly voluntary and is built up through subscriptions from the members at rates depending on their pay. Grants are also made to this fund from the Canteens Stores Department and by the Ministry of Defence. A Benevolent Fund has been established for the employees of the Secretariat of the Ministry of Defence and of the Armed Forces Headquarters. The Fund is voluntary. There is a third fund known as the Ministry of Defence and AFHQ Welfare and Amenities Fund which is non-contributory and is financed entirely out of Government grants.

27. The promotion of welfare measures in the remaining departments is the responsibility of the Department of Personnel. Separate grants are made for the establishment of sports clubs, community centres and creches. A Benevolent Fund has also been established which is partly voluntary and partly contributory. A member's contribution ranges from Rs. 2/- per annum to Rs. 10/- per annum depending on the pay drawn, and the Government's contribution is Re. 1/- per annum for each member. Benefits from this fund accrue only to the members.

28. From the details furnished above, we find that there is no uniformity either in the practices or in the scale of financial assistance given by the Government. In the Railways the Government's contribution is more than Rs. 5/- per head, if we take into account the *ad hoc* and recurring grants being made for certain special sports activities. In the other departments the assistance given by the Government is on a much lower scale. In the Posts and Telegraphs, for example, the grant is a lump sum of Rs. 10 lakhs per annum for about 3.8 lakhs employees (excluding the extra departmental employees who are not eligible for these welfare measures). This works out to less than Rs. 2.50 per head. We do not have precise information regarding the subsidy for welfare activities in respect of the civilian establishment of the Ministry of Defence, nor for the other departments in which welfare activities are the responsibility of the Department of Personnel. The Central Secretariat Sports Control Board which functions under this Department has been given a grant of Rs. 3 lakhs for 1972-73 to organise sports clubs, etc. A sum of Rs. 10 lakhs has been provided in the 1972-73 budget for various other welfare measures. It seems to us that, even though the provisions of some of the welfare amenities would have to depend to a large extent on the concentration of staff at particular places, in certain other matters, e.g., establishment of and government contribution to the employees' benevolent funds, there should be some degree of uniformity in the different departments.

29. Holiday Homes have been established to enable the employees to spend their leave in salubrious

localities. The Railways have established 17 holiday homes while the Posts & Telegraphs Department is running seven such Homes at different places. The Department of Personnel have also established a Holiday Home at Simla. The Associations of Defence Civilian employees who do not have any Holiday Homes at present have demanded this provision. The employees' unions have referred to their inability to avail of these Holiday Homes since many are located in hill stations and out of the way places and the existing leave entitlements and leave travel concessions place these amenities beyond the reach of the normal employee. Even conceding that a regular annual vacation away from his place of work may be beyond the means of the average government employee who has no other source of income, the fact that the existing provisions have proved popular shows that these are fulfilling a felt need and are enabling Government employees to take an occasional vacation in fresh surroundings; as such, the idea behind a Holiday Home which provides lodging and other facilities at cheap rates for the benefit of the employees is sound. We accordingly recommend that this facility should be extended further. We suggest that in locating these holiday homes the Government should pay attention to the usual social habits of the generality of its employees.

30. A study made by the Ministry of Home Affairs (now Department of Personnel) in respect of employees stationed in Delhi and New Delhi in 1964-65 revealed that 2072 employees out of a total of about 1.5 lakhs had incurred debts of over Rs. 35½ lakhs. This gives an average of Rs. 1715. Figures available regarding the loans drawn from the Employees' Co-operative Credit Bank of the Central Railway showed that the number of persons who took loans increased from 31417 in 1965 to 36489 in 1969. The total loans granted have also increased from Rs. 19 lakhs (or Rs. 615 per head) to Rs. 28 lakhs (or Rs. 718 per head). The figures that we have been able to collect in regard to a section of the employees in other departments also shows a similar trend though there are a few instances where the amount of debt has decreased over the years. The actual amounts taken as loan from the General Provident Fund and from Co-operative Societies also varies considerably from an average of Rs. 319 in the Ministry of Food and Agriculture to Rs. 1266 in the Ministry of Finance (Department of Revenue).

31. In themselves these figures are perhaps not conclusive evidence of any large scale indebtedness. However, the trend seems to be towards larger loans being taken from savings in the General Provident Fund or from Credit Societies. We recommend that a systematic study should be made of the trend of indebtedness and if its proportions show undue increase, Government should consider steps to remedy the situation, including a scheme of financial assistance in hard and deserving cases. Further, in the present situation, thrift and savings are of paramount importance and the organised associations and federations of the employees could help by propagating these habits among their constituents and creating a favourable climate for their sustained growth.

CHAPTER 65

MISCELLANEOUS

I. Classification of Services

1. In the civil service under the Central Government the pay range within which the scale or pay of a post falls normally determines its classification. The criteria followed at present are given below :—

Pay or maximum of the scale of the post	Classification
Not less than Rs. 950	Class I
Not less than Rs. 575 but less than Rs. 950	Class II
Over Rs. 110 but less than Rs. 575	Class III
Rs. 110 or less	Class IV

Several exceptions have been made to these general criteria and certain categories, which on the basis of their pay range, qualify for the lower class have been placed in the next higher class. Notable among such exceptions are Notice-Servers in the Income Tax Department, and Postmen and Linemen in the P&T Department who have been categorised as Class III even though their pay scale is only Rs. 75-95; the CSS Assistants who have been categorised as Class II (non-gazetted) though their pay scale is Rs. 210-530; and Education Officers of the Education Advisory Cadre who have been placed in Class I even though their pay scale is Rs. 700-900.

2. The differentiation among these classes is not only with regard to the nature of the duties assigned to each class but in certain other matters as well. There are differences in the manner in which appointments are made to the different classes of services. While the appointing authority for all first appointments to Class I is the President of India, in respect of other classes the appointing authorities are either Heads of Departments, or other subordinate authorities to whom the powers to make these appointments may be delegated. The President is the disciplinary authority in respect of all Class I posts and the appellate authority in respect of Class II posts. In respect of Class III and Class IV, the disciplinary as well as appellate authorities are the Heads of Departments, or other functionaries to whom powers may be delegated. As for other conditions of service, such differences as did exist earlier in matters of entitlement to leave, pension, and gratuity as between one Class and another have more or less ceased. In respect of leave travel concessions an employee in Class IV is actually in a better position than the employees in the other Classes. Similarly, the age of retirement for the Class IV employees is 60 years while it is 58 years in other cases.

3. The division of the civil service into four classes was adopted on the recommendations of the First Pay Commission. A number of employee associations had urged before the Second Pay Commission, that this scheme of classification promoted "class consciousness" within the service and should, therefore, be done away with. The Commission came to the conclusion that the existing classification served no practical purpose which could not be served without it and, on the other hand, it had an unhealthy psychological effect. The Commission recommended that the classification should be given up and the amendments that would be necessary in respect of the Central Civil Service (Classification, Control and Appeal) Rules 1957 and of certain other rules and orders should be carried out*. In making this recommendation it took note of the practice in other countries including those with a large and complex civil service, where it had not been found necessary to super-impose upon their civil service grades and occupational groups a broad classification as exists in this country.

4. The Government, however, could not accept this recommendation since it was found that the existing classification was convenient for personnel management purposes. A proposal to replace the existing nomenclature of Class I, Class II, Class III, and Class IV by Group 'A', Group 'B', Group 'C', and Group 'D' also seems to have been considered since the word 'Class' might hurt the susceptibilities of some sections of the employees. This proposal was not also accepted since it was felt that a mere change in the name was of no practical value.

5. We have again tried to elicit the views of the employees' associations and also of prominent individuals in this matter. While the majority of those who responded to our enquiry favoured the abolition of the present classification, quite a few advocated an alternative system of classification broadly according to the type of work carried on in the different classes. Some of the associations have favoured a reduction in the existing number of classes. As already pointed out in the Chapter on Class II Services and Posts all the Class II associations have demanded the merger of Class II with Class I. The official witnesses, however, were inclined to the view that there was nothing objectionable in the existing classification; and on the other hand, it was of some convenience in matters of recruitment, promotion, pay determination, and other administrative procedures.

6. The result of our enquiries into the practices in other countries is that a classification system similar

*Pages 561—562, (para 4), of the Report.

to our own is not unknown, but where such a classification does not exist, a more detailed classification into occupational groups has been resorted to. In the United Kingdom, the civil service is divided into a larger number of classes, the main components of which are the administrative class, the executive class, the clerical class, and the messengerial class. There are other classes such as the Works Group of Professionals, Economists and Statisticians, Scientific Officers and Medical Officers. The method of recruitment and pay and other conditions of service of all these classes is linked with the one or other of the main classes.* The other Commonwealth countries, except Canada and Australia, generally have the same structure. In Malaysia, however, there is, in addition to a structure of classes, a division of the civil service into Division I, Division II, Division III and Division IV. This division is not, however, based on pay ranges but on the minimum educational qualifications prescribed for entry. In France the classification is into four 'categories' viz., 'A', 'B', 'C', and 'D', and this classification is based on pay ranges as is the practice in India. The civil service of West Germany follows a similar practice of classifying the employees into four classes of service, namely the higher (hoherer), the elevated (gehobener), the middle (mittlerer), and the simple (einfacher). The division is based on occupational differences, methods of recruitment and the pay range admissible to each service. In the United States the whole service is divided into hundreds of occupational groups known as "series", comprising individual posts (or positions) at various levels. The latter are placed in one or other of 18 grades common to the whole service. There is no further classification. In Canada and Australia the groupings are similar to those in the U.S.A, though there is a greater variety of grades and pay scales.

7. We are inclined to the view that some kind of a classification based on an assumed equivalence of the work content in the different levels of the various

occupational groups and, hence of the pay ranges, is necessary for purposes of personnel administration. The present system of classification is fairly well known, and the employees have become accustomed to it. It has the advantage that orders can be issued, or the existing orders amended, by referring to the particular classes covered. There is no lack of precision in this course, but much verbiage, otherwise necessary in having to define the categories or occupational groups covered, is thereby obviated. We have, however, formed the impression that the term 'Class' presently in vogue, has acquired overtones that could, with advantage be avoided, so as to create a healthy psychological climate. It should be possible to describe the existing classes as "Groups" as the Government itself seems to have contemplated at one time. In other words, it may be feasible to redesignate the existing Classes I, II, III, and IV as Groups 'A', 'B', 'C', and 'D'. We recommend accordingly. In conformity with the revised pay structure that we have recommended, and subject to such exceptions as the Government may decide to make, the pay ranges applicable to each of these groups may be the following—

Pay or maximum of the scale of the post	Grouping
Not less than Rs. 1300	'A'
Not less than Rs. 900 but less than Rs. 1300	'B'
Over Rs. 280 but less than Rs. 900	'C'
Rs. 280 or less	'D'

II. Temporary and Quasi-Permanent Status

8. Of the 29,81,700 regular civilian employees of the Central Government, 22,32,800 or 74.9% are permanent and 7,48,900 (25.1%) are temporary. The detailed distribution is given in the Table below :—

TABLE 1

Department	Number of permanent posts	Number of temporary posts	Total	Percentage in 1971		Percentage in 1957	
				Perma- nent	Tempo- rary	Perma- nent	Tempo- rary
Railways	12,44,500	1,54,200	13,98,700	89.0%	11.0%	82.0%	18.0%
Posts and Telegraphs	3,09,800	83,600	3,93,400	78.7%	21.3%	76.4%	23.6%
Defence (Civilian)	3,12,600	2,84,500	5,97,100	52.4%	47.6%	31.5%	68.5%
Others	3,65,900	2,26,600	5,92,500	61.8%	38.2%	42.7%	57.3%
TOTAL	22,32,800	7,48,900	29,81,700	74.9%	25.1%	67.4%	32.6%

*It may, however, be noted that following the recommendations of the Fulton Committee, a decision has been taken to abolish the various classes and replace them by occupational groups, some of which would be formed by the merger of two or more related classes.

9. Since 1957, the proportion of permanent staff has improved in all departments. However, the percentage of temporary employees in departments other than the Railways and the Posts and Telegraphs continues to be high. In the Ministries of Food and Agriculture, Home Affairs, Irrigation and Power, Labour and Rehabilitation, and Shipping & Transport, the number of temporary employees exceeds the number of permanent employees. The maximum number of temporary personnel is found amongst the Defence Civilians.

10. There is today a differentiation in the conditions of service as between the permanent and temporary status mainly with regard to two important matters, viz., (i) temporary employees are not eligible for pension, and (ii) the services of the temporary employees can be terminated with a month's notice, without assigning any reason, under the appropriate temporary service rule.

11. Between permanent and temporary, there is the intermediate quasi-permanent status which is accorded to all the 'non-industrial' staff (other than those of the Railways) upon fulfilment of certain conditions. The quasi-permanent status was first introduced in 1949. During the Second World War there was sudden and large scale recruitment in all fields and a disproportionately large number of temporary posts were created. Temporary employees were even at that time not only ineligible for a pension but were treated less favourably in respect of leave entitlements, medical facilities, etc. compared to the permanent variety. The Central Civil Services (Temporary Service) Rules which were promulgated in 1949 made a provision for declaring temporary Government servants as quasi-permanent, if they were in service continuously for more than 3 years. The quasi-permanent employee has more or less the same status as the permanent employee in respect of many of the important conditions of service, except pension. The Ministry of Railways did not adopt these Rules, but allowed more or less the same privileges to the temporary employees with 3 years' service as were admissible to their permanent employees.

12. The large percentage of temporary posts which existed in 1957, was adversely commented upon by the Second Pay Commission. It observed that the common reason given for the high proportion of temporary staff was the temporary character of certain establishments, and that the bulk of the staff required for the plan schemes and, particularly for construction projects, were necessarily employed on a temporary basis. The Commission felt that it was not in the public interest that the services under the Central Government should continue to carry for long periods the high proportion of temporary staffs which it noticed, and which had been in its view, a factor spreading dissatisfaction among large sections of employees and had impeded the orderly management of the services. In regard to the quasi-permanent status the view was expressed that it had proved to be of value to a considerable number of employees but psychologically it had given only partial satisfaction as it did not carry an assurance of a pension, and that it had at the same time, induced a degree of complacency and was perhaps partly responsible for

slowing down the process of identification of posts that deserved to be made permanent.

13. Pursuant to the recommendations of the Second Pay Commission the Government issued orders for making more temporary posts permanent. The Ministries and Departments were to convert 80% of temporary posts, excluding Class IV posts, into permanent ones, provided that such posts had been in existence for a continuous period of not less than 3 years, and were required for work of a permanent nature. In the non-permanent departments, like Rehabilitation, which have existed for not less than 10 years, and are not proposed to be wound up in the foreseeable future, 50% of the temporary posts can also be made permanent provided the posts have been in continuous existence for a period of 5 years or more, and are required indefinitely.

14. Temporary posts in Government workshops and industrial establishments are at present made permanent on an *ad hoc* basis. In Defence workshops, 40% of the sanctioned posts are authorised to be made permanent; and in a Railway workshop employees who have completed 3 years' service are treated as permanent until such time as the administrative Ministry or department is in a position to assess the permanent requirements of the industrial staff.

15. The temporary non-gazetted posts in the P&T department, excluding the workshops and industrial establishments, are made permanent on the following basis:—

I. In Circle and Administrative Offices

80% of posts which have been in existence for over 2 years and are required on a permanent basis may be made permanent subject to the condition that the number of temporary posts will not be less than 10% of the total strength of each cadre, and the number of permanent posts in each case does not exceed the number recommended by an Establishment Standards Committee.

II. In the remaining offices

All operative and non-operative posts which have been in existence for a continuous period of not less than 2 years and are required for work of a permanent nature can be made permanent, provided the number of temporary posts in these cadres is not less than 10% of the total number of permanent and temporary posts.

16. In regard to the teaching staff in the Union Territories, the Administrations concerned have been authorised to convert all the temporary teaching posts in Government schools, colleges and Teachers' Training Institutions, into permanent ones, where enrolment has stabilised, and provided that the temporary posts have been in existence for a continuous period of not less than 3 years and are required for work of a permanent nature.

17. In spite of the orders issued by the Government for the conversion of temporary posts into permanent ones, one-fourth of the total strength is still temporary. The employees' associations have demanded that all posts which have been in existence for six months to a year should be declared permanent. Some associations have alleged that the lack of security of tenure implied

by the temporary status has been used for dispensing with the services of temporary employees without adequate cause. Many associations have also commented that the quasi-permanent status confers no practical benefit and should be dispensed with. If it is at all to be retained, it should apply only where the Department or the Organisation is itself temporary.

18. We have carefully considered these demands. It is difficult to accept the proposition that all temporary posts should, as a matter of course, be declared permanent after six months or a year of their coming into existence. The Government is frequently called upon to meet emergent situations such as natural calamities, massive influx of refugees, internal insurrections or external aggression. Temporary hands have to be recruited at short notice to meet the situation and since these emergencies are likely to be surmounted in due course, there can be no question of making these persons permanent. No rigid time-limit can be laid down either, as there is no certainty as to when a given situation will clear up. During a period when the strength of the normal establishment is continuously increasing, a temporary component provides a necessary break against runaway growth of the establishment. Temporary posts are sanctioned only for limited periods of time, and the necessity for their renewal provides for a periodical review of the need for continuing these any further. We, however, feel that the existing proportion of one-fourth of the staff being temporary is too large and recommend that in permanent departments it should, in course of time, be brought down to about one-tenth. It may not be desirable to reduce the temporary establishment to this low figure, in departments, which are themselves considered temporary, or, which by the very nature of their work (as in Ordnance Factories) must carry a somewhat larger component of temporary staff. However, even in these departments the position in this regard should be periodically reviewed so that as large a number of temporary staff as possible are made permanent. Temporary employees should be allowed relaxation in age to compete for appointment to permanent posts that fall in the same category.

19. As regards the quasi-permanent status it could be argued that if the Railways—accounting as it does for half the total civilian staff under the Central Government—can do without this practice, the rest of the public service could do without it as well. The quasi-permanent status confers an advantage, in that an employee of this category is on par with the permanent employee, so far as the security of tenure is concerned and his services cannot be terminated without due process. This is a valuable right specially to those serving in temporary posts in the temporary departments, inasmuch as, efforts are more likely to be made to fit them elsewhere, if the necessity should arise. We, therefore, recommend that quasi-permanent status may continue to be conferred on the eligible temporary staff employed in temporary organisations. Elsewhere, there seems to be no specific need for this practice and the Government should consider dispensing with it.

III. Industrial and non-Industrial Employees

20. The Central Government employees have been classified differently for different purposes, some of the well-known classifications being gazetted and non-

gazetted, ministerial and non-ministerial, industrial and non-industrial etc. In this section we discuss the varying conditions of service applicable to the industrial staff and the non-industrial staff employed under the Central Government. At the outset we are confronted with some difficulty due to lack of an authoritative or precise definition of the terms "industrial" and "non-industrial" civil servants. Various Labour Acts define the term "industrial worker" in different ways. The wider connotation of the term "industrial worker" seems to refer to those to whom the Industrial Disputes Act, 1947 applies. In this sense, it covers even office staff and operating categories in the Railways, Posts and Telegraphs, etc. who cannot be treated as industrial workers in the ordinary accepted sense of the term. However, for our purpose, we have treated as industrial workers only workshop staff governed by the Factories Act and other groups of comparable manual workers conforming to the description of artisans and working outside workshop premises such as Carriage and Wagon Depots and Loco Running Sheds, etc. on the Railways and in other premises which are not subject to the Factories Act.

21. The distinction between the industrial and non-industrial employees of the Central Government has special significance owing to the fact that the industrial employees of the Government are generally governed by the labour laws and the non-industrial employees by the rules applicable to Central Government servants in general. At the same time the Fundamental Rules, Supplementary Rules, Civil Service Regulations, Central Civil Services (Classification, Control & Appeal) Rules, Central Civil Services (Conduct) Rules, etc. which are normally applicable to the non-industrial Government servants, also apply to the industrial employees (either directly or indirectly, by analogy or adaptation) in regard to matters not covered by the labour laws. Of the various labour laws those which are of greater importance for our present purpose are the Industrial Disputes Act and the Trade Unions Act, because they embrace within their scope even non-industrial staff, and secondly, they confer a number of special rights and privileges on those staff who are governed by these Acts. The term "worker" defined in the Industrial Disputes Act means any person employed in any industry to do any skilled, or unskilled, manual supervisory, technical or clerical work including departmental casual labour, but excluding supervisory staff whose monthly emoluments exceed Rs. 500 and also the managerial staff. By this definition the Act has brought within its purview the whole of the Railway and P&T staff including even the categories commonly classified as non-industrial staff. The principal rights enjoyed under the Industrial Disputes Act which are not available to the non-industrial employees of Government not covered by this Act may be summarised, as follows :—

(a) The right of an individual workman of a Trade Union to raise an industrial dispute (under Section 2-A) concerning his discharge, dismissal, retrenchment or termination of service.

(b) The right of workmen to raise disputes on matters other than pay and allowances, weekly hours of work or leave (which are compulsorily arbitrable under the voluntary scheme for (JCM) and to seek adjudication on such matters.

(c) The right (under Section 9-A) to receive prior intimation of any change in conditions of service specified in the Fourth Schedule to the Act (e.g. wages, contributions to Provident Fund, compensatory and other allowances, hours of work and rest intervals, withdrawal of any customary concession of privilege or change in usage etc.).

(d) Rights relating to compensation for lay-off and retrenchment as included in Chapter V-A of the Act. These rights relate to the following items:—

- (i) One month's notice or wages in lieu of notice to be paid before retrenchment.
- (ii) Reasons for retrenchment to be furnished.
- (iii) Retrenchment only on the principle of "last come, first go".
- (iv) Compensation equal to 15 days' average pay for every completed year of service to be paid. On the other hand, in the case of non-industrial employees governed by Service Rules, temporary employees with less than 5 years service are not eligible for any terminal benefits and even after 5 years' service temporary employees are entitled to one third of a month's pay as against one half month's pay under the Industrial Disputes Act for employees after one year's continuous service.
- (v) Recovery of dues from employers through the machinery of the Labour Court.

(e) Rights conferred under Sections 33, 33A and 33C of the Act according to which conditions of service should not be changed during pendency of proceedings before a Labour Court or Tribunal.

(f) The right to go on strike subject to conditions specified in Section 24(1) of the Act. This right is, however, also subject to the provisions of the Essential Services (Maintenance Act, 1968, which gives powers to the Government to prohibit strikes in essential services by notification and over-rides any other law including the Industrial Disputes Act.

(g) Right to be represented or assisted by a trade union member or workman including an outsider or a person not in Government service and also by a legal practitioner in any proceedings under the Act. Similarly the Trade Unions Act allows a registered trade union to constitute a separate fund from which payments may be made for the promotion of civic and political interests of its members. On the other hand, the Conduct Rules prohibit a Government servant from taking part in politics or from contributing to and assisting any political movement.

22. It will be seen from the above that the industrial employees of Government enjoy certain rights and benefits which are not available to non-industrial employees. In addition, the industrial employees have been placed more or less on a footing of equality with non-industrial employees in regard to matters not covered by the labour laws. They are thus getting the advantages of both the labour legislation and the service rules which govern the service conditions of non-industrial Government servants.

This duality of service rules and regulations applicable to the industrial workers is stated to have led

to certain administrative and working difficulties due to certain anomalies and conflicts between the provisions applicable to these two categories of staff. Recognising the importance of this subject we had included question No. 73 in our Questionnaire. We received detailed replies from, among others, the Engineer-in-Chief, Central Public Works Department, the Chairman, Central Water & Power Commission and the Chief Controller of Printing & Stationery. Subsequently, the Posts and Telegraphs Department, the Railway Board, Government Mints, India Security Press, and the Department of Atomic Energy also furnished their views on the subject. The replies have stressed the difficulties which arise when the industrial workers have the right of invoking either the provisions of the labour laws or the provisions of the service rules, whichever suits them. Several instances have been cited where industrial workers whose cases in regard to suspension, removal from service, reduction of wages, fixation of pay etc. were disposed of under the provisions of the service rules, subsequently sought remedies under the relevant provisions of the Industrial Disputes Act. It has been pointed out that even action to dispense with the services of an employee under the "Safeguarding of National Security Rules, 1953" can constitute a dispute under the Industrial Disputes Act.

23. It will appear that the present position is thus unsatisfactory. To begin with, industrial workers under the Central Government are governed both by the statutory rules and orders framed under Article 309 of the Constitution in the same way as the general run of Government servants, and also they are subject to the provisions of various labour laws, such as the Industrial Disputes Act and the Trade Unions Act. It has been pointed out to us that these two sets of provisions lead to conflicts and anomalies, particularly on matters such as the right to strike, the maintenance of political funds by unions, and reference of individual cases of dismissal of industrial employees to labour courts. An industrial employee under the Government can take advantage of this duality by moving a labour court after he has exhausted all the remedies under the service rules. Administratively also, it may be inconvenient to have the general body of Government employees covered by statutory rules and orders only, while industrial employees of the same Government have the benefit of not only these statutory rules and orders, but also of special labour legislation.

24. There is the further broad issue that the industrial employees of the Government may consider themselves to be part of the general body of industrial workers, both in the private and in the public sectors. Any Wage Board awards or the orders of various adjudicators may, therefore, have repercussions on the pay structure of industrial Government employees also. It is conceivable that the wages of industrial Government employees will sympathetically or otherwise move closer to the wages of comparable industrial workers in the non-governmental establishments.

25. It appears to us that there are broadly two possible approaches, viz.

(i) to exclude all government industrial workers from the purview of the labour laws, and treat them as an excluded category to be governed solely by the statutory rules and orders issued from time to time by

the Government in exercise of its powers under Article 309 of the Constitution, or

(ii) to segregate the industrial workers of the Government from its non-industrial workers, and to give them all the facilities and safeguards to which industrial workers in general are entitled under the labour laws. Simultaneously, it should be ensured that the various rules and orders normally applicable to Government servants generally are not extended to the industrial workers of the Government. Even so, however, without an amendment to Article 311 of the Constitution, an industrial Government worker will still be entitled to certain safeguards denied to non-government industrial workers.

26. The advantage of the first alternative would be that the Government would reduce the differences between industrial workers and non-industrial workers so far as its employees are concerned. It would also enable the Government to adopt a pay structure suited to its own employees, and to insulate them from the effects of awards given by Wage Boards, adjudicators etc. On the other hand, there may be practical diffi-

culties in withdrawing some of the rights and privileges conferred upon industrial workers by the labour laws.

27. The second alternative may be easier to implement, but carries with it the disadvantage that the differences between the industrial workers and the non-industrial workers under the Government would widen. It may also happen that wages prevailing in comparable posts outside the Government would influence the governmental wage structure. However, as we have pointed out in Chapter 5 too large a disparity between Governmental and non-Governmental salaries for comparable work should not be countenanced, and to this extent a degree of adaptability, if built into the pay system, would not be entirely without advantage. Taking an overall view and the balance of advantage, our preference is for the second alternative. We are not making any specific recommendation in this regard as this is a matter to be decided in consultation with the interests concerned. However, we would emphasise that this matter is important enough to engage the attention of the Government urgently, so that the present uncertainties and anomalies are rectified.

A. STAFFING AND EFFICIENCY IN GOVERNMENT SERVICE

The effect of our recommendations regarding the structure of emoluments and conditions of service (including retirement benefits) of Central Government employees will be a significant increase in the wage bill of the Central Government. We have estimated the immediate additional cost of our recommendations at Rs. 144.60 crores. Our terms of reference require us to take into account, among other factors, the economic condition of the country, the resources of the Central Government and demands thereon on account of developmental planning etc. A review* of the budgetary trends has revealed the strains to which the Central Government budget has been subjected in order to finance the large investment programmes. We feel that the additional expenditure arising out of the implementation of our recommendations can be justified only if the tax-payer is assured that there has been no wasteful expenditure due to over-staffing and that efficiency and productivity in the public service is maintained at a fairly high level. It is in this context that the problems of over-staffing and efficiency assume both urgency and relevance.

2. We realised the importance of this matter at an early stage of our work and through the Questionnaire (item No. 95) we invited observations regarding the existence and extent of over-staffing in Government offices and the remedial measures that should be taken. We discussed this issue not only with the Secretaries to Government and other senior officers of Ministries and Departments employing large numbers of staff but also with a number of public men and retired civil servants. We also discussed the matter with the employees' Federations. The replies to the Questionnaire as also the evidence has revealed two distinct and contrary trends of opinion. The Federations and Unions of employees have generally maintained that there is no over-staffing in the Government departments and that on the contrary, there is under-staffing in some departments due to the general ban on recruitment and adoption of stringent norms for sanctioning staff and the periodical reviews conducted by the Staff Inspection Unit. On the other hand, most of the senior Government officers and retired Civil servants were of the opposite view, namely, that there had been excessive expansion of staff in recent years and that a substantial reduction could be made without curtailment of any useful activity or loss of efficiency. The extent of over-staffing was variously estimated at between 10 to 30%. We have given some information in Chapter 3 concerning the growth of employment under the Central Government. The total number of posts under the

Central Government has increased from 17.37 lakhs in 1957 to 29.82 lakhs in 1971 i.e. an increase of about 72%. The percentage of increase for the main employing departments varies from 40.3% in the Railways and 98.5% in P&T to 129.6% in Defence. The class-wise breakdown of the increase shows that there has been an increase of over 8 lakhs posts in Class III and about 3.6 lakhs in Class IV.

3. While much of this increase must be on account of a corresponding expansion in the activities of Government, most of the witnesses have left us with the impression that there is considerable over-staffing in some of the departments. This impression is reinforced by the statement made by the Government in its memorandum to the National Commission on Labour that such staffing studies of Government offices as have been carried out by the Staff Inspection Unit of the Ministry of Finance have revealed surplus staff of the order of 15 to 20%. They have added that "there was evidence to show that certain jobs on the Railways could be performed with less staff if there were adequate standards of performance with suitable mechanisation."

4. This brings us to a consideration of some of the measures which should be taken to cut down staff expenditure and improve efficiency in Government departments. These two objectives are not mutually inconsistent. On the contrary, over-staffing leads to inefficiency in public service, as idle staff have a demoralising influence on the hardworking and conscientious sections.

5. The adoption of the pooled messenger system in preference to the peon system in Government offices has been a constant and recurring theme of many Committees and Commissions. Thus, the Indian Retrenchment Committee 1922-23 and again the Economy Committee, 1948 (Kasturbhai Lalbhai) had referred to the employment of peons on a very generous scale in the Secretariat and in the attached offices. The Report on the Reorganisation of the Central Government (R. Tottenham) 1945-46 had recommended "a considerable reduction in the number of Assistants and increase in the number of officers". Another direction in which fruitful economics will be possible is the abolition of the posts of helpers to assist skilled workers in workshops as well as outside. This again appears to be a relic of the past and cannot be justified under present-day conditions when a helper costs ten times as much as he used to cost 40 years ago.

6. In regard to the Secretariat, there has been a consensus of opinion that there should be a reduction in the levels of consideration and decision-making and

*Chapter 4.

also in the number of persons or departments responsible for taking a decision. The Pilot Section Scheme and Officer-oriented Scheme have been in force in some Ministries. The Administrative Reforms Commission has recommended a modified version called the "Desk Officer System". We endorse this recommendation which should be followed by such changes in recruitment procedures and personnel deployment as are found necessary for the success of the new system.

7. It seems to us that there is a direct relationship between office procedures and systems of work and the pattern of staffing. What may be regarded as the normal staff requirement on the basis of prevailing methods and organisation of work may turn out to be excessive staff on the basis of a different set of procedures and methods of work. There is thus need for a regular and systematic review of prescribed staffing norms with reference to changing patterns and conditions of work as also for a periodical overhaul of the procedures and systems of work with a view to improving efficiency at minimum cost.

8. The instruments available to Government for this task are mainly three, viz., the Department of Administrative Reforms under the Cabinet/Secretariat, the Staff Inspection Unit under the Ministry of Finance and the Organisation & Methods and Internal Finance branches in each Ministry. The Estimates Committee on Public Services had observed that the Staff Inspection Unit had not been able to achieve the objective of economy by increasing efficiency. The Administrative Reforms Commission also has observed that the existing agencies have not proved sufficiently effective and that "they have been fully absorbed by the administrative octopus". We are of the view that these instruments of control should be strengthened and their range of activity diversified. The use of outside management consultants for this purpose would also be useful.

9. The scope for economy and for improving efficiency is perhaps greater in those departments which employ very large complements of staff, often dispersed over numerous field offices. We, therefore, suggest that without confining the scrutiny of staff requirements only to the Central Secretariat and the Administrative Offices, the large organisations, such as the Railways and the Posts and Telegraphs Department should also be given close attention. We feel that there is additional justification for doing so, because they are quasi-commercial in character and also perform operational functions. As we have already pointed out, the Government has itself conceded that certain jobs on the Railways could be performed with less staff. It may be considered how far introduction of mechanised track maintenance, automated marshalling yards, improved signalling and telecommunication facilities for better traffic control etc., could be adopted under present-day conditions on the Indian Railways so as to improve efficiency, reduce manpower and also effect savings. Of course, the justification for automation should be based not merely on staff savings but also on the over-

all cost of the scheme and should take into account the capital investment, interest, depreciation etc. In some cases, the savings achieved by staff reduction may be small in relation to the capital investment and the overall cost. On the other hand, there might be areas where with a small capital investment a large economy in staff can be achieved. Such areas should be given preference in effecting automation. Even without mechanisation, it seems to be possible to reduce staff. By way of illustration, we would refer to a suggestion made to us by a highly responsible witness. The jurisdiction of some Assistant Permanent Way Inspectors covers only 15 Km. of double track. Nevertheless, he is provided with a trolley and four trolley-men. We were told that it should be possible for an Assistant Permanent Way Inspector to cover this limited jurisdiction on foot. The suggestion made to us is that with the grant of a suitable financial incentive to the Assistant Permanent Way Inspector, the privilege of a trolley could be withdrawn with considerable reduction of staff, and saving of expenditure specially at the higher scales we are recommending. Similarly, we understand that there is a system of providing peons at residences of certain categories of officers, which seems an anachronism. Another instance of staff redundancy that was brought to our notice was during our visit to the Ordnance Equipment Factory, Kanpur. We found that out of about 6,500 workers employed in this factory, as many as 1,500 were being paid idle money without work. We were told that due to fluctuating workload it is not possible to utilise all the staff nor is it possible to reduce the staff strength as it would be difficult to cope with occasional peak loads. The presence of such a large number of staff without work cannot but have a demoralising effect on the other staff who are put to work. These and similar types of wasteful employment should receive attention in the search for economy and efficiency.

10. Part of the over-staffing, particularly in Class III and Class IV, appears to be due to the fact that there is an avoidable fragmentation of interrelated functions resulting in a proliferation of categories which do not have full time work. For instance, we were informed by an Ex-Member, Posts & Telegraphs Board that in the Mail Motor Service Organisation in the Post & Telegraphs the usual complement for a mail van is a driver, a cleaner and a mail peon. In United Kingdom, the practice is for a driver to look after all the three jobs. Similarly, on the Railways also there are many situations where it should be possible to combine many duties in a single person for which at present different men are employed. We strongly recommend that the existing arrangements should be reviewed by the major organisations like Railways, P&T, Ordnance Factories and necessary action taken to reduce wasteful employment. We understand that the departments like the Railways and P&T are often not in a position to introduce urgently needed mechanisation or to effect changes in methods of work designed to cut down cost mainly due to the opposition of the staff unions who fear that a shrinking of the base cadre would entail reduction of the higher grade promotion posts which are linked to the size of the base cadre. We feel that in suitable cases the present close nexus between the promotion posts and the base grade should be loosened and an assurance given to the staff that existing promotion

*Paragraphs 126 to 133 of the Report on the machinery of the Government of India and its procedures of work.

†Ninety third Report of the Estimates Committee on Public Services (Third Lok Sabha) 1965-66.

prospects would not be affected due to a reduction in the number of posts in the base grade.

11. One of the eminent witnesses whose opinion is entitled to special weight said in the course of his oral evidence that there was an urgent need to look into the working of the Armed Forces in view of the considerable scope for economy without in any way affecting the fighting potential or the efficiency of the Armed Forces. We endorse this suggestion.

12. Much of the over-staffing can be attributed to the pervasive system of checks and cross checks enforced in Government departments, before action even of a simple kind can be taken. This needs to be replaced by a system where the points of control are few but effective. Also there should be a greater measure of trust by Government in its own employees and those who abuse or misuse the trust should be exemplarily dealt with. This course would be more conducive to efficiency and economy in the long run than the institution of elaborate checks and counter-checks with its resultant defects of over-staffing and diffusion of responsibility. Certain other consequences have been inadequate pay-scales, recruitment of poor human material, clogging of the administrative machine and its slowing down and general ineffectiveness. These trends by interaction can be mutually re-inforcing, and deserve urgent attention, so that they can be reversed.

13. We would like to close this section by stating that the Government should only employ such numbers on its own pay roll as is considered essential for the proper discharge of its functions. The paramount consideration should be the needs of the organisation. The endeavour should be to build up a relatively small but efficient and responsive governmental machinery, where the accent should be more on quality than on quantity. The overall wage bill depends primarily upon the numbers employed and the average salary. If the latter goes up, then its impact on the budget and on investment can be kept in check by reducing the numbers. We do not, however, advocate reduction in numbers merely for its own sake. We would emphasise that it is certainly *not* our intention to suggest retrenchment as such. We are of the view that it should be

possible to curb excessive proliferation of staff by curtailing fresh recruitment and confining it only to meet the essential needs of skilled and technical staff, or to maintain the strength of the organised services at the appropriate levels. We would also advocate that the essential manpower requirements for the implementation of different Plan schemes should be met as far as possible by internal redeployment of existing staff rather than by fresh recruitment. It should be possible gradually to work off the present surpluses by not filling in vacancies occurring due to normal wastage, and by the additional staff requirements arising from the implementation of Plan schemes and other growth points. The full financial effect of the new scales of pay that we have recommended will build up over a period of years. We are of the opinion that the budgetary impact of these new scales can, and should, be moderated in the meanwhile by controlling the numbers of staff employed, both in the Plan and non-Plan sectors. This implies that the Government should exercise the maximum stringency in sanctioning additional posts.

14. The number of educated unemployed is approximately 2.6 million* and that of uneducated unemployed is round 3.3 million*. It may be feared that any steps taken by the Government to economise on staff may react on the employment possibilities in future. This fear is, however, baseless. For, any saving in the total wage bill on the part of the Government could be more fruitfully utilised for giving relatively more productive employment elsewhere. In fact, the solution of the unemployment problem in the country is not to absorb labour in the Government sector irrespective of needs but to create conditions under which more labour can be employed for productive purposes, within or outside the Government. As pointed out by the International Labour Organisation (The World Employment Programme), "the three pillars of a strategy for fuller employment are rural development, labour-intensive public works programmes, and the reduction of the capital intensity of industrialisation". This necessarily implies a shift in investment towards economically sound labour-intensive industries rather than to capital intensive industries.

B. CONTINUING MACHINERY FOR CADRE REVIEWS AND PAY REVISION

15. One of the difficulties faced by us was the lack of adequate, reliable and up-to-date information on matters relating to some of our terms of reference. Although the Pay Research Unit under the Ministry of Finance (which was subsequently transferred to the Pay Commission's Secretariat) had collected information on scales of pay and certain other related matters, which provided us with the basic data to begin our work, nevertheless, we had to call for fresh statistical information on various matters. The collection of up-to-date statistics and data concerning the functions, recruitment qualifications, promotion avenues, and pay scales of various posts under the Government and their tabulation took almost a year. We feel that a Pay Body should not be burdened with the task of collection and collation of such informa-

tion which should be made available to it in a processed form from its very inception. This would be possible only if a permanent machinery is created for the purpose, adequately staffed and charged with the responsibility of collecting on a systematic basis information relating to wages and salaries, functions, duties and responsibilities, qualifications etc. of various posts in the Government and in the public and organised private sectors so as to enable valid comparisons being made. It would be necessary to collect in addition to information regarding pay scales, reliable and comprehensive data concerning the fringe benefits provided, such as bonus, reimbursement

*As on June, 1972 on the live registers of Employment Exchanges.

of medical expenses and children's education fees, housing etc., in the public and private sectors.

16. Apart from the collection of information regarding pay scales and fringe benefits etc., the Pay Research Unit should also compile related data in regard to the number and categories of staff covered by various schemes, which have a bearing on service conditions, e.g., medical benefits, housing and holiday homes, etc. and make a cost-benefit analysis of such schemes. In short, the Unit should function not only as a central clearing house of information but also coordinate and evaluate the data with a view to advising other agencies who are charged with the task of formulating policies in regard to salaries and other conditions of service. The success of this Unit will, therefore, depend to a large extent on the administrative arrangements that are made to ensure smooth flow of up-to-date information to and from the Unit. If there are difficulties in voluntarily collecting the relevant data, which should be both reliable and comprehensive, from the public and private sectors, Government may consider the desirability of enacting suitable legislation for the purpose.

17. We were struck by the sense of grievance of members of the various services with regard to the cadre management, particularly the problem of stagnation resulting from inadequate promotion prospects. We feel that in order to remove this particular grievance, the different aspects of cadre management of the various services or cadres should be periodically reviewed by a central agency on a systematic basis. A beginning in this behalf could be made with the All India Services and Class I Services. As further experience is gained, this could be extended to the Class II and Class III Services also in due course.

18. We have earlier* recommended that the Government should make use of job evaluation techniques, making a cautious beginning as an experimental measure with the industrial workers in the Government of India. Depending on the results achieved, the techniques could be extended to other areas and categories. The machinery for carrying out the task should be integrated with the Pay Research Unit, though we would emphasise the need for associating outside experts with this work, till such time as the Government is able to build up its own cadre of experts.

19. Our experience has convinced us that the system of periodically revising the pay structure and conditions of service of the Central Government employees on the recommendations of a Pay Commission is not a very satisfactory one. We feel that even broad judgements in these matters should be based on more

detailed information and a much closer analysis of the relevant data. This is not possible when a Pay Commission is required to make recommendations on the pay scales and conditions of service for such a large number of employees within a limited period.

20. It is possible that after 1st January, 1971 many new posts may have been created and certain scales of pay may have been revised. Although every attempt has been made to keep track of changes that have occurred from time to time, it is not unlikely that comprehensive information may not have been supplied to us. If any posts have not been covered by us either specifically or in our general recommendations, we would suggest that the Government should allot these posts one or other of the standard scales recommended by us which appear to be most appropriate. Since we have not gone by straight conversions but have been guided primarily by the duties and responsibilities and the qualifications prescribed for the posts, it will be necessary, when allotting the appropriate scales, that there should be a central focal point to ensure that the right replacement scales are applied.

21. We would, therefore, suggest the creation of a standing *****Body on Pay and Cadre Management**. This Body should be headed by a serving or a retired judge of the Supreme Court or High Court and should have four non-official members who have had experience of problems connected with pay determination, job evaluation, personnel management and other allied matters. Its function should be to advise the Government on the following matters :—

- (i) Cadre reviews.
- (ii) Regarding of any class of employees based on the results of job evaluation studies.
- (iii) Pay revision of any class of employees either on its own motion or on a reference from the Government.
- (iv) Creation of new scales not provided in the pay structure.
- (v) Determination of pay scales of employees who might not have been covered in our Report.

22. As we view it, the Government will consult this Body before proceeding to revise the pay of any group of posts or create a new scale. This would help coordination and avoid proliferation of scales of pay, as happened during the period intervening between the Second and Third Pay Commissions. It will also facilitate the evolution of a rational pay structure.

****The Member Secretary has expressed his reservations on some features of this recommendation in his note of dissent.**

*Chapter 5 Principles of Pay Determination.

CHAPTER 67

I. DATE OF EFFECT OF OUR RECOMMENDATIONS ON PAY AND PENSION

While paragraph 4 of our terms of reference requires us to indicate the date from which any interim relief recommended by us should take effect, there is no similar requirement as regards our recommendations on pay scales and other matters. Most of the unions and associations have, however, represented that our recommendations on pay scales and pensionary matters should be made effective from a retrospective date. We have carefully considered this demand and feel that since the first interim relief took into account not only the increase in the cost of living but also various other factors, and thereafter two further instalments of interim relief have already been given to the Government employees, the scales of pay recommended by us should be made applicable from the 1st March, 1973.

2. We have also given thought to the question

II. FIXATION OF PAY IN THE PROPOSED SCALES

3. Most of the unions and associations have demanded that the pay in the proposed scales should be fixed on a point to point basis. The First Pay Commission had recommended a formula of pay fixation which gave weightage to the length of service by providing for the grant of one increment for every three completed years of service, subject to certain ceilings on the amount of benefit. The Second Pay Commission, on the other hand recommended "point-to-point" pay fixation with the stipulation that the benefit on fixation of pay in the revised scales should not exceed certain amounts specified by it for the various pay ranges. In effect this stipulation acted as a major constraint on the operation of the "point-to-point" pay fixation formula.

4. We feel that a point-to-point pay fixation formula would virtually amount to giving retrospective effect to the scales of pay proposed by us. Moreover, it would also involve an unconsionable increase in pay for the serving employees and, therefore, be very costly. We are, therefore, unable to accept the demand for a point-to-point pay fixation in the proposed scales of pay.

5. We have examined the question whether a formula similar to the one recommended by the First Pay Commission could be adopted. We find that on

whether the recommendations on pensionary benefits should be given some retrospective effect. As indicated in Chapter 1, the Government has announced that it would consider grant of relief to the existing pensioners in the light of the retirement benefits recommended for the serving Government employees. Further, as we are required to make our recommendations for the serving employees only, it would not be appropriate for us to recommend grant of relief to any group of pensioners. We accordingly recommend that our recommendations on pensionary benefits should also be made applicable to those Government employees who retired on or after 1st March, 1973. In respect of these employees the emoluments for computing the pensionary benefits should include, in addition to pay and dearness pay (wherever applicable), the dearness allowance and interim reliefs drawn by them.

account of the operation of the existing scheme of dearness allowance which provides for varying amounts of dearness allowance related to different pay slabs, adoption of such a formula would result in wide variations in the quantum of benefit to the employees in the various pay scales and even on different stages in the same pay scale. Further, under such a formula the benefit at the higher stages in some of the scales would be disproportionately more than at the middle or the lower stages. There are also difficulties in the application of this formula both where we have broadbanded the existing scales and in cases of substantive/officiating appointments, etc.

6. Having regard to all these considerations, we have come to the conclusion that the formula for fixation of pay in the proposed scales should be such as would confer a minimum increase in pay to all the existing employees subject to certain upper limits. Further, it should not lead to much administrative and accounting work. Accordingly, we recommend that pay of the employees drawing pay up to and including Rs. 1800 per mensem only in the existing scales should be fixed in the revised scales in the following manner :—

(a) An amount representing 5% of the existing pay (whether substantive, officiating or

acting), subject to a minimum of Rs. 10 and a maximum of Rs. 50, should be added to the existing emoluments of the employees. If this results in a fraction of a rupee, the fractions of 50 paise and above should be rounded off to the next higher rupee and those below 50 paise should be ignored.

- (b) After the addition of the aforesaid amount to the existing emoluments, the pay should be fixed in the proposed scale at that stage, if there happens to be one, or at the stage next above the emoluments so computed.
- (c) If the minimum of the proposed scale is more than the pay admissible under (b) above, the pay should be fixed at the minimum of the proposed scale.
- (d) If the formula results in the pay being fixed at a stage higher than the maximum of the proposed scale, the pay should be fixed at the maximum of the proposed scale only.
- (e) The existing emoluments should comprise the following :—
 - (i) Pay (whether substantive, officiating or acting).
 - (ii) Dearness Pay.
 - (iii) Dearness Allowance.
 - (iv) Interim Reliefs.
- (f) The Special Pay, if any, drawn in addition to pay on the existing scale should be dealt with in the following manner :—
 - (i) Where the existing special pay is considered justified, and a higher scale has been proposed in replacement of the old scale and the special pay, the existing special pay should be treated as a part of emoluments under sub-para (c), and pay in the proposed scale fixed accordingly. Clearly there is no question of special pay being paid in addition.
 - (ii) Where the existing special pay is not considered justified, and a higher scale of pay has not been proposed, the existing special pay can be treated as part of existing emoluments only if the same is at present taken into account for pay fixation on promotion/transfer to another post.
 - (iii) Where the existing Special Pay is to continue at the same rate, or at a different rate, even after the adoption of the proposed scale, pay on the proposed scale should be fixed in the normal manner without taking the old Special Pay into account. In such cases, Special Pay should be treated as a separate entity, and allowed in addition to the new pay.

If in any case except where the pay is fixed at the minimum of the proposed scale, the benefit on fixa-

tion of pay in the proposed scale is more than Rs. 100, an amount of Rs. 100 only should be added to the existing emoluments and the pay fixed either at the same stage, if there happens to be one, or the stage next below in the proposed scale with the balance being treated as personal pay to be absorbed in future increments.

7. As regards employees drawing pay above Rs. 1800 per mensem in the existing scales, we recommend that their pay in the proposed scales should be fixed under the Fundamental Rules 22, 23 and the relevant Audit Instructions.

8. In all cases of fixation of pay in the proposed scales, the next increment in these scales, if annual, should be given on the anniversary of the last increment and, if biennial, it should be given on the second anniversary of the last increment.

9. All employees should be given an option to come over to the proposed scales after earning the next or any subsequent increments in the existing scales. However, in such cases, the pay in the proposed scales should be fixed under fundamental rules and not under the special pay fixation formula recommended above.

10. At present concordance tables have been prescribed relating the various stages in the pay scales to the specified years of service in respect of the All India Services and some of the Class I Central Services including certain Engineering and Scientific Services. As the fixation of pay on a point-to-point basis is not being recommended, the formula recommended above should apply in all these cases also and the concordance tables should be regarded as being held in abeyance so far as the fixation of pay in the proposed scales of the existing employees is concerned. These tables should, however, apply for the fixation of pay of those recruited or promoted on or after 1st March, 1973 as also to those who have yet to earn the first increment. The benefit of fixation of pay as per concordance to the length of service should normally be available on further promotion to the next higher rank provided that this does not have the effect of the officer promoted later becoming entitled to a higher pay than the officers already holding that rank. In such a case, the pay on promotion will be fixed as per rules normally applicable to civilian officers.

11. For doctors we have recommended fixed amounts of non-practising allowance related to the various pay ranges in the proposed scales, instead of the existing practice of paying non-practising allowance as a percentage of pay. Therefore, for the fixation of pay of the doctors drawing up to and including Rs. 1800 in the proposed scales, the non-practising allowance drawn by the doctors should also be treated as part of the existing emoluments and pay fixed in the proposed scales at a stage where the revised pay plus revised non-practising allowance are equal to or higher than the existing emoluments after addition of the amounts admissible under the formula at para 6(a) above and subject to the restriction referred to in para 6(f) above.

12. We give below a few cases to illustrate the manner in which the pay of the civilian employees in

the proposed scales should be fixed under the formula recommended above :—

Example I

Existing Scale	=	Rs. 70—1—85	
Proposed Scale	=	Rs. 185—2—193—3—220	
Existing emoluments.	=	Pay	Rs. 79
		Dearness Pay	47
		Dearness Allowance	24
		Interim Relief.	29
			<hr/>
			179
Amount to be added@ 5% of Rs. 79, subject to a minimum of Rs. 10. =			10
			<hr/>
	TOTAL :		189 p.m.
Pay to be fixed in the proposed scale =			<hr/>
			189 p.m.

Example II

Existing Scale	=	Rs. 210—10—270—15—450—20—530.	
Proposed Scale	=	Rs. 425—15—560—20—700—25—800.	
Existing emoluments	=	Pay	Rs. 330
		Dearness Pay	110
		Dearness Allowance	36
		Interim Relief	50
			<hr/>
			526
Amount to be added @5% of Rs. 330 =			16.50
			<hr/>
			542.50
		or	543.00
		in round figures	
Pay to be fixed in the proposed scale =			<hr/>
			545 p.m.

Example III

Existing Scale	=	Rs. 1100—50—1400	
Proposed Scale	=	Rs. 1300—50—1700	
Existing emoluments	=	Pay	Rs. 1350
		Dearness Allowance	100
			<hr/>
			1450

Amount to be added@ 5% of Rs. 1350 subject to a maximum of Rs. 50. =		Rs. 50
		<hr/>
		1500

Pay to be fixed in the proposed scale. = 1500 p.m.

Example IV—Pay fixation of a General Duty Officer Grade II of the Central Health Service.

Existing Scale	=	Rs. 350—25—500—30—830—35—900	
Proposed Scale	=	Rs. 700—40—1100—50—1300	
Existing emoluments	=	Pay	Rs. 650
		Dearness Pay	120
		Dearness Allowance	—
		Interim Relief	60
		Non-practising Allowance @33-1/3%	257
			<hr/>
			1087*

Amount to be added @ 5% of Rs. 650/4 =		32.50
		<hr/>
		1119.50
	or	1120.00
	in round figures	

Pay to be fixed in the proposed scale. = Rs. 1140 (inclusive of non-practising allowance.

OR

Pay	Rs. 940
Non-practising allowance	200
	<hr/>
	1140

13. In this chapter, we have only attempted to give a general indication of how, in our view, pay should be fixed on the proposed scales. We appreciate that there are likely to be many cases with special features and that a pay fixation formula cannot cover all such cases without giving rise to some anomalies. We think that the Government should rectify such anomalies as and when they come to light by issuing special orders, and fixing the pay of any particular person or group of persons at a stage which it finds just and proper.

*Existing emoluments calculated as per the Ministry of Finance O.M. No. 1 (34)-E. II (B)-68, dated 15-7-1969.

III. COST OF OUR RECOMMENDATIONS

14. As indicated in our interim reports, the cost of the three instalments of interim relief recommended by us would amount to about Rs. 175.91 crores per annum. We have attempted to indicate below the immediate cost of our recommendations relating to the scales of pay, pensionary benefits and other matters, wherever it has been possible for us to do so on the basis of available data :—

	Rs. in crores per annum
1. Proposed scales of pay for civilian employees	60.50
2. House Rent Allowance	22.00
3. Compensatory (City) Allowance	2.38
4. Retiring pension and gratuity	11.80
TOTAL	96.68
5. Plus 10% for Union Territory Employees	9.67
6. Armed Forces Personnel	38.25
GRAND TOTAL	144.60

15. We have not attempted to work out the average cost of the proposed scales of pay on a long term basis. The cost of Rs. 60.50 crores indicated above is the immediate cost for a full year on re-fixation of pay in these scales as per the formula of pay fixation recommended by us.

16. Our estimate of the additional cost in respect of house rent allowance presupposes production of rent receipts by all employees including those who are now exempted. To the extent such receipts are not produced, there will be a commensurate reduction in our estimate of the additional cost.

17. It has not been possible for us to indicate the additional cost in respect of the improvements suggested in the other compensatory allowances as complete information in regard to the number of persons in different pay ranges in receipt of these allowances

is not available. It has also not been possible for us to estimate the additional cost on account of the improvements recommended by us in the schemes relating to the educational facilities for the children of the Central Government employees, as, while suggesting improvements in respect of some of these facilities, we have also suggested a modification of the existing principle governing the grant of the Children's Education allowance. Similarly, we have suggested restrictions on the payment of overtime allowance in future, which should result in some savings.

18. The additional cost of Rs. 11.80 crores in respect of retiring pension and gratuity has been estimated on the basis of the anticipated retirements of civilian employees during 1973-74. Although we have suggested improvements in the rates of family pension, extraordinary pension and invalid pension, it is not possible to indicate the cost thereof as these pensions are of a contingent nature and are admissible under special circumstances only. We have also suggested some improvements in regard to payment of terminal gratuity to temporary and quasi-permanent employees for which also it is not feasible to estimate the cost in the absence of dependable data.

19. For want of required information it is difficult to quantify the additional cost in respect of improvements in other allowances and facilities such as leave travel concessions, travelling and daily allowances, extension of Central Government Health Service Scheme, risk allowance, improvements in the rates of special pays for certain categories of employees.

20. In the absence of complete data relating to the employees of Union Territories, the cost of Rs. 9.67 crores has been estimated on the basis of 10% of the cost for the other Central Government employees as had been done by us earlier in the interim reports also.

21. The detailed break-up of the cost of Rs. 38.25 crores in respect of the Armed Forces Personnel has been given in Chapter 54.

ACKNOWLEDGEMENTS

Before concluding our Report we would like to express our grateful thanks to the eminent persons, the retired Government officers, representatives of the unions and associations of the Central Government employees who sent us memoranda, replied to our Questionnaire and/or gave oral evidence in response to our invitation. We are particularly grateful to the Chief Ministers/Ministers of the States who were good enough to spare some of their valuable time to give us the benefit of their views on issues which impinge on the State sphere. We are thankful to the three Chiefs of Staff, the Secretaries of the Central Ministries, various heads of organisations, and other officers of the Central Government, the State Governments and the Union Territories who were kind enough to give us the benefit of their considered views on the various matters remitted to us. We would like to express our deep appreciation of the assistance given by the officers of the Central Ministries and Departments, State Governments, Union Territories, Public Sector Undertakings who very kindly supplied us the factual information and other data requested by us from time to time. Our thanks are also due to the Chambers of Commerce, and to several undertakings in the private sector which supplied us much valuable data. We are thankful to the Director, Computer Centre, for processing our basic staff statistics, and to the Directors of the Central Statistical Organisation and the Labour Bureau for undertaking certain studies on our behalf. We would like to express our thanks to our Advisers, Sarvshri J. Dayal, N. S. Swaminathan and R. P. Singh, who assisted us in the examination of various matters affecting the civilian employees in the Defence, Railways and P&T departments.

2. The task of collecting, collating, analysing and presenting the voluminous factual information, which was necessary for our proper functioning was handled with great competence by our Secretariat. The responsibility for coordinating the work in the Secretariat was shouldered by our Joint Secretary, Shri R. D. Thapar. With his intimate knowledge of the organisation and functioning of the Government departments, he was of immense help to us both during our deliberations and in the course of the preparation of our Report. We would like to record our deep appreciation and thanks for the assistance rendered by Shri Thapar.

3. The work of processing and analysing the wealth of data received by us, preparing informative and objective papers on the large number of matters falling within the scope of our enquiry, assisting us in their examination and helping us with their informed opinions on different aspects of the issues under consideration was done by the Directors and Deputy Secretaries in our Secretariat. The wide knowledge and experience of our Directors, Sarvshri R. Mahadevan and Naresh Chandra, and the Deputy Secretaries, Sarvshri R. K. Mathur, A. V. Seshanna and U. C. Pandey, concerning the matters entrusted to them were of great assistance to us and we wish to place on record our deep appreciation of their work. They were indefatigable, and spared no pains to give of their best. Dr. V. P. Kachwaha, Deputy Secretary, did useful work on economic and financial matters during the period he was with us. We also appreciate the hard work put in by Shri Ram Kumar, Officer on Special Duty, and the Under Secretaries, Sarvshri I. D. Shukla, S. S. Bhatia, O. P. Kohli, T. R. Shahani and C. B. Lal, who were with us for the major period of our deliberations. Shri S. A. Chari, another Officer on Special Duty brought to bear on our work his detailed knowledge of Service matters, and was of great service to us in dealing with all matters concerning the Armed Forces. Shri C. S. Pillai, Deputy Director, Sarvshri R. D. Gupta, G. G. Nair, B. N. Singh and T. S. Rangamannar, Senior Research Officers, Shri L. N. Suri, Senior Analyst and Shri S. Sankaran, Senior Accounts Officer have also been of great help. We would like to specially mention the valuable assistance we received from Shri S. Natarajan, Senior Research Officer, who held charge of the Pay Research Unit, and was responsible for the compilation and analysis of the basic staff statistics required for devising the pay structure. We also wish to place on record our appreciation of the specially onerous duties performed by Shri K. Chandramouli, Secretary to Chairman and by Sarvshri J. C. Ghatak, P. S. Rajput, S. L. Mathur, S. Muthukrishnan and I. P. Puri who functioned as Private Secretaries to the Chairman, Members and to the Member Secretary. All the officers and staff in our Secretariat have worked long hours ungrudgingly and it was on account of their unstinting cooperation that we were able to adhere to our schedule of work. Though we have not been able to mention them individually by name, we would like to record our debt to all of them.

(Raghubar Dayal)

Chairman

(Nihar Ranjan Ray)

(V. R. Pillai)

New Delhi, March 31, 1973.

(A. K. Das Gupta)

(H. N. Ray)

We wish to place on record our deep appreciation of the valuable contribution that our esteemed colleague Shri H. N. Ray (Member-Secretary) has made to the work of this Commission. He has ungrudgingly placed at our disposal his wealth of knowledge and experience of the working of the administrative machinery of the Government of India. His unremitting toil to complete our work according to schedule and the cordiality and cooperation he has invariably extended to us have been in no small measure responsible for whatever success we have been able to achieve in the performance of the difficult task entrusted to us.

(Raghubar Dayal)

(Nihar Ranjan Ray)

(A. K. Das Gupta)

(V. R. Pillai)

New Delhi, March 31, 1973.

NOTES OF DISSENT

Wherever members have dissented from the recommendations of the Commission, these have been indicated in the appropriate places in the body of the report. However, regarding clerical, clerical supervisory and workshop scales, this was not possible because the final decision of Prof. A. K. Das Gupta and Prof. Nihar Ranjan Ray to disagree was known only after the whole Report was stencilled.

A NOTE OF DISSENT

by

PROF. A. K. DAS GUPTA & PROF. NIHAR RANJAN RAY

I. General Approach

The immediate context in which we have felt impelled to submit this note of dissent is the Commission's decision concerning the pay scales of workshop categories at one end and, at the other end, of the Indian Administrative Service and Indian Foreign Service (henceforth to be abbreviated as IAS and IFS—or, on the principle of equivalence, simply, IAS). We would, however, preface our note with remarks on certain matters of principle and of social attitudes to which we subscribe and which are relevant to the issues that separate us from our colleagues.

2. First, we attach importance to the pay structure in a society not merely as provision for the needs of employees or as stimulus to efficiency, but also as an instrument of social change. Ever since we took up our assignment at the Pay Commission we have been struck by certain incongruities in the pay structure in the Government of India. And we have felt that, while the economic constraints are such as would not permit any appreciable improvement in the general level of pay scales, a good deal could be done by way of readjustments in the relativities in the pay structure. In a free market relative wages are supposed to reflect a system of individual preferences. In a controlled economy, relative wages may be made to register a pre-determined system of social preferences. A Pay Commission whose terms of reference are limited to Government employees alone is no doubt an inadequate instrument of social change; we would need an over-all Wages-and-Incomes Commission. Yet we feel that the Government, being the largest single employer of labour, might operate as a price-leader rather than a price-taker and check the wayward movements that are taking place in the rest of the organised market. We take the view that the system of social preferences to which the pay structure is to be related is already implicit in the policy of planned economic development to which the Government of India has committed itself. Are not knowledge and skill considered to be among the essential prerequisites of economic growth? While our Government has launched a programme of rapid economic development and while science and technology have been accorded a priority in the programme, our scientists and technologists, we fear, are yet to receive the order of valuation that they deserve. The matter may be looked at from the point of view of two broad categories.

(i) In our scheme of social valuation, workshop categories rank higher than the corresponding clerical staff. We feel strongly that relative wages have to be tilted in favour of the workshop categories, if an adequate supply of skill is to be forthcoming to meet

the growing needs of the economy. But our concern for the skilled worker transcends the immediate problem of wages. We see in the improvement of the status of the workshop staff the possibility of a change in our social order and, in particular, in our pattern of education. We view with alarm the present craze for graduation and the growing congestion in our universities. We are anxious to see that our boys consider it worthwhile moving away from universities over to workshop training centres and polytechnics, of which there should be many more in our country than we have to-day. The Commission has paid lip-service to our concept. Some little edge appears to have been given to a few of the workshop categories *vis-a-vis* the corresponding clerical staff. But the consideration shown seems to us to be somewhat grudging and is certainly not enough for the purpose we have in view.

(ii) At the upper end, too, we are concerned about the relative position of scientists and technologists *vis-a-vis* the administrators. Considered in relation to IAS, the Class I Scientific and Technical Services occupy a distinctly inferior position, both in respect of pay scales and in respect of career prospects. So much so that, with all the revision that the Commission has done in the pay scales of these services, they could not be brought anywhere near parity even with the existing scales of IAS, when account was taken of what is euphemistically called "special pay" which the latter enjoy almost universally.

3. Secondly, as regards the differential in the pay structure between the maximum and the minimum, on which a good deal of attention has been paid by the Commission, we wish to emphasise that the problem is not merely one of maximum and minimum *pay*, it is also one of the maximum and minimum *pay scale*. Following the approach of the Associations, the Commission has concentrated on the former. And all that it has done is to keep the highest pay intact and to raise the lowest pay, so as to reduce this difference to the maximum extent possible, consistently with the possibilities of resource mobilization. Our approach would be substantially different. While we agree to decision of the Commission concerning the highest and the lowest pay, and while we would urge that the lower pay ranges should be reviewed at intervals as the country's per capita income level shows appreciable improvement, so that the differential between the two is reduced still further, we would fix our eyes also on the contrast between the highest and the lowest pay scales. The relevant comparison is not merely between two *points*, it is also between two *ranges*.

4. Thirdly, we abhor discrimination in any form except in so far as it is used as an egalitarian policy.

There are privileges that certain departments (Railways, for example), or certain classes of employees (Doctors, for example) enjoy under the Government. We are in principle opposed to these privileges, even though they appear to be sanctified by tradition. Discrimination, where it was found to be conspicuous, has been moderated by the Commission. But we cannot claim that it has been removed. We have been reminded again and again that we are not writing on a clean slate, that the previous Pay Commissions and the Government had taken certain decisions or allowed certain institutions to continue with full knowledge of facts and situations and that there were certain practices and conventions in Government from which we would be ill-advised to depart. This is an approach to which we find it difficult to persuade ourselves to subscribe.

5. Finally, we cannot also persuade ourselves to believe that on this matter of wage fixation, a policy of slow gradualism would be of much avail. If a change in the wage structure is to have an impact upon society it has to be a visible change.

II. Constraints

6. In constructing a framework for pay fixation we have to recognise the severe constraints within which we find ourselves working. We underline here two of these constraints. One is imposed upon us from outside and the other is in a sense our own creation. The concept of a minimum wage cannot be abstracted from the general economic condition of the country. Here is a country which presents a paradoxical spectacle of an economy in which the minimum wage, even as it is, in the organised sector, is higher than the average earning of the labouring population taken as a whole. The organised sector is able to sustain itself only at the expense of the unorganised sector where a large chunk of the labour force is still agreeing, without protest, to remain under-employed or wholly unemployed. If these latter had also demanded employment at the so-called 'need-based' minimum wage, then, productivity remaining more or less what it is, the entire economy would collapse. It is remarkable that the Government's own rate for the daily wage earner is only Rs. 4.50 per day, without any consideration for holidays, without any allowances and without any medical facilities. The maximum that these workers can earn is therefore Rs. 112 per month, having regard to the number of holidays in a month. Considering all this, we do agree that the Commission has gone to the utmost limit in fixing the lowest pay scale, which relates to the unskilled category. Pull from the unemployed and the under-employed is thus a constraint that sets the minimum pay scale.

7. While, however, the economy is characterised in general by poverty and unemployment, there exist in its midst sectors which are maintaining an artificially high level of prosperity. The organised private sector in our economy enjoys a sheltered market, with customers, including its own top employees, having enough finance with which to feed it in a sumptuous manner. Monopoly and large distributional inequalities are the props on which this sector subsists, and it offers its managerial staff a pay which is unconscionably high,—not often going beyond Rs. 10,000 per month. And then there are the public sector corporations whose activities are similar in character to those of private firms and where also an artificially high wage structure

has evolved over the years. It is with these that the Government employees want themselves to be compared. Whether, considering the differences in the nature and conditions of service, any comparison between these sectors would be "fair" or not is a matter on which we, together with our colleagues, have expressed ourselves in the Report. We cannot deny that some comparison between these sectors is obvious. And while we would not push up the top pay scale in the Government, we allowed ourselves to concede that it may not be brought down. This, then, is the other constraint, that we impose upon ourselves, a constraint which sets the ceiling in our framework.

8. We accept this latter constraint reluctantly. That as high a pay as Rs. 10,000 per month (or more) should be allowed to persist in a developing economy like ours is an enigma to us. As we view the matter, it is because such high pay is maintained at the top that the base has to be jacked up, if only as a concession to populist demand. We would go out of our way strongly to urge that an appropriate ceiling on pay be introduced for the entire organised sector, for the economy to be relieved of the pressure that it can ill-afford to bear. Yet in so far as this does not happen, for our limited purpose we have to take the pay structure outside the Government as a datum.

III. Ratio between Maximum and Minimum Pay Scales

9. There is no clear-cut criterion in terms of which one could say what should be an appropriate ratio between maximum and minimum pay or pay scales. The problem defies economic analysis. In general the ratio tends to be relatively high in an under-developed country where the level of higher education in many fields is yet not commensurate with the needs of economic development and where therefore the supply of necessary expertise is disproportionately scarce. It sometimes happens in such countries that expertise in various fields has to be imported from more advanced countries where the general levels of pay are higher, with the result that whatever expertise is available within the country has also to be paid at rates higher than would be warranted by the paying capacity of the country. The higher pay scale in such cases is in effect fixed externally at the international level; it thus gets out of line with the level associated with purely indigenous labour which may be in abundant supply.

10. Conditions in India are different. Whatever deficiencies India may have in other fields, there is little evidence that it suffers from a shortage of trained personnel. The boot, on the other hand, is on the other leg. If the concept of an international pay level is at all to be invoked here, it is not to permit import of foreign expertise but rather to prevent the export of our own expertise; the so-called "brain drain" is a phenomenon to reckon with in our country. While, however, there are transfers of our own trained personnel, especially scientists and technicians, to foreign countries, there is considerable unemployment, too, among the university graduates, not excluding those belonging to science and technology. It so happens that since independence, and, particularly, since planning started, the growth of universities and higher technical institutions in our country has outstripped the growth of the economy, as the figures in Annex 1 will indicate. Relatively to our requirements, we have thus a

fairly adequate supply of trained personnel. In planning the ratio between the maximum and minimum pay scales, therefore, our Government ought rather to follow the pattern obtaining in the advanced countries.

11. If indeed it were a full-fledged Wages and Incomes Commission and not one confined to the Government sector alone, we would have urged it to suggest a general scaling down of top salaries when, as it happens, we find ourselves unable, in view of the severe economic constraints, to recommend any appreciable improvement in the pay scales of the bottom layer. The present ratio between maximum and minimum in the pay scales of the Central Government is, in our view, intolerably high, and the pace of bringing it down would be quicker if an attack on both fronts were feasible. If we are prevented from suggesting this two-front attack, it is because, as we have seen, there exists an insufficiently regulated private sector with which the Government competes and where fancy salaries obtain. While, however, we grant that a reduction in pay scales in the Government sector alone is not a feasible proposition, we do not see how the highest among these scales could be permitted to move up. It is true that there has been a considerable degree of erosion of real earnings of top level Government employees over the last few years. The Commission is right in pointing to it. While, however, we go with the Commission in recording the degree of erosion, we would like also to look back to the base with reference to which it is estimated. As it happens, in 1960, the base year chosen by the Commission in this context, the maximum pay (pre-tax) under the Central Government was 117 times as high as the *per capita* income and 37 times as high as the minimum pay!¹ Inflation no doubt has been a leveler. Yet, even as it is, the highest pay scale in the Government of India is high enough, considering the standard of comfort that their recipients enjoy in contrast with the general standard in the country, for which they themselves are supposed to have a responsibility:

IV. The Problem of Parity between IAS and Class I Services

12. The question on which we have differed sharply from our colleagues in the Commission concerns the IAS pay scales *vis-a-vis* those of Class I Services. Should the differences that have existed between these services over the years be allowed to persist, or should some kind of a parity be established between them, such as has been asked for by the Associations representing the latter? The issue is of crucial importance; even though it concerns only a tiny section numerically, the section that it concerns belongs to services on whose behaviour the welfare of our society very largely depends.

13. We are strongly of the view that maintenance of disparities in these services has done harm to our society. Whatever urgency the system might have had in the past, in the present state of affairs it is an

anachronism. The precedence that general administration enjoys today over other services is historical—a relic of the colonial regime. The purpose of administration under that regime was limited; collection of revenue and maintenance of law and order were accepted as the principal functions of the Government. The country was to be governed, and officers, mostly British, were to be commissioned to do the job. Specialised services, in so far as they existed, were thus treated as subordinate to general administration. Conditions have changed, and it is time we recognised that they have changed. It is absurd, in our view, that a Government which has embarked on a comprehensive programme of economic development and has accepted technical progress in its widest sense as the major aim of policy, should still continue to accord a lower value to a scientist, an engineer or a doctor than it does to an administrator. We find it hard to sustain the existing disparities also between a specialist administrator and a generalist administrator. We may not urge a reversal of the historical pattern. But surely we would insist on a proper balance being maintained between the various services.

14. Inequality in pay scales inevitably carries with it a certain inequality in status. And this results in an inappropriate distribution of responsibilities among the various services. Subjects which are the legitimate concern of the technician tend to be usurped by the generalist, in so far as, in terms of pay scales, the latter enjoys a superior status. We feel convinced that a large part of the grievance that the Association of Class I Services have placed before the Commission stems from a conflict of professional jurisdiction. And the first step towards the removal of this conflict appears to us to lie in the removal of disparities in pay scales.

15. It is significant that the Administrative Reforms Commission (1969) saw the anomaly in our administrative structure and urged in unequivocal terms a "rationalisation of the pay structure", so as to bring in a "relative uniformity between different scales" in the various services. Having classified the services into "general administration", "specialised administration" and "technical and/or scientific administration", the ARC goes on to suggest that "preference for the generalist should give place to a preference for those who have acquired competence in the concerned field".² We warmly endorse the views of the ARC on this matter. We also welcome the suggestion of the ARC that the UPSC examination for recruitment for IAS, IPS and Class I Non-technical Services should be uniform. This latter is indeed a natural complement to our proposal for a uniform scale for these services.

16. The interviews that the Commission have held with official and non-official persons and the memoranda that it has received on this matter are also revealing. The Chief Ministers whom the Commission consulted have, without exception, argued in favour of the retention of a differential in favour of IAS. This of course is understandable; IAS is the Chief

²Cf. Administrative Reforms Commission, Personnel Administration, p.12.

¹Report, Chapter 4.

Ministers' direct concern, while their acquaintance with Central Services is somewhat remote. Among official witnesses, while officers belonging to the Class I Services, past and present, have almost all favoured the removal of disparities, the opinion of officers belonging to the Indian Civil Service is divided—the serving civil servants, all but one, justifying the existing relativity, and the retired civil servants, all but two, favouring parity. The Commission also received written memoranda from a number of prominent persons (including serving civil servants), a large majority of whom (42 out of 50, to be precise) have argued in favour of a uniformity of pay scales for IAS and other Class I Services. Our own view on the question of parity has thus an overwhelming support from persons who could judge the issue from a distance.

17. Those who have expressed themselves in favour of the continuance of the present disparities between IAS and other Class I Services have almost invariably argued that the duties and responsibilities of an IAS officer are of a specially onerous character. This view seems to be endorsed by our colleagues, too. The subject is introduced in the Report of the Commission with a somewhat hesitant note. It is admitted that "it is difficult to make inter-service comparisons of duties and responsibilities attaching to different posts and the results may not be free from controversy". And yet it is contended, as a matter of special significance, that a sizeable proportion of IAS officers are engaged in field service where work is becoming increasingly complex and arduous. The main thrust is on the job of the District Collector. It is observed that "for the IAS officer the post of Collector and District Magistrate is basic, and constitutes a vital stage in his career". For, it is argued, it is in this capacity that an IAS officer gets into touch with the multifarious problems of our society, from civil defence to planning and development.³

18. Now, it is one thing to say that there are field duties for IAS officers which are arduous; it is another thing to contend that because of this the service as such should receive special treatment in terms of higher scales of pay. The question is not one of absolute weight; it is one of relative weight to be given to one service as against other services. We recognise the importance of field service, as our colleagues do. But we cannot lose sight of the fact that field assignments are an ingredient of other services, too, especially the Indian Police Service. It so happens that an IAS officer serves as a District Collector, on the average, only for a period of three years or so during his entire career of no less than thirty-five years. If the post of District Collector is to be made relatively more attractive, what is indicated is not a higher pay scale for the service as such, but rather an allowance for just that post. But by the same token, one would have to suggest a similar allowance also for the post of the District Superintendent of Police. It is an irony that it is not these posts, but rather the Secretariat posts, to which, in practice, the so-called special pay is more generally attached.

19. Our colleagues argue that parity would require a percentage increase in the senior scale of Class I Services which would be out of proportion with the increase that we have proposed elsewhere. To this our answer is that we are not proposing any increase in the Class I scales at any level beyond what the Commission recommends in the Report. Our difference with our colleagues in this context relates to the IAS scale itself.

V. Basic considerations concerning IAS Scales

20. We would consider the IAS scales from the point of view of (a) the vertical differential between maximum and minimum pay scales, and also from the point of view of (b) the horizontal relativity between the higher services in the Government of India.

21. As regards (a), there is a general consensus that the ratio between the maximum and minimum pay scales should be reduced as far as possible, consistently with the availability of finance. It is true that we do not know precisely what an optimum ratio in this context should be. The problem is analogous to the problem of optimum population or of optimum savings in an economy. One does not know what these optima are. And yet, just as one does know that in our economy in particular the rate of population growth is too high or that the rate of savings is too low, one can also say that the ratio between the maximum pay and the minimum pay for Government employees is too high, judged by normal standards. The differences between the top pay and the bottom pay in some of the Western countries, with which we would want our country to be compared in this respect, are supposed to range from 6 to 8. Here in the Government of India the prevailing ratio (post-tax, without account being taken of rebates on transport, provident fund contribution, L.I.C. premium etc.) comes to about 14. As regards pay scales, if we take the minimum of the more effective part of the highest pay scale (the senior scale of IAS), then the ratio comes to around 6, whereas, taking the maximum of the same scale, the ratio, with the same denominator, comes to around 10. By normal standards these ratios surely are too high.⁴ The method that we would suggest for bringing these ratios down to what may be considered to be an optimum level is to revise the Class III and Class IV scales at an interval of, say, 3-5 years, giving them a share of the benefit of *per capita* income growth in real terms. Having regard, however, to the problem of the unemployed, this benefit should not, we think, exceed the range of 20-25 per cent of the increment of *per capita* income during the relevant period.

22. As regards (b), we have argued that there should be a uniformity in the pay scales between IAS and Central Class I Services. So far as the latter are concerned, we feel that we have gone as far as we could possibly go. In fact, on this matter we

⁴The ratios relate to emoluments, and not pay as such. However, the numerator excludes special pay. If the special pay which is almost invariably associated with the IAS senior scale, is taken into account, the latter two ratios would be higher still.

found ourselves in a dilemma. The Class I scales, both technical and non-technical, are visibly depressed, when considered in relation to IAS scales. They had to be jacked up. We found, however, that in the process, as they tended to move towards the IAS scales, they moved away from the lower pay ranges. It was a difficult choice for us; was our decision to have reference to the top scales or to the scales at lower ranges? We decided in favour of the former, in conformity with our general thinking that narrowing the gap between the upper scales and lower scales—vertical integration, as we may call it—was a process which would need periodical revisions of scales at lower ranges, it being limited by the availability of finance. Horizontal integration at upper levels, as we view it, is not so much a question of finance as of fairness and efficiency. The former has to wait; the latter need not, once its urgency is recognised.

23. The revisions that we have allowed ourselves to recommend for the Class I Services have been conceived with reference to the existing emoluments of IAS. Any increase in the IAS scales themselves, such as has been recommended in the Report, would involve a further jacking up of the Class I scales, if anything like parity were to be maintained between the two. We see no warrant for such competitive lifting of pay scales at this high level, when we could do so little at the lower ranges. Our colleagues concede that there is a case for “a gradual narrowing of the differences” between IAS and Class I scales. One may surely ask: Is the best method of narrowing the difference to raise both, or to keep the higher scale constant and permitting the others to approach it? Should not the hare be asked to rest awhile for the tortoise to be able more easily to overtake it?

24. Whether one looks at the question from the side of the maximum-minimum ratio or from the side of the relative position of Class I Services in general, one would thus find it hard to justify any further dose of increase in the pay scales of IAS. We have agreed to a slight push in the junior scale for IAS, along with other Class I Services, so as to bring the operative part of it nearer to the beginning of the senior scale. Beyond this our disagreement with our colleagues is sharp, not only in respect of the level of pay but also in respect of its pattern.

25. We are opposed to the prevailing long senior scale for IAS. A long time-scale is bad in any case, for it tends to create an unhealthy sense of complacency in an employee. In the case of IAS there is an additional reason why it should be discarded. A long senior scale for IAS has been responsible for the introduction of a system which, in our view, is entirely uncalled for, the system of special pay. We admit that special pay has its uses in certain contexts. In very special circumstances when an employee is asked on a purely temporary basis to take up a job which is distinctly more arduous than what he is called upon normally to do,—as, for example, when a postal clerk is asked to take over temporarily as post-master in a sub-post office, a special pay is permissible by way of a compensation for the extra arduousness attached to the job. But to superimpose a system of special pay over an otherwise appropriate scale merely as a device for ranking posts, as is done in

the case of IAS, is too much of an extravagance. The incongruity of the institution of special pay becomes all the more conspicuous when it is viewed against the Commission's decision (rightly taken, we imagine) that the system of over-time allowances for categories which were included within it after the Second Pay Commission should be discontinued. It is to be noticed that the levels of special pay, as designed by our colleagues in this context, go up to an amount which exceeds the maximum of the pay scale of a semi-skilled worker. If only to stop this extravagance, we would plead for a split senior scale for IAS.

26. As a corollary of our prescription, we would also plead for an abolition of the system of special pay for other services for posts in the Secretariat or in the Headquarters. It is indeed extraordinary that the Central Government should have to offer a special pay to coax its own employees from field service to the Headquarters or to the Secretariat. There is hardly any reason to fear that the withdrawal of special pay will be a deterrent to suitable officers opting for the latter; it is by no means clear that work in the Headquarters or in the Secretariat is more onerous than field service. One would imagine that it is the other way about.

27. Much the same consideration applies to IAS officers inducted into the Central Secretariat. There is no evidence that work at the Centre is less attractive for IAS officers than work in the States. If special pay persists at the Centre at certain levels, it is because the States have it. Once the States give it up, the Centre will find it redundant, too.

VI. Our Recommendations

28. The decks having been cleared, we may now turn to concrete proposals. So far as pay scales are concerned, as we have stated, our main differences with our colleagues concern the workshop staff on the one hand and IAS on the other.

Workshop Staff

29. First, the workshop staff. We have already stated our views on the place of workshop categories in our scheme of social valuation. We place these categories above the corresponding clerical categories. We hold the view that a person with a middle standard certificate and with, say, three years' training in a workshop—the minimum qualification of a “skilled worker”—is socially more valuable than one who is just a matriculate and is thus qualified to be recruited for the position of a Lower Division Clerk. Similarly, we consider a “highly skilled worker”, by the workshop terminology, to be socially more valuable than an Upper Division Clerk, for whom the minimum qualification, if he is a direct recruit, is an ordinary B.A. degree. Simple market considerations would justify our assessment of the relative values of these categories. Our discussions with workshop managers in the various centres that we visited have convinced us that there is a perceptible degree of scarcity of supply of skilled workers. On the other hand, the supply of matriculates or of ordinary graduates is plentiful in our country. We are anxious to see that the relative degree of scarcity of these categories is visibly reflected in the respective pay scales.

30. Our task is made easier by the fact that a pattern of pay scale has been set by the Commission for the workshop staff which we do not think we need to alter fundamentally. We would work *on* it rather than *away from* it. It is indeed not the general pattern, but the relative levels of pay proposed by the Commission for the categories which we find disappointing. A chart in Annex 2 exhibits the comparative position of the workshop staff *vis-a-vis* the non-workshop and clerical staff, as envisaged by the Commission. A scrutiny of this chart will show that the relative position of the two categories remains very much the same as it is today. A little tinkering has been done in the case of the "highly skilled" category, and a new category has been introduced under the title "Master Craftsman", to be placed at the apex of the operative staff. Whereas, however, the Master Craftsman, with all the tests that he is asked to pass, will get, under the new dispensation, a maximum of Rs. 640 p.m. in a grade which is equated to the selection grade of the Upper Division Clerk, the latter is given straight access to Rs. 900 p.m. through promotion, without having to compete with any new recruits. We consider this handicap of the workshop staff completely uncalled for.

31. We leave the pay scales up to the semi-skilled category on both sides at the levels proposed by the Commission. At the "unskilled" level there is obviously no scarcity of supply, and the scale that we recommend in the Report is adequate. We wish to think, however, that the upper segment of the scale will remain, for the most part, inoperative, and that the unskilled worker would get a fair chance of moving on to the semi-skilled category in less than ten years' time, during which they will not only acquire skill but also a fair amount of general education. We hold the same kind of expectation with regard to the corresponding category on the non-workshop side. We do not see why a peon, or a chawkidar, or a sweeper should not be encouraged to use the first few years of his service as an opportunity to learn some trade and to acquire competence to move on to better jobs under the Government or, may be, elsewhere. We find it hard to reconcile ourselves to the concept of a "career" being associated with the occupation of an unskilled worker or, for the matter of that, of a peon or a chawkidar or a sweeper.

32. The Commission has already provided an edge for the semi-skilled category over its counterpart on the non-workshop side. We leave it at that. We also leave the rates of increment at the various levels more or less intact. The readjustments that we propose are thus marginal, though perceptible. We suggest that the scales for some of the major categories on the clerical side be shifted backward and those of the corresponding categories on the workshop side be shifted forward. The amendments that we propose are shown in Appendix A.

33. It will be noticed that the only major change that we propose is at the top level of the operative staff on the workshop side. The idea behind the creation of a special grade for the "Master Craftsman" is to improve the prospect of those skilled workers who are found to be superior in their own line and yet are not quite suitable for supervisory assignments. We wel-

come this approach, but we are afraid that the step which the Commission has taken is not adequate. The selection for the grade is hedged in by conditions which, we suspect, overshoot the mark and may defeat our purpose. We therefore suggest that the new grade be a non-functional selection grade for the highly skilled category, Grade I, with a proportion for selection not exceeding 20% of the aggregate strength of the category, including Grade II. We propose that the level of the grade be distinctly above the selection grade of U.D.C. in the Accounts Department and close to the middle level of the supervisory staff on the clerical side. We also recommend the introduction of a selection grade for the skilled category for reasons which we explain in the next paragraph. For the rest, our proposals just amount to certain readjustments at the minimum and at the maximum of the grades.

34. We find that the promotional prospects of the workshop staff are much less favourable than those of the clerical staff. While, for example, the number of posts in the highly skilled categories is just about 27% of the number in the skilled category, the number of U.D.C.'s will be about 50% of the number of L.D.C.'s. It is thus clear that some, at any rate, of the skilled workers do not get opportunities of moving on to the higher grade, not because they are not efficient enough but because there are not enough posts under the highly skilled category. This overflow should have a suitable outlet. Our plea for the introduction of a selection grade for the skilled category stems from just this consideration. We do not fancy the idea, here or elsewhere, of creating a promotional prospect for the sake of it. We are reluctant to make any proposal which would reduce the possibility of direct recruitment to any service. We view with approval the principle of direct recruitment operating at the skilled category level in the Railways and would like it to be emulated in other departments. Similarly, on the supervisory side we would retain the system of direct recruitment at Level II as it is. However, instead of having it also for the next consecutive level, we would rather introduce it at Level IV. Thus, according to our scheme, there will be 50% direct recruitment at Level II and 25% direct recruitment at Level IV of the workshop supervisory staff. We hope, however, that with the increasing use of sophisticated machinery, the need for skill will expand in Government workshops, as elsewhere, and the career prospects of the workshop staff will improve all along the line. We also expect that, with the improvement of pay scales such as we suggest, there will be an improvement in the quality of people joining the workshop career, and in the process a larger proportion of the operative staff will be found to qualify themselves for supervisory work.

IAS Scales

35. We now consider IAS. It is clear that IAS is comparable with Class I Non-technical Services, the members are drawn from the same pool and on the basis of the same competitive examination. In our view, therefore, the pattern of pay scales for this service must be the same as the pattern which we have recommended for the non-technical Class I services. The levels that we recommend for the two streams are

also the same, except that we permit a small edge in favour of IAS at the start of the senior scale, equating it with the start that the Commission prescribes for the Scientific and Technical Services. The start of the senior scale for the technical and scientific services is a strategic figure for us. It is derived from the total emolument at the corresponding point on the present senior scale of IAS, which is Rs. 1,080 p.m. The round figure of Rs. 1,100 p.m. is what we propose as the base in the senior scale for IAS, in conformity with the basic principle that we have enunciated, which is to hold constant the highest pay scale in the Government, and on its basis to make suitable adjustments in other comparable scales. The scales that we propose for IAS are shown in Appendix B. It should be noted that the scales proposed apply, *mutatis mutandis*, to the Indian Foreign Service. However, the post of Under Secretary in the Central Secretariat Service should be given the senior scale of Class I Non-technical.

36. It will be noticed that (a) we have broken up the long senior scale of IAS, as proposed by our colleagues, into two short scales on the lines that obtain in the case of Class I Services, that (b) we abolish the purposeless selection grade, and further that (c) we introduce a separate grade for Heads of Departments, (namely, Rs. 2250-2500), again on the lines of Class I Non-technical Services. This last is to accommodate posts which are at present in the selection grade with special pay running up to Rs. 300 per month.

37. The advantage of the split scales, such as we are recommending, is that it does away with the system of special pay altogether and ranks posts with lower or higher responsibilities in terms of distinct pay scales, as it should. Our colleagues, following the present pattern, have recommended three levels of special pay for three ranks above the Under Secretary, namely, the Deputy Secretary, the Joint Secretary and the Secretary in the State Secretariat or corresponding posts outside the Secretariat. In our scheme, too, there is provision for three scales above the junior scale, which will accommodate all the three ranks in the State Secretariat. If the Under Secretaries start with the junior scale, as they do, the Deputy Secretaries will have the senior scale, Grade II, and the Joint Secretaries will have the senior scale, Grade I. We have also two other scales for Heads of Departments, which can appropriately be given to Secretaries, according to the levels of their responsibilities. In those States, or in those Departments, where a Secretary at present gets the selection grade of the senior scale, together with a special pay, will, in our scheme, receive the lower scale for Heads of Departments and the others will receive the higher scale. We would, however, suggest that a broadly uniform ratio be maintained in the various States between the number of posts in the higher scale and the number in the lower scale. We envisage this ratio to be of the order of 1 : 3.

38. The arguments that our colleagues adduce in favour of a long senior scale do not seem to us to be at all convincing. First, the problem of promotees from State Civil Service. Under the present system these promotees may be placed anywhere within the senior scale; the movement of direct recruits along the scale is not hampered. In the event of the senior scale being

split into two grades, some of the promotees may have to be placed in the upper grade of the scale, depending upon the stage in their career at which they are promoted. To the extent that this happens, it is feared, the promotees will be ranked higher than direct recruits belonging to the lower grade, so that the promotion prospects of the latter will be diminished. We wonder if such a plea for a long scale should be taken at all seriously. If the promotees deserve, by virtue of their experience and ability, to be given a higher responsibility, are they to be made to wait just in order to enable their younger brethren to enjoy an easier journey? Quite the contrary. Some little hurdle in the journey, in our view, would do good to the service. In any case, as protection against delayed promotion, if at all it occurs, we are providing, in our scheme, for a table of concordance on the lines that we and our colleagues propose for other Class I services. Any further concession, we imagine, would be contrary to rules of justice and of efficiency. Secondly, it is argued that a long senior scale facilitates movement of officers between field service and Headquarters. If IAS officers in the State Government are on the same scale over a long range, their ranks being defined only by different levels of special pays, then, it is argued, these officers can be deployed indifferently as District Collector in any district in the State or to any appropriate post in the Secretariat. We are afraid that this so-called "flexibility" is purchased at too high a cost. At any rate we do not think it should be at all difficult, if need be, to deploy officers having different scales of pay for posts of District Collector. The difficulty, if any, is a technical and procedural difficulty and can by no means be insurmountable. To prescribe a long scale and then to ask for a system of special pay as a ranking device is like putting a chain round one's legs and then complaining that one needs the device of a wheel chair to move!

39. We reject a long senior scale for IAS and its corollary, a system of special pay. We reject the former because it breeds inefficiency and the latter because it is not only a gratuitous payment but is also an irritant to other services. However, even if one were to accept the structure that our colleagues recommend, one would be tempted to ask a few questions, answers to which, if there be any in the Report, seem to us to be somewhat obscure.

(i) Why, if an additional special pay is needed for the ranking of officers, should not the level of the scale be kept down to compensate for the special pay? As it is, even if we take the lowest figure for special pay, as recommended by our colleagues, the senior scale for, say, a Deputy Secretary in the State Government, or an Under Secretary in the Central Government, would start virtually with Rs. 1,350 (1200+150) p.m. as against Rs. 1,100 p.m. prescribed for, say, the Executive Engineer. By any criterion this is a shame.

(ii) Secondly, suppose a special pay is to be superimposed upon a pay scale as ranking device, why must it be attached even to the base? From whom are the Deputy Secretaries in the State Government differentiated, when, as it happens, they start from the bottom of the senior scale?

(iii) Thirdly, what is the warrant for a non-functional selection grade, when a long senior scale is supposed to be a necessity? Why, if at all a higher maximum is to be fixed for the senior scale, could not the scale itself be elongated, so as to cover the so-called selection grade?

(iv) Finally, even assuming that there is to be a selection grade, why at all should it be available to an officer in the 14th year of his service? It is true that the minimum period prescribed by our colleagues for entry into the selection grade is a permissive minimum. Yet, a look at the practice in the various States in this matter suggests that the minimum may well tend to be the normal. And if this happens, then, at a time an IAS officer jumps into the selection grade at Rs. 2000 p.m., his counterpart in the Class I services—technical or non-technical—will have only the junior administrative grade at Rs. 1500 p.m.—a lead for the former of Rs. 500 p.m. in the 14th year of service. And when you add to it the inevitable special pay, the lead widens further. What an extra-ordinary procedure for “narrowing the gap” between services!

40. We hope we shall not be taken as being unfair to our colleagues if we mention here that, as we view it, the table of concordance which the Commission recommends at the stage of entry into the junior administrative grade has the objective of reducing disparities within the Central Class I Services and not, as our colleagues claim, of narrowing gap between these services and IAS. In fact, for quite a few of the Class I services the effect of the table of concordance may turn out to be the other way about.

VII. Deviations from Parity

41. It is necessary at this stage that we should explain why, in spite of our insistence on parity between IAS and other Class I services, we have allowed ourselves to accept a lower senior scale for certain Class I services.

(i) As regards Class I Non-technical, our acceptance of Rs. 1050 p.m. instead of Rs. 1100 p.m. as the start of the senior scale is just a concession to the view held in certain quarters, and not altogether ignored by our colleagues, that recruits for IAS are asked to go through a competitive test which has a relatively wider coverage.

(ii) By the same token we would argue, contrary to the recommendation of the Commission, that the Indian Police Service should have a lower senior scale, too. Indeed, we differ from our colleagues more fundamentally in respect of this service. We are anxious to put it broadly on par with the Class I Non-technical services—the group to which it legitimately belongs. While we propose to lower the minimum of the senior scale, we raise its maximum. We also split the senior scale into two grades, as in the case of IAS, and we suggest that the upper grade be meant for Superintendents of Police who have special functions to perform, such as political intelligence, criminal intelligence, commercial intelligence, etc. The scales that we propose are shown in Appendix C. We recognise the view that, as it is, the Indian Police Service is not attractive enough. One way of making it more attrac-

tive, we suggest, is to throw the top level posts in the State Secretariats open to this service, along with IAS.

42. We hope that the relatively lower minimum for the senior scale in the case of Class I Non-technical Services and of IPS will be only a transitional phase. We have argued for a uniform examination for these services along with IAS, and in this respect we find ourselves in the company of the Chairman, UPSC, whom the Pay Commission interviewed. Once a uniform examination system is introduced for these services, the gap in their pay scales at any level will be altogether irrelevant. We recommend that steps towards its removal be given a high order of priority.

43. A lower scale at Grade III (corresponding to the senior scale of other services) is recommended also for the Indian Economic Service and the Indian Statistical Service, even though recruitment to these services is based on separate tests. There are special reasons why we accept it. These services are yet to establish themselves; competitive tests have been introduced for these services only recently. What the requirements of these services are likely to be are yet to be seen. We are as yet not quite sure if recruitment for these services at the level of the junior scale is at all appropriate, considering the fact that these services require a relatively longer course of training and that Government departments may not always be the best place for such training. Further—and this applies to IES in particular—there exists a large base at the junior level which was formed in an *ad hoc* manner and whose disposition still remains a problem. We are thus inclined to be somewhat cautious in respect of these two services. We would indeed go to the length of suggesting, contrary to the general recommendation, that for IES in particular the direct recruitment ratio at Grade II should not be reduced from the present 50%, even though it goes beyond the range proposed by the Commission for direct recruitment at this level for other Class I services and for IAS.

44. Class I Medical Service presents a difficult problem. We are provisionally acquiescing in the scales proposed, because there is the compensating non-practising allowance which tradition has bestowed on the service. We view NPA with disfavour, as it is discriminatory in favour of one service as against others. We do not see why, if a Medical Officer gets NPA, an Engineer or an Architect or, say, a Chartered Accountant, should not. We hold the view that the basic pay itself should be considered as compensation against any loss of practice which the Doctor, as much as the Engineer or the members of any other profession, may be subjected to by being a Government employee. We suggest that the Government consider the possibility of bringing the pay scales and career prospects of Class I Medical Service into line with those of IAS and of doing away with the anomalous non-practising allowance. If at all, we would rather suggest an appropriate rural allowance for our doctors to attract them to rural areas, where there is a deficiency of medical service.

VIII. Career Prospects

45. Our aim is to remove differences between the IAS and other Class I services. We must note, how-

ever, as we have done, that readjustments in pay scales are not enough for the establishment of parity between services; one must pay attention to promotional prospects, too. Now, this is a difficult question. Cadre-management is related to the needs and structure of a service, and a certain degree of unevenness in the distribution of posts at different levels is bound to persist as between different services. In this regard IAS will continue to have an edge over other Class I services, so long as the administrative structure remains as it is. However, the disparities need not be as conspicuous as they are today. It is possible, within limits, to reduce the disparities by suitable adjustments in the ratio of recruitment from various services in the Central Secretariat.

46. We understand that the Central Secretariat posts are now open to all Class I and All-India services. We consider this to be a distinctly progressive move. We would indeed go to the length of suggesting that these posts should be open to the Defence personnel also, in so far as they are compelled to retire early for want of suitable vacancies in their own service. The rule should, however, be applied more effectively, so as to operate as a balancing mechanism in respect of the career prospects of various services. It is possible, in the matter of recruitment for Central Secretariat jobs, to attach greater weightage to services where promotional prospects are relatively low than to services where the promotional prospects are relatively high. Under the present arrangement just the contrary is happening; special weightage in the matter of selection for higher posts in the Central Secretariat is enjoyed by just the service which provides the highest prospect in its own cadre. Leaving out the Indian Foreign Service which is a class by itself, members of the Indian Administrative Service have an inordinately large share of the superior posts in the Central Secretariat, even though its own cadre provides by far the best career prospect, as Annex 3 and 4 will show. The deficiencies from which the other services suffer in this respect cannot be surely explained by the lack of suitable personnel in those services. On the other hand, it is our view that administration is becoming increasingly professionalised and that the central administration, with all its multifarious responsibilities, will be enriched by the induction into it of people from various specialised services, not excluding technical and scientific services. It is true that technologists and scientists should be sparingly used outside their own cadre. But it is also true that, at some stage of their career, they often acquire a kind of competence which is capable of being utilised more fruitfully in spheres which lie outside their cadre. Experience shows that where such induction has been tried, it has been a success.

47. We believe that IAS enjoys certain built-in advantages. The members of IAS enjoy a lead in salary over others, and this does count when it comes to selection for superior posts. Further, a view still prevails in certain quarters that the various Ministries in the Central Government are better served by generalist administrators than by specialists. And since the Boards which are responsible for selection of candidates for appointment to superior posts in the Central Secretariat consist of members who are themselves generalists and who are supposed to share this view,

one cannot rule out the possibility that the selection should tend to weigh in favour of IAS and that the tendency should be cumulative.

48. It is in this latter context that the constitution of an independent Body on Pay and Cadre Management, which the Commission recommends, assumes special significance. The Body, as we view it, should replace the present Senior Selection Board and the Central Establishment Board. It will have other functions, such as are suggested in the Report. But its primary function should be to select candidates for recruitment to Central Secretariat posts from out of the various services to which these posts may be open.

IX. Some Final Observations

49. We think it will not be inappropriate if we end up this note with certain general reflections on the problem of pay fixation that proceed from our experience in dealing with the subject. Our study of the problem has convinced us that the pay structure of Government employees cannot be dissociated from the administrative structure. You cannot have an egalitarian pay structure, much as you would like to, so long as the administrative structure continues to be hierarchical in character. In the Central Secretariat itself, from the Lower Division Clerk up to the Secretary there are no less than ten steps. Add to this the theory that a "supervisor" has to have a pay scale which is higher than that of the supervised, and your egalitarianism goes by the board. To us this is a disconcerting revelation.

50. Secondly, our deliberations with various Associations as well as within the Commission have made us feel that the "need" of employees is allowed a more important place in one's thinking on pay determination than productive efficiency. "Need-based wage" is a concept which has tended to be more pervasive than it was originally intended to be. How often have we heard in the course of our deliberations on the "rate of increment" in pay scales at all levels that it has to have relevance to the growing size of the family of an employee and the consequent expansion of his need. Now, this over-much emphasis on "need" which, at higher levels, remains largely undefined, coupled with the concept of the Government as a "model employer", has implications which are unhealthy for an economy; it does tend to create an atmosphere of expectations without a corresponding sense of obligation.

51. This leads us to the last of our observations. In the terminology of the Pay Commission, the term "service" is understood in the sense of a "career", and it involves a whole gamut of questions relating to the pay and prospects of groups of employees. This is all right, so far as it goes. But the reminder is also necessary that the word "service" is derived from the verb "to serve". A sound pay system is a necessary condition of an efficient social structure but not a sufficient condition; the will to serve is the other condition. This seems to us to need more emphasis today than it ever did before.

Sd/-

A. K. Das Gupta
Member

New Delhi, Dated : 29-3-1973.

Sd/-

Niharranjan Ray
Member

APPENDIX A

Suggested pay scales and relativities for Workshop staff and the corresponding Non-workshop and Clerical staff

Clerical staff		Workshop staff	
	(Rs. per month)		(Rs. per month)
L.D.C.	260-6-326-EB-8-390	Skilled worker	272-6-326-EB-8-390-10-410
		Selection Grade (up to 20%)	350-8-390-10-480
U.D.C.	320-10-350-EB-12-530	Highly skilled worker, Grade II	330-10-340-EB-12-500
U.D.C. (Selection Grade) (In Accounts Departments)	425-15-560-EB-20-620	Highly skilled worker, Grade I	380-12-500-EB-560-20-600
		Selection Grade (up to 20% of posts of highly skilled worker, Grades I and II)	440-15-560-EB-20-700
Clerical Supervisory		Workshop Supervisory	
Level I		Level I	
U.D.C. (In charge)	425-15-560	Mistries	380-12-500-EB-560-20-600
Level II		Level II	
Head Clerk I	425-15-560-EB-20-640	Chargeman II	425-15-560-20-700-EB-25-750
Level III		Level III	
Head Clerk II	550-20-650-EB-25-750	Chargeman I	550-20-650-25-800
Level IV		Level IV	
Head Clerk III	550-25-750-30-900	Foreman B/Asstt. Shop Supdt.	700-30-760-35-900
Level V		Level V	
Head Clerk IV	700-30-760-35-900	Foreman A/Shop Supdt.	840-40-1040

APPENDIX B

Indian Administrative Service

Junior Scales	Same as in the Report	For Heads of Departments :
Senior Scale :		Grade II Rs. 2250-125/2-2500.
Grade II (6th year or under)	Rs. 1100-50-1600.	Grade I Rs. 2500-125/2-2750.
Grade I (14th year or under)	Rs. 1500-60-1800-E.B.- 900-100-2000.	Above Rs. 2750 Same as in the Report.

APPENDIX C

Indian Police Service

Junior Scale	Same as in the Report.	Selection Grade	Rs. 1800-100-2000.
Senior Scale :		(Up to 20% of the posts in the Senior Scale to be available only after the officer reaches the maximum of the Senior Scale of Grade I)	
Grade II (6th year or under)	Rs. 1050-50-1600.	D. I. G. and above	Same as in the Report.
Grade I (14th year or under)	Rs. 1500-60-1800.		

Number of institutions of higher education and out-turn of graduates and post-graduates

	1958		1971	
1. Number of universities.	38		95 (including 9 institutions deemed to be universities)	
2. Number of Engineering Colleges and higher technical institutes.	57		119	
3. Number of Medical Colleges.	106		202	
4. Number of First Class and Second Class M.A.'s and M.Sc.'s turned out.	Total passed (I Class II Class	13,997 4.5% 42%)	Total passed (I Class II Class	30,726 6% 50%)
5. Number of Engineering graduates turned out.	Graduates Post-graduates	4,181 116	Graduates Post-graduates	13,946 554
6. Number of Medical graduates turned out.	Graduates Post-graduates	4,014 153	Graduates Post-graduates	6,246 512

Growth of National Income (at 1960-61 prices)

	1950-51	1960-61	1970-71
Value (Rs. crores)	12,130	13,284	18,876

ANNEX 2

Statement showing scales allotted to Non-workshop Clerical and Workshop categories

Non-workshop and Clerical categories			Workshop categories		
Designation	Existing scale	Commission's proposal	Designation	Existing scale	Commission's proposal
CLASS IV	Rs. 70—85	Rs. 185—2—193—3—205— EB—3—220	Unskilled	Rs. 70—85	Rs. 185—2—193—3—205— EB—3—220
	75—95	190—3—208—4—220— EB—4—240	Semi-skilled	75—95 } 75—110 } 85—110 }	200—3—212—EB—4 260—EB—5—280
	80—110	200—3—212—4—240— EB—5—260			
CLERICAL					
L.D.C.	110—180	260—6—290—EB—6— 326—8—366—EB—8— 390—10—400	Skilled	110—180	260—6—290—EB—6— 326—8—366—EB— 8—390—10—400
U.D.C.	130—280 } 130—300 }	330—10—380—EB—12— 500—EB—15—560	Highly skilled Grade II	130—212 } 150—205 }	330—8—370—10— 400—EB—10—480
U.D.C. (S.G.) (In Accounts Departments)	210—380	425—15—560—EB—20— 640.	Highly skilled Grade I	150—240 } 175—240 }	380—12—500—EB—15 —560
			Master Craftsman	—	425—15—560—EB— 20—640
CLERICAL SUPERVISORY			WORKSHOP SUPERVISORY		
Level I			Level I		
U.D.C. (In-charge)	130—300 +30 S.P.	425—15—530—EB— 15—560—20—600	Mistries	150—240 175—240 (Def) 150—300 (Def) 205—280 (Def)	380—12—500—EB— 15—560
Level II			Level II		
Head Clerk I	210—380 335—425 (partly)	425—15—500—EB—15— 560—20—700	Chargeman II	205—280 (Rly) 250—380	425—15—500—EB— 15—560—20—700
Level III			Level III		
Head Clerk II	335—425 (partly) 350—475 (partly)	550—20—650—25—750	Chargeman I	335—425 (Rly) 335—485	550—20—650—25—750
Level IV			Level IV		
Head Clerk III	350—475 (partly) 350—575	550—25—750—EB—30— 900	Foreman 'B' Assistant Shop Superinten- dent	370—475 (Rly) 370—500	700—30—760—35—900
Level V			Level V		
Head Clerk IV	450—575	700—30—760—35—900	Foreman 'A' Shop Superinten- dent	450—575 450—575 +150 S.P. (Rly) 450—650 (Def)	840—40—1040

S.G.=Selection Grade

S.P.=Special Pay

Number and percentage of Class I posts on pay (i) Rs. 1800 and above and (ii) Rs. 2500-2750 and above

As on 1-1-1971

Name of the Service	Total No. of Class I posts according to APS	Number of posts on scales carrying a minimum of Rs. 1800 and above	Number of posts on scales carrying of Rs. 2500-2750 and above	Percentage of	
				(3) to (2)	(4) to (2)
(1)	(2)	(3)	(4)	(5)	(6)
1. Indian Administrative Service	3203	462	217	14.4	6.8
2. Central Services Class I (Non-technical)	5404	169	9	3.1	0.17
3. Engineering Service	11120	339	50	3.0	0.4
4. Scientific Services	6555	59	12	0.9	0.2

APS=Authorised Permanent Strength.

ANNEX 4

Number of posts of Joint Secretary and above occupied by officers of different Services

As on 1-10-1972

Service	Secretary	Additional Secretary	Joint Secretary	Total
1. Indian Civil Service/Indian Administrative Service	30	20	86	136
2. Central Secretariat Service	1	2	20	23
3. Indian Audit & Accounts Service	—	—	6	6
4. Indian Defence Accounts Service	2	2	7	11
5. Indian Revenue Service	—	2	18	20
6. Indian Postal Service	—	—	2	2
7. Indian Railway Accounts Service	—	3	1	4
8. Others	21	4	39	64
TOTAL	54	33	179	266

N.B.—The above statement does not include information in respect of posts in the Ministry of External Affairs, Posts and Telegraphs Directorate and the Ministry of Railways.

NOTE OF DISSENT ON MINIMUM REMUNERATION

By

PROF. V. R. PILLAI

I am persuaded to write this dissenting note because of a special responsibility which has devolved on me. It may be recalled that when there was a demand for the inclusion of a labour representative in the Commission, Government had given Parliament to understand that I have been included in the Commission as one who was 'very well conversant with labour laws and labour problems' and had experience in dealing with them. Therefore, in the absence of a labour representative, I feel that I have a responsibility to see that justice is done to labour. The one issue on which I differ from the Commission in this regard is in respect of the minimum remuneration for Government employees. Apart from the quantum of remuneration recommended by the Commission, I think that some of the arguments advanced in support of it, if accepted by Government, will have adverse repercussions on labour not only in the Government sector but elsewhere as well. In this connection, I wish to make it clear that the views expressed in this note are based on my own objective assessment of the matter as a labour economist and it should not be construed as the labour point of view which I have no right to represent.

As the agitation by Central Government employees for a need based minimum wage according to the Fifteenth Indian Labour Conference formula was the immediate occasion for the appointment of the Third Pay Commission, this matter must be deemed to be of vital importance to labour. I am fully in agreement with the Commission's finding that a need based wage for Government employees according to this formula is not within the realm of practicability in the present state of the country's economy. The Commission has naturally been compelled to modify these norms to suit the conditions and requirements of Government employees and the finances of Government. The norms adopted by the Commission for calculating the need based minimum remuneration for Government employees according to their 'concept' are based on the results of the latest research on dietetic requirements and the liability for rent actually incurred by the Government employees as distinguished from industrial workers. The method of calculation adopted is also scientific. This is in my view a realistic approach to the problem. I would therefore commend the Commission's 'concept' of a need-based minimum wage for acceptance by labour.

The point on which I differ from the Commission is in respect of the recommendation of a minimum remuneration less than the basic minimum arrived at by the need based approach. While the basic minimum worked out by the Commission came to Rs. 196 at the index level 200 (base : 1960=100),

the minimum recommended is only Rs. 185/-. This has been sought to be justified on several grounds which I shall examine below :

(1) The main ground advanced is that the employee at the beginning of his service is not likely to have a family of 3 adult consumption units. The Commission's view is that 3 adult consumption units should be provided by the end of the 5th year of service only. They have sought to justify this stand by a reference to the judgment of the Supreme Court in the case of "All India Reserve Bank Employees' Association V/s. the Reserve Bank of India"* (italics mine) :—

"But it seems to us that *if at the start the family is assumed to be 2.25*, it is somewhat difficult to appreciate that the family would take 8 years to grow to take the 3 consumption units. We are aware that the Shastri Tribunal thought of 3 consumption units at the 10th year and the Sen Tribunal at 8th year, but we miss the realities of our national life. . . . As things stand today, it is reasonable to think that three consumption units should be provided by the end of five year's service, if not earlier."

It is clear that the specific issue on which the learned Supreme Court has given its pronouncement is a limited one, viz., the period which should elapse for the full 3 consumption units to be provided *on the assumption* that 2.5 consumption units only is allowed at the start.

On the basic issue whether 3 consumption units should be allowed for fixing the minimum wage, i.e., at the start of the lowest employee's service, the Court has made the following observations in the same judgment :—

"There is no doubt also that 3 consumption units formula is, if anything, on the low side. In determining family budgets so as to discover the workers' normal needs which the minimum wage regulations ought to satisfy, the size of the standard family is very necessary to fix. One method is to take simple statistical average of the family size and another is to take into account some other factors, such as,

- (i) the frequency of variations in family sizes in certain regions and employments;
- (ii) the number of wage earners available at different stages;

*Supreme Court's Reports (1966) I.S.C.R. pp. 46-56. I.S.C.R. 25—AIR (1966) S.C. 305, pp. 46-56.

- (iii) the increase or decrease in consumption at different stages of employment, that is, the age structure and its bearing on consumption.

The plain averages laid down in the Resolution* may have to be weighted in different regions and in different industries and reduced in others."

Thus the Supreme Court made it abundantly clear that one can either take a simple statistical average of the family size as is done in the 15th I.L.C. Resolution, or adopt different family size norms for different periods in the employee's career, which can be done only on the basis of a family budget enquiry in the group concerned. The Pay Commission has not conducted a family budget survey among the Government employees to support its premise that 3 consumption units need not be allowed at the start of an employee's career; nor is any data readily available in this regard. Therefore, there is hardly any justification for the Commission to deviate from the generally accepted norm for the size of a standard family and arbitrarily assume a family size for the starting stage of an employee's service only.

In this connection, it is important to remind ourselves how the 3 consumption units formula came to be almost universally adopted in India for calculating the minimum wage. Simultaneously with the passing of the Minimum Wages Act in 1948, the Fair Wages Committee was also appointed, which on the basis of the family budget studies available at the time recommended that the standard family for the purpose of calculating the need based minimum wage should be taken as one consisting of the worker, his wife and two children of whom the worker was the sole earner. This gave a norm of 3 adult consumption units per earner. My experience as Chairman of several Minimum Wages Committees and as Chairman of the Minimum Wages Advisory Board in the Kerala State for over fifteen years, when I shared the responsibility for fixing and revising the minimum wages in as many as 22 different industries, goes to show that the above recommendation of the Fair Wages Committee was, not blindly followed by wage fixing bodies. In the Fifties several Minimum Wages Committees conducted family budget enquiries among the occupational groups concerned and independently came to the same conclusion. In 1957, the Fair Wages Committee's recommendation was formally endorsed by the employers, employees and Government in the tripartite Fifteenth Indian Labour Conference. Nevertheless, the sub-committee of the National Nutritional Advisory Committee undertook an analysis of the Family Budget Enquiry (1958-59) data in 50 working class centres. Though they found the average size of the working class family to exceed 3 consumption units, they felt that the data was not strictly comparable with that of the earlier survey on the basis of which the Fair Wages Committee made its recommendation and therefore did not suggest any modification in this norm. It is reasonable to expect that the population explosion which has taken place during the last decade would have increased the size of the average family, while the mounting volume of

unemployment would have increased the dependency ratio also. These considerations would justify an upward revision of this norm but Labour has not raised this issue in deference to the compromise formula accepted by them at the 15th I.L.C.

The question why 3 consumption units should be allowed at the start of the employee's career was posed to several leading representatives of labour during their oral evidence. They have pointed out that, though it is true that some may not be married, and some married persons may not have 2 children at the start of their service, it is equally true that in the Indian social system most of them will have brothers, sisters, aged parents and other dependents to support and this inbuilt social security acts as a stabilising factor in India in the absence of a cradle-to-grave social security scheme as is undertaken by Governments in all advanced countries today. They have contended that in a country where the responsibility for the unemployed vests with the earners, it would be wrong to overlook this factor in determining the size of the standard family for the purpose of fixing the minimum wage. All of them have emphasized the compromise character of this norm as accepted by the 15th I.L.C. and cautioned that it should not be disturbed on any account. Further, some of them have argued that as the average size of the family according to the latest sample surveys has become much larger than before, a norm of 3 adult consumption units for the calculation of the minimum wage is very much on the low side under present conditions—a view which finds support in the Supreme Court's judgment cited above. It has also been pointed out by others that the number of earners per family among government employees is generally much less than among industrial workers so that, if at all any change in this norm is to be made in respect of Government employees, it has to be in the upward direction. The norm of 3 consumption units per earner adopted by the 15th I.L.C. has already been materially diluted in the Commission's concept of need, by the modification that the earner alone should be treated as of moderate activity and the rest should be taken as sedentary. In the circumstances, I feel that any attempt to justify a lower minimum by a further watering down of the generally accepted norm of 3 adult consumption units per earner would raise more problems than it will solve.

(2) The second argument advanced by the Commission to buttress their decision to recommend Rs. 185/- as the minimum is based on the minimum remuneration of Rs. 80/- fixed by the Second Pay Commission at the index level of 115 (1949=100). The assumption behind this argument, viz., that the minimum fixed by that Commission was right has been challenged by several Federations and Unions who have expressed grave dissatisfaction with what they called the 'groundnut diet' arbitrarily adopted by that Commission for the calculation of the minimum wage. Nevertheless, even assuming that the minimum remuneration fixed by the Second Pay Commission was right, the question remains whether Rs. 185 is a justifiable minimum at the index level of 243. The Commission claims that "this level of minimum remuneration secures to the Central Government employees not only full neutralisation over the figure

*The reference is to the 15th I.L.C. Resolution 1957.

recommended by the Second Pay Commission but also a reasonable share of the increase in per capita income." I find that this claim does not stand the test of scrutiny. The average annual compound rate of growth of per capita national income during the decade 1960-61 to 1970-71 was 1.32% corresponding to 114 points in the index of per capita income (base 1960-61=100)*. A reasonable share of this increase for labour will be the annual rate of growth of per capita income minus the rate of saving for capital formation. The marginal rate of household saving observed in the past and assumed in the projections for the Fourth Plan period is 12%. Deducting this, the increase in per capita national income net of saving will be 1.16% per annum (compound). The employees have a legitimate claim for an increase in real wages at this rate for the thirteen years from 1958-59 to 1971-72. The minimum remuneration of Rs. 80 p.m. at the index level of 115 (base 1949=100), when adjusted for a rise in this index to 243, (viz. Rs. 169) together with an 1.16% increase per annum as the share in the increase in per capita income works out to Rs. 196.39. Therefore according to this principle the minimum remuneration at the level of 243 points (1949=100) corresponding to 200 points 1960=100) of all-India Consumer Price Index which has been adopted by the Commission as the base for the new pay structure should be Rs. 196.39 and not Rs. 185. Thus even this conservative approach leads to a minimum which is slightly higher than the figure of Rs. 196 arrived at on the basis of the Commission's concept of need.

(3) The third argument in favour of the minimum of Rs. 185 is based on a comparison with the poverty level adopted by the Planning Commission. But this comparison suffers from two serious defects. First, the concept of a poverty level or desirable minimum standard of consumption for the common man is different from and represents a much lower level than the concept of a minimum wage for a worker sufficient to maintain himself and his family in efficiency. While the poverty line may be taken to represent the bare subsistence standard, the minimum wage represents a subsistence plus standard. Therefore the poverty line can at best provide a base from which to work up to the minimum wage.

Secondly, the Planning Commission's adoption of Rs. 20 per capita per month as a minimum desirable consumption standard in the Fourth Plan document as well as in the 'Approach to the Fifth Plan' merely focusses attention on the masses of the rural population who are below the subsistence level and does not tell the whole story. The original estimate of the poverty level for 1960-61 made by an expert committee of the Planning Commission drew a distinction between rural and urban areas. While for the rural sector the minimum desirable level of consumption was estimated to need Rs. 20 per capita per month, for the urban sector their estimate was Rs. 25/-. At the index level of 200, the poverty level in the urban sector would be Rs. 50/- per capita per month, which will give Rs. 200/- for a standard family of 4 members as against Rs. 160/- for the rural sector. As

Government employees are mostly urban centred, the poverty level for them would be Rs. 200/- and the minimum wage level should be definitely higher. Thus the argument based on the poverty level leads to a much higher minimum than what the Commission had estimated according to their concept of need.

(4) The fourth argument mentioned is that the minimum wage should be commensurate with the level of per capita income. As the Commission itself does not attach 'much importance' to this crude relationship, I do not wish to go into it.

(5) Last but not most important is the financial argument based on the admittedly grave financial situation as disclosed by the current Central budget, and the repercussions of a high minimum remuneration on the finances of State Governments. In fact, these considerations have weighed heavily with one and all in the Commission, especially because the three interim reliefs recommended by us have already accounted for an additional expenditure of about Rs. 175 crores per annum, as against only one interim relief costing Rs. 11 crores recommended by the Second Pay Commission. Any increase at the minimum will necessarily raise the salary scales of all class IV and class III employees as well as other ranks in the Defence forces correspondingly, if existing relativities are to be maintained.

I think financial considerations would be the only valid ground for fixing a lower minimum remuneration than the amount arrived at on the basis of the Commission's own concept of minimum needs. The Government which has passed the Minimum Wages Act, 1948 and is taking steps to tighten its implementation in the unorganised sector of industry has clearly a moral responsibility to pay a basic minimum wage to its own employees. The National Commission on Labour which carefully considered the subject of minimum wage came to the following conclusion:—

†"In fixing the need based minimum, the capacity to pay will have to be taken into account... It is the level of wage towards the attainment of which every Industry should strive and to which every worker in organized industry has a claim. We recognise that the need based minimum wage and the wages at the higher levels of the fair wage may and can be introduced by convenient and just phasing, keeping in mind the capacity of the employer to pay the same. This has to be a pragmatic process which the wage fixing authorities have to keep in mind".

Government's capacity to pay depends upon the state of health of the economy and the people's capacity and willingness to pay taxes. In the present situation, this capacity is being seriously undermined by the tardy growth in national income and the spiralling of prices. Therefore, the constraints which would justify an industry paying less than the need based minimum wage are equally applicable to Government. It is estimated that a uniform increase of Rs. 11/- in class IV and class III scales of salaries to cover the gap between the Commission's calculation of a basic minimum and the recommended minimum

*Economic Survey, 1972-73, Statistical tables I.1. p. 93.

†Report of the National Commission on Labour, 1969—p. 238.

would involve an additional cost to Government of about Rs. 38 crores on civilian employees and Rs. 11 crores on the Defence personnel, making a total of Rs. 49 crores. The crux of the problem therefore is whether Government can afford to pay this extra amount on salaries. I would hesitate to express any opinion on this matter without a full knowledge of its budgetary implications. But it is important to remember that normally, pay scales are revised only after about ten years and decisions arrived at on the recommendations of a Commission of Inquiry are not negotiable for another five years.

As all approaches to the determination of a minimum remuneration point to a basic minimum of not less than Rs. 196 at the average index level of 200, (1960=100), justice demands that, should Government find it not feasible in the present context to meet the additional expenditure which this minimum would involve, the pay scales for class IV and class III as implemented on the recommendations of this Pay Commission should be subject to revision as soon as the financial position of the Government would permit.

(V. R. PILLAI)
Member.

Post-Script

I am surprised to note that, at the last moment, Prof. A. K. Das Gupta and Prof. Niharranjan Ray are disowning and wanting to reduce the salary scales for the clerical stream in the Secretariat and outside, which were unanimously agreed to by the Commission at its 35th meeting (May to July 1972) to consider the bench mark posts, and were reconfirmed at the meetings held on 11th to 15th January 1973. Since the clerical scales form the basis for numerous other scales devised by the Commission for different categories, any change in these scales will necessitate a restructuring of the class III scales as a whole. Regarding workshop scales, I wish to point out that the Commission has deliberately proposed substantial increases in these scales, considering the importance of the workshop staff in our developmental effort, while the increases proposed for the clerical cadre are mostly marginal. Though Prof. Das Gupta had expressed his reservation regarding workshop scales, neither himself nor Prof. Ray had put forward alternative proposals in this regard at any meeting of the Commission to this date. The Minutes of the Commission meetings will bear out the above facts.

(V. R. PILLAI)

30-3-1973

NOTE OF DISSENT

By

SHRI H. N. RAY, MEMBER-SECRETARY

The Third Pay Commission was required by its terms of reference to cover a very wide field, and it is, therefore, not surprising that there should be differences of opinion amongst the Members on certain matters. I have ventured to record this note on those points where I have not been able to agree with my colleagues, because I thought that the Government was entitled to know that on these matters, at least there was no unanimity. Further, I feel that the Government should be made aware of other alternatives considered by the Commission though they may not have found favour with the majority.

2. The Commission have recommended that the post of Engineer-in-Chief, CPWD, should be upgraded from Rs. 2500-2750 (existing) to Rs. 3000-3500 (revised). In my view, an increase of Rs. 500 at the minimum and of Rs. 750 at the maximum is against the trend of increases recommended for other categories, and could be questioned. According to our scheme, Chief Engineers will be on Rs. 2250-2500 or Rs. 2500-2750. The difference between these scales from which promotions will take place, and the proposed grade of Rs. 3000-3500, seems somewhat high. If we were to consider the Assistant Executive Engineer and the Engineer-in-Chief, the present disparity ratio* of their emoluments would alter as a result of our recommendations from the present 1:4.5 to 1:5, and I believe the attempt should be to moderate such disparities and not accentuate them. Besides these general points, there are some other factors which should be highlighted. The average work-load in the CPWD is approximately Rs. 54 crores per annum. In the MES it is Rs. 120 crores per annum. The number of Chief Engineers under the Engineer-in-Chief in the CPWD is 10. On the other hand, there are 21 Chief Engineers under the Engineer-in-Chief, MES. The post of Engineer-in-Chief of the MES is held by a Lt. General and his revised pay is Rs. 3000, since no change has been proposed. It appears incorrect, in my view, to recommend increasing the pay of the Engineer-in-Chief, CPWD, who is now drawing at least Rs. 250 per month less than his counter-part in the MES, so sharply that the former will draw at his maximum in the revised scale Rs. 500 per month more than the Engineer-in-Chief of the MES. There are other engineering posts of equivalent or slightly higher rank, e.g., Member, P&T Board (Tele-communications Development) on Rs. 2500-2750 and Member, CW&PC on Rs. 2750 (fixed). These posts are being given Rs. 3000 (fixed). In the Railway Board there are engineering officers holding the post of Directors

*Ratio of minimum of Assistant Executive Engineer to maximum of the Engineer-in-Chief.

on Rs. 2500-2750. For them, the revised scale will be Rs. 2500-2750. I see no reason for treating the Engineer-in-Chief, CPWD, more favourably than his engineering colleagues in other organisations. I would, therefore, recommend that the Engineer-in-Chief, CPWD should be paid Rs. 3000 (fixed).

3. The Commission have recommended that the posts of Chief Project Officer, Adviser (Petro-Chemicals) and Chief Refineries in the Ministry of Petroleum and Chemicals, which are all on Rs. 2500-2750 at present should be upgraded to Rs. 3000-3500. Simultaneously, it has been suggested that the best solution would be to offer contract appointments on terms to be determined on the merit and availability of the individuals concerned. I have little doubt that the alternative approach of making contract appointments would help to solve the recruitment and retention difficulties of the Ministry. Also, it is necessary to be circumspect in fixing the pay scale itself, as it will tend to be the floor, the actual terms negotiated being at a still higher level. It has further to be borne in mind that the Chief Project Officer is primarily concerned with matters relating to the fertilizer industry. The Government should not, in my view, pay so high a salary as to embarrass the Fertilizer Corporation of India where, I understand, the General Managers are paid Rs. 2500-3000. The present level of salaries need not perhaps be increased to the levels recommended by the Commission on grounds of recruitment and retention difficulties, having regard to the fact that at the present moment all these three posts are filled. In my view, the salary for these posts should be fixed at Rs. 3000 only, and the alternative of recruiting suitable persons in these specialised fields on contract should be freely utilised, whenever required.

4. I find it difficult to endorse the recommendation of the majority of the Commission that the post of Director General, Ordnance Factories, should be upgraded from Rs. 3250 to Rs. 3500. It appears that this post was originally in the scale of Rs. 2000-2250 though one of the incumbents of the post was allowed to draw Rs. 3000 per month as personal to him. The existing pay of Rs. 3250 was the result of a revision carried out as recently as July, 1968. The Commission have decided to recommend a pay of Rs. 3000-100-3500 for the Director General of Technical Development, and I see no reason why the Director General of Ordnance Factories should have a lead of the order proposed over the Director General of Technical Development. In my view, the two posts should be ranked equally and given the same pay, viz., Rs. 3000-3500. If this is done, it would require a review of the Additional Director General of Ordnance Factories salary which the majority of the Commission have upgraded from Rs. 2250-2500 to Rs. 3000,

Since other Engineering posts at present going up to Rs. 2500 (e.g., Railway Major heads) have been given conversions with a maximum of Rs. 2750, in my view the Additional D.G.O.F., may be given a fixed pay of Rs. 2750; this will also maintain an adequate differential with the D.G.O.F.

5. The majority of the Commission have recommended that Industrial Advisers at present on Rs. 1800-2000 in the DGTD and in the Textile Commissioner's office should be upgraded to Rs. 2000-2500 in the revised scale. On the other hand, the Commission have recommended that Industrial Advisers in the Ministry of Steel and in the Small Scale Industries Organisation, who are also at present on the same scale of Rs. 1800-2000 should be upgraded only to Rs. 2000-2250. The set-up of Development Officers, Industrial Advisers, Senior Industrial Advisers/Deputy Directors/General has a long and chequered history, and has been commented upon by the ARC as also by the Mathur Committee. Our understanding is that the Government rejected the proposal made by the Mathur Committee that the scale of Industrial Adviser should be extended from Rs. 1800-2000 to Rs. 1800-2250 by abolishing the grade of Senior Industrial Adviser. On the other hand, they have agreed to the creation of posts of Deputy Directors-General, who are on Rs. 2500-2750. It is, therefore, apparent that in the considered judgment of the Government there was a clear difference in levels between an Industrial Adviser in the DGTD and the Deputy Director General, and they placed the maximum of the Industrial Adviser at Rs. 500 per month below the minimum of the Deputy Director General. The effect of the personal recommendations of the majority of the Commission would be to close this gap as the maximum of the Industrial Adviser would be the same as the start of the Deputy Director General, viz., Rs. 2500. In my view there is nothing to substantiate such a drastic change. Again, I see no reason to discriminate between Industrial Advisers, who are all on Rs. 1800-2000 today and, therefore, Industrial Advisers in the DGTD and in the Textile Commissioner's office should also be given the same revised scale of Rs. 2000-2250 as recommended for the Industrial Advisers, Steel, and Small Scale Industries Organisation. I would add that there are many Engineering posts which are on Rs. 1800-200 at present, for which the Commission have recommended a revised scale of Rs. 2000-2250, e.g., Director (Selection Grade), Water Wing, CW&PC, Deputy Chief Engineer (Power), CW&PC, General Manager, Grade I, Ordnance Factories, Additional Chief Engineer, AIR and Deputy Director General (Indian Supply/Inspection Service). There is no valid reason to treat the Industrial Advisers of the DGTD and of the Textile Commissioner's office more favourably.

6. The majority of the Commission have decided that the senior scale of the Class I Non-Technical Services will be Rs. 1050-1600, but it will be Rs. 1100-1600 for the Scientific Services and the Engineering Services, where recruitment to the junior scale is through the Combined Engineering Services competitive examination or the Engineering Services (Electronics) examination. For the Scientific Services the justification given is that the higher initial salary is in lieu of the more favourable rates of incre-

ment admissible to them at present viz., Rs. 700-50-1250 for the Scientific Services as compared with Rs. 700-40-1100-50/2-1250 for the others. The justification, however, does not apply to the Engineering Services. In my view, the differentiation introduced by the majority of the Commission suffers from a number of defects, and may not be conducive to the efficient functioning of the administration; on the contrary it may induce a sense of grievance amongst the Non-Technical Services.

My reasons are as follows:—

- (i) The differentiation is being introduced not at the entry stage of the Junior Class I level, but at the Senior Class I level. The presumption, therefore, is that the differences in qualifications or in training were not the factors which persuaded the majority of the Commission to bring about this differentiation.
- (ii) As already stated, the higher start of Rs. 1100 in the senior scale has been justified on account of the better incremental rates allowed to Scientists. The existing Junior Class I scale for Scientists is also better owing to improved incremental rates as compared to the Junior Class I scale for the Engineering and Non-Technical Services. However, a higher start has not been recommended for the Scientists, who also have been given the normal junior scale of Rs. 700-1300. Two grounds have been advanced, viz., (a) greater flexibility in promotion to the senior scale, and (b) necessity to maintain parity with Engineers, who work side by side. I am unable to see the force of either of the grounds. According to the Commission's scheme, enormous flexibility has been provided even for posts above the Senior Class I level while allowing creation of posts up to 30% of the total strength (as against 12 to 13% at present approximately). Also, in Departments such as the Atomic Energy Department there will be some Engineers, now on the SD-I scale of Rs. 700-40-1100-50-1250, who will be entitled only to the lower scale of Rs. 1050-1600. I, therefore, find an inconsistency in the Commission's approach at these two levels.
- (iii) (a) The Commission have adopted, as a guiding principle, that the duties and responsibilities of a post, or of a series of posts en-cadred in the Service should be the primary factor determining the pay scale for that post or service. In the Railways, the Posts and Telegraphs and the Ordnance Factories, both the Engineering and the Non-Technical streams function side by side. It will be difficult to say that the functions, duties and responsibilities of officers of the Indian Railway Traffic Service or the Indian Railway Accounts Service at this level, are significantly less onerous than those of the Indian Railway Service of Engineers. According to the Commission's recommendation, it may

even happen that a Controller of Stores may draw a higher salary than his colleague of the same seniority on the Traffic side. It could hardly be claimed that a person responsible for operating the Railways is performing a less arduous task than one looking after stores. Similar remark apply to the posts and Telegraphs and to the Ordnance Factories. In all these organisations, officers of the Non-Technical and of the Engineering streams are eligible for promotion to the same posts, and instances are not rare where the same post can be held by either an Engineering officer or a Non-Technical officer.

- (iii) (b) It is understood that while the Indian Ordnance Factories Service has two branches, namely, the non-technical and the technical, the latter is not homogeneous. Besides recruiting Engineers through the Combined Engineering Services Examination, other technical personnel are also recruited to this branch, such as Chemists, Metallurgists, Leather Technologists, Clothing Technicians, and Designers. It is not unlikely that these technical categories will not qualify for the higher scale of Rs. 1100-1600 under the formula recommended by the majority of the Commission. It may thus happen that Members of the same Service and the same branch belonging to different disciplines would come to have different scales of pay at this level. Similar complications may arise in the Indian Inspection and Supply Services.
- (iv) This marginal advantage given to the Engineering officers may make it more difficult to build up healthy relations and an *esprit de corps* among officers of the same or allied organisations. Since these major organisations have to work in a co-ordinated manner, and officers of various disciplines and specialisms have to be welded into a homogeneous team, differentiations of the nature proposed can only result in a lowering of efficiency, and breed inter-service rivalries.
- (v) There are many Non-Technical Services discharging vital tasks, e.g., Customs, Central Excise, Income-tax and the Audit and Accounts Services. It may be difficult to substantiate that the duties these Services are performing are so distinctly inferior to the duties performed by the Engineers/Scientists at this level, that it would justify a lower scale of pay. The recommendations of a Pay Commission should not be based on a broad subjective assessment that 'technical' persons are performing more important functions than 'non-technical' persons. Rather, they should be based upon a meticulous examination of the duties performed—and I am unaware of any such study in respect of these services at this level.

- (vi) The Commission's recommendations apply only to particular categories of Engineers. Thus, of the total number (11,120) of Class I Engineering posts, 6,864 belong to regularly constituted Services, leaving a balance of 4,256 Engineering posts in various organisations. The Engineering posts on the specific scale of Rs. 700-1250 (existing) can be broken up as follows:—

Belonging to organised Services	2,590
Not belonging to organised Services	1,097
	3,687

The Commission's present recommendation will, therefore, cover approximately two-thirds, though one-third will be denied this benefit. It may be difficult to justify a distinction of this nature amongst Engineers themselves in the light of the criteria adopted by the Commission. Large numbers of Engineers may be denied this benefit even though they perform equally responsible technical duties as their more fortunate colleagues. Engineers in the following organisation may not qualify:—

All India Radio
 Civil Aviation
 Directorate General of Technical Development
 Agricultural Engineers
 Chemical Engineers
 Senior Engineers, Security Presses
 Resident Engineers, Chain Commanders and other Engineers in the Light House Department
 Automobile Engineers.

It also follows that certain Specialists, who are today on the scale of Rs. 700-40-1100-50/2-1250 will not be benefited by the majority decision of the Commission, though others already on the Scientific scale of pay will be. Amongst the former category would be many Agricultural posts such as those of Assistant Commissioners (Food and Cash Crops), Deputy Directors (Development), Deputy Directors (High Yielding Varieties Programmes), and Senior Marketing Officers. Under the same Ministry, one Pharmacologist will get the higher start because he happens to be on the Scientific scale, while the other will not. These specialist posts normally require either a Master's Degree in Science, or a technical degree. I see no justification for treating these officers differently.

- (vii) While on the Civil side the Commission have drawn a distinction at this level between non technical officers on the one hand, and scientific and engineering officers on the other, they have not done so when recommending scales of pay for the Armed Forces. Army Engineers have been given the

same scales of pay as officers of the general cadre in conformity with the existing practice. This discrimination between the Civil and the Military engineers may be difficult to justify.

- (viii) Government is in urgent need of managerial and administrative talent also. A flair for management, and organising capacity can be found not only amongst Engineers but also amongst other disciplines. To draw a distinction between one person and another merely on the ground that early in his life one had entered an Engineering College and the other had pursued a different course of studies may not be proper.
- (ix) A differentiation of the nature proposed may deter good candidates from joining any Non-Technical Service as they may consider it to be a demonstrably inferior service compared to either the Engineering or the Scientific Services.

I would accordingly recommend uniformity, particularly between the Engineering Services and the so-called Non-Technical Services, who frequently work side by side, and are just as "professional" in their respective fields as their colleagues.

7. (i) The majority of the Commission have recommended that Principal Scientific Officers (Rs. 1100-50-1200-100-1500) in the Defence Science Service and Scientists Grade 'SE' (Rs. 1100-50-1200-60-1500) in the Atomic Energy Department should be put on the scale of Rs. 1500-2000. They have also recommended that the next higher level of Deputy Chief Scientific Officer and Scientist Grade 'SF' in the Atomic Energy Commission, both of which are now on Rs. 1300-1800 should be given the scale of Rs. 1800-2250. The normal conversion that the Commission have been adopting for existing scales such as Rs. 1100-1400 is Rs. 1300-1700. For the Principal Scientific Officer/Scientist Grade 'SE', however, it would perhaps be in order to give a more favourable conversion of Rs. 1500-1800. The still higher conversion of Rs. 1500-2000, now recommended, results in absolute increases of Rs. 240 and Rs. 400 respectively in the emoluments at the minimum and maximum of the new grade over the old; the latter in particular appears to be too sharp, as it amounts to a 25% increase. The normal conversion adopted for the grade of Rs. 1300-1800 (which is frequent among engineers) is Rs. 1500-2000. Since this grade itself has been proposed for the lower grade of Rs. 1100-1500, from which promotions take place to the present grade of Rs. 1300-1800, the Commission have proposed a special conversion of the latter to Rs. 1800-2250. This is resulting in absolute increases of Rs. 390 and Rs. 350 at the minimum and maximum over existing emoluments. The increase at the minimum (27%) is very high and will be admissible to the present incumbents almost as a windfall. It is also in marked contrast to the attempt in the pay fixation formula to restrict increases to Rs. 100 only as a result of our recommendations for any individual.

(ii) I fully endorse the measures recommended by the Commission to make career prospects attractive

for Scientists by providing for flexible complementing and merit promotion, so that there is no stagnation due to lack of posts for the meritorious. In my view, however, it is a necessary concomitant of these schemes for rewarding performance by higher pay and more rapid promotion that a pay structure should be devised with relatively *short* scales. Two very responsible witnesses, who were intimately connected with Science and Technology have deprecated the adoption of long scales for Scientists, as it may engender a sense of complacency. The existing scale of Rs. 1100-1500 is of 6 years duration in the Defence Science Service. The proposed scale of Rs. 1500-2000, on the other hand, is an 8-year scale, and could well be shortened. For Scientists alone, giving the special conversion of Rs. 1800-2250 in lieu of the existing scale of Rs. 1300-1800 may be unjustified, and may generate dissatisfaction amongst Engineers and others.

(iii) In the Laboratories and other units of the Defence Research and Development Organisation the posts of Assistant Director, Deputy Director and Director are often held by Army Officers. The Assistant Director is normally a Principal Scientific Officer or a Lt. Colonel, the Deputy Director is normally a Deputy Chief Scientific Officer or a Colonel. At present the Army Officers have a slight advantage in pay over their civilian counterparts holding the same level of posts. The revisions approved by the Commission for the ranks of Lt. Colonel and Colonel on the one hand and for the grades of Principal Scientific Officer and Deputy Chief Scientific Officer of the Defence Science Service on the other would result in reversing the existing relativities.

(iv) For administrative reasons and for a closer linkage between pay and performance, I would recommend the following grades for these Scientists:—

Existing Scale	Proposed Scale
Rs. 1100-1500	Rs. 1500-60-1800
Rs. 1300-1800	Rs. 1680-60-1800-100-2000 with a Selection Grade of Rs. 2000-2250 for the more able Scientists, who do not progress further because of absence of higher posts.

In making these suggestions, I have kept in mind the existing provision for direct recruitment also at these grades.

This pattern would ensure that career values for Engineers and Scientists are broadly comparable. A similar basic pattern (excluding the Selection Grade) may be indicated for other Services also where the existing grade of Rs. 1100-1400 is being given the more favourable conversion of Rs. 1500-1800 instead of the normal Rs. 1300-1700 (Revised).

8. Economic Advisers in the Ministries of Finance, Commerce and Industrial Development—These posts are at present in the Joint Secretary's scale (Rs. 2500-2750), and the majority of the Commission recommends their upgradation to Rs. 2500-3000. I find it difficult to recommend that while the Joint Secretaries,

who are in the mainstream of activity in these Ministries should continue on their existing scale, the Economic Advisers should be given a distinct edge over them. The only reason that seems to have weighed with the majority of the Commission is that the Economic Advisers have "technical" qualifications, being Economists. I would venture to suggest, however, that the real test should be an assessment of their duties and responsibilities, the importance of the task that has been assigned to these Economic Advisers, and whether they are discharging more onerous responsibilities than Joint Secretaries generally. I am not satisfied that they are in fact doing so, their functions being advisory, as the very designation states. I also find it somewhat inconsistent that while Economic Advisers at present in the Joint Secretary's scale of pay should be upgraded, other Economists in the Director's scale of pay (Rs. 1800-2000) should receive the same benefits as Directors in the general line. If there is no edge given to the 'specialists' at this level, there is no apparent reason, that I am aware of, why an edge should be given to the 'specialists' at the Joint Secretary's level, more so, when the specialists designated as Joint Secretaries are not to be similarly treated.

9. While I am in general agreement with the recommendations made by the Commission concerning the regular grades for the Indian Economic Service and Indian Statistical Service, I regret I find it difficult to agree with my colleagues so far as the proposed Selection Grade in these Services is concerned. This Selection Grade is to be on a par with the Selection Grade recommended for the Indian Administrative Service. My reasons for differing from my colleagues are as follows :—

(i) There are certain peculiar features of the Indian Administrative Service, viz., its subdivision into what are effectively 19 State cadres with rather disparate career prospects, the need to achieve some degree of uniformity therein for candidates recruited through the same examination, both *inter-se*, and with the Indian Foreign Service, and the virtual compulsion to have a fairly long senior scale for retaining the existing flexibility in deployment, and for enabling State Service officers to earn further increments after their pay on promotion has been fixed in the senior scale taking into account the statutory increases ranging between Rs. 200 and Rs. 300 p.m. These features do not apply to the Indian Economic Service and Indian Statistical Service.

(ii) If a Selection Grade of Rs. 2000-2250 were to be provided for the Indian Economic Service then there are likely to be repercussions on Central Services, Class I where there is no such grade. I do not see any valid reason why the Indian Economic Service and Indian Statistical Service should be treated differently from these other Class I Central Services. Only the Engineering Services above the level of the Superintending Engineer have been given a Selection Grade (Rs. 2000-2250). Here again, these Services can be distinguished from the other Central Services, in that the number of posts above the level of

Superintending Engineer (for example Chief Engineer) is somewhat limited. The Commission has accordingly recommended the device of a Selection Grade for these Services in order to neutralise the lack of further promotion prospects.

(iii) In the Indian Economic Service, it appears that as on 1st January, 1972 against the authorised strength of 18 posts in Grade I, there were only 7 officers in position on a regular basis and one on an *ad hoc* basis, thus leaving a gap of 10. It also appears that while 30 persons had been appointed to Grade I on a regular basis, only 7 were in position, and 23 others were on deputation outside, of which 13 were on posts higher than Grade I of the Indian Economic Service. The corresponding position for the Indian Statistical Service is that against an authorised strength of 10 posts in Grade I, only 7 officers were in position, 5 on a regular basis and 2 on an *ad hoc* basis. On the other hand, 8 officers were on deputation. These figures strongly suggest that there is no dearth of senior posts for officers, who have reached Grade I of the Indian Economic Service or the Indian Statistical Service, and that they can readily secure senior posts, both in the Central Secretariat and outside. In these circumstances, the creation of a Selection Grade would be superfluous.

10. I regret, I am unable to agree with the recommendations of my other colleagues on the Commission regarding the suggested scale of Rs. 700-1600 for the Assistant Medical Officers on the Railways (now proposed to be designated as Assistant Divisional Medical Officers). My reasons are as follows :—

(i) At present, the bulk of the doctors in the Railway Medical Services are Assistant Medical Officers on Rs. 350-900. They account for 2112 posts out of the total of 2259 medical posts on the Railways (93.5%). It would be out of keeping with the other recommendations of the Commission, and over-generous if officers today in Grade II were to be given increases (excluding Non-Practising Allowance) of Rs. 124* at the minimum, and Rs. 540* at the maximum. Even for the C.H.S. the Commission is recommending an initial recruitment grade of Rs. 700-1300, i.e., with the maximum Rs. 300 p.m. lower than that proposed for the Railway Doctors. To reinforce this point I would add that not so long ago the bulk of the doctors on the Railways were upgraded from Class III to Class II. If they are again upgraded *en masse*, this time to Class I, it may have grave repercussions on the other Class III and Class II Services of the Railways, which are just as essential if not more so, for the proper functioning of the Railways.

(ii) The issue was considered during discussions with the officers of the Railway Board, and as a sequel we received concrete proposals in

*Emoluments calculated in accordance with the Ministry of Finance O.M. No. 1 (34)-EII(B)/68 dated the 15th July, 1969.

writing from the Board for restructuring the Railway Medical Services. While they expressed the view that a Class II Medical Service on the Railways was necessary, they suggested that the number of AMOs could be reduced from 2112 posts existing at present to 1468 posts. On the other hand, they were prepared to establish a new grade of Assistant Divisional Medical Officers on Rs. 450-1100 (in existing terms) with a total of 500 posts. They were also prepared to increase the number of posts of Divisional Medical Officers and higher posts to provide promotional opportunities. The Railway Board emphasised the need for sound internal relativities within the Railways rather than external parity, and pointed out that their requirements were different from the requirements of the CHS, as they do not have teaching and research institutions. I find considerable force in the suggestions made by the Railway Board, who should know their own requirements fully. I am, therefore, averse to making recommendations which are likely to cause working difficulties in the Railways.

- (iii) I think that apprehensions about not being able to fill the vacancies, or of having too rapid a turnover if the Class II is retained, are not substantiated even by the existing position. There are 1218 posts of Generalist AMOs, and of these only 17 posts are vacant—a proportion which should be acceptable. It is of course true that out of 915 posts of 'Specialists' in the grade of AMOs (including Dental Surgeons), some 253 posts are vacant. Such a position is to be expected having regard to the CHS grade of Rs. 600-1300 for Specialists. It would be advisable not to recruit Specialists to this grade but to the proposed Class I grade, or as DMOs. At present, no posts are vacant in the DMO's grade, which has 50 posts of Generalists and 68 posts of Specialists. With the upward revisions proposed, and the inherent attractions of Railway Service (e.g., free passes), in my view the Railways will be able to secure the services of the doctors they require.
- (iv) We have pointed out that there are difficulties in recruiting doctors to the Army Medical Corps—but even so we have recommended a pattern which allows Rs. 1400 to an A.M.C. Captain in the 8th year, and Rs. 1550 to a Major in the 12th year. It appears too high to allow an Assistant Medical Officer (or ADMO) on the Railways, who is always in a civil station, to reach Rs. 1600. Such high scales may make recruitment to the AMC all the harder.
- (v) Besides the doctors in the CHS and the Railway Medical Services, there are a sizeable number of other doctors in various Civil Departments, who are today on Class II scales. We are *not* recommending their up-gradation, and have generally recommended the revised Class II scale for them. I see no

reason why such a sharp distinction should be drawn between them and the Railway doctors.

- (vi) I find it somewhat incongruous that while the approach document to the Fifth Plan should announce that the Government are considering revival of a licentiate course for doctors in the rural areas, we should be recommending that the Railways, who do not require so many Class I doctors, should be called upon to upgrade all their posts of doctors to a scale higher than even the Junior Class I. The Railway doctors often have to work in semi-urban and rural areas, and the disparities between them and the other doctors would become all the more glaring in future.
- (vii) In my view, the Railway Medical Services perform duties which are only incidental to the proper functioning of the Railway system. Medical Services do not constitute the main operative cadre in what is primarily a transportation organisation. The Railway requirements include the carrying out of routine checks on the medical fitness of operative staff, health care for the Railway employees, and public health measures in the Railway colonies. I have no reason to dispute the Railway's contention that a Class II cadre of Doctors would be able to adequately discharge many of these routine tasks.

For these reasons, I would basically accept the proposition that the Railway Medical Services be treated somewhat differently from the Central Health Services, and a Class II cadre for the Railway doctors be allowed to continue in the Railways. The AMOs who are today on Rs. 350-900 may be given the Class II scale of Rs. 650-1200 that we have generally adopted. If, even with the new grade of Assistant Divisional Medical Officers and the increased number of posts of DMOs mentioned in para. 10(ii) above, the opportunities for upward progression are found to be inadequate then a Selection Grade with an appropriate number of posts may be created and given the scale of Rs. 900-1400. I would commend creation of a regular Junior Class I (Rs. 700-1300) as has been suggested by the Railway Board and an increase in the number of DMOs. Depending upon the complements and the need to balance the opportunities available to both the Class II, and the proposed Class I, posts in the DMO's grade may be filled in accordance with a suitable predetermined ratio from these two Services.

11. While I am in agreement with the suggestion to create a standing machinery for the purpose of regarding classes of employees, revising pay scales etc., and for reviewing various aspects of cadre management, I find it difficult to agree, however, with the machinery proposed by my other colleagues for implementing the suggestion. First, the functions of regarding and pay revision on the one hand, and cadre review on the other, are distinct, and are in fact the responsibilities of two different Ministries/Departments. The Finance Ministry is primarily responsible for matters concerning pay revision. On the other hand, the Department of Personnel is concerned with conditions of service, all aspects of senior management, career development of

middle management, career planning for the All India and Central Government Services etc. It may be difficult for a single body to be responsible to two different Ministries/Departments. Secondly, these matters are primarily management functions. The administrative content is high, and it may not be appropriate to remit them to a quasi-judicial body headed by a serving or retired Judge of the Supreme Court or the High Court. Thirdly, it has been suggested that a different agency will be responsible for the collection of information and for the adoption of job evaluation techniques. Once adequate information and data have been collected and analysed, the task of revising pay scales for particular categories of posts would be relatively simple, and may not call for the intervention of a high-powered quasi-judicial body. In many cases, pay scales may have to be revised quickly in order to prevent industrial unrest or to foster harmonious relations between the Government and its employees. Recent instances would be the Teachers in Delhi and the Doctors of the C.H.S. Pay scales outside the Government are subject to fairly rapid revision, and the Government should have the flexibility to adjust its own pay scales promptly according to changing requirements. In my view, the compulsion that the Government should consult the proposed quasi-judicial body before proceeding to revise the pay of any group of posts would lead to undue rigidity. It would suffice if a machinery were to be created within the Ministry of Finance to ensure that limited pay revisions were carried out after full consideration of the

detailed information, which should now be readily available. It is also desirable to discourage piecemeal revisions except under pressing circumstances. A quasi-judicial review may only be required when a general revision of *all* pay scales is to be undertaken, and an overall view has to be taken. Such reviews should be infrequent, if a crippling increase in the establishment charges of the Government is to be avoided. On the contrary, the Commission's proposal envisages pay revision of any class of employees either on the body's own motion, or on a reference from the Government. Fourthly, the Department of Personnel, which has been constituted fairly recently, is responsible for cadre reviews etc. It may not be right at this stage to set up another body, quasi-judicial in character, which would have overlapping functions. This is all the more so because various Ministries/Departments (e.g., the Railways and the Atomic Energy Department) have considerable freedom to deal with their own services according to their requirements, and may find it inconvenient to surrender personnel and establishment matters to the proposed quasi-judicial body.

In short, I am of the view that a quasi-judicial body of the nature proposed would lead to working difficulties, and it would suffice if units were to be set up *within* the Ministry of Finance and Department of Personnel to discharge these functions in consultation with the various administrative Ministries concerned.

H. N. RAY

SUMMARY OF RECOMMENDATIONS, MAIN CONCLUSIONS AND OBSERVATIONS

Principles of Pay Determination (Chapter 5)

A pay structure, if it is to be sound, should satisfy the tests of 'inclusiveness', 'comprehensibility' and 'adequacy'. It should also be fairly simple and rational. (Paras 3—17)

2. Beyond the minimum subsistence level, the adequacy or otherwise of the Government's pay structure is to be judged by the level of salaries that obtain in alternative occupations. Considerations of supply and demand necessarily play a part, but are subject to certain over-riding considerations. In the intermediate ranges, the limit is set by what the economy can afford. In the upper ranges, the limit is set by considerations of social acceptability. (Paras 21-22)

3. The principle of "equal pay for equal work" may be considered in the limited context of Government employment, or it may also be assumed to have general applicability. Almost all memoranda received have drawn attention to the more favourable terms admissible to employees in the organised private sector than those admissible to the Central Government employees doing comparable work. The demand has been for 'fair comparison'. (Paras 33 & 34)

4. The present wage and salary structure prevailing in organised industry may not represent the structure that would have evolved as a result of the operation of market forces under conditions of near perfect competition, because of the sheltered position enjoyed by Indian industry. There are many distinguishing features, which are peculiar either to Government service, or to private trade and industry, with regard to pay, emoluments, conditions of service etc. in the two sectors. (Paras 51, 53—56)

5. In fixing scales of pay, whether in public sector undertakings or under the Government, disproportionate importance should not be given to private sector salaries. The uncritical use of comparisons between Government salaries and salaries in organised trade and industry, without considering the work content and the totality of the prevailing circumstances, would be unjustified. The Government as the dominant employer will have to take note of its dual role, both as employer and as the supreme authority responsible for the governance and development of the country. The Central Government should formulate its pay policy having regard to the profound influence that the pay scales adopted by the Central Government exert on State Governments, quasi-governmental institutions etc. (Para 68)

6. The Government, however, should not ignore the fact that if the organised private sector is consistently able to offer higher wages and salaries than those

offered by the Government for comparable work, then there would be a progressive deterioration in the quality and calibre of persons entering Government service. The first requirement is an efficient administration, and this will not be secured without a reasonable pay system which reflects changes in the pattern of remuneration in the outside world. Government service should attract and retain not only a high proportion of persons of average calibre but also a sufficient number of persons of the highest ability and competence to provide leadership and to strengthen the administrative and technical machinery. (Para 69)

7. Too large a disparity between wages and salaries in the Governmental sector, and those in organised trade and industry, for broadly comparable work should not be permitted, as it is likely to react adversely on the efficiency of the public service in the long run. At the start of a career, the emoluments and other advantages under the Government should approximate fairly closely to what a person with similar qualifications, aptitude and training can obtain from a good employer in the private sector. A greater degree of divergence, however, between the total emoluments in the private sector and under the Government would be feasible and acceptable later in a person's career. (Para 71)

8. A common wage policy should be evolved for public sector undertakings, and an effective coordinating machinery should be established, charged with the responsibility of ensuring that pay scales of public sector undertakings should be fixed with due regard to possible repercussions on other public sector undertakings, and on the Government's own scales of pay. It should ensure that no single unit goes seriously out of line. This mechanism should respond flexibly to changes taking place in the economy as a whole. (Paras 74-75)

9. A cautious adoption of job evaluation techniques over a limited sphere, particularly for industrial and fairly standardised jobs, seems to be indicated as an experimental measure. (Para 81)

10. There are intractable difficulties in directly relating pay with productivity for the bulk of the Government employees. However, the Government can, and should, forge stronger links than are prevalent now between the performance of a Government employee and the pay he draws. (Para 83)

11. The concept of model employer is open to such diverse interpretations that no precise guidelines of practical value are provided. (Para 87)

12. The Government being the dominant employer should formulate its own principles of wage determination as suited to its needs. Accordingly, it has been found advisable to bear in mind several principles and

conditions in recommending scales of pay rather than rigidly adhering to a single principle. The true test of any set of principles to be adopted by the Government is whether the Government service is attracting and retaining the persons it needs and they are reasonably satisfied with the pay and other conditions of service taken as a whole. (Paras 90-91)

13. For the majority of posts, the principle of 'Equal pay for equal work' taken broadly to cover the range of a time scale is generally unexceptionable, when considering the Central Government alone as a separate entity. In the absence of any distinguishing features, employees of the Central Government in different branches should be paid equally if their work is adjudged to be of equal value according to certain well-established criteria. (Para 94)

14. The pay of a post should be related to the duties and responsibilities attached to that post, to the difficulty and complexity of the task to be performed, to the degree of supervision exercised, and to the qualifications prescribed. (Paras 95—97)

15. Simplification and rationalisation of the pay structure has been attempted to the extent possible. In devising a sound pay structure, equitable relativities have been sought to be established not only vertically but also horizontally. There are limitations, however, to the extent to which the existing pay structure can be simplified and rationalised, e.g., a drastic reduction in the number of grades may result in curtailment of promotion opportunities, and may prove unduly costly. (Paras 98—101)

16. When making horizontal comparisons, it will initially be possible only to go by a broad overall assessment of the duties and responsibilities of various posts, and to allocate appropriate pay scales accordingly. Such an approach suffers from possible deficiencies and shortcomings. For this reason, the adoption of job evaluation techniques, first on an experimental basis and later, if found successful, on a continuing basis is being suggested. (Para 102)

17. The principle of determining the pay of a post according to the duties and responsibilities, etc. attached to that post can be extended for fixing the pay of the members of a regularly constituted service. In the latter case, it is possible only to take a broad overall view of the duties and responsibilities of the separate posts encadred in the service, and of the difficulty and complexity of the functions required to be performed by its members. The underlying assumption is that the more experienced officers will be assigned the more difficult and complex jobs, so that by and large there is correlation between the stage reached in the time scale and the duties and responsibilities of the posts likely to be held at that stage. (Para 104)

18. Persons required to possess specified post-graduate qualifications or to undergo highly specialised professional training for the due discharge of their official duties should be adequately remunerated and their pensionary benefits safeguarded keeping in view the additional time and money spent in acquiring these qualifications and the relatively shorter period of their effective service. (Para 105)

Minimum Remuneration (Chapter 6)

19. There is much to be said for the view that if additional funds could be made available to the Central Government by various economy measures or by additional taxation and economy in non-Plan expenditure, these should first be used for the amelioration of the lot the people who are unemployed or under-employed rather than for ensuring a minimum wage related to certain norms set by the 15th I.L.C. for a section of the community. (Para 20)

20. Fair comparison with the private sector or with the public sector cannot be accepted as a sound basis for fixing minimum remuneration under the Central Government. If there is to be a comparison with the level of wages outside the Government, it cannot be confined only to the organised private or public sector. (Paras 21—23)

21. Having regard to the prevailing level of wages in the agricultural sector and the general minimum level in trade and industry, the adoption of the minimum remuneration based on the 15th I.L.C. norms at this stage would be tantamount to a misdirection of resources. (Para 25)

22. With the development of the country and increase in national income the Government employees, should, in the fulness of time, be entitled to the need-based minimum wage according to the norms laid down by the 15th I.L.C. But in the present context the Central Government employees should not be treated as a specially privileged section of the community and guaranteed a need-based minimum wage according to these norms when the Government are not able to provide even the barest essential to millions of their less fortunate compatriots. (Para 26)

23. The 15th I.L.C. norms need some modifications when applied to Government employees. The vegetarian diet schedules recommended by the Indian Council of Medical Research Expert Group in 1968 should be adopted in respect of food requirements. While the activity status of the employee himself should be treated as "moderate", that of other members of his family should be treated as sedentary. The cost of the food basket should be evaluated at the average prices for the 12-monthly period ending 31st October, 1972 for the four major cities, viz., Bombay, Calcutta, Delhi and Madras. Since a Class IV Central Government employee at the lowest level of salary has to pay rent for Government accommodation allotted to him, at the rate of 7½% of his pay, this would constitute a reasonable basis for determining the quantum of expenditure on house rent. (Paras 27—31)

24. Even though the fringe benefits result in some saving of expenditure on the part of the recipients or in mitigating the hardship to which they would otherwise have been exposed, no deduction should be made on account of these from the computations of minimum wage. (Para 35)

25. Since a Central Government employee at the beginning of his career is not usually expected to be responsible for the maintenance of 3 adult consumption units including himself, the starting salary should be so fixed that at the end of 5 years, he should auto-

matically receive a sum equal to the need-based minimum remuneration, according to the Commission's concept. (Para 38)

26. Having regard to the low per capita income of the country, the acute unemployment situation, the state of finances of the Central Government and the likely repercussions of a high minimum wage on the finances of the State Governments, it is supremely important that the maximum restraint should be exercised in devising the new pay structure. Accordingly, the minimum remuneration for the whole-time Central Government employee at the start of his career should be fixed at Rs. 185 per mensem at the 12-monthly index average of 200. (1960 = 100). (Paras 44-45)

27. The special pay for certain categories of Class IV staff, whose work is exceptionally heavy or involves special risks, health hazards or employment in unpleasant or un congenial occupations, should be raised from Rs. 3 to Rs. 10 per mensem. Government should take action either to lay down uniform criteria or to prepare illustrative lists of categories for which this special pay should be admissible. (Paras 50-55)

Starting Salary of Class I Services and Maximum Salary under the Government (Chapter 7)

28. The starting salary in the Class I Services, including the all-India Services, should be Rs. 700 per mensem. (Para 21)

29. No change need be made in the present ceiling of Rs. 3500 per mensem on the maximum salary under the Government. (Para 37)

General Recommendations on Pay Structure (Chapter 8)

30. With the attainment of higher levels of development, marginal differences in skills are of little significance for pay fixation. As a general rule posts in different departments which are broadly comparable and for which equivalent qualifications have been prescribed should be placed on the same scale of pay unless there are over-riding administrative considerations to the contrary. It was, in certain cases, found necessary to let the consideration of internal harmony over-ride the need for external parties. (Paras 2-6)

31. While recommending the continuance of most of the existing allowances and the abolition of some, no new allowances have been recommended nor any demands for increasing the quantum of the existing allowance have been endorsed except where it was found to be absolutely justifiable on strict and critical scrutiny. (Para 7)

32. Posts in the various departments which are substantially comparable as regards duties and responsibilities, mode of recruitment and qualification standards have been grouped into common category posts. (Para 8)

33. The existing system of time scales has generally been retained with provision of fixed pay at certain higher levels. (Para 10)

34. Long pay scales have generally been recommended for entry/career grades, especially where promotion outlets are limited. For posts filled by promotion, relatively shorter pay scales have been considered appropriate. (Para 12)

35. Except in the case of blind alley categories a solution to the problem of stagnation should be sought in revising cadre structure and reforming cadre management. (Para 14)

36. Continued progression on long scales running from 15 to 20 years or more should depend on periodic assessment of the employee's performance. One efficiency bar has, therefore, been provided in 10-15 years scales and two efficiency bars in the still longer scales. (Para 16)

37. There should be a more effective application of efficiency bars than has been done hitherto. Measures should be taken to ensure that crossing the efficiency bar is no longer a routine matter and that those who do not pull their weight are denied further increments. Government should also make more frequent use than they have done in the past of the grant of advance increments to persons who have done specially good work and deserve recognition. (Paras 17-18)

38. It is not practicable to adopt any pre-determined ratio between the minimum and the maximum or a rigid time span. In recommending the quantum of increments in different scales the following broad principles have been followed:—

- (i) The increases in the rates of increment, being proposed on account of the erosion that the value of increments has suffered have necessarily had to taper off with increasing levels of pay.
- (ii) As far as possible the same size of increment has been suggested for the same pay range except that wherever in a series the lower scale posts are feeder posts for those in the higher scale an increased rate of increment has generally been suggested in the higher scale in order to provide incentive for promotion.
- (iii) A higher rate of increment has been provided not only in a higher scale but even within the same pay scale towards the end.
- (iv) The almost universal feature of annual increments in the existing pay structure has not been altered, the only exceptions being the posts at the top levels for which the pattern of fixed pay or of biennial increments has been proposed.

(Paras 20-21)

39. In future, an increment should be granted from the first of the month in which it falls due. (Para 22)

40. The existing system of over-lapping scales has been continued. (Para 24)

41. In all cases of pay fixation under F.R. 22-C, where an employee is drawing pay at the maximum of

the lower scale, he should be allowed a notional increment above the maximum of the lower scale (equivalent to the amount of the last increment in the scale) and the pay be then fixed at the next above stage in the higher scale. (Para 25)

42. In all cases of promotions from one Class I post to another Class I post, the pay in the higher scale should be fixed at the stage next above the pay drawn in the lower scale irrespective of whether the lower post was held in a substantive, officiating or temporary capacity. (Page 26)

43. The benefit of concordance tables should be available to all organised Class I Services which have the characteristics of an 'established' service. The benefit may continue in the scientific and technical services where it exists at present. The same arrangement should be adopted for fixing the pay of promotees in services which have a junior and senior scale even though lateral induction takes place at the senior scale level also. The admissibility of this benefit should be widely publicised at the time of inviting applications for recruitment as this is likely to enhance the attractiveness of these services. (Para 29)

44. The device of special pay should be used as sparingly as possible although it cannot be discarded in the case of posts where persons have to be attracted for a fixed tenure from other cadres and departments. The existing practice of granting special pay to officers brought on deputation to the Secretariat, or to posts at the headquarters of the departments should continue. (Para 34)

45. The existing rates of special pay in respect of posts in the Central Secretariat should continue. As the nature of work in the headquarters' organisations of the Central Services Class I, is broadly comparable to that performed at the levels of Under Secretaries and Deputy Secretaries in the Central Secretariat, the posts in the headquarters' organisations of these services held by the senior scale officers should carry a special pay of Rs. 200 per mensem and those held by officers in the junior administrative and intermediate administrative grades should carry a special pay of Rs. 300 per mensem. (Para 35)

46. The field posts in the Central Services, Class I to which special pay is attached should, if held by a senior scale officer, carry a uniform special pay of Rs. 100 per mensem and those held by the junior administrative and intermediate administrative grade officers should carry a special pay of Rs. 200 per mensem. (Para 36)

47. In the technical and scientific departments also, the grant of special pay for posts at headquarters should be adjudged on the basis of the same criteria as applicable to posts in the headquarters of non-technical departments and special pay granted where it is justified on merits. By and large, the rates of special pay attached to the posts at comparable levels should be uniform in different departments. (Para 37)

48. The system of special pay be continued in the intelligence agencies and police and security organisations in view of the special requirements of these organisations. (Para 38)

49. The system of granting deputation (duty) allowance is necessary where personnel have to be attracted to hold posts for a relatively short duration or for undertaking duties which are not similar to those entrusted to them in their regular line of work. No change is necessary in the existing provisions in this regard. The extent of application of the system of deputation allowance should, however, be limited to essential cases only. The cadre controlling authorities should strictly follow the principles laid down for processing cases of deputation in order to avoid discontent among the staff. They should also keep a check on the number of persons from their departments serving outside on deputation at any point of time so that the needs of the department do not suffer. (Paras 42-43)

Promotion Policies

50. The existing promotion prospects of the Class III as well as Class IV cadres need further improvement. The specific recommendations in this behalf are as follows :—

- (i) Study leave rules may be extended to Class IV staff (and in certain cases Class III staff) to enable them to improve their educational or technical qualifications. Serving employees may be encouraged, by sponsoring their names and if necessary, by subsidising the fees, to prosecute the requisite training courses after office hours, either by entering the Industrial Training Institutes or by joining any other duly recognised institute. Those who are willing to undergo approved courses of training may be given suitable bursaries. In all these cases, however, the extension of the concession should be subject to suitability as judged by the department and should not be claimed as a matter of right.
- (ii) Employees who add to their qualifications in this manner may be allowed to compete with relaxed age limits, along with the outsiders, for higher posts. It may also be desirable for the benefit of such candidates to include in the selection tests, certain papers or tests relevant to the duties of the posts considered, *in lieu* of certain marginally relevant academic papers or tests.
- (iii) There is a sizeable amount of routine clerical work which in certain departments is assigned to posts of Record Keepers etc., in the grade of Rs. 105—135. Efforts should be made to identify such work and create similar posts in other departments also. These posts may be set apart for the promotion of Class IV officials.
- (iv) Cases of direct recruitment which are now occurring at certain intermediate levels in Class III in some departments should be reviewed to see whether their continuance is justified. In any case the serving employees who possess the requisite qualifications

should also be made eligible to compete by relaxing the age limits, if necessary.

(Para 47)

For enabling the brighter employees in Class II and Class III to get quicker promotion, it would be advantageous to introduce a larger number of limited competitive examinations. If necessary, the existing promotion quotas should be increased. (Para 48)

Lateral Entry

51. Persons outside the Government who have gained experience in the various evocations, or who possess specialised qualifications relevant to the tasks in hand should be inducted into the middle management levels of the civil service. The procedure for such lateral induction may be as follows :—

(a) In all the Class I Services (including the Indian Administrative Service but excluding the Indian Police Service and the Indian Forest Service), 10 to 25 per cent of the vacancies* arising each year in the Junior Administrative Grade or its equivalent grade should be filled by direct recruitment.

(b) The actual percentage of vacancies to be filled in each service in this manner should be decided upon after a review of the cadre composition and the requirements of each service.

(c) Suitable age limit for competing at the selection should be laid down in respect of the outside candidates. Similarly appropriate qualification requirements and duration of experience should also be stipulated. The experience referred to should be in positions comparable to posts in the Government just below the Junior Administrative Grade or its equivalent.

(d) In order that suitable serving officers are also considered they should be allowed to compete with the outsiders for the vacancies set apart for being filled by direct recruitment. The number of serving officers who should be permitted to offer themselves for selection should be roughly the same as the number included in the zone of selection for normal promotion through the Departmental Promotion Committees, namely not more than 5 to 6 times the anticipated number of vacancies including the quota set apart for direct recruitment.

(e) These recommendations do not refer to services in respect of which separate recommendations have been made in the relevant Chapters.

(Para 50)

Selection Grades

52. Selection Grade serve a useful purpose by moderating the disparities which might exist in promotion prospects for comparable cadres in different departments. In Class IV and Class III cadres, the Selection Grade should generally be introduced on the basis of the following criteria :—

*Subject to Member Secretary's reservations.

(a) Generally, selection grades should be provided for the posts which are filled by direct recruitment where the number of higher posts to which employees in a particular cadre can seek promotion is less than half the strength of that cadre.

(b) The number of selection grade posts should not be less than 10 per cent but should not exceed 20 per cent of the posts for which they serve as the selection grade. For the purpose of calculating the number of selection grade posts, all the posts which have been in existing for three years should be taken into account whether the posts are permanent or temporary. The percentage of selection grade posts should be in inverse proportion to the percentage of higher promotion posts available.

(c) The selection grade should not be granted to an employee until the incumbent has covered three-fourths of the span of the main scale.

(d) The number of selection grade posts as also the need for their continuance in a particular cadre should be reviewed every three years and the selection grade posts varied or discontinued, as the case may be. (Para 53)

Headquarters Organisation of the Government of India (Chapter 9)

53. It would not be advantageous on the whole to shut out direct entry to the Section Officer's grade. (Para 32)

54. The existing quota of 10% of the posts in Grade II of the CPCS reserved for the Class IV personnel should be enhanced to 15%. (Para 41)

55. A regular opportunity should be provided to the stenographers in the non-Secretariat Organisations for entering the cadre of Secretariat Stenographers. Out of the five vacancies filled by direct recruitment in the present Grade II of the CPCS, one should be reserved for the stenographers working in non-Secretariat offices. (Para 46)

56. In the CPCS, a non-functional selection grade should be provided above the present grade of Rs. 350(500)-900. The proposed selection grade should carry the scale of Rs. 900—40—1100—50—1400 and its strength should be 25% of the strength of the existing grade of Rs. 350 (500)—900. (Para 49)

Office Staff in Non-Secretariat Organisations (Chapter 10)

57. An early comprehensive review should be carried out in order to remove the anomalies in the existing classification of offices into Attached offices and Subordinate Offices. (Para 4)

58. Lower Division Clerks should be recruited on the basis of open advertisement and a competitive test instead of through the Employment Exchanges. (Para 16)

59. The existing quota of 10% of the vacancies in the Lower Division Clerk's grade reserved for the Class IV personnel should be increased to 15%.
(Para 17)

60. The present system of granting advance increments to direct recruits or promotees to the Upper Division Clerk's grade in the Audit Department on their passing the confirmatory test should be discontinued.
(Para 24)

61. The position regarding Selection Grade Upper Division Clerks in Subordinate Offices should be reviewed and only such posts of Selection Grade Upper Division Clerks should be continued as fulfil the conditions existing in the Accounts Offices, viz., substantial direct recruitment to the grade of Upper Division Clerks and having to pass a departmental examination to earn future promotion.
(Para 27)

62. Government should review the need for continuing posts of Assistants in the Subordinate offices after all the offices outside the Secretariat have been reclassified.
(Para 28)

63. Except for very small organisations, there should not be less than two nor more than three clerical supervisory levels. The highest supervisory grade (clerical) should be allowed only in the largest offices.
(Para 36)

64. A selection grade on Rs. 550—750 should be allowed to the Stenographers who are today on the scale of Rs. 210-425.
(Para 55)

All India Services (Chapter 11)

Indian Administrative Service

65. While it is for the Government to devise in consultation with the U.P.S.C. the scheme of examination to suit the requirements of the different Services, the pay scales cannot be related only to the standards of the recruitment examination.
(Para 12)

66. It would neither be practicable nor desirable to dispense with the long senior scale for the I.A.S.
(Para 18)

67. It would not be a feasible proposition to have identical scales both for the I.A.S. and the Central Class I Services. There is, however, a case for narrowing the existing disparities.
(Para 20)

68. The strength of the selection grade in the I.A.S. should be equal to 20 per cent of the senior posts under the State Government with the provision that no officer should be promoted to the selection grade before he has entered the 14th years of service.
(Para 26)

69. While the existing system of special pays should continue, the number of posts in the I.A.S. carrying special pay should not exceed 75 per cent of the senior posts under the State Government (excluding those in the super-time scale).
(Para 28)

70. The Central Government should lay down guidelines for the rates of special pay for various levels of posts in the State Secretariats. It should not be obligatory to attach a special pay to all posts of Deputy Secretary in the States.
(Para 29)

71. State Governments should review the position and grade the different district charges for the purpose of special pays only.
(Para 31)

72. All posts of Secretary in West Bengal should be upgraded to the super-time scale of pay applicable to Divisional Commissioners.
(Para 32)

73. In each State one or two posts should be given the scale recommended for the Additional Secretary to the Government of India.
(Para 33)

74. The existing equation between the Chief Secretary and the Secretary to the Government of India should continue. In the case of the newly-created smaller States, the equation should be with the Additional Secretary.
(Para 34)

75. The Chief Secretary, Delhi should be equated to an Additional Secretary to the Government of India.
(Para 35)

76. The Central Government should, to the extent possible, relieve promotion blocks in the affected States by selectively drawing in from such States a greater number of officers in the super-time scale to the Centre.
(Para 36)

Indian Police Service

77. The existing relativity between the I.P.S. senior scale and that of the Central Class I Services should be retained.
(Para 44)

78. The strength of the selection grade in the I.P.S. should be increased from 15 per cent to 25 per cent of the total number of senior posts in the State with the stipulation that selection grade will not be admissible earlier than the 14th year of service.
(Para 45)

79. Special pay should be allowed to the Superintendents of Police of those districts which are deemed to be more important and difficult charges. The number of posts in the I.P.S. carrying special pay should not exceed 75 per cent of the senior posts under the State Government (excluding those in the super-time scale).
(Para 46)

80. The Inspector General incharge of the State Police, excluding the Inspector General incharge of the State Police in the newly-created States, should be granted a special allowance of Rs. 250 per mensem.
(Para 51)

81. The Central Government should take a relatively larger number of senior I.P.S. officers on tenure deputation from those State cadres where the promotion to the Deputy Inspector General's rank is relatively slower.
(Para 52)

82. The amount of initial grant for uniforms should be raised from Rs. 1000 to Rs. 1200 and that of the renewal grant, payable after an interval of every 7 years, should be raised from Rs. 800 to Rs. 1000.
(Para 53)

83. A Kit Maintenance Allowance of Rs. 40 per mensem should be provided to all I.P.S. officers irrespective of rank so long as they are working at posts which require them to put on and maintain uniforms.
(Para 54)

Indian Forest Service

84. The scheme of pay scales devised for the Indian Forest Service should broadly conform to the pay structure devised for the Central Class I Engineering Services. (Para 63)

85. A selection grade of Rs. 2000-2250 should be introduced for the Conservator of Forests on the same principles as recommended for the selection grade in the Central Class I Engineering Services. (Para 64)

86. The Central Government should examine the system of special pays in the Indian Forest Service and, in consultation with the State Governments, list out certain posts on a uniform basis which should carry special pays in all the States. (Para 66)

Central Services, Class I (Chapter 12)

87. The integrated Time Scale of pay at present applicable to six of the Central Services, Class I, should be broken up into separate Junior and Senior Scales of pay. (Para 7)

88. Recruitment to all the Central Services, Class I, should be so regulated as to enable the officers in the Junior Scale to generally get promoted to the Senior Scale after completion of not more than 5 years of service. Proper cadre management and career planning are essential in all these services. (Para 11)

89. The Junior Administrative Grade for these services should be in the scale of Rs. 1500 (14th year or under)-2000, the maximum being the same as recommended for the maximum of the Senior Scale of the Indian Administrative Service. This grade should be in replacement of the existing scales of Rs. 1300-1600 and Rs. 1600-1800. If, however, any of the departments consider it administratively more expedient to retain the existing two separate levels, the two segments could be Rs. 1500 (14th year or under)-1800 and Rs. 1800-2000. (Para 16)

90. The pay of officers on promotion to the Junior Administrative Grade in the Central Services, Class I, should be fixed as per a concordance table. If the application of the condition of 14th year or under for promotion to the Junior Administrative Grade creates difficulties or operates harshly in respect of the officers promoted from the respective Class II cadres, Government should examine and adopt a formula which would be equitable and also legally tenable for regulating their pay. (Para 17)

91. The pay scales of the posts of heads of departments in the Central Services, Class I deserve to be considerably improved, having regard to the duties, the span of responsibilities etc. On the basis of the accepted criteria of workload as reflected in terms of staff strength, jurisdiction, number of sub-offices and other relevant considerations it should be possible to differentiate between the various charges at this level in the different services and the posts upgraded to the level of Joint Secretary on a selective basis. (Para 24)

92. While the scale of Rs. 2250-2500 should apply to the majority of the posts of heads of departments in these services in replacement of the existing scales of Rs. 1800-2250 and Rs. 2000-2500, a minimum of 33-1/3 per cent of the posts in these grades should be placed in the scale of Rs. 2500-2750. If, for adminis-

trative and other considerations, it is thought necessary by any department to place some more posts in the higher grade (subject to the number not exceeding 50% of the posts in the existing Senior Administrative Grade), such proposals should require the prior concurrence of the Ministry of Finance. No special pay should be attached to any of the post of heads of departments in these services in addition to the proposed scales. (Para 25)

93. The existing restrictions on the pay plus special pay of the officers of the Central Services, Class I, in the posts of Under Secretary and Deputy Secretary in the Central Secretariat do not serve much public purpose, merely act as an irritant, and should be discontinued. (Para 40)

Class II Services and Posts (Chapter 13)

94. Having regard to the different roles assigned to the Class I and Class II services, and to the need for building up cadres to man the senior administrative posts, the existing division into Class I and Class II services should be retained. (Para 6)

95. The distinction made at present between the Class II and the Junior Class I grades is justified and it is not repugnant to any particular principle. The Class II cadre should, therefore, continue as a separate entity. (Para 9)

96. On the demand for a larger quantum of reservation for promotion to the Class I cadre, there cannot be any common pattern, as the practice differs a great deal depending largely on the needs and organisation of the different services. (Para 10)

97. As regards weightage for the service rendered in the Class II on the subsequent promotion to Class I, some weightage should be accorded at least in those Class I services where promotion from Class II is, for all practical purposes, to the senior scale of Class I, and the extent and the conditions governing the weightage should be decided by the departments. (Para 10)

98. The Class II service should be conceived as primarily providing a promotion avenue for the Class III staff, and from the point of view of improving their promotion chances, it would be desirable to avoid direct recruitment to Class II, wherever possible. The choice should, however, be left to the individual departments, since the decision would have to depend on the size of the Class II cadre and the quality of the Class III base from which promotion takes place. (Para 11)

Engineering Services (Chapter 14)

Class I Services

99. While an arithmetical equation between the Engineering and the Indian Administrative Service is not practicable, the salary structure should aim at a broad parity between them. With this in view, the junior scales of the two services have been equated, the existing differential at the start of the Senior Scale narrowed, the Junior Administrative Grade improved, both by equating the maximum of this scale in all the Engineering Services with the maximum of the Senior Scale of the Indian Administrative Service, and by

providing an equivalent Selection Grade above this level. The highest posts have also been upgraded so as to bring them in line with the highest posts available to the Indian Administrative Service. Given the basic differences in the present structure between the two services, this is the most that is practicable at the present time. (Para 13)

100. Since the subject matter with which the Secretariat has to deal, has tended to become increasingly technical, or otherwise specialised, there is more scope than before for greater use being made of specialist officers at all levels. The extent of such in-take will depend upon several factors and cannot be considered solely from the aspect of the avenues of promotion that can be created for a particular cadre or cadres—technical or non-technical. The paramount consideration in deployment of personnel should obviously continue to be the promotion of the public interest, and the suitability of the employee for the task in hand. (Para 26)

101. The demand of the Engineering officers for various allowances such as Technical pay, Field Duty allowance, Non-Practising allowance and Post-graduate allowance have been examined, and it is found that these demands are not justified. There is, however, a case for the grant of a suitable special pay to personnel in organisations handling complex problems arising in modern types of construction, new designs etc. The actual quantum of the special pay for the different grades may be decided by the Government in consonance with our general recommendations on special pay. While there would normally be no justification for attaching any special pays for this work in organisations such as the Central Water & Power Commission, whose primary concern is design and engineering planning, there is a case for granting special pay to officers posted to investigation circles set up for conducting basic surveys on river valley, irrigation and power projects etc., prior to detailed planning and the engineering of these projects. The Government may decide on the actual rates. (Para 27)

Non-Gazetted Engineering Staff

102. The entry grades for posts requiring the three-year diploma course in engineering, of whatever speciality, should be generally one of Rs. 425-700. (Para 39)

103. In many engineering organisations specially in the field of telecommunications, graduates in engineering as well as in science have entered in large numbers to the existing initial grade of either Rs. 210-470, Rs. 210-425 or Rs. 180-380. In the non-gazetted scientific category, a uniform grade of Rs. 550-900 has been provided above the initial grade of Rs. 425-700. The next higher grade above the entry scale of Rs. 425-700 should generally be one of Rs. 550-900 in the non-gazetted engineering cadres also. Where, however, the organisation pattern requires the presence of more than one grade above the initial grade, the range of Rs. 550-900 should be split into two grades, namely, Rs. 550-750 and Rs. 700-900. (Para 40)

Railways

104. In the engineering departments other than mechanical engineering, the grades of Assistant Ins-

pector and Inspector Level III should be merged into a single grade and designated as Inspector Level III. Above this, there should be two grades of Inspector Level II and Inspector Level I. (Para 47)

105. With the merger of the grades of Rs. 180-240 with the grade of Rs. 205-280, the major grievance of the Train Examiners has been removed. One or two consequences arise out of this decision. First, the complement in the initial grade of Train Examiners has become very large resulting in an unbalanced cadre structure; and second, there is no middle level of sufficient size between the skilled grade (Rs. 110-180) and the Assistant Train Examiners grade, which will be in the scale of Rs. 175-380 (in the existing terms). The Government may examine the implications. The Government may also review the grade-wise percentage distribution of posts for this category as 92-94% of the posts will now be in the lowest grade. (Para 53)

Posts and Telegraphs

106. Ten per cent of the posts of Engineering Supervisors should be placed in the Selection Grade of Rs. 550-900. (Para 59)

Wireless Planning and Coordination Wing

107. It is understood that some difficulty has been experienced in recruitment to Technical Assistants grade (Rs. 210-425) as compared to the other engineering cadres. The promotion prospects of Technical Assistants Grade II are more limited. There is thus a case for reducing the percentage of direct recruitment to Technical Assistants Grade I considering that there is 100 percent direct recruitment to Grade II. (Para 61)

Overseas Communications Service

108. The Junior Technical Assistants in the Overseas Communications Service is on the same scale (Rs. 210-470) as Engineering Assistants in the All India Radio. This scale happens to be higher than those applicable to similar categories in the Posts and Telegraphs (Rs. 180-380) and in the Wireless Planning and Coordination Wing (Rs. 210-425). There is no need to change the existing relativity. (Para 65)

109. In some departments six advance increments are being given to engineering graduates who are recruited to posts for which the minimum prescribed qualifications are only an engineering diploma. It is not a healthy arrangement to have a large percentage of graduate engineers in cadres for which a diploma in engineering is all that is considered necessary. This practice is not only an unnecessary burden on the exchequer but also involves under-utilisation of engineering graduates and raising expectations in them which cannot be satisfied. This concession should, therefore, be withdrawn. (Para 70)

Ministry of Works & Housing

110. Ten per cent of the posts of Junior Engineers should be placed in the Selection Grade of Rs. 550-900. (Para 67)

Draftsmen

111. There is no justification for the existence of as many as 30 different pay scales in the range of pay from Rs. 110 to Rs. 575 in a category where the levels of the skills required are fairly well established and could be expected to be homogeneous among the various departments. Draftsmen should be assigned the following revised scales and should satisfy the qualification requirements noted against each for purposes of direct recruitment : —

Level	Proposed scale (Rs.)	Qualifications for direct recruitment
1	2	3
I	260—430	Matric plus one year's experience.
II	330—560	Matric plus 2-year Diploma in Draftsmanship or its equivalent.
III	425—700	Matric plus 3-year Diploma in Engineering or its equivalent.
IV	550—750	Degree in Engineering or its equivalent.
V	700—900	Degree in Engineering or its equivalent with experience.

(Para 80)

Ferro Printers

112. There does not seem to be any need for as many as 11 grades that are now in existence and many of which differ only slightly from one another. The scales which now exist should be broadbanded into five scales. (Para 84)

Scientific Services (Chapter 15)

113. A long time-scale is generally unsuitable for scientific work as there is no demonstrable positive link between pay and performance. A graded structure which facilitates the reward of good work through selective promotions would serve as a powerful incentive to better performance. Adequate flexibility should be built into the structure for permitting the timely creation of higher posts to which the abler scientists could be promoted. (Para 16)

114. As in most of the organised Class I Services promotions to the Senior Scale in the Scientific Services also should take place around the 6th year of entering the Junior Class I Grade. To ensure this, the number of Junior Scale and Senior Scale posts taken together should be fixed for the establishment and the Departments should be given the freedom to vary the individual numbers in the Junior and Senior Scales. (Para 17)

115. Flexibility should be permitted so that posts in the grade above the Senior Scale also can be readily created to accommodate able scientists who would otherwise be held up for lack of vacancies. The Departments should be allowed to create additional posts, if necessary, in the grade immediately above the Senior Scale for the promotion of merited scientists. The

number of posts in the grade immediately above the Senior Scale should not exceed 30% of the total number of posts in the Junior Scale, Senior Scale, and the next higher grade taken together. Normally this proportion would be well below the stipulated figure, so that there is always room for recognition of the meritorious scientists. While it is not necessary to make a stipulation as to the minimum service period for such a promotion it may be proper that normally a scientist should have worked for about five years in the Senior Scale before he is considered for a further promotion. (Para 17)

116. The higher posts created as a result of the flexible complementing recommended above will be personal to the incumbents, and on vacancies arising owing to further promotion of their incumbents, or otherwise, these posts will revert to the level at which initially sanctioned. (Para 17)

117. It is not necessary to have this flexibility for the creation of posts in the still higher grades. However, the Department of Atomic Energy enjoys the flexibility to create higher posts also; this arrangement need not be disturbed. However, in other departments also, as a recognition of the contribution of the outstanding scientists, it should be made possible to promote them to any of the prescribed higher grades, commensurate with their merit, by creating new posts on a personal basis. To distinguish this provision from the 'flexible complementing', these other appointments may be called as 'special merit appointments'. The provision for such appointments should also be used to enable an outstanding scientist, if he so chooses, to stay on in his own particular field rather than move to a higher post outside his field of specialisation or into administration. (Para 17)

118. For the effective implementation of the scheme of flexible complementing and special merit appointments, it is necessary that promotions in the Scientific Departments should be made on the basis of periodical assessments (say, once or twice a year), by one or more Committees consisting of the Head of the Laboratory or other scientific institution and outside experts in kindred disciplines. The further details may be settled at the highest level, in consultation with the Union Public Service Commission, and the National Committee on Science and Technology. (Para 17)

119. These recommendations would apply to all the scientific posts except those pertaining to administrative and advisory functions in the Ministries and Departments. These recommendations, if necessary with minor modifications, should be applicable even in the scientific surveys and exploratory organisations like the Anthropological, Geological, Botanical and Zoological Surveys also which today have a hierarchical structure. (Para 17)

120. The provision that exists in some scientific departments for direct recruitment to the Senior Class I Scale and the Junior Administrative Grade or its equivalent, does not seem to have been used to any appreciable extent. With the flexibility recommended for the creation of posts at these levels, it should be possible to induct experienced scientists from outside without jeopardising the promotion prospects of those already in service. The scales recommended for these

two grades are sufficient to attract young and meritorious scientists who may be staying abroad. Further, in fast developing technical and scientific fields it is of supreme importance that persons closely associated with scientific developments in the advanced countries, and with current knowledge of research work there, should be persuaded to enter Government research laboratories, and to impart their knowledge to their colleagues. In all scientific organisations there should be provision for lateral induction, by direct recruitment to a reasonable percentage of these posts. (Para 17)

121. Contrary to the normal run of posts under the Government, for the top scientific posts it is necessary to take cognizance of the merit and worth of the individual scientist, and the pay of an outstanding scientist should be fixed on the individual's merits. (Para 18)

122. In regard to the proposed merger of the different grades in the Department of Atomic Energy, the department itself would be in a better position to take a decision in the light of the revised pay structure that has been prescribed for scientific officers as a group. Further, substitutes have not been prescribed for the 'fast track' grades; the department may determine these substitutes with reference to the main scales prescribed. (Para 30)

II. Class II Services and Posts

123. There appears to be no justification for the large number of scales that at present exist for this group of posts. (Para 36)

III. Non-Gazetted Scientific Staff

124. There is no uniformity in the designations of the non-gazetted scientific staff. In this connection the recommendation made by the Second Pay Commission that it would be useful to adopt standardised designations, is reaffirmed. (Para 37)

125. The levels of duties (of the non-gazetted scientific staff) do not vary to such a great degree as to justify the large number of pay scales that have come into existence. (Para 38)

126. There should be only four levels in the non-gazetted category of scientific staff :—

Level I should be that corresponding to the existing grade of Rs. 325-575. There should be direct recruitment to the majority of these posts, for which the qualification should be (a) M.Sc., or (b) B.E., or (c) First Class B.Sc. (Honours) or (d) at least a second class B.Sc. or Diploma in engineering with about 3 years' experience. There should be a provision for the promotion of merited scientific assistants in the next lower grade (Level II).

127. Level II would be that corresponding to the existing grade of Rs. 210-425. Recruitment to this level should be confined to those having at least a second class B.Sc. (Honours) or B.Sc. with not less than 55% marks in the aggregate or a Diploma in engineering. There should be a small provision for promotion from the grade indicated below (Level III), but such promotion should be strictly on merit.

128. Level III should correspond to the existing grade of Rs. 150—300. At present there is a considerable degree of direct recruitment to this grade from among B.Sc.'s or occasionally B.Sc.'s with experience. For the nature of work performed at this level science graduates of superior calibre would be wasted, and a sense of frustration may develop amongst the qualified persons. This level should, therefore, be normally filled by promotion. However, some organisations do not have a sufficiently large base of laboratory assistants or technicians for filling the posts on Rs. 150-300 and, in that case direct recruitment becomes necessary. Where it is impracticable to do away with direct recruitment at this level a small measure of direct recruitment may have to be continued; but the qualifications prescribed should be distinctly lower than those which we have indicated for Level II above.

129. Level IV would correspond to the existing grade of Rs. 110-200. For this level Matriculation or Intermediate qualification with a science background, with or without laboratory experience, should suffice. At present there are some posts at this level but on the higher scales of Rs. 150-250, Rs. 150-240, Rs. 150-205, Rs. 150-200 etc. The posts are normally filled by promotion, though there is direct recruitment in some cases. This level should be retained, but the concerned posts should, in future, be normally filled by promotion. (Para 41)

130. Posts in all the organisations which are now on the scales referred to in Table XI should be replaced by the substitutes which have been indicated against each. In case the qualifications prescribed for any of the posts do not conform to those indicated, then the position should be reviewed where a higher qualification has been prescribed and if the work content of the post justifies its being placed in the higher level, it should be upgraded to that level. Otherwise, the qualification requirements should be commensurately lowered for the future recruits. The posts on scales other than those referred to above should be fitted into the structure that has been envisaged. (Para 44)

131. Where the grade of Rs. 425—700 would be the highest in the non-gazetted scientific cadre, 10% of these posts should be placed in the selection grade of Rs. 550—900. There should be at least one such selection grade post, in the scale of Rs. 550—900 provided the number of posts on Rs. 425—700 is not less than five. The other conditions should be as stipulated in our general recommendations regarding selection grades. (Para 48)

Medical Services (Chapter 16)

132. All future recruitment to the Central Health Service at the lowest level should be to the Class I junior scale. (Para 7)

133. The existing posts of General Duty officers Grade II and Grade I should be placed in the Class I junior and senior time-scales and the complements in the two scales so adjusted as to provide for promotion from the junior to the senior scale in about the sixth year of service as in other Central Class I Services. (Paras 7-8)

134. The procedure for absorption of existing incumbents in the junior and senior scales should be as indicated in para 8

135. A structural reorganisation of existing super-time Grade II of the Service has been suggested. There should be at least one post in the new Specialists' Grade I (Rs. 1800—2250) for every clinical speciality. (Para 12)

136. A scheme of special merit promotions for officers belonging to Supertime Grade I and II and Specialists Grade I has been suggested. (Para 15)

137. Future recruitment to the Railway Medical Service should be in the integrated Class I Scale. The method of fitment of the existing Assistant Medical Officers in the new integrated scale has been indicated. (Para 25)

138. The existing prohibition of private practice by Government doctors and grant of non-practising allowance instead should continue. A revised system of grant of non-practising allowance at fixed rate for various pay slabs has been suggested in lieu of the existing percentage rate. (Paras 31, 34, 35 & 37)

139. A qualification pay of Rs. 100 per mensem for possessing a post-graduate degree and Rs. 50 per mensem for possessing a post-graduate diploma should be admissible to doctors (including Dental Surgeons and Physicians of Indigenous Systems of Medicine and Homeopaths) provided such a qualification is not stipulated as essential for the posts concerned. The qualification pay should be admissible even if the qualification is acquired while in service. (Paras 39, 65, 74 & 84)

140. Government should examine the feasibility of including the Class I and Class II medical posts outside the Central Health Service in that service. (Para 47)

141. Ten per cent of the posts of Dental Surgeons in the Railways in the scale of Rs. 650—1200 may be placed in a Selection Grade of Rs. 900—1400. (Para 71)

142. A post-graduate degree or diploma or a minimum of five years' experience in addition to a degree or diploma may be specified as an essential qualification for posts of Research Officers belonging to the Indigenous Systems of Medicine and the Homeopathy. (Para 79)

143. The doctors belonging to the Indigenous Systems of Medicine and the Homeopaths may be allowed the facility of private practice subject to certain restrictions. No non-practising allowance should be given in such cases. (Para 83)

144. Messing Allowance at present admissible for the nursing staff should be merged in their pay scales and should not be granted separately. Dearness Allowance and City Compensatory Allowance (wherever admissible) should be allowed to such staff in full at the same rates as applicable to other employees. (Para 90)

145. A minimum increase in pay of Rs. 150 per mensem should be provided on promotion as Matron

In-charge (in Junior Scale Class I) from the grade of Assistant Matron in the existing scale of Rs. 250—380. (Para 93)

146. Nurses attached to Operation Theatres and Intensive Care Units should be given a special pay of Rs. 30 per mensem. Government may devise suitable criteria for the application of this recommendation. (Para 99)

147. Nursing staff who possess at the time of recruitment or acquire subsequently a degree in Nursing should be granted two advance increments provided they are not required to possess it as a condition of their employment. (Para 100)

148. The rate of Uniform allowance should be increased to Rs. 150 per annum for Nurses and Rs. 200 per annum for Matrons. (Para 104)

149. 20 per cent of the posts of Health Visitor in the revised scale of Rs. 330—560 should be placed in a Selection Grade of Rs. 425-640. (Para 108)

150. Except in the Ministries of Defence and Railways, 20 per cent of the posts of Health/Sanitary and Malaria Inspectors in the revised scale of Rs. 330—560 should be placed in a Selection Grade of Rs. 425—640. (Para 120)

151. 20 per cent of the posts of Radiographers/X-ray Technicians in the scale of Rs. 330-560 may be placed in a Selection Grade of Rs. 425-640. (Para 131)

152. Except in the Railways, 20 per cent of the posts of Dressers in the scale of Rs. 200-260 should be placed in a Selection Grade of Rs. 225-308. (Para 137)

Economists and Statisticians (Chapter 17)

153. In order to improve the cadre structure of the I.E.S. and the I.S.S., the strength of Grade IV of the two Services should be reduced by converting a substantial number of Grade IV posts which are today in Class I into Class II posts. Further, the strength of Grade IV and Grade III of these Services should be so adjusted that a direct recruit to Grade IV should have a reasonable prospect of moving into Grade III in about the 6th year of his service. (Para 9)

154. Direct recruitment to two successive grades should be avoided as far as possible. Direct recruitment to Grade III should be abolished and at the level of Grade II the 50 per cent proportion of direct recruitment should be reduced to about 25 per cent. Direct recruitment to Grade I of these Services seems unnecessary. (Para 13)

155. Posts above Grade I, carrying economic or statistical functions, should be filled after considering the eligible officers of these services. (Para 15)

156. A Selection Grade above Grade I should be provided in the I.E.S. and the I.S.S. on the scale of Rs. 2000—2250. (Para 17)

Class IV Staff (Chapter 18)

157. All Daftries in the Railways, including those in the Stores Department, should be placed in the same scale of pay as applicable to Daftries in other Government Departments. (Para 8)

Workshop Staff (Chapter 19)

158. Wages paid by the Government to the workshop artisan categories should not be differ too greatly from the wages prevailing in public sector under takings or even in private industry, if the Government establishments are to have a fairly contended work force and to avoid any serious depletion of their skilled manpower. (Para 4)

159. The present classification of workshop staff into unskilled, semi-skilled, skilled and highly skilled does not appear to call for any basic revision. However, instead of classifying the categories by the levels of 'skill', it would be more satisfactory to classify them numerically *i.e.*, Grade I, Grade II, Grade III etc. (Para 5)

160. There should be only one level for the unskilled and one for the semi-skilled category. One long scale or two short scales (which are segments of the long scale) should be sufficient to cover the range of skilled category. Two scales are considered essential for the highly skilled category. Thus a maximum of six levels should be adequate to cover all reasonable requirements. (Paras 6 to 9)

161. The pay scale for the unskilled staff should be identical with the pay scale of other lowest grade of Class IV staff. (Para 12)

162. The pay scale of skilled grade and highly skilled grade should be comparable to that of a Lower Division Clerk and Upper Division Clerk respectively. (Paras 13 and 14)

163. The posts in the existing scales of Rs. 100—130 and Rs. 100—142 should be suitably reclassified into semi-skilled or lower skilled grade after assessment of the job. Similarly posts in the scale of Rs. 130—205 should also be properly classified either into the upper skilled grade, or into highly skilled grade II. (Para 13)

164. A new grade of Master Craftsman should be created subject to the criteria specified. In order to ensure a uniform approach, an inter-departmental committee should work out further detailed criteria for the allotment of this grade. (Para 16)

165. Government have agreed to set up expert bodies for reviewing the existing categorisation of workshop staff in all major employing Ministries except Railways. They have also agreed to set up an inter-departmental co-ordination machinery for ensuring a reasonable measure of uniformity of standards. The fitment of categories into the proposed new scales should be made on the basis of the recommendations of these expert bodies. (Paras 18 & 19)

(i) The demand of the Railway Federation for inclusion of dearness allowance for the calculation of hourly rates under the incentive bonus scheme does not appear to be justified. With the improvement in

pay scales which have been recommended, Government should consider either revising the standards for earning incentive bonus or calculating it on the minimum of the scale instead of the weighted mean.

(ii) The demand for treating the incentive bonus as pay on the analogy of running allowance is not justified. (Para 25)

(i) For workers under piece rate system in Defence establishments, basic time wage should be guaranteed.

(ii) Incentive workers should not ordinarily be put on over-time except when it is absolutely unavoidable in special circumstances. (Para. 27)

166. Government should introduce a well-conceived bonus scheme for Government of India Press staff to maintain efficiency and productivity in the presses. (Para 29)

167. In the Railway Workshops only Supervisors up to the level of Chargemen 'A' are entitled to incentive earnings as well as overtime; as a consequence certain distortions have occurred in the pay structure. Apart from the proposed increase in pay scales, it may become necessary also to modify the incentive scheme and the hourly rates within the frame-work of the revised pay structure, to achieve a more satisfactory solution. (Para 43)

168. Wherever Mistries are supervising the highly skilled grade I workers, their pay scales should be the same as for highly skilled Grade I. (Para 33)

169. Generally 2 levels of Chargemen and 2 levels of Foremen should be adequate for meeting the supervisory needs of workshops. (Para 39)

170. At least 33-1/3 per cent of the posts of Chargemen in the grade of Rs. 425—700 (in the Ordnance Factories and other Defence establishments) should be filled by direct recruitment from amongst diploma-holders in the Engineering or Science Graduates. A minimum of 25 per cent of posts of Chargemen in the scale of Rs. 550—750 in these establishments should also be filled by direct recruitment from Engineering Graduates. (Para 54)

171. There is a need for reviewing the complements in the existing grade of Rs. 370—500 in Ordnance Factories and in the existing grade of Rs. 450—650 in the Director General of Inspection and the Naval establishments. (Para 56)

172. The current distinction between production shops and repair shops need not be maintained in future. (Para 56)

173. A special grade of Principal Foremen may be introduced. The posts in this grade should be created on a personal basis as a reward for specially meritorious work and proven efficiency in improving out-turn and maintaining discipline. (Paras 45 and 57)

174. With the introduction of the new scales, Assistant Foremen and Foremen in the Defence workshops should not be entitled to over-time allowance. Also the technical supervisors in the Ordnance facto-

ries and Base establishment should not be allowed the facility of rent-free accommodation. (Para 59)

175. Government may examine the feasibility of introducing an intermediate supervisory grade between the Technical Assistants and Assistant Engineers in the Posts and Telegraphs workshops. (Para 64)

Common Categories (Chapter 20)

Teachers and other Educational Staff

176. Since selection grades have been granted to the Delhi Administration teachers, similar selection grades should be provided for teachers in the other schools run by the Ministries of the Government of India. (Para 6)

177. For the other school staff such as physical education teachers, art and craft teachers and librarians working in the schools, suitable revised scales should be fixed after taking the existing relativities or parities *vis-a-vis* the teachers into account. (Para 7)

178. For the posts of different categories of teachers in the schools run by Departments other than Railways and Defence for which the recruitment qualifications are the same as, and where the duties performed are also comparable to, those of similar categories in the Ministry of Railways and Defence, the appropriate revised scales and selection grades prescribed in respect of such categories under the Railways and the Defence Ministry should be adopted. In other cases, such as vocational training institutes, suitable substitutes may be decided upon keeping in view the revised scales recommended for other comparable categories in each of the organisations in which the teaching posts exist. (Para 12)

Drivers of Motor Vehicles

179. Government should consider linking up various organisations, where there are no established cadres of drivers, with the main department or with another major organisation under a Ministry/Department for purposes of providing promotional avenues by placing some posts in a selection grade. (Para 53)

Librarians and Library Staff

180. It is desirable to adopt uniform and precise qualification criteria for all future recruitment to the different grades of Class III posts. There should be only five levels of Librarians and Library Staff depending on the qualifications to be prescribed. And these will be as follows :—

Level I

Where the work is of a simple clerical nature and Matriculation without any formal library qualification is required for direct recruitment or where all the posts are filled by promotion only.

Level II

For matriculates with a certificate (one year's course after matriculation).

Level III

For Matriculates with a diploma in library science (two years' course after matriculation) and for promotees from (I) and (II) above.

Level IV (A & B)

For Graduates with degree or diploma in Library Science (one year's course after graduation) or its equivalent and for promotees from (III) above.

Level V

This should normally be a promotion grade for (IV) above; where direct recruitment is to be made a degree followed by diploma in library science (one year's course after graduation) or its equivalent, and by four years' experience or M.A./M.Sc. followed by a diploma in Library Science or its equivalent without experience may be prescribed. (Para 65)

Marine Staff

181. The pay scales of the executive and engineering categories of marine staff should be related to the three types of the Certificates of Competency issued under the Inland Steam Vessels Act, 1917. (Para 77)

182. The messing allowance to marine staff in Fisheries Organisations under the Department of Agriculture should be paid on a *per diem* basis for the days they remain on board. (Para 93)

183. Marine staff in receipt of messing allowance should be paid full dearness allowance and full compensatory (city) allowance at the same rates as applicable to other Central Government employees. (Para 93)

Ministry of Agriculture (Chapter 21)

184. Government should examine the need for direct recruitment at the three consecutive levels of Market Intelligence Inspector, Senior Market Intelligence Inspector and Market Intelligence Officer in the Directorate of Economics and Statistics. (Para 23)

185. Government should examine whether the cadres of Locust Technical Officer and Senior Technical Assistant/Technical Assistant (Selection Grade) in the Directorate of Plant Protection, Quarantine & Storage could be integrated to form a promotional cadre for the lower grades. (Para 31)

186. The percentage of Class II posts in the Directorate of Plant Protection, Quarantine & Storage to be filled by promotion from the cadre of Technical Assistants should be increased from 10 to 25. (Para 32)

187. The Milk Tanker/Milk Van Drivers and the artisan staff employed in the Cold Storage/Boiler Room in the Delhi Milk Scheme should continue to be paid special pay at the existing rates. (Para 36)

188. The post of Chief Chemist in the Directorate of Marketing and Inspection should be filled by promotion of Senior Chemist only. Government should also consider whether the designations of Chief

Chemist and Sr. Chemist should be changed to Senior Chemist and Chemist respectively. (Para 42)

189. Depending upon the field of specialisation, duties and responsibilities etc., Government should consider upgrading some of the posts of Research Officer in the Forest Research Institute and Colleges from the Class II to the Junior Class I level. With this upgradation, the remaining posts in Class II should be filled entirely by promotion from the Class III staff.

190. The posts of Research Officer in the proposed Class I scale of pay should be filled partly by direct recruitment and partly by promotion of the Class II officers in the organisation.

191. Government should also consider whether the percentage of direct recruitment to the posts of Senior Research Officer (Ordinary Grade) in the Senior Class I scale of pay should continue to be the same as at present. (Para 62)

192. In the Forest Research Institute and Colleges the cadre of Technical Assistants Grade I and Grade II should be merged. The posts in the merged cadre should be filled from amongst those who have passed the Intermediate or Higher Secondary Examination with Science.

193. Government should also consider reducing the existing percentage of direct recruitment at the level of Research Assistant Grade II. (Para 65)

The Senior and Junior Pilots engaged on flying duties in the Directorate of Agricultural Aviation should be allowed a flying bounty at the rate of Rs. 375 per mensem. (Para 69)

Ministry of Commerce (Chapter 22)

194. The feasibility of encadring the posts in the Directorate of Commercial Publicity in the Central Information Service or alternatively, of drawing officers from that Service on deputation may be explored. (Para 7)

195. There is a substantial degree of direct recruitment at every level in the Directorates of Production and Development and Chemical Processing in this organisation. The present position appears to call for a review. (Para 38)

Ministry of Communications (Chapter 23)

196. The need for direct recruitment at all the four levels in the Wireless, Planning and Coordination Branch and at three levels in the Overseas Communications Service should be reviewed. (Paras 6 and 14)

197. Direct recruitment should be introduced at the gazetted level for a percentage of the posts in the Traffic Branch of the Overseas Communications Service so that persons trained and experienced in the

traffic side will become available to hold the higher posts. (Para 16)

Posts and Telegraphs Department (Chapter 23)

198. The Chairman, P&T Board, should continue in the rank of Secretary to the Government of India and all the Senior Members and Members should have equal rank and pay as for the Additional Secretaries to the Government of India. (Para 29)

199. The posts of Deputy Directors General in the P&T Directorate should be placed in the two scales recommended for the Heads of Departments and Government should decide the posts which should be placed in these two grades. (Para 33)

200. Whether the posts in the Telecommunication Research Centre should be filled by direct recruitment or deputation is a matter to be decided by the Government. However, the deputation of the departmental officers should be so adjusted as not to adversely affect the promotion prospects of directly recruited officers. There should be no rigidity in regard to the period of deputation so as to ensure continuity in the research work. (Para 40)

201. The Indian Posts and Telegraphs Traffic Service Class I, which now consists of only 5 posts, may be abolished. (Para 46)

202. Direct recruitment to the Telegraph Traffic Service Class II should be retained. (Para 50)

203. Government may examine the need for or advantage in having two parallel Class II Services in the Postal Branch. (Para 55)

204. The existing age limit of 50 years for promotion to the Postal Superintendents Service Class II should be removed. However, to ensure early promotion of the deserving staff, 25% of the vacancies in this service should be filled on the basis of a departmental competitive examination. (Para 57)

205. One post of Deputy Presidency Postmaster in each of the Presidency Post Offices, Bombay and Calcutta should be placed in the new grade of Rs. 900—1400. (Para 59)

206. The Class I cadre in the Civil Engineering Wing being small, the department may soon be faced with difficulties in regard to recruitment and retention, unless there is proper cadre management and recruitment is regulated keeping in view the opportunities of advancement for the direct recruits. (Para 72)

207. The posts of Managers, Mail Motor Service, should be upgraded to Class I (Junior scale) and in deserving cases higher initial start upto three advance increments may be granted. (Para 73)

208. In regard to isolated posts, distributed in the various departments, Government should consider the feasibility of grouping them for purposes of recruitment and promotion. Alternatively, in preference to direct recruitment, such isolated posts may be filled by officers of the available regular Services.

(Para 75)

209. The classification of the P&T establishments into administrative and operating offices should be made on a functional basis adopting some broad and consistent criteria so that the pay structure of the staff employed in the two types of establishments may conform to the classification.

(Para 78)

210. The ministerial staff in the administrative offices also should be provided access to the gazetted grade, as is available to the staff in the operating offices. Also, a percentage of vacancies in the grade of Assistants in the P&T Directorate should be reserved for promotion of Upper Division Clerks from the field offices on the basis of a competitive examination.

(Para 79)

211. The quota for promotion of the lower grade staff to the grade of Time Scale Clerks should be reduced from 50% to 25%.

(Para 82)

212. Conditions regarding educational qualification and age limit should be laid down for promotion of the lower grade staff to the clerical and allied operating categories in all branches of the P&T Department. Also to ensure efficiency, the standard of departmental test should be improved.

(Para 83)

213. The demand for parity in pay scales between the Postal clerks and Upper Division Clerks is not justified.

(Para 86)

214. There is scope for improvement in the percentage of LSG and HSG posts for the Time Scale categories in all branches by some liberalisation of the standards for creation of such posts.

(Para 88)

215. Above the LSG there should be two supervisory levels viz. HSG I in the scale of Rs. 700—900 and HSG II in the scale of Rs. 550—750, the higher scale being applicable only to certain specified categories. With the improvement in the pay scales and promotion prospects recommended and with a view to improving the efficiency of P & T Services the existing system of promotion to the LSG and HSG posts based solely on seniority should be modified. In all branches, one-third of the vacancies in the LSG and all the posts in the HSG I should be filled by selection on the basis of merit.

(Para 90)

216. The expedient of granting special pay in lieu of a separate scale of pay to certain Time Scale posts, carrying higher responsibilities, may continue as it provides administrative flexibility and enables selection of suitable persons for holding such posts.

(Para 93)

217. The Town Inspectors of Post Offices should be upgraded. If necessary, their selection procedures may be revised and additional duties entrusted to them in view of the improved status.

(Para 96)

218. Special pay should be admissible to the Treasurers and Assistant Treasurers of Post Offices regardless of part-time or whole-time treasury work and

should be based on the amount of cash disbursed during a month subject to certain restrictions.

(Para 98)

219. The posts of the Sub Postmasters carrying a special pay should be filled by selection on merit.

(Para 103)

220. The demand for parity between the Lower Selection Grade staff and the Inspectors in the postal branch is not justified.

(Para 105)

221. Considering the wide range and extent of responsibilities attached to the Lower Selection Grade and Higher Selection Grade Postmaster categories there is need to redefine their charges with the object of placing the posts carrying relatively more onerous responsibilities on higher scales of pay.

(Para 108)

222. A considerable degree of uniformity prevails in the method of recruitment, qualifications, training and promotional prospects of the various Time Scale categories. Even in regard to the working conditions, the differences are not such as to warrant disturbance of the existing parity among them which has the sanction of past practice, and it would be desirable not to make any differentiation among them.

(Paras 113, 142 and 157)

223. The present practice of having annual tests for the RMS Sorters should continue as such posts contribute to efficiency.

(Para 115)

224. The present practice of filling 50% of the general line Higher Selection Grade posts and the posts of gazetted Postmasters in the postal branch from the cadre of Inspectors of Post Offices should continue.

(Para 124)

225. 25% of the vacancies in the cadre of Inspectors in the Postal and Railway Mail Service branches should be filled by direct recruitment either through the Union Public Service Commission or through the Subordinate Services Selection Board.

(Para 126)

226. The demand for parity between the P & T Telegraphists and the Junior Telegraphists in the Overseas Communications Service is not justified.

(Para 143)

227. There should be direct recruitment to the grade of Telegraph Traffic Supervisors to the extent of 25% of the vacancies.

(Para 151)

228. The proposals regarding provision of transport facilities for women Telephone Operators to and from Telephone exchanges in the case of night duty at late hours or odd hours, adequate provision of dormitories and creches etc. deserve consideration.

(Para 157)

229. The reorganisation of the engineering cadres of the Telegraph Engineering branch is a matter to be decided by the Government. The existing arrangement under which a significant proportion of posts are filled by direct recruitment at three consecutive levels from candidates possessing somewhat similar entry qualifications should be reviewed. The qualifications should be suited to the range of duties and responsibilities of various categories and of various pay scales.

(Para 163)

230. The number of Selection Grade posts for the Cable Jointers should be computed on a circle basis so as to ensure equitable distribution among all the Divisions. (Para 173)

231. In the interest of uniformity of pay structure in the P&T Directorate, the Secretariat pattern of posts and pay scales may be introduced in its Air and Surface Mail Accounting section also. (Para 183)

232. Government may examine the feasibility of having a separate cadre of store keeping staff in the Telecommunication Stores Organisation. (Para 201)

233. There should be direct recruitment for 50% of the vacancies of Sarkars. (Para 203)

234. Government may consider recruitment of candidates with suitable technical qualifications for the posts of Testers in the testing organisation under the Additional Chief Engineer, Technical and Development circle. (Para 205)

235. There is no justification for prescribing a higher scale for the test category than for the non-test category of Class IV staff. (Para 213)

236. The non-test category staff should be provided all reasonable facilities for acquiring literacy and give due priority for absorption in the test category. Further, they should be eligible for promotion to higher posts in the same way as the test category staff, provided they have passed the literacy test and possess the requisite qualifications. (Para 214)

237. The claim of the Telegraphmen for parity in scales with Postmen, who have higher recruitment qualifications and more onerous and varied responsibilities, is not tenable. Their demand for parity with other semi-skilled categories is also difficult to sustain. (Para 215)

238. Government may evolve a uniform and simple incentive scheme for the Telegraphmen relating the payment to the output above the standard norm. The proposal for treating the incentive earnings as pay for purposes of leave salary and pension is not acceptable. (Para 216)

239. The Telegraphmen may be granted a cycle allowance if cycles are not provided to them. (Para 217)

240. All the Class IV posts in a Division or Sub Division should be pooled together branch-wise for purposes of determining the number of posts of Jamadars and such posts should be created according to a uniform standard by upgrading the existing posts and not by creating additional posts. (Para 218)

241. There does not appear to be any need for setting up an Expert Committee, as proposed by the Federation of the National P&T Organisations, to examine the general and special conditions of service of the P&T staff, as the basic issues appear to be fairly clear. (Para 220)

242. In case an employee is required to work on a holiday on account of operational requirements,

he should be compensated by grant of one day's salary at the end of the month. (Para 221)

243. As a rest day is already in-built in the weekly duty pattern of the staff working in the RMS sections, it is not necessary to earmark for them a weekly off day separately in addition. However, the staff working in the RMS sections having one or two sets may be required to work every day and they should be entitled to a weekly off. The 'call duty' staff should be allowed a weekly off wherever this can be arranged by pooling of staff located at the station. Where this is not possible, the staff called for duty on such off day should be given compensatory leave on another convenient day. As 'call duty' seems to be irksome and not popular, there should be a system of rotation of such staff between the 'call duty' and 'fixed duty' posts. (Para 222)

244. No change is advocated in regard to the 'alternate set system' prevailing in the RMS branch. Also, the present difference in the working hours of the RMS Transit sections and Sorting sections is justified by the difference in the nature of duties performed in them. (Para 223)

245. The necessity for split duty should be reviewed and wherever it can be dispensed with, it should be done. Where this is inescapable, priority should be accorded in the matter of allotment and construction of quarters for them near the place of duty. (Para 224)

246. The rates of outstation allowance of the staff working in the RMS sections should be fixed as a percentage of the daily allowance taking into account the free facilities provided to them. (Para 225)

247. The rates of 'night halt allowance' paid to certain categories of staff, who travel constantly within their respective beats or jurisdiction, should be fixed as a percentage of the rates of daily allowance. (Para 226)

Ministry of Education & Social Welfare (Chapter 25)

248. Government should re-examine the need for direct recruitment to the posts of Chief Archaeological Engineer and Chief Horticulturist specially since there are no promotion avenues. It is suggested that the former could be filled by deputation from the CPWD and the latter by similar deputation or by promotion of Assistant Superintending Horticulturist. (Para 26)

249. The Special pay of Rs. 100 per month admissible to Superintending Archaeologists in charge of four major circles, Chief Horticulturist, Chief Epigraphist, Chief Archaeological Chemist and Chief Archaeological Engineer should merge with the grade pay and these posts should be placed in the scale of Rs. 1300-1700. (Para 28)

250. The Class III and Class IV establishment of the Social Welfare and Rehabilitation Directorate consists of a variety of instructors in different trades as well as artisans. In many cases posts on different scales bear the same designations. The Department should evolve distinctive designations for the different grades. (Para 54)

Ministry of External Affairs (Chapter 26)

251. It will not be appropriate to disturb the existing parity as between the various grades of IFS(B) and the corresponding services organised under the Central Secretariat Services Scheme.

(Para 10)

252. Cipher Assistants should be put on the same scale as Assistants of the IFS(B) and the CSS with provision for grant of three advance increments on satisfactory completion of the period of probation.

(Para 12)

253. Research Officers in the Historical Division who are today on the scale of Rs. 350-800, should be placed on the revised Class I scale of Rs. 700-40-1100-50-1300 after due screening and those not adjudged suitable for the revised Class I scale should be placed on the standard Class II scale, viz., Rs. 650-1200.

(Para 20)

254. A selection grade should be provided for Interpreters on the Class I Junior scale. It should carry the scale of Rs. 1100-50-1300 and its strength should be up to a maximum of 25 per cent of the posts on the scale of Rs. 400-950.

(Para 22)

255. The Additional Foreign Allowance given to the officers of the Ministry of External Affairs on their posting in missions abroad should be abolished and the rates of Foreign Allowance revised taking this into account.

(Para 30)

256. The method of fixation of Foreign Allowance should be reviewed in order to rationalise the basis of its computation avoiding the need for resorting to slab deductions from time to time.

(Para 31)

Ministry of Finance (Chapter 27)

257. The posts of Assistant Master and Deputy Works Manager in the Mints should be made interchangeable and the post of Works Manager should be made a promotional post for them.

(Para 20)

258. The post of Deputy Master in the Mints should be filled by promotion of Works Manager only.

(Para 21)

259. Government should consider whether having regard to the nature of work, duties etc., of the Assistant Engineers in the Mints, the recruitment to these posts could be made from amongst Diploma holders.

(Para 22)

260. Government should consider whether it would be desirable to have a uniform cadre structure for the Engravers in all the Mints.

(Para 23)

261. The posts of Engineer (Mechanical/Electrical) in the Junior Class I scale of pay in the Security Paper Mill, Hoshangabad, should be filled by direct recruitment.

(Para 28)

262. Government should consider whether having regard to the work load etc., there could be an intermediary level between the Assistant Master and the Deputy Master in the India Security Press, Nasik.

(Para 36)

263. The pay structure of the tradesman and non-tradesman categories in the Mints and artisan staff in other industrial establishments under the Department

of Economic Affairs should be brought in line with the general pay structure for workshop staff recommended in Chapter 19.

(Para 47)

264. Government should consider rationalising the designations of the various supervisory posts in the industrial establishments under the Department of Economic Affairs.

(Para 48)

265. The designations of the posts responsible for the security arrangements in the Mints and Presses should be rationalised.

(Para 51)

266. The minimum educational qualification for recruitment to the posts of District Organiser in the National Savings Organisation should be a University Degree.

(Para 55)

267. Adequate cash awards linked to performances should be given over a fairly wide field to the field staff in the National Savings Organisation so as to induce a feeling of healthy competition among them for mobilisation of small savings.

(Para 56)

268. The cadres of Technical Assistants (Irrigation & Works) and Accountants in the Department of Expenditure should be merged.

(Para 58)

269. S.A.S. Accountants, Accounts Officers and other staff possessing the requisite cost accountancy qualifications and experience should be made eligible for appointment to the posts of Cost Accountant, Assistant Cost Accounts Officer and Cost Accounts Officer in the Central Cost Accounts Pool and for this purpose necessary age relaxation should be allowed.

(Paras 60 & 61)

270. The posts of Income Tax Officers Class II should continue as a separate cadre. There should, however, be a clear demarcation between the charges normally to be held by Income Tax Officers in the Class I Senior Scale and those to be held by Class II officers and barring unforeseen contingencies there should normally be little or no interchangeability.

(Para 72)

271. Government should consider whether the Class II Executive Officers in the Narcotics Department could also be made eligible for promotion to the Class I post in the Central Excise and Customs Departments.

(Para 75)

272. The qualifications for direct recruitment to the posts of Inspector of Central Excise (Ordinary Grade), Examiner (Ordinary Grade) and Preventive Officer Grade I (Ordinary Grade) should be raised to a University Degree and the recruitment to these and the posts of Inspector of Income Tax should either be made through the U.P.S.C. or the Subordinate Services Board likely to be constituted.

(Para 80)

273. Sepoys in the Central Excise and Customs Department who are trained in the use of fire arms should be given a special pay of Rs. 10 per mensem during the period they are employed on preventive, guard or other similar duties, which may require the use of fire arms.

(Para 90)

274. There should be no direct recruitment to the posts of Chemical Examiner Grade I in the Central Revenue Chemical Service.

(Para 96)

275. The number of posts in the selection grade for the Divisional Accountants should be increased

from 10% to 15% of the permanent strength.

(Para 130)

276. The posts of Sorter in the P.&T. Audit and Accounts Offices should be made promotional posts for the Class IV staff in these offices. (Para 140)

277. Government should suitably revise the quantum of charge-allowance/special pay admissible to selection grade clerks who are in independent charge of local audit offices etc., in Defence Accounts Department. (Para 142)

278. The special pay of the Chief Machine Operator in the Hollerith Section under the Defence Accounts Department should be raised from Rs. 25 to Rs. 40 per mensem. (Para 143)

279. The posts of Record Clerk in the Defence Accounts Department should be made promotional posts for the Class IV staff. (Para 144)

280. Government should review the need for special pay to the staff working in the Defence Audit wing of the Audit Department having regard to the liberalisation recommended in the rates of daily allowance. (Para 145)

281. There should be uniformity of treatment in the matter of grant of incentives to S.A.S. passed clerks in all the Audit & Accounts Departments. (Para 146)

282. There should be uniformity in regard to the quantum and the system of grant of special pay on appointment to posts in the Headquarters offices of the Indian Audit and Accounts and Defence Accounts Departments. (Para 147)

Ministry of Health and Family Planning (Chapter 28)

283. As far as possible, the isolated Class I and Class II posts in the Ministry of Health and Family Planning should be filled by deputation instead of direct recruitment. (Paragraphs 19, 49, 52 and 119)

284. A Post-graduate qualification in public health engineering may be prescribed as essential in future for the posts of Assistant Public Health Engineers in the Rural Health Training Centre and the Jawaharlal Institute of Post-graduate Medical Education and Research. (Paras 57 and 81)

285. The Vice Principal, College of Nursing should be given a special pay of Rs. 150 per month. (Para 66)

286. The post of Director, National Tuberculosis Institute should be included in Supertime Grade I of the Central Health Service. (Para 86)

287. The special pay of Rs. 150 per month admissible to one of the posts of Deputy Assistant Directors General in the Medical Stores Organisation should be withdrawn. (Para 93)

288. The qualifications for the posts of Assistant Professors of Public Health Nursing and Midwifery Nursing in the All India Institute of Hygiene and Public Health should be reviewed. (Para 97)

289. The scheme of flexible complementing and merit promotions recommended for the Scientific

Services should apply *mutatis mutandis* to the scientific posts under the Department of Health.

(Para 115)

Ministry of Home Affairs (Chapter 29)

290. Government should review the grant of compensatory allowance admissible to holders of certain posts of Commandant, Deputy Commandant and Assistant Commandant etc. (Para 9)

291. Unless in future there is any alternation in the role assigned to any police force or in the recruitment qualifications, the infantry soldier should have a slight edge over the Constables in the armed police forces. (Para 44)

292. The scale approved for the matriculate constable of the civilian Police Forces should not be admissible to Constables assigned purely orderly duties. (Para 46)

293. The Selection Grade of Rs. 85-110 for matriculate Constables of Delhi Police should be abolished. (Para 48)

294. Sub-Inspectors in the Delhi Police should be given only one Selection Grade, in the scale of Rs. 455—700, instead of the existing 4 Selection Grades. The strength of the Selection Grade should be fixed at 10% of the number of Sub-Inspectors. (Para 54)

295. Direct recruits in the IB and CBI from the rank of Constable to that of Inspector and equivalent should be allowed the corresponding scales recommended for the Delhi Civil Police. In view of the specialised and complex nature of their work, they should, in addition, be granted special pay on the rates applicable to the deputationists. The same rates of special pay should apply to personnel in the ITBP. (Paras 57 & 58)

296. Special pay allowed to Police personnel trained in the use of team-smoke, 3" mortar and Medium Machine Gun etc. and armed efficiency pay of Rs. 2 p.m. granted to Constables and Naiks in the CRP and BSF should be discontinued. (Para 60)

297. Special pay given to Head Constable and ASIs employed as "proficients" and to Inspectors of District Police and these employed on traffic duties in the Delhi Police should be discontinued. (Para 61)

298. The tradesmen in police forces should continue to be given the police pay of the rank plus Special pay. (Para 62)

299. Constables and Head Constables of the Delhi Police should continue to be paid the Metropolitan Allowance which should be redesignated as 'Rajdhani Allowance'. (Para 63)

300. No change need be made in regard to the system of ration allowance in the Central Reserve Police or in the rates of this allowance. The present 'belt system' in the Border Security Force should be replaced by two classes of areas, viz., "qualifying areas" and "non-qualifying areas". In qualifying areas, ration allowance should be allowed at full rates in non-qualifying areas at half the rates. (Para 70)

301. The amount of ration allowance to BSF personnel should be 80% of the monetary value of the rations at the BSF scale in the "qualifying areas" and 40% of the value in "non-qualifying areas".

(Para 72)

302. A reasonable limit, say six months, should be prescribed as the period for which the detachment allowance can be drawn by the CRP personnel after a move. The authorities should determine after a month or two of the move, the approximate period for which the CRP force would have to be retained at that station and, where deemed necessary, to shift the headquarters of the battalion, after making satisfactory arrangements as regards accommodation etc., thus obviating the need for paying detachment allowance indefinitely.

(Para 75)

303. The grant of detachment allowance to BSF personnel is hardly justified and its continuance should be reviewed.

(Para 76)

304. The grades of Assistant Supervisor and Supervisor in the Hindi Teaching Scheme and of Hindi Supervisor and Assistant Supervisor in the Posts and Telegraph Department should be merged.

(Paras 80 & 85)

Ministry of Industrial Development (Chapter 30)

305. It is not considered necessary to provide a Selection Grade in the scale of Rs. 2000-2250 for Development Officers in the Directorate General of Technical Development as recommended for other Engineering Officers in view of the availability of a sufficient number of posts in a higher scale.

(Para 13)

306. The proposal for splitting up the scale of Development Officers into two grades is not recommended.

(Para 14)

307. A reorganisation of the grade structure of officers in the Patents and Trade Marks Organisation has been suggested.

(Paras 25 & 26)

308. The existing system of two grades for Directors and two grades for Assistant Directors in the Office of Development Commissioner, Small Scale Industries should continue.

(Paras 31 & 32)

309. A restructuring of the grades in the Indian Salt Service has been suggested.

(Paras 40 & 41)

310. There is no justification for parity of pay scales between the Indian Salt Service and the Customs Service.

(Paras 40 & 41)

311. The demand for parity of pay scales between the posts in the Office of Chief Inspector of Explosives and Director General, Mines Safety is not justified.

(Para 47)

Ministry of Information and Broadcasting (Chapter 31)

312. Direct recruitment to Grade I of the Central Information Service should be discontinued and the percentage of direct recruitment to Junior Administrative Grade increased from 12½% to 25%.

(Para 4)

313. Junior and senior scales of Junior Administrative Grade in Central Information Service should be merged.

(Para 6)

314. The posts of Field Publicity Officer in Grade IV of Central Information Service should be upgraded to Grade III of the Service.

(Para 8)

315. The posts of Field Publicity Officer (Border) in the Directorate of Field Publicity should be placed in the same scale of pay as recommended for the other posts of Field Publicity Officer encadred in the Central Information Service.

(Para 28)

316. The cadres of Assistant Director and Photographic Officer in the Photo Division should be merged.

(Para 33)

317. The cadres of Junior Booker and Senior Booker in the Films Division should be amalgamated.

(Para 56)

318. The ordinary grade and the selection grade of Programme Executives should be merged.

(Para 63)

319. Some of the posts of Programme Executive should be placed in the junior Class I scale of pay and direct recruitment to this scale should not be less than 25%.

(Para 63)

320. The direct recruitment to the posts of Assistant Station Director should be discontinued and these posts should be filled by promotion of Programme Executives in the junior Class I scale of pay.

(Para 64)

321. 25% of the posts of Transmission Executive should be placed in a selection grade.

(Para 66)

322. Government should consider making appointments on short term contract basis to the posts of Monitors in the Monitoring Division of All India Radio.

(Para 70)

323. The Stenographers of All India Radio should be given a special pay of Rs. 50 per month during the period they work on the Monitoring Unit.

(Para 72)

Ministry of Irrigation and Power (Chapter 32)

324. (i) The Member (Commercial) is as present on a scale, the maximum of which is equal to the fixed pay of the other Members. It does not appear that there is any particular justification for such a small differentiation at the Member level and the Member (Commercial) should also have the same remuneration as the other Members.

(Para 7)

325. (ii) There are certain posts in the Farakka Barrage Project which are on the West Bengal Government scales of pay. No recommendations in respect of these scales have been proposed as the project is nearing completion. The nearest revised scales should be given in accordance with our recommendations in respect of corresponding grades.

(Paras 10 & 11)

Ministry of Labour and Rehabilitation (Chapter 33)

326. As Labour economics is today an integral part of the equipment of the members of the Indian Economic Service, the Government should consider the question of encadring a certain percentage of posts of Assistant Labour Commissioners, Regional

Labour Commissioners and Deputy Chief Labour Commissioners in the Indian Economic Service.
(Para 16)

327. Response to recruitment would improve if the Assistant Directors of Mines Safety are placed in the Junior Class I scale, with a simultaneous provision that all the posts in the grade of Deputy Directors Mines Safety should be filled by promotion from among Assistant Directors. There should be a suitable training programme, including a period of attachment to mining corporations in the public sector so as to enable the young recruits to acquire the experience necessary to obtain a First class Mine Manager's Certificate of competency. There should be a provision as at present for a higher initial start for the mining graduates and diploma holders who join the grade of Assistant Directors on the proposed Junior Class I scale after obtaining a second class Mine Manager's certificate. Direct recruitment would, however, have to continue as at present, to the grades of Assistant Director Mines Safety (Electrical) and Deputy Director Mines Safety (Electrical/Mechanical), since their number is small.
(Para 27)

Ministry of Law and Justice (Chapter 34)

328. Members of the Central Legal Service mostly work in the Central Secretariat and it is more rational to compare their posts with those in the Secretariat hierarchy rather than with the executive field posts. In order to attract experienced persons from the legal profession and from the State Judicial Services the identity in scales existing at Under Secretary and Joint Secretary's level should be extended to include Deputy Secretary and Director levels also.
(Para 4)

329. The special pay of Rs. 200 allowed to the Government Advocate should be merged with the grade pay and the post should be placed in the scale of Rs. 2500—2750.
(Para 5)

330. Research Officers in the official Languages (Legislative) Commission should be brought on par with the Research Officers in the Election Commission.
(Para 7)

331. There is no ground for differentiation between the Assistant of the Central Secretariat Service and the Assistant (Legal) in the Ministry of Law. Both should be allowed the same scale of pay.
(Para 10)

Department of Company Affairs

332. The posts of Regional Director may be included in the Central Company Law Service.
(Para 18)

333. The demand for parity in pay scales for legal posts in the Company Law Service with corresponding posts in the Central Service is not justified.
(Para 19)

Ministry of Planning (Chapter 35)

334. The posts of Adviser, including that of Economic Adviser, should be allowed an appropriate scale of pay within the range of Rs. 2250 to Rs. 3500 p.m. depending upon the job requirements

and the qualifications, experience and standing of the person inducted as an Adviser in the Planning Commission.
(Para 5)

Ministry of Railways (Chapter 36)

335. All the posts of Directors in the Railway Board should be given Joint Secretaries' grade.
(Para 11)

336. The principle of filling up of vacancies in the Railway Board Clerical, Secretariat and Stenographers Service from amongst zonal railway staff is an intrinsically sound arrangement which should be retained.
(Para 14)

337. While not accepting the suggestion regarding exclusive reservation of certain broad categories of posts for Railway Board Secretariat Service officers, these officers may be given opportunities to hold such posts where field experience is not an essential prerequisite.
(Para 15)

338. The grade and pay structure of the Railway Board Secretariat Service may be brought in line with that of the Central Secretariat Service.
(Para 16)

339. The pay scales of Directors, Joint Directors, Deputy Directors and Assistant Directors in the Research Designs and Standard's Organisation will be in accordance with the pay structure recommended for similar posts in the Railway Board.
(Para 20)

340. The Divisional Superintendents should be in a single grade instead of two grades as at present.

341. If an engineering degree is considered essential for the posts of Assistant Directors in the RDSO, there should be no exception, whether the Class II officer under consideration comes from the RDSO or the zonal railways.
(Para 22)

342. The Professors in the Railway Staff College, Baroda, who are in the junior administrative grade, may be given a special pay of Rs. 200 per month.
(Para 32)

343. As regards the question of 'major' and 'minor' departments, the idea of having more than one scale of pay for heads of departments is sound. The line of demarcation should not be based on whether a particular post belongs to a 'major' or 'minor' department but whether a post deserves a higher grade or a lower grade on the basis of importance and difficulty of the charge.
(Para 43)

344. The level of Works Managers should be decided with reference to the capital out-lay, annual output, staff strength, product-mix, expansion programme and other related factors. Judged by these criteria, there is justification for the introduction of a higher grade of Rs. 2000—2250 for some of the Works Managers in the Railways.
(Para 45)

345. The problem of temporary officers cannot be satisfactorily solved by the Railway Board alone. The combined resources of the Government and the public sector undertakings would have to be tapped in order to absorb temporary officers with satisfactory records of service in future vacancies in other Government departments and public sector organisations.

346. The relatively poor career prospects of Class I Railway Services *vis-a-vis* other Central services and

Engineering Services call for remedial action by Government. (Para 54)

347. The demand for abolition of direct recruitment of Commercial Apprentices is not justified.

The demand that medically de-categorised staff should not be absorbed in the Commercial Clerks cadre is also not justified.

348. While the merger of the ticket checking cadre with that of Commercial Clerks is not favoured, the merger of enquiry-cum-reservation staff cadre may be considered. (Para 63)

349. Government may consider the feasibility of the merger of the cadre of Weighbridge Clerks with that of the Commercial Clerks. (Para 72)

350. Government may examine the practicability of merging the cadre of Coal Tracers with the main stream of Claims Tracers and Inspectors, as it would make for uniformity in prospects of promotion and remove a justifiable cause of grievance. (Para 82)

351. The demand for grant of running allowance to the Travelling Ticket Examiners and Conductor Guards is not reasonable. (Para 88)

352. The guidelines laid down by the Railway Board regarding filling up of the posts of ASMs in the initial grade in different proportions from different categories should be enforced more uniformly.

353. Some method of uniformity is desirable in the training periods for the directly recruited ASMs which, at present, vary widely on different zonal railways. (Para 103)

354. Government might consider the feasibility of prescribing broad guidelines for the upgradation of posts of Station Superintendents to Class II. With the steadily increasing pace of industrialisation, more stations might qualify for such upgradation. (Para 109)

355. The demand for abolition of direct recruitment of Transportation Apprentices and lateral induction of allied categories in the Station Masters' cadre is not justified. (Para 112)

356. There is no case for parity of Railway Signallers with the P&T Telegraphists. (Para 116)

357. The feasibility of establishing uniform incentive rates in the Railways and P&T for Railway Signallers and P&T Telegraphists for performance beyond the prescribed norms may be considered by the Government. (Para 118 and 119)

358. In view of the relatively small cadre of Wagon Movement Inspectors, Government should examine the question of merger of this cadre with that of Transportation Inspectors or, in the alternative, treating these posts as ex-cadre posts. (Para 137)

359. There should be uniformity in respect of pay scales, grade structure and percentage distribution of posts between the cadre of Assistant Yards Masters and Yard Masters and those of ASMs and SMs to the maximum extent feasible. (Para 141)

360. On the analogy of upgradation of certain posts of Station Superintendents to gazetted grade, Yard Masters in charge of certain important marshalling yards, who have exceptionally heavy responsibilities,

should be given the same scale, which has been suggested for the gazetted Station Superintendents. (Para 142)

361. There is a case for raising the age limit as well as the quota of Switchmen for promotion as Assistant Station Masters. (Para 155)

362. The demand for equal scales of pay for Second Firemen and First Firemen on the ground of identical nature of duties and responsibilities is rejected. (Para 170)

363. The existing classification of Drivers and Guards with reference to the type of trains worked may continue. (Para 173)

364. The demand for Motormen for parity with the Drivers Grade 'A', on the basis of responsibilities is rejected. (Para 174)

365. *Status quo* in regard to rates of running allowance should be maintained, especially as no increase has been recommended in the existing rates of daily allowance. On the other hand, some reduction has been suggested in the rates of daily allowance where free accommodation is provided. (Para 187)

366. It is not administratively expedient to recommend different rates of remuneration for running staff working on electrical, diesel and steam locomotives. (Para 188)

367. For the supervisory categories, such as Loco Foremen, some posts should be allotted the grade of Rs. 840—1040 on the basis of their worth.

Wherever Ministries are required to supervise highly skilled Grade I workmen as a general rule or, wherever the promotion to the grade of Ministries is made from highly skilled Grade II workers, their scale of pay should be Rs. 380—560. (Para 205)

368. Maintainers should, as at present, continue on the same scale of pay as applicable to workshop staff recommended *vide* Chapter 19. (Para 205)

369. The recruitment practice in the S&T department may be reviewed with a view to elimination of direct recruitment at successive levels, if necessary, by initiating training courses. (Para 229)

370. A separate 'call duty allowance' for S&T Maintainers is not justified. (Para 231)

371. The demand for increase in the existing rates of out-turn allowance for Wireless Operators is not accepted. (Para 237)

372. The demand of the Wireless Operators regarding special pay on the lines of Signallers working on the teleprinter service is rejected. (Para 238)

373. There is no case for grant of high tension allowance for employees working on over-head lines. (Para 243)

374. There is also no case for grant of break-down allowance for the traction distribution staff who are required to attend to break-down on over-head electrical equipment. (Para 244)

374-A. Regarding different scales of pay of Stores Issuers, Stores Distributors and Material Checkers on different zonal railways, there is need for removing

disparities in pay scales as between Railways for performance of identical duties. (Para 251)

375. The feasibility of filling up of posts of Chief Cashiers by officers of the Indian Railway Accounts Service may be considered by the Government. The Accounts Officers in the senior scale should be given a special pay of Rs. 150 per month when holding the post of a Chief Cashier. (Para 270)

376. The demand of the Cash Clerks, Cashiers and Shroffs for eligibility to appear in Appendix II-A and Appendix III-A examinations deserves to be considered. (Para 280)

377. The demand of Appendix III-A qualified staff for reservation of certain percentage of vacancies of Sub-Heads for their promotion is not reasonable. (Para 285)

378. The demand of the Sub Heads that a certain percentage of vacancies of Accountants should be reserved for unqualified Sub Heads is not tenable. (Para 287)

379. In view of the large number of Appendix III-A qualified staff awaiting promotion as Accountants for long periods, Government may consider the desirability of holding the Appendix III-A examination at greater intervals, modifying the incentive system, raising the standards of the examination and reviewing the standards for creation of posts. (Para 289)

380. The principle of a special pay to the staff deployed in the Special Intelligence branch of the RPF is approved. No increase is, however, recommended in the rates of out-fit allowance for these staff in view of the special pay recommended. (Paras 310 & 312)

381. Existing rates of special pay for the Armourers in the Armed Wing of the RPF may continue, as at present. Government may also examine the need for granting special pay to specialised trades in the Armed Wing of the RPF. (Para 314)

382. Pay and grade structure of Operational branch of the Fire Service Wing should conform to the general pattern recommended for the other Wings of the RPF. (Para 319)

383. Government should ensure a certain degree of continuity and stability in postings of Personnel Officers. Personnel Officers should be given adequate training in personnel and labour welfare matters. (Para 323)

384. It would be desirable to earmark a substantial percentage of vacancies of Assistant Personnel Officers (Class II) for the Personnel Department staff, the balance being shared by other departments/categories who do not have a regular avenue of promotion to Class II posts. (Para 324)

385. The question of forming a unified cadre of Welfare, Personnel and Hours of Employment Inspectors may be examined. (Para 330)

386. Government should consider the question of granting advance increments to employees having specialist qualifications in industrial relations and labour welfare, if such qualifications are considered desirable.

387. Government should also examine the desirability and feasibility of having intermediate recruitment of persons with Degree/Diploma in Industrial Relations and Labour Welfare, with suitable age relaxation for serving employees having these qualifications. (Para 331)

388. We suggest that Government may consider the desirability of introducing intermediate recruitment as a regular measure for filling up a proportion of posts of Statistical Inspectors in the proposed grade of Rs. 550—750. (Para 335)

389. Appointment of an expert departmental committee to rationalise the existing number of designations in the Railways is suggested, so that remuneration is fixed with reference to the duties and responsibilities of a post and its designation correctly reflects the attendant functions and duties. (Para 339)

390. A comprehensive review of the existing system of grade-wise percentage distribution of posts is suggested with a view to rectifying anomalies. (Para 341)

391. In connection with the problem of medically de-categorised employees, it is suggested that :—

- (i) the occupations or grades in which medically de-categorised personnel are absorbed, should be further widened, if necessary, by arranging re-orientation courses or further training;
- (ii) the medically de-categorised personnel who cannot be offered alternative employment should be given invalid pension and, if necessary, liberal *ex-gratia* terminal payments, in addition;
- (iii) no medically de-categorised personnel should as far as possible, be forced to remain on extraordinary leave due to administrative delays. (Para 350)

392. The recommendations made by the Railway Labour Tribunal, 1969, regarding Hours of Employment Regulations need to be reviewed in the light of the following :

- (a) Existing principle of 'averaging' for working out the over-time hours is considered salutary. (Para 352)
- (b) Over-time allowance may be paid at time rate for the intervening period between the rostered hours and the statutory limits and at 1½ times the normal rate for the period worked beyond the statutory limit as laid down in the Indian Railways Act. (Para 353)
- (c) The categorisation of 'essentially intermittent' workers for purposes of rostered hours of work with reference to availability of official accommodation within a stipulated distance of 0.5 km from the place of work is likely to create many practical difficulties. [Para 354(a)]
- (d) The existing rules regarding 'travelling spare on duty' appear to be reasonable.

- (e) The shifting of the onus for giving notice for relief from the Running Staff to the Railway administration may create practical difficulties. [Para 354(c)]

Ministry of Shipping and Transport (Chapter 37)

393. The designation of the post of Chartering Officer in the pay scale of Rs. 1300—1600 should be suitably changed to distinguish it from other posts of Chartering Officer in the pay scale of Rs. 1100—50—1400. (Para 3)

394. The cadre of Engineer Supervisor should be merged with that of Assistant Engineer. (Para 11)

395. The cadres of Engineering Assistant and Overseer in the Department of Lighthouses and Lightships should be merged and redesignated as Junior Engineer. (Para 15)

396. The posts of 'B' grade-Light Keeper should be filled by promotion of Class IV staff. The cadres of Head Light Keeper (Junior scale) and Assistant Light Keeper (Senior scale) should be amalgamated and suitably designated. 25 per cent of the permanent posts of Head Light Keeper (senior scale) should be placed in a Selection Grade. (Para 20)

397. Class IV staff in the scale of Rs. 185—220 should be paid a hardship allowance of Rs. 10 per mensem while working in the Light Houses situated away from mainland. For other staff working in such Light Houses, Government should consider grant of suitable allowance. (Para 21)

398. The post of Principal Officer, Mercantile Marine Department, Madras should be placed in the same scale as Principal Officer, Calcutta and Bombay. (Para 28)

399. In Andaman and Laccadive Harbour Works the cadres of Engineering Assistants and Supervisor should be merged. (Para 42)

400. Ten per cent of the posts of Civilian Officer Grade I in Border Roads Organisation should be placed in a Selection Grade. (Para 51)

401. GREF Pioneers should be paid dearness allowance at full rates in future. (Para 54)

402. For purposes of grant of Project Allowance, the qualifying areas should be classified into two categories 'Construction Project' and 'Maintenance Project'. While in the former both special Compensatory Allowance and free rations should be admissible, in the latter only special Compensatory Allowance should be admissible. (Para 55)

Ministry of Steel and Mines (Chapter 38)

403. A distinction has been drawn between Senior Technical Assistant of the Scientific stream (geophysics and geophysics instrumentation) for whom an M.Sc. degree has been prescribed and the Senior Technical Assistant (Geophysical Workshop) who is in the Workshop stream and is promoted from Foreman and Technical Assistant (Geophysical Workshop). The former has been placed on par with other Senior Scientific Assistants and recommended the same scale 10—1MofFin/73

as proposed for this category in the Chapter on Scientific Services. As for the latter, they should seek their relativity or parity with the workshop category and have recommended likewise. To avoid any confusion the Senior Technical Assistant (Geophysical Workshop) may be designated as Senior Foreman. To maintain this existing internal parity 20 per cent of the posts of Senior Technical Assistants (Geophysical Workshop) should be on the higher scale of Rs. 700—900. (Para 17)

404. The Senior Technical Assistants in the scientific branches of the GSI should be brought to the level of Senior Scientific Assistants elsewhere and their pay scale should be Rs. 550—900. The pay of Senior Technical Assistants in the mining branch should, on the other hand, conform to what has been generally recommended for the comparable level in engineering categories *i.e.* the scale of Rs. 550—750. However, in order to maintain the existing internal parity with Senior Technical Assistants in the scientific branch, 20 per cent of these posts should be in the scale of Rs. 700—900. (Para 20)

Ministry of Tourism and Civil Aviation (Chapter 39)

405. A substantial percentage of posts of Assistant Aerodrome Officer should be upgraded as Aerodrome Officer and some of the posts of Aerodrome Officer should be upgraded as Senior Aerodrome Officer. (Para 6)

406. There should not be any direct recruitment to the posts of Assistant Aerodrome Officer. Government should consider whether there should be direct recruitment up to 50 per cent to the posts of Aerodrome Officer. (Para 6)

407. There should be direct recruitment at the level of Aircraft Inspector only. Direct recruitment at the level of Senior Aircraft Inspector should be resorted to, only if suitable Aircraft Inspectors are not available for promotion. (Para 7)

408. A flying allowance, to be known, as flying bounty should be paid to both Pilot and Co-pilot. (Para 14)

409. Government should consider making Licensed Engineers eligible for promotion to the posts of Senior Aircraft Inspectors. (Para 17)

410. Directly recruited Assistant Aerodrome Officers should be paid full pay scale of the post during the period of training. (Para 30)

411. A certain number of posts of Assistant Director in the Department of Tourism should be upgraded to junior Class I scale of pay which should be filled up to 50 per cent by direct recruitment. Further direct recruitment to the grade of Director should be reduced from 66 2/3 per cent to 50 per cent of the posts. The posts of Assistant Director in the Class II scale should be filled entirely by promotion of Information Assistants. The Assistant Director in the Class II scale should be promoted to the post of Assistant Director in the junior Class I scale and not to the post of Director. (Para 34)

412. The posts of Assistant Meteorologist should be filled by promotion only from Professional Assistants. (Para 43)

413. The employment of scientific staff on purely administrative duties and the promotion of non-scientific staff to the scientific posts in the India Meteorological Department is not a satisfactory arrangement and should be looked into. (Para 47)

Ministry of Works and Housing (Chapter 40)

Central Public Works Department

Workcharged staff

414. The 10 scales of pay applying to the unskilled, semi-skilled, skilled and highly skilled categories of the workcharged-staff should be broadbanded and revised on the lines prescribed in the Chapter on Workshop staff (Chapter 19). (Para 8)

415. The Lift Operators cannot be reasonably equated with either the Assistant Pump Operators or the Pump Operators in the CPWD. However, in view of the fact that Lift Operators come constantly into contact with the public, and further, since they do not have much of a promotion avenue, they should have a better scale than at present. (Para 11)

Town & Country Planning Organisation

416. Considering the importance in Town Planning, the scale of Chief Planner which is today lower than the pay of a Chief Engineer in the CPWD, has been improved. (Para 20)

Department of Science and Technology (Chapter 42)

417. For purposes of promotion within the Class I cadre of the Survey of India the Civilian and the army components should be treated as separate cadres. (Para 17)

418. Direct recruitment to Class I Junior grade of Deputy Superintending Surveyors should be resumed without delay from among civilians. (Para 17)

419. The number of grades in the Division II establishment should be reduced and instead of four there should be only two grades. (Para 22)

420. In the Division I establishment the grades of Surveyor Grade I and Surveyor Grade II should be merged into a single grade. (Para 24)

Department of Supply (Chapter 43)

421. The ordinary and selection grades of Directors in Indian Supply Service and Indian Inspection Service should be merged. (Para 3)

422. The cadre of Technical Assistant should be merged with that of Examiner of Stores. (Para 7)

423. Head Clerks in the Inspection Wing of Directorate General of Supplies and Disposals should be placed in the same scale of pay as Superintendents in the Supply Wing. (Para 10)

Cabinet Secretariat (Chapter 44)

424. The work done in the Directorate of Revenue Intelligence is comparable with the work in the Central Bureau of Investigation. This should determine the approach to special pays. The special pay of Income Tax, and Customs and Central Excise Officers on deputation to the Revenue Intelligence Organisation should be at the rate of Rs. 200 per month. (Para 13)

Ministry of Petroleum and Chemicals (Chapter 45)

425. The difficulties now experienced by the Ministry in recruiting and also retaining suitable men for the posts of Chief Project Officer and Chief of Exploration are not likely to be solved by marginal adjustments of the pay scales. The best solution would be to offer contract appointments on terms to be determined on the merit and availability of the individuals concerned. The recommended scales of pay for these posts are subject to this qualification. (Paras 5 and 6).

Union Territories (Chapter 46)

426. The Union territories of Delhi, Goa, Pondicherry, Andaman & Nicobar Islands, Laccadive, Minicoy and Amindive Islands and Dadra & Nagar Haveli are already following the Central pattern of pay and allowances. This arrangement should continue. (Para 4)

427. The present linkage of Chandigarh employees with Punjab scales of pay and allowances be continued. (Para 5)

428. It is not considered worthwhile to make recommendations regarding the pay and allowances of the employees of Arunachal Pradesh and Mizoram Administrations. If the employees and the Administrations of these Union Territories express a preference for Central pay scales after the pay scales in other Union territories and the Assam pay scales have been revised, a departmental committee could review the whole position and suggest for posts in Mizoram and Arunachal Pradesh the adoption of one or other of the standard scales introduced on our recommendations. (Para 9)

429. Where the scheme of revised scales has been recommended in broad terms, the detailed application should be done after some further examination. (Para 10)

430. The position should be reviewed to identify posts in the headquarters of the Island UT Administrations which could be placed in the scale of Rs. 425-700. (Para 16)

431. A review may be undertaken in Dadra & Nagar Haveli and if any post carries definite supervisory responsibility over clerical staff, it should be allowed the scale of Rs. 425-600. (Para 18)

432. In the Andaman & Nicobar Islands, some posts of stenographer attached to senior officers like Chief Secretary, Secretaries and Heads of Departments, should be allowed the scale of Rs. 425-700. (Para 22)

433. Telephone Operators should preferably belong to the clerical cadres. (Para 25)

434. In Andaman & Nicobar Administration, either 10 per cent of the posts of driver on the scale of Rs. 110-155 and Rs. 110-139 may be placed in the Selection Grade of Rs. 320-400 or if it is possible, the posts of drivers of heavy vehicles should be segregated and placed on the scale of Rs. 260-400. (Para 31)

435. The recommendations made in respect of teaching posts under the Delhi Administration should be applied to the corresponding posts in the other Union territories also. (Para 42)

436. Non-practising allowance should be admissible to doctors on the same rates and subject to the same

conditions as recommended for non-C.H.S. posts in the Government of India. (Para 54)

437. Qualification allowance of Rs. 100 p.m. for possessing a post-graduate degree and Rs. 50 p.m. for possessing a post-graduate diploma should be admissible on all the medical posts. (Para 56)

438. Twenty per cent of the posts of health visitor in the various Union territories be placed in a Selection Grade of Rs. 425-640. (Para 60)

439. There should be a Selection Grade for the constables, in the grade of Rs. 225-308. (Para 71)

Union Territories—Contd. (Chapter 47)

440. The number of Selection Grade posts in the Delhi Judicial Service should be raised from 10 per cent to 20 per cent of the permanent strength. (Para 14)

441. Government should review the provisions regarding the grant of travelling allowance to Patwaris and others working in the Revenue Department. Provisions like the payment of fixed allowance to Patwaris for purchasing articles of stationery and undergoing training at their own expense at the time of promotion as Kanugo should also be reviewed. (Para 23)

442. Provision of a Selection Grade on the scale of Rs. 330-560 should be considered for the Village Level Workers in such of the Union territories where promotion prospects are not adequate. (Para 48)

443. Ten per cent of the posts of Mahout in Andaman & Nicobar Islands Administration should be placed in the Selection Grade of Rs. 260-350. (Para 71)

444. The proposal for a compensatory allowance in Goa has to be considered within the frame-work of the scheme of C.C.A. and not on any special footing. (Para 85)

445. Increments admissible under normal rules at the time of promotion should not be absorbed in personal pay of the ex-Portuguese employees so that promotion results in an increase in emoluments. (Para 86)

446. Another option should be allowed to the ex-Portuguese employees who have opted for the old Portuguese rules regarding pensionary benefits, if Government are satisfied that these employees exercised their option without full knowledge of its implications. (Para 87)

447. In Pondicherry, the cases of any incorrect equation may be reviewed so that full benefit of the corresponding revised scales becomes available to such employees. (Para 89)

448. Pensionary contributions @ 8 per cent of pay made by ex-French permanent employees in Pondicherry may either be refunded to them or credited to their Provident Fund on their coming over to the Central Pension Rules. (Para 90)

449. In Andaman & Nicobar Islands the rate of compensatory allowance should be increased from 7½ per cent to 12½ per cent subject to the maximum of Rs. 150 per month. The rates of special allowance should, however, be reduced by 5 per cent in the different areas. The revised rates of compensatory and special allowances should also apply to the officers of the DANI Civil and Police Services and the UT Cadre of all-India Services. (Paras 94 & 95)

450. Dependent parents should be included within the definition of 'family' for purposes of free sea passage. (Para 98)

451. While the temporary character of allowances like compensatory allowance and special allowance and concessions regarding accommodation etc., may be brought out in the Government orders issued on the subject, no specific date need be mentioned after which the matter has to be necessarily reviewed. (Para 99)

452. The cases of industrial workers serving in the departments of the Andaman & Nicobar Islands Administration on regular operational jobs should be reviewed and these posts brought on to regular establishment where justified. (Para 100)

453. A compensatory allowance @ 10 per cent of pay subject to a maximum of Rs. 150 per month should be admissible to all employees serving in the Laccadives including local recruits posted in the native Islands. Simultaneously, the rate of special allowance should be reduced from 40 per cent to 35 per cent of pay subject to a maximum of Rs. 400 per month. (Para 102)

Our Approach to Armed Forces' Pay (Chapter 49)

454. The job evaluation technique can be used with advantage for ensuring a more rational allocation of trades within the different pay groups derived for the personnel below officer rank. (Para 14)

455. The present structure of pay with the allowances and benefits in kind should continue for personnel of the Armed Forces. The concept of 'all-in' military salary with provision for deduction for ration and quartering charges as now prevalent in the U.K. is not considered suitable. (Para 15)

456. The most practicable and equitable method for determining the Service pays should be on the basis of fair comparison with the rates of pay fixed for the civilian employees of the Central Government. (Para 17)

Service Officers' Pay (Chapter 50)

457. The existing relativity between Service officers and officers of the Class I and the Indian Police Service should be continued as provide a better framework for a broad comparison than any single Service like the Indian Administrative Service. (Para 9)

458. Factors affecting Service officers generally should be compensated for in the pay itself, unless there is considerable variation as between one group of officers and another. The Special Distribution Allowance which is being granted to all Service officers up to and including the rank of Brigadier should, therefore, be abolished, the existing rates of this allowance being taken into account while framing the new scales of pay. (Para 11)

459. Taking into account the Special Disturbance Allowance admissible hitherto, the starting salary of Commissioned officers should be higher than in the civilian Class I Services. (Para 18)

460. The existing salaries prescribed for officers of the rank of Major General and above in the three Services should be continued. (Para 26)

461. Although a differential in pay in favour of the officers of the Flying Branch should be continued, the

existing lead should be somewhat reduced, with the substantial improvement in the starting salaries of all Service Officers and the increase in the rates of Flying Bounty. (Para 31)

462. It would be advantageous to consider ways and means for providing opportunities to Service doctors to improve their professional skill so that they do not get the feeling of being isolated from the mainstream of developments occurring in the profession. (Para 36)

463. The pay scales of AMC officers should be determined with due regard to the existing favourable differentials *vis-a-vis* the officers of the general cadre as also the pay scales for the medical services on the civil side. (Para 36)

464. The existing rates of Specialist Pay should be continued for officers of the Army Medical Corps. (Para 38)

465. The existing relativities between officers of the AMC and the ADC should be continued. (Para 42)

466. The rates of Non-Practising Allowance should be related to the rank in the case of medical and dental officers as under :—

Army Medical Corps Rs. p.m.	Army Dental Corps Rs. p.m.
Lieutenant	200 175
Captain	250 250 up to 7 years' Commissioned Service
	400 Captain with more than 7 years and higher ranks.
Major	400
Lieutenant Colonel and above	600

(Paras 40 & 44)

467. The existing parity between pay scales for Army Veterinary Officers and scales of pay of officers of the Army Dental Corps should continue. (Para 45)

468. Officers of the Military Nursing Service should be provided with comprehensive rates of pay, dispensing with the provision of free services as regards accommodation, allied services, mess servants, etc. (Para 50)

Pay Structure of Personnel below Officer Rank (Chapter 51)

469. Inter-Service uniformity in pay scales based on different levels of skills can be considered only after a systematic evaluation of the Service jobs is completed on the basis of a common job evaluation plan acceptable to each of the three Services. (Para 5)

470. The present practice of establishing equation between the infantry soldier and an industrial workman is the most reasonable. (Para 9)

471. The relativity in favour of the fully trained infantry soldier should be improved and he should appropriately be placed somewhere between the semi-skilled workmen and those categorised as skilled. (Para 12)

472. The deduction of a notional amount representing the anticipated amount of saving to the soldier on account of the provision of free services like food, clothing and accommodation should continue to be made. A deduction of the order of 20 per cent on this account would be fair and reasonable. (Para 14)

473. The dearness allowance and city compensatory allowance should be allowed to the Servicemen at full rates. (Para 15)

474. Compensation for 'X' factor, to represent the average degree of hardship, turbulence, hazards, etc. inherent in Service life should be taken into account while fixing the soldier's pay. An element equal to 5 per cent of the pay would be reasonable for this purpose. (Para 17)

475. The fully trained infantry soldier should now be viewed as equivalent to the Leading Aircraftman of Group V with a small differential in favour of the Able Seaman of Group C considering the relatively greater hardship inherent in sea life. (Para 20)

476. The Army should have 5 pay groups. The existing groups A, B and C should continue without any change, while the existing D, E and F should be amalgamated into one group and G and H into another group. The Air Force should have 4 pay groups, the existing III and IV being combined into one. No change need be made in the case of Navy. (Paras 23 & 25)

477. The Army personnel below Junior Commissioned Officers should now be brought over to regular pay scales for each rank as in the Navy and the Air Force, with an appointment pay at the rates specified for the various appointments interspersed between the various ranks in the Army. (Paras 29 & 36)

478. The existing system of classes within each pay group for the sepoys and Non-Commissioned Officers in the Army should be continued even after the provision of regular scales of pay for them. (Para 31)

479. The existing allocation of trades into the various pay groups should not be disturbed except for reallocation consequential to the rationalisation of pay groups in the Army and the Air Force. Reallocation of Service trades to various pay groups should follow the comprehensive and scientific enquiry into the content of Service jobs by a composite team of experts in this line. (Paras 33 & 34)

Allowances and Benefits of Service Officers (Chapter 52)

480. The existing concession of recovery of rent for unfurnished accommodation and concessional rates of recovery of water and electricity charges need not be withdrawn. So long as these concessions are continued, they should be extended to officers of the rank of Major General and above also. (Paras 5 & 6)

481. The initial outfit allowance should be raised to Rs. 1400 for the Army and Air Force officers and to Rs. 1600 for Naval Officers. No change need be made in the rates of renewal outfit allowance. (Para 9)

482. The rate of outfit allowance to MNS officers should be raised from Rs. 600 to Rs. 700 and a renewal outfit allowance of Rs. 500 after every 7 years of service should also be provided to them. (Para 10)

483. The rates of uniform allowance for MNS (Local) officers should be enhanced to Rs. 250 on appointment and to Rs. 375 at specified cold stations. (Para 11)

484. The need for continuing the Kit Maintenance Allowance should be reconsidered by exploring the possibility of providing an alternative of allowing the deduction of a reasonable amount from the annual income, assessable to income-tax. Pending this, the existing rate of Kit Maintenance Allowance of Rs. 50 for officers up to the rank of Brigadier should be continued. This allowance should also be extended to officers of the rank of Major General and above. (Paras 12 & 13)

485. The existing provisions relating to free ration and accommodation on posting to field service areas should continue. These concessions should not be extended to Naval Officers serving afloat when the ship is in the home port. (Para 15)

486. While the Separation Allowance should continue, there is no case for increasing the existing rate of this allowance. (Para 19)

487. There is no need for the grant of a new field service allowance. (Para 21)

488. The High Altitude and Uncongenial Climate Allowance should be enhanced to Rs. 175 per mensem for Major, Rs. 125 per mensem for Captain and Rs. 100 per mensem for Subaltern, respectively. Officers of the Military Nursing Service should also be allowed this allowance at the same rates. (Para 22)

489. There is not much justification for providing an addition to pay for acquiring higher qualifications while an officer remains on duty and draws his full pay and allowances. The existing system of Qualification Pay should be abolished as soon as possible and replaced by a system of Qualification Grants. (Paras 26 & 28)

490. No Qualification Grant should be admissible to officers merely for obtaining the membership of a professional institute without having to pass any examination or obtaining any additional qualification for that purpose alone. (Para 28)

491. While Flying Bounty should continue as annual allowance, the condition of flying the prescribed number of hours during a year for entitlement to flying bounty should be removed and flying bounty admitted only on the basis of the certificate of the Commanding Officer. The rate of flying bounty should be Rs. 4500 per annum for officers up to the rank of Wing Commander, Rs. 4000 per annum for officers in the rank of Group Captain and Air Commodore, and Rs. 3600 for Air Vice Marshal and Air Marshal. (Paras 35 & 36)

492. The Air Observation Post Pay should be redesignated as Flying Allowance in all the three Services. The rate should be revised from Rs. 50 to Rs. 75 per mensem. (Paras 37 & 38)

493. Submarine Allowance should be continued at the existing rates. (Para 39)

494. The rate of Submarine Pay should be enhanced to Rs. 275 per month for all officers of the submarine cadre including the Sub-Lieutenant. (Para 41)

495. The Diving Allowance should be revised to Rs. 100 per month for Clearance Diving Officers and Deep Diving Officers and Rs. 50 per month for Ship's Diving Officers. The normal rate of dip money should be revised to rates varying, depending upon depth, from 10 paise per minute to 70 paise per minute. The Clearance Diving Officers should be paid Dip money at twice the normal rate and Deep Diving Officers and Ship's Diving Officers at normal rates. (Paras 42 & 43)

496. Hardlying Money should not be paid on all classes of snips. The full rate of Hardlying Money should be increased to Rs. 45 per month for officers in the rank of Lieutenant and above and Rs. 35 per month for officers below Lieutenant's rank. (Para 44)

497. Survey Allowance at present admissible to officers of the Executive Branch employed on survey duties for short spells should be discontinued. Survey bounty should be enhanced to amounts varying between Rs. 1000 and Rs. 2000 per annum. (Paras 45 & 46)

Allowances—Personnel below officer rank

498. Compensation in lieu of quarters should be enhanced to amounts varying from Rs. 35 to Rs. 80 for Class I cities, Rs. 25 to Rs. 65 for Class II cities and Rs. 20 to Rs. 60 for Class III cities, reclassification of cities being made as under:—

Class I	to include existing A, B1 and B2 cities.
Class II	to include 'C' Class cities or towns
Class III	to include all other cities or towns

(Paras 55 & 57)

499. There is no need for providing Special Disturbance Allowance for the personnel below officer rank specially after an element is included in their pay on account of the 'X' factor. (Para 58)

500. Special Compensatory Allowance should be revised to amounts varying from Rs. 15 to Rs. 35 for personnel below officer rank of the Army and Air Force. This allowance should not be extended to cover any station in a peace area. (Paras 61 & 63)

501. The rates of High Altitude and Uncongenial Climate Allowance should be revised as under:

Honorary Commissioned Officers, JCOs including Flight Sergeants.	Rs. 90 per mensem.
NCOs	Rs. 70 per mensem.
Sepoys and Aircraftsmen, and Non-Combatants enrolled.	Rs. 50 per mensem.

(Para 65)

502. The rate of Flying Bounty for personnel below officer rank serving as aircrew in the Navy and Air Force should be revised to Rs. 2250 per annum. (Para 66)

503. The system of Qualification Pay or Grant for the personnel below officer rank should not be introduced. (Para 67)

504. The rate of Subsistence Allowance in respect of families of other ranks should be enhanced to Rs. 60 per mensem. (Para 68)

505. The rate of Outfit Allowance for Junior Commissioned Officers granted Honorary Commission should be increased from Rs. 600 to Rs. 800.

(Para 69)

506. Additional prescribed items of Kit should be provided at Government expense to Non-Commissioned Officers who are promoted as Junior Commissioned Officers.

(Para 70)

507. The initial grant for purchasing items of civilian clothing should be enhanced from Rs. 20 to Rs. 25.

(Para 71)

508. Conveyance Allowance for Servicemen using cycles should be paid at flat rate of Rs. 5 per month.

(Para 72)

509. It does not appear necessary to make changes in regard to Good Service Pay in the Services.

(Para 75)

510. The Master Chief Petty Officers should be entitled to Submarine Allowance at the daily rate of Rs. 2.

(Para 76)

511. The rates of Submarine Pay should be revised to amounts varying between Rs. 100 and Rs. 175 per mensem for personnel below officer rank of the submarine branch.

(Para 77)

512. The rates of Survey Bounty should be enhanced to amounts varying between Rs. 300 and Rs. 700 per annum.

(Para 78)

513. The rates of Diving Allowance for Clearance Divers Classes 1, 2 and 3 should be enhanced to Rs. 75, Rs. 65 and Rs. 55 per month respectively. Deep Sea Divers should also be paid Diving Allowance at the rate recommended for Clearance Divers. For Ship's Divers, the rate of Diving Allowance should be increased to Rs. 50 per month.

(Para 79)

514. Dip Money to the Sailors should be paid at the rates as recommended for the Naval Officers.

(Para 79)

515. The rates of Hardly Money should be revised to accord with the revised rates of the Special Compensatory Allowance admissible to Army and Air Force personnel.

(Para 80)

Non-effective benefits for Service Officers and Personnel below Officer Rank (Chapter 53)

516. The grant of pension should be so regulated so as to enable Servicemen to earn full pensions at a relatively younger age compared to the civilians.

(Paras 4 & 8)

517. The length of service beyond a point should not be allowed to influence pension rates in the Services as that would induce personnel to stay on in service to earn higher pensions even after they have ceased to be useful.

(Para 4)

518. An element of compensation in the pension rates should be provided explicitly to cover early retirement in Service interest.

(Para 4)

519. The existing system of standard rates of retiring pensions related to rank and prescribed length of qualifying service should continue.

(Para 8)

520. The rate of earning pension should be the same as for civilians, viz. 1/80. Compensatory element for truncated career should be provided (i) by adding to

the period prescribed for earning pension of the rank, a period of 5 years for officers retiring in the ranks of Brigadiers and below, with an extra year for officers retiring in the rank of Major and 2 years in the rank of Captain and below and (ii) by assessing pension on the basis of maximum pay of rank.

(Para 13)

521. For senior officers, the pension should be determined on the basis of reasonable differentials.

(Para 13)

522. Recommendations on the DCR Gratuity Scheme on the civil side should apply to the Service Officers also.

(Para 16)

523. The amount of retiring gratuity prior to reduction for DCR Gratuity should be enhanced to Rs. 12,000 for 10 years' service and to Rs. 1200 for each additional year of service. In the case of MNS officers, the rate should be enhanced to Rs. 600 for each completed year of service. Deduction for DCR Gratuity should continue to be made at existing rates.

(Para 17)

524. Deduction for shortfall in qualifying service should continue to be made at existing rates from the amount of Disability Pension.

(Para 20)

525. The amount of disability element should be increased to Rs. 200 for 100 per cent disablement with a minimum of Rs. 40 for 20 per cent disablement. For officers of MNS, the amount of disability element should be Rs. 170 for 100 per cent disablement and Rs. 34 for 20 per cent disablement.

(Para 21)

526. Officers invalided out of service for less than 20 per cent disability attributable to service should be given the Service element of disability pension, without addition of any amount as a disability element.

(Para 22)

527. The rate of Constant Attendance Allowance should be enhanced to Rs. 60 per month.

(Para 23)

528. Invalid pension should be determined at the flat rate of 75 per cent of the service element of disability pension.

(Para 24)

529. The Ordinary Family Pension Scheme for Service officers should continue to be based on the corresponding scheme on the civil side. For Special Family Pension also the Extraordinary Family Pension Scheme on the civil side should be adopted for the Service officers.

(Para 25)

530. The existing percentages should be applied to the Extraordinary Pension admissible to the widows in working out pensions admissible to parents. The rate of pension for each brother or sister in the absence of parents should be raised to Rs. 50 per month, the ceiling being 50 per cent of the Extraordinary Family Pension admissible to the widow.

(Para 29)

531. The existing provisions relating to the 'means limit' and the 'support limit' in the case of Dependants' Pension should be reviewed.

(Para 30)

532. The rate of Children's Allowance should be increased to Rs. 600 per annum per child if the mother is alive and Rs. 900 per annum per child in the case of motherless children.

(Para 31)

533. The limit for reimbursement of the actual expenses incurred on the education of children of a deceased officer should be raised to Rs. 50 per month per child.

(Para 32)

534. Entitlement to pension should continue to be for the minimum qualifying service of 15 years. (Para 39)

535. Pension of personnel below officer rank should be calculated by applying the formula of 1/80th of emoluments but weightage of 5 years should be added to the prescribed length of qualifying service, subject to the total length of service reckonable for pension not exceeding 33 years. (Para 43)

536. For calculating the emoluments for pension, the maximum pay of the scale, good service pay (and class pay in the Army) and the notional home saving element should be taken into account. For this purpose the following amounts will be taken as the notional home saving elements for the various ranks :

	Rs.
Sepoy	47.25
Naik	50
Havildar	55
Naib Subedar	70
Subedar	80
Subedar Major	85

(Paras 44 & 45)

537. DCR Gratuity should be provided as per the provisions applicable to the civilian employees. (Para 46)

538. Reservists who do not earn a pension should be paid an enhanced reservist fee of Rs. 30 per mensem. (Para 52)

539. The rates of disability element of the Disability Pension for 100 per cent disablement should be enhanced for the various ranks, ranging from Rs. 45 for the sepoy, Rs. 60 for the Non-Commissioned Officers, Rs. 110 for Junior Commissioned Officers and Rs. 170 for officers granted Honorary Commission. (Para 53)

540. In the case of personnel who are invalided out of service with a disability of less than 20 per cent attributable to service, the service element of disability pension should be allowed. (Para 53)

541. The rate of Constant Attendance Allowance should be enhanced to Rs. 45 per month. (Para 54)

542. The provisions relating to Ordinary Family Pension and Special Pension prescribed for civilians should continue to apply to the ordinary and special family pensionary awards of personnel below officer rank. (Para 56)

Dearness Allowance (Chapter 55)

543. The supply of essential commodities to Central Government employees at subsidised rates is not a feasible proposition. A periodical revision of pay as compensation for rise in prices would also be a highly cumbersome process. The employees should, therefore, continue to be compensated for the increase in prices by the grant of dearness allowance. (Para 4)

544. Dearness Allowance should be treated as a compensation to the wage earners and salaried employees against a possible rise in prices over the index level to which the pay structure is related. (Para 5)

545. The All India Average Consumer Price Index Number for Industrial Workers (General) with 1960 base published by the Labour Bureau should be adopted for the purpose of granting dearness allowance to Central Government employees in future. (Para 6)

546. The existing formula whereunder the changes in the cost of living are measured in terms of changes in a fixed number of points over a period of 12 months should continue. However, adjustments in dearness allowance should be made when the 12-monthly average of the index (1960 = 100) changes by 8 points. (Paras 7 & 8)

547. Government should not be bound to automatically sanction an increase in dearness allowance according to any given formula even when the circumstances require that restraint should be exercised on wages and incomes. However, in case a policy of restraint on wages and incomes is adopted, it should not be confined to Government employees alone but should cover the entire organised sector. (Para 9)

548. The various categories of employees should be brought within the purview of the scheme of dearness allowance in the following manner :—

Rise in prices over the base period (12-monthly average of 200 points of the index with 1960 base) adopted for devising the pay structure	Employees to be covered
(1) For the price rise of first 8 points in the 12-monthly average of the 1960 base index.	(1) All employees drawing revised pay up to Rs. 900 per mensem with suitable marginal adjustments.
(2) On the index average rising by 16 points.	(2) Employees at (1) above plus all employees drawing revised pay up to Rs. 1600 per mensem with suitable marginal adjustments.
(3) On the index average rising by 24 points.	(3) Employees at (1) and (2) above plus all employees drawing revised pay above Rs. 1600 and up to Rs. 2250 per mensem with suitable marginal adjustments.

When employees in any of the higher pay ranges are initially brought within the purview of the dearness allowance scheme, the total amount of dearness allowance to be given to employees in that range should not be less than the amount admissible at the highest pay range for the category already covered by the dearness allowance scheme. When the index average rises above 24 points the various categories of employees should be covered by the dearness allowance scheme in the same manner as for the first rise of 8 points and the cycle should be repeated. The pay plus dearness allowance should in no case, exceed Rs. 2400 per mensem. (Para 14)

549. The dearness allowance should be granted as per the following formula in future :—

Pay range	Amounts of dearness allowance admissible for an increase of 8 points in the index average (1960=100)
Up to 300 (Rs. p.m.)	3½% of pay subject to a minimum of Rs. 7 and a maximum of Rs. 10 per mensem.
Above 300	2½% of pay subject to a minimum of Rs. 10/- per mensem and a maximum of Rs. 20/- per mensem.

(Para 15)

550. Should the price level rise above the 12-monthly average of 272 (1960 = 100), Government should review the position and decide whether the dearness allowance scheme should be extended further or the pay scales themselves should be revised. (Para 16)

551. The question whether a portion of dearness allowance should be treated as pay for specified purposes should continue to be decided by the Government having regard to various considerations. (Para 18)

552. The payments on account of dearness allowance should be rounded off to the nearest 10 paise. Government may also consider whether a similar rounding off could be resorted to in respect of all the other cash payments made to Government employees. (Para 19)

Compensatory Allowances (Chapter 56)

553. I—Compensatory (City) Allowance

(i) The existing restriction that the place of duty of a Government employee should be within a distance of 8 kilometres of the municipal limits of a city for the purpose of determining his eligibility for C.C.A. should be relaxed. The allowance should be made admissible to all employees whose place of work falls anywhere within the 'Urban Agglomeration' of a city or town as adopted for the population Census of 1971. An 'urban agglomeration' should be treated as one unit of population for the purpose of determining the class to which the city belongs and C.C.A. at the rate recommended for that class be granted to all employees whose place of duty falls within the agglomeration. (Para 12)

(ii) The proposed rates of Compensatory (City) Allowance are as follows :

Class of city/town	Rate of C.C.A.
'A' Class	
Below Rs. 250	6½ per cent. of pay subject to a minimum of Rs. 12.
Rs. 250 and above	6 per cent of pay subject to a maximum of Rs. 75.
'B-1' Class	
Below Rs. 330	5 per cent of pay.

Class of city/town	Rate of C.C.A.
Rs. 330 and above	4.5 per cent of pay subject to a maximum of Rs. 50.
'B-2' Class	
Below Rs. 750	3.5 per cent of pay subject to a maximum of Rs. 10.
Rs. 750 and above	Amount by which pay falls short of Rs. 759.
'C' Class	
	No allowance.

(Para 13)

(iii) A city or town which for any special reason may be abnormally expensive but does not qualify for grant of Compensatory (City) Allowance on the basis of population, should be given special consideration on merits. (Para 14)

554. II—House Rent Allowance

(i) The Government should take houses on long lease and make residential accommodation available to its employees on payment of 10 per cent of their pay. (Para 29)

(ii) Government should lay down appropriate rates of house rent allowance for different cities and towns not on the criterion of population but on the basis of the prevailing levels of rent. Alternatively, notional rents for different types of accommodation meant for employees in specified pay groups should be laid down for different cities and towns. The difference between the actual rent paid and 10 per cent of the pay should be reimbursed provided the actual does not exceed the notional rent; where it does, the extent of reimbursement will be limited to the difference between the notional rent and 10 per cent of the pay. (Para 29)

(iii) Till the Government is able to make the above-mentioned arrangements the rates of House Rent Allowance should be as follows :

Class of city/town	Rate of House Rent Allowance (H.R.A.)
A, B-1 and B-2	15 per cent of pay subject to a maximum amount of Rs. 400 as house rent allowance.
C, Class	7½ per cent of pay subject to a maximum amount of Rs. 200 as house rent allowance.

(iv) Production and verification of rent receipts should be made compulsory in all cases. However, the employees who are at present drawing House Rent Allowance without production of rent receipts should be allowed this facility so long as they claim the same amount as House Rent Allowance as they are receiving at present. This concession should apply to fresh entrants also. (Para 29)

(v) In hill stations and unhealthy and remote localities where a house rent allowance is now admissible under special orders, it should continue to be paid. (Para 29)

(vi) Unlike Compensatory (City) Allowance, House Rent Allowance will not be admissible at the same rate as in the main city in areas covered by the Urban Agglomeration around it. (Para 30)

555. III—Housing Facilities

(i) The Government should redouble its efforts to built more houses. The houses meant for lower classes of employees should receive preference in the construction programmes. Further, the unit cost of construction should be brought down so that the available funds could be utilized for the construction of a relatively larger number of houses. (Para 34)

(ii) There is at present a very wide variation in the ratio between demand and provision in respect of Government quarters in different places and among the metropolitan cities. It would be desirable to allot more funds within the total outlay for construction of quarters in Calcutta, Bombay, Madras and other big cities with a concentration of Central Government Employees. (Para 36)

(iii) The Posts and Telegraphs Department lags very much behind the others in the matter of the extent of provision of residential accommodation of its employees. Special efforts are necessary to make up the leeway. (Paras 37 & 38)

(iv) The percentage of pay charged on account of house rent for Government accommodation will remain unchanged. The pay limit up to which rent is recoverable at 7½ per cent should be raised from Rs. 220 to Rs. 300 in the revised pay structure. (Para 44)

(v) In the case of employees who are regularly or frequently transferred, separate pools of accommodation should be established by setting apart an adequate number of quarters for allotment. (Para 45)

(vi) The Ministry of Defence should increase the housing facility for their civilian employees; further, the feasibility of sparing from the general pool some quarters near the cantonment area for such employees may be examined. (Para 46)

556. IV—Rent-Free Quarters

(i) The existing practice of providing rent-free accommodation to certain categories according to the criteria presented by the Second Pay Commission should continue. (Para 48)

(ii) In regard to the extent of compensation allowed when free Government residence is not actually provided to an employee who is entitled to it, there should be uniformity in different departments. The quantum of such compensation should be equal to the amount charged as rent for Government accommodation from employees similarly placed but not entitled to rent-free quarters. In the classified cities, this should be in addition to the house rent allowance but the two together should not exceed the actual rent paid. The revised rules should apply only to those who are able to produce house rent receipts; for others the existing rates will continue. (Para 51)

(iii) For linemen in the Posts and Telegraphs Department, compensation should be raised to Rs. 10 in the unclassified towns; in classified cities the same

amount should be paid in addition to the admissible House Rent Allowance. In the case of these employees also, the stipulation regarding production of house rent receipts will be the same as in (ii) above.

(Para 52)

V—Other Compensatory Allowances

557. For grant of differential rates of hill compensatory allowance height of the hill stations alone should be the criterion, and hill stations should be classified into the following categories :—

(i) Hill stations situated at a height of 1000 metres or more but below 1500 metres, and

(ii) Hill stations situated at a height of 1500 metres or above.

(Para 56)

558. The Hill Compensatory Allowance should be paid to all employees, irrespective of pay drawn, at the following rates :—

(i) At hill stations situated at a height of 1500 metres or more as per the rates of compensatory (city) allowance applicable in 'A' class cities.

(ii) At hill stations situated at a height of 1000 metres or more but below 1500 metres as per the rates of compensatory (city) allowance applicable in B-1 class cities.

(Para 57)

559. Winter Allowance should be paid at the following rates to all employees getting a pay up to Rs. 1250 per mensem :—

Station	Rate of allowance
(i) Hill stations situated at a height of 1000 metres or more but below 1500 metres.	Same rate as for compensatory (city) allowance in B-1. Class cities subject to a minimum of Rs. 10 and a maximum of Rs. 25 per-mensem.
(ii) Hill stations situated at a height of 1500 metres or above	Same rate as for compensatory (city) allowance in 'A' class cities subject to a minimum of Rs. 15 and a maximum of Rs. 40 per mensem.

(Para 58)

560. The present practice of paying bad climate allowance to Central Government employees at those places where the State Governments allow a similar allowance to their own employees should continue. Bad climate allowance at all places classified as bad climate areas should be granted to Central Government employees getting pay up to Rs. 900 per mensem as per rates applicable for compensatory (city) allowance in B-1 class cities. (Para 61)

561. Project Allowance to the Government employees belonging to various departments but working at the same project sites should be sanctioned as follows :—

(i) In respect of Central Government projects, orders should be issued centrally by the

Government so that there is no time lag in the grant of the project allowance to the affected employees of the various Ministries/Departments.

- (ii) In respect of State projects, Central Government employees should be given the project allowance from the date they join their duties at the project site if State Government employees are already getting the project allowance.

(Para 63)

562. Government should determine the revised rates of the Project Allowance taking into account the revised rates of pay, rates for other compensatory allowances, etc.

(Para 64)

563. The phased reduction or the final withdrawal of the project allowance should be linked with the progress made in the provision of schools, markets, medical facilities and reasonable housing facilities within the project area or in its proximity.

(Para 65)

564. The question whether the existing rates of border allowance/difficult terrain allowance etc. need revision should be decided by the Government in the light of the revised scales of pay and the new rates of other compensatory allowances.

(Para 66)

VI—All India Transfer Liability Allowance

565. With the coming into force of the proposed scales of pay, the rate for purposes of calculating the amount of the all-India transfer liability allowance, where admissible, should be reduced from 10 per cent to 7½ per cent till such time as the orders of October 1970 continue to remain in force. The allowance should not be extended to other categories.

(Para 75)

VII—Risk Allowance

566. (i) The Government should appoint a Committee which should examine cases where the staff are already in receipt of risk allowance with a view to putting it on a rational basis.

(Para 80)

(ii) A comprehensive review of the provisions of the Workmen's Compensation Act should be undertaken with regard to possible changes in the rates of compensation, the list of specified hazardous occupations and the coverage of the Act.

(Para 81)

(iii) Priority should be given to finding alternative employment for employees of the BCG Vaccine Laboratory who are not allowed, in the public interest, to continue in the laboratory even after they have been cured of T.B. infection.

(Para 84)

VIII—Transport between place of work and Residence

567. There need not be a general extension of either the free transport facility or the grant of subsidy for expenditure on transport. In cities where CCA is admissible, a part of it is expected to cover the extra cost on transport. However, in the case of employees especially those of Defence, Meteorological installations, Posts and Telegraphs, Civil Aviation etc., who have to come on or come off duty at odd hours

of the night or to travel long distances from rest houses in between two spells of duty, some assistance is necessary in the form of free transport, subsidy or a conveyance allowance. The exact nature and scale of assistance will be decided by the Government depending on local conditions.

(Paras 90 & 91)

Travelling Allowance (Chapter 57)

568. The revised gradation of Central Government employees for the purpose of travelling allowance, daily allowance etc. should be as follows:—

Grade I	Rs. 1000 and above
Grade II	Rs. 650 and above but less than Rs. 1000.
Grade III	Rs. 330 and above but less than Rs. 650.
Grade IV	Less than Rs. 330.

(Para 3)

569. Reservation charges for a seat (for day journeys) and sleeper berth (for night journeys) should be paid to Grade III and IV employees.

(Para 3)

570. The system of separately paying incidentals and a halting allowance (daily allowance) for journeys on tour should be replaced by a system of daily allowance for the entire period of absence from the headquarters including the journey time, on the pattern of the existing practice followed on the Railways. Full daily allowance should be granted for each completed day of absence from the headquarters reckoned from midnight to midnight. Daily allowance may be paid at the following scale for absence of less than 24 hours:

Absence exceeding 12 hours and up to 24 hours	Full Daily Allowance,
Absence exceeding 6 hours but not exceeding 12 hours	50 per cent of the Daily Allowance.
Absence of less than 6 hours	30 per cent of the Daily Allowance.

(Para 6)

571. Officers drawing the revised pay of Rs. 2250 and above should only be entitled to travel by ACC first class. The levy of surcharge of one paise per kilometre should be dispensed with. The same limit should apply to railway employees also.

(Para 7)

572. The revised pay limit for air journeys may be Rs. 2250 except that employees drawing pay between Rs. 1800—Rs. 2250 in the revised scales may also travel by air at their discretion if the distance involved is more than 500 kilometres and the journey cannot be performed overnight by rail.

(Para 8)

573. The rate of road mileage for a journey by car/full taxi should be 40 paise per kilometre and by motor-cycle/scooter 15 paise per kilometre. Employees belonging to Grade I and II only should be entitled to travel by car/taxi.

(Para 12)

574. Daily allowance should also be admissible for journeys on tour by road to meet incidental expenses.

(Para 13)

575. The rates of conveyance allowance should be as follows :—

Average monthly travel on official duty	Rates of conveyance allowance for journeys by	
	Owned motor car	Other modes of conveyance
	Rs.	Rs.
210—300 Kms.	100 p.m.	35 p.m.
301—450 Kms.	150 p.m.	50 p.m.
451—600 Kms.	175 p.m.	60 p.m.
601—800 Kms.	200 p.m.	70 p.m.
Above 800 Kms.	225 p.m.	75 p.m.

(Para 16)

576. The revised pay limit for admissibility to the conveyance (car) allowance should be Rs. 1000. This limit may be relaxed in the case of doctors and any other special categories. (Para 17)

577. Conveyance allowance should be attached to a post and not sanctioned separately for each employee holding that post. (Para 17)

578. The rates of daily allowance, where employees have to stay in hotels or other establishments providing board and/or lodging at scheduled tariffs may be as follows :—

Grade (pay in the revised pay scales)	Ordinary places	Delhi/Madras/Simla, Jammu & Kashmir etc.		Bombay/Calcutta and certain hill areas
		Rs.	Rs.	
I Rs. 1000 and above		Rs. 35-00	Rs. 40-00	Rs. 50-00
II Rs. 650 and above but below Rs. 1000		25-00	30-00	35-00
III Rs. 330 and above but below Rs. 650		15-00	20-00	25-00
IV (a) below Rs. 330 (Class III Employees)		12-00	16-00	20-00
(b) Class IV employees		6-00	8-00	10-00

In other cases, the existing rates of daily allowance should continue. Government should prescribe flat rates of daily allowance based on the existing rates for each grade of employee. (Para 21)

579. Full daily allowance may be granted to Government employees for the first 30 days of halt on tour. (Para 22)

580. If only free lodging is provided to an employee on tour, he may draw 3/4th of the daily allowance instead of half and in case only free board is provided, he may draw 1/2 of daily allowance as at present. Railways should consider either levying charges for the accommodation provided to the railway employees on tour in the railway rest houses, or reducing the daily allowance of such employees by 1/4. (Para 23)

581. The definition of 'family' adopted by the Railways for the purpose of transfer travelling allowance may be extended to other Government employees also. (Para 24)

582. The revised rates of transfer grant may be as follows :—

Grade	Pay Range	Transfer Grant
		Rs.
Grade I	Rs. 2000 and above	Rs. 500
Grade I	1000—1999	400
Grade II	650—999	300
Grade III	330—649	200
Grade IV	Class III Employees other than those covered by Grade II & III	150
Grade IV	Class IV Employees	100

(Para 25)

583. Transfer incidentals may be replaced by daily allowance for the employee as well as for the members of his family, children below 12 years being given half the daily allowance. (Para 26)

584. The revised scale of baggage allowance may be as follows :—

Grade	With family		Without family
	Full Wagon	Kilograms	
Grade I	Full Wagon	2000 Kilograms	
Grade II	3000 Kilograms	1000 "	
Grade III	1500 "	750 "	
Grade IV	600 "	250 "	

585. Employees on transfer may transport their personal effects by road between points connected by rail subject to the cost not exceeding the cost of transportation of the maximum permissible quantity of personal effects by goods train. (Para 28)

586. A retiring employee should be granted transfer travelling allowance on the same scale and subject to the same terms as admissible to a serving employee on transfer including transfer grant, daily allowance (in lieu of incidentals) and cost of transportation of the conveyance where entitled. Leave travel concession should not be granted in the year of retirement. (Para 31)

587. A retiring employee should be granted transfer travelling allowance to a station of his choice in India subject to the amount being limited to what would have been admissible to him had he proceeded to his declared home town. (Para 32)

588. The concessions mentioned in items 19 and 20 above should also be admissible *mutatis mutandis* to the family of an employee who dies while in service. (Para 33)

589. There should be uniformity in regard to the rates of daily allowance, road mileage and conveyance allowance between railway and other employees. The Railways should also fall in line with the civil departments in regard to the baggage allowance and transfer grant. (Para 34)

590. Children of employees staying away from them for the prosecution of their studies may be allowed free travel by third class for a distance beyond 150 Kms.

once a year to and from a school or college during an approved vacation to join their parents at the station of posting of the Government employee. (Para 35)

Leave Travel Concessions (Chapter 58)

A—Railway Employees

591. The present rail travel privileges of railway employees should, as a first step, be reduced to the level recommended by the Estimates Committee (Fourth Lok Sabha). The number of passes of the gazetted officers should be reduced to the level admissible to the non-gazetted officers at present. The number of PTOs should be reduced from 6 to 3 per year for both gazetted and non-gazetted officers. The facility for taking attendants on First Class 'A' and First Class Passes should be abolished, but lady officers including Lady Health Visitors and Nurses may be allowed to take one attendant provided they are not accompanied by their husband or other male relative. Only those members of the family should be eligible to travel on free passes and PTOs as are covered under the Travelling Allowance Rules for journeys performed on transfers.

(Para 5)

592. All railway employees of Class I, Class II and Class III who retire after having rendered more than 20 years' service should be allowed one set of free passes every year. No change need be made in the provisions concerning the travel concession available to retired railway servants of Class IV.

(Para 6)

593. The present limits for entitlement to different classes of persons should be reviewed to avoid a situation where a very large number of railway employees become entitled to a First Class Pass on the introduction of the revised scales of pay recommended by us. Those who are today entitled to a Second Class Pass should not become entitled to travel in the first class on the abolition of the second class passenger compartment considering the liberal standard already adopted in the grant of First Class Passes.

(Para 7)

B—Central Government employees excluding Railway Employees and Armed Forces Personnel.

594. The existing provision as regards journeys to home-towns once in a block of two years should be continued with the modification that once in a block of four years, every Government employee should be allowed to avail of the LTC for journeys to any place in India subject to other prescribed conditions.

(Para 12)

595. The definition of family for purposes of the LTC should be the same as under the Travelling Allowance Rules.

(Para 13)

596. The employees should be permitted to avail of the LTC for journey performed during casual leave also without specifying any minimum period of absence.

(Para 14)

C—Armed Forces Personnel

(i) Service Officers

597. The existing concessions should continue and the limit of 965 kms should not apply in the case of journeys undertaken to home-town. Dependent children should be allowed the same travel concessions as the

officer's wife once in a block of two years. For travel concessions, the definition of family should be the same as for the civilian employees of the Central Government. The extra leave travel privileges enjoyed by officers engaged on flying and submarine duties should be continued.

(Para 17)

598. The use of Form D concessions should be limited to 3 sets in a year, a set covering both the outward and the return journey. This facility should, however, be available in excess of this number for certain specific purposes like children going to a boarding school and returning to parents, journeys in connection with medical treatment in military hospitals, etc.

(Para 18)

(ii) Personnel below officer rank

599. For journey to home station once every year, the free concession voucher should cover the Serviceman's wife and children also and in every alternate year, he along with wife and children should have the option to travel to a leave station with Government bearing the cost of the outward and the return journey up to a distance of 965 kms each way. For travel concessions, the definition of family should be the same as in the case of Service officers. The expenditure on account of half the rail fare in respect of family members that is being borne today by the Servicemen should be reimbursed to them.

(Para 20)

Educational Facilities & Allowances (Chapter 59)

600. All the existing schemes of educational facilities and allowances should continue with the modifications recommended in respect of each.

(Para 8)

601. As in the Railways, the children's educational allowance should be admissible to employees in other departments also only if a school of the requisite standard does not exist at the station where an employee is posted or on account of non-availability of accommodation in such a school. The certificate regarding non-availability of accommodation in a school of the requisite standard should be obtained from the district educational authorities or similar authority.

(Para 9)

602. Children's educational allowance should be admissible to the Central Government employees drawing pay up to Rs. 1200 per mensem at the following rates:—

Primary classes Rs. 15 p.m. per child

Secondary and Higher
Secondary classes Rs. 20 p.m. per child

The total amount of the allowance should be restricted to Rs. 60 per mensem per employee.

(Para 11)

603. The upper pay limit for admissibility of reimbursement of tuition fee should be raised to Rs. 1200 per mensem.

(Para 12)

604. With a view to reducing the administrative and accounting work, the tuition fee should be reimbursed on production of certificates twice a year from the head of the school giving particulars of the children studying in the school, the classes in which they are studying, the amount of the fee charged, etc. A similar certificate should be obtained when children are transferred from one school to another.

(Para 14)

605. Government should consider opening more subsidised hostels for the children of the Railway employees. (Para 15)

606. There should be no upper pay limit for payment of hostel subsidy and the hostel subsidy at a uniform rate of Rs. 60 per mensem per child should be admissible to all Central Government employees who because of their transfer are required to keep their children in a hostel. The subsidy should continue to be limited to not more than three children, and the total number of children who may avail of the hostel subsidy and children's educational allowance should not exceed four. The hostel subsidy should be extended to the children residing in the hostels of all recognised schools. (Para 16)

607. The benefit of the schemes of children's educational allowance, reimbursement of tuition fee and payment of hostel subsidy should, subject to the other conditions being fulfilled, be admissible (i) to all permanent and quasi-permanent Central Government employees, and (ii) to all temporary employees who have completed not less than one year's service. (Para 17)

608. In order to satisfy the assessed needs of employees Government should take steps to open as many more Central Schools as possible. (Para 18)

609. Where an employee is transferred from one station to another in the middle of an academic session and shifts his children to a school requiring purchase of a new set of books, he should be granted a subsidy at the following rates :—

Primary classes	Rs. 20 per child
Secondary classes	Rs. 40 per child
Higher Secondary classes	Rs. 60 per child

The subsidy should be available to employees drawing pay up to Rs. 1600 per mensem and be admissible up to a maximum of four children. (Para 19)

Death-cum-Retirement Benefits (Chapter 60)

610. The age of superannuation of Central Government employees should continue to be 58 years. (Para 12)

611. Government should look into the lack of uniformity in regard to the age of superannuation of Class IV employees in the railways and in other Government departments and remedy the position as circumstances permit. (Para 13)

612. There should be no change in the existing age of superannuation of police personnel in the Border Security Force and the Central Reserve Police under the relevant Acts. (Para 14)

613. The retirement of Government servants should take effect from the afternoon of the last date of the month in which they attain the age of compulsory retirement instead of the afternoon of the actual date of their superannuation. (Para 15)

614. The existing provisions for the compulsory retirement of Government employees before they have reached the normal age of superannuation which are directed towards maintaining the efficiency and integ-

rity of the public services are salutary and should continue. (Para 19)

615. No change should be made in the existing provisions relating to voluntary retirement of Central Government employees. (Para 24)

616. The benefit of pro-rata pension and gratuity at present admissible to scientific employees on absorption in autonomous organisations like C.S.I.R., I.C.A.R., Central Universities, etc. should be extended to the various categories of technical personnel also on similar absorption in these organisations. (Para 25)

617. The existing arrangements under which Class I and some of the Class II officers are required to take permission from Government before taking up commercial employment within two years of their retirement should continue. These restrictions should also be made applicable to the employees governed by the Contributory Provident Fund Rules and to those who are allowed to retire voluntarily under the existing rules. (Para 29)

618. The existing provisions, under which pension can be sanctioned and continued only if certain conditions, mainly related to safeguarding the efficiency and integrity of the Government service, are satisfied, should continue. (Para 33)

619. Emoluments for purposes of pension should continue to be calculated over a period of 36 months as at present. (Para 37)

620. No change is considered necessary in the existing formula for computing pension. However, the maximum qualifying service for pension should be increased from 30 years to 33 years. (Para 41)

621. The upper pay limit for the grant of pension should be raised from Rs. 1800 to Rs. 2500 per mensem. The existing ceiling on maximum pension should also be raised from Rs. 675 per mensem to Rs. 1000 per mensem. (Para 43)

622. Death-cum-retirement Gratuity should continue to be calculated on the existing basis. The qualifying years for earning gratuity should, however, be increased from 30 years to 33 years, and the upper pay limit for earning gratuity should be raised from Rs. 1800 to Rs. 2500 per mensem. The maximum amount of gratuity should also be raised from Rs. 24,000 to Rs. 30,000. The exemption limit on gratuity for purposes of tax liability should be increased from Rs. 24,000 to Rs. 30,000. (Paras 44, 45 & 46)

623. The maximum amount of death gratuity should also be raised to Rs. 30,000. (Para 47)

624. The existing provisions regarding service gratuity do not need any change. (Para 48)

625. Government should fix the special contribution admissible to the railway employees governed by the State Railway Provident Fund Scheme as they deem fit keeping in view the improvements recommended in pension and gratuity in the case of other Government employees. (Para 49)

626. The existing arrangements under which the Government employees are required to contribute

partly towards the financing of the family pension scheme should continue. While the contribution of the employees should continue to be equal to two months' emoluments, the maximum amount of contribution should be raised from Rs. 3,600 to Rs. 5,000. (Para 54)

627. The rates of family pension as also the ceilings should be revised as follows :—

Pay of the Government Servent	Amount of family pension Per mensem
Below Rs. 400	30% of pay, subject to a minimum of Rs. 60 and a maximum of Rs. 100.
Rs. 400 and above but below Rs. 1200	15% of pay, subject to a minimum of Rs. 100 and a maximum of Rs. 160.
Rs. 1200 and above	12% of pay, subject to a minimum of Rs. 160 and a maximum of Rs. 250.

In case an employee dies after having rendered a minimum service of 7 years, the family pension should be paid at an enhanced rate equal to 50% of the last pay drawn or twice the family pension at the above rates, whichever is less, for a maximum period of 7 years or till he would have attained the age of 65 years, whichever is earlier. In case of death after retirement the amount of family pension at the enhanced rate should not exceed the normal superannuation pension (uncommuted value) to which the Government employee would be entitled to on superannuation. Further, in such a case, the family pension should be given only to those who were members of the family of the Government employee as declared at the time of the retirement.

(Paras 55 to 58)

628. Government should consider introducing a contributory family pension scheme for the railway employees governed by the State Railway Provident Fund Scheme. (Para 59)

629. While there should be no change in the existing conditions for grant of invalid pension, the amount of invalid pension should not be less than the amount of family pension at the ordinary rates. (Para 60)

630. Temporary and quasi-permanent employees should continue to be paid a terminal gratuity only as heretofore. (Para 63)

631. Temporary employees with a continuous service of 5 years or more and all quasi-permanent employees should be paid a terminal gratuity at the rate of half a month's pay for each completed year of service below 10 years, and for continuous service of 10 years or more at the rate of one month's pay for each completed year of service subject to a ceiling of Rs. 15,000, or 15 months' pay whichever is less. (Para 64)

632. The amount of terminal gratuity to a temporary or quasi-permanent employee should not be less than the amount which he would have got as a matching Government contribution to the provident

fund if he were on the Contributory Provident Fund Scheme from the very inception of his continuous temporary service. The matching contribution of the Government in such cases should be worked out so as to be equal to the amount actually contributed by the temporary employee himself to the provident fund subject to the matching contribution not exceeding 8-1/3% of his pay. The benefit of a contributory provident fund should not be extended to temporary and quasi-permanent employees who are made permanent, who should on confirmation be automatically brought over on the pension scheme applicable to the other permanent Government employees. (Para 65)

633. The benefit of added years of service to specially qualified or experienced personnel appointed to posts where these qualifications are necessary in the public interest should continue. The posts where the grant of this benefit is considered essential should be identified in consultation with the Union Public Service Commission and the Ministry of Finance and a suitable provision incorporated in the relevant recruitment rules so that the benefit is automatically available to all the candidates who are recruited in accordance with the provisions of those rules. Further, in the advertisements issued by the Union Public Service Commission for recruitment to such services and posts, it should be mentioned that this benefit would also be available. (Para 68)

634. The basic criterion for an award under Extraordinary Pension Rules should be whether the death or injury is attributable to service or aggravated by service rather than the existing distinctions with reference to the 'risk of office' and 'special risk of office'. (Para 71)

635. The existing classification of injuries into A, B and C classes for the grant of benefits under these rules should be replaced by a list similar to that under the Workmen's Compensation Act, which should form a part of the rules. (Para 72)

636. The family pensionary benefits to widows and motherless children under the Extraordinary Pension Rules should be rationalised and their rate structure brought in line with the benefits admissible under the family pension scheme. The family pension under the Extraordinary Pension Rules should, however, be paid at higher rates for the entire period and not limited to 7 years as in the case of family pension scheme. In addition to the widow's pension, gratuity, children allowance and children's education allowance should continue to be admissible as at present. (Paras 73 & 74)

637. Pension under Extraordinary Pension Rules should not be granted to an employee if he continues to be in service and earns his monthly salary. In such cases, he should be paid a compensation in lump sum only. However, if the disability results in invalidment out of service, the existing arrangement of paying a monthly pension should continue. (Para 75)

638. The amount of invalid pension under the Extraordinary Pension Rules should not be less than

the amount of family pension that would be admissible to the widow under these rules. (Para 76)

639. A scheme, under which all Government employee will be required to pay a single rate of contribution of Rs. 5/- per mensem (returnable without interest in cases of superannuation, etc.) for an insurance cover of Rs. 5,000/-, should be introduced. The scheme should be optional in the case of existing permanent employees and temporary employees with one year's service on regular establishment but should be made compulsory for all such categories of employees who enter Government service in future. No advance for any purpose should be allowed to the employees out of the amounts contributed by them under this scheme. (Para 83)

640. The rate of interest on the Provident Fund balances of the Central Government employees should be broadly comparable with the interest allowed by the nationalised banks on long term deposits. (Para 88)

641. Government should introduce an arrangement of issuing pass books to the employees showing the up to date position of their provident fund balances. (Para 89)

642. All future pensioners, irrespective of the amount of pension drawn by them, should be given a relief at the rate of 5% of their pension subject to a minimum of Rs. 5/- per mensem and a maximum of Rs. 25/- per mensem on the 12-monthly average of the All India Working Class Consumer Price Index (1960 = 100) rising by 16 points. The relief for the first time at these rates should be paid when the 12-monthly average of this index reaches 216. (Para 92)

643. The recommendations with regard to death-cum-retirement benefits of Central Government employees would also apply to the personal belonging to the All India Services and, with a few exceptions, to the employees of Union Territories. (Paras 94 & 95)

Hours of Work, Holidays and Overtime Allowance (Chapter 61)

644. The gross working hours prescribed in the industrial establishments under the Government should be 48 hours in a week and 8 hours in a day. Within this period of 8 hours, the workers should be allowed a break for half-an-hour to take their meals, thus yielding a net of 45 hours per week. As regards the industrial establishments where the net weekly hours of work are less than 45, the position should be reviewed. (Para 13)

645. The disparities existing in different railway zones due to shorter hours of work in some for purely historical reasons should be removed by increasing the net working hours, where necessary, to 45 per week. (Para 14)

The hours prescribed for the administrative offices should be 7 effective hours a day, exclusive of lunch break. (Para 15)

646. No change need be made in the existing arrangement of giving only the second Saturday of the

month as a holiday, to employees in the administrative officers. (Para 21)

647. Some arrangements should be devised for giving the categories of staff, who are not assured a regular weekly off e.g., chowkidars, watchmen, cooks, waiters, sweepers, etc., a rest day at least once in a fortnight. (Para 22)

648. An employee should be given a compensatory off when he is called to work on his normal off-day, and where it is not practicable to do so in the interest of Government work, he should be monetarily compensated. (Paras 22 & 23)

649. No section of employees should be allowed more than 16 holidays in a year. (Para 28)

650. The practice of declaring one of the restricted holidays as a public holiday whenever any of the approved 16 closed holidays falls on a Sunday or a Second Saturday, should be discarded as soon as possible. (Para 29)

651. No change need be made in the system of restricted holidays except that an attempt should be made to control the number of Festivals declared as restricted holidays. (Para 30)

652. No change in regard to the number of public holidays need be made in respect of those employees who are entitled only to 3 national holidays or 9 effective holidays. (Para 31)

653. The existing quantum of casual leave is quite adequate; all operating and maintenance staffs who are entitled to less number of public holidays in a year than the number allowed to the office staff in administrative offices should be allowed 15 days casual leave. No class of employees should be allowed more than 15 days' casual leave in a year but in case a higher amount of casual leave has been allowed in certain cases due to remoteness of the region, one or two days' journey time should be allowed whenever a person goes to his home-town on casual leave. (Paras 35-36)

654. For workshop staffs outside the railways, the system of special non-cumulative leave should be abolished and the quantum of casual leave in their case should be increased from 7 days to 12 days in a calendar year. (Para 37)

655. The system of overtime allowance should be withdrawn in respect of categories and establishments to which the practice was extended subsequent to the recommendations of the Second Pay Commission, while it may continue in other cases, including categories which are governed by the provisions of enactments such as the Factories Act, and the Hours of Employment Regulations, but where some of the overtime expenditure now being incurred is due to the shortage of staff, such shortages should be made up expeditiously. Where overtime working, as a regular measure, is unavoidable as happens in certain operative officers, the compensation should be in the form of off-days rather than through cash benefits.

656. For the categories which would become ineligible for overtime, a system of compensatory offs and payment of honoraria should be introduced.

Honoraria should, however, be considered only for compensating the over-stayal during the periods of unusual activity or due to unforeseen circumstances such as the compilation of the Budget, Parliamentary work during sessions organisation of large conferences, fairs, etc. and work connected with emergencies.

657. Where the system of overtime work continues the period of overtime should be calculated on a weekly basis and should be admissible only if the work put in during the working week of six days exceeds 48 hours; in reckoning these 48 hours the period allowed for meal break should be included.

658. In organisations like the Government Presses where the prescribed weekly hours are less than 48, and the work done between the prescribed hours and the weekly norm of 48 hours is compensated in the form of overtime at double the time rate, compensation for such work should be only at the time rate in future. (Para 48)

659. The definition of 'night' as the period between 2200 hours and 600 hours is reasonable. The present weightage of 10 minutes for every hour worked is also adequate. Government may examine the question of bringing about uniformity among the various departments in regard to the definition of night duty and the weightage. (Para 53)

660. So far as P & T department is concerned, the employees may be given an option either for cash compensation on the same terms and conditions as recommended for other Central Government employees or for continuance of the existing system of restricted duty hours. (Para 53)

661. For the calculation of cash compensation, only pay and dearness allowance should be taken into account and other compensatory allowances excluded. (Para 54)

662. Weightage for night duty or financial compensation in lieu should be granted only when night duty calls for continuous performance of related tasks without considerable interludes of inaction or rest.

663. No night duty allowance should be granted in those cases where the weekly working hours have been fixed at a reduced level taking the occurrence of night duty into account.

664. No weightage for night duty should be allowed to those categories of employees who may be called upon to perform night duties only occasionally.

665. There would also be no justification for the grant of night duty allowance in cases where such duty is an inseparable characteristic of the job itself, i.e., nurses, sisters-in-charge in hospitals, etc. (Para 56)

Leave Entitlements (Chapter 62)

666. No change need be made in the case of workshop staffs whose earned leave is governed by the provisions of the Factories Act, 1948 supplemented by Departmental instructions. The Civilian in Defence Services (Industrial Employees) Leave Rules, 1954 should be repeated. The amount of annual leave

earned by the railway workshop staff should be reduced by 12 days. (Para 11)

667. In the case of non-industrial staffs, no change need be made in the rate of earning leave, the limit on accumulation of earned leave and the limit on the period of leave that can be availed at any one time. The existing differentiation between permanent and temporary employees in regard to earning leave in the first year of service should be abolished. (Paras 14 & 15)

668. At present employees proceeding on earned leave from a post the maximum of which does not exceed Rs. 300 are entitled to draw leave salary equal to the last pay drawn. This limit of Rs. 300 should be raised to Rs. 600. (Para 17)

669. The present limit of Rs. 750 on leave salary during half pay leave should be dispensed with. (Para 18)

670. The present limit of 240 days on commuted leave during the entire service should be removed. Half pay leave up to a maximum of 180 days of such leave should be allowed to be commuted during entire service where such leave is utilised for an approved course of study. (Paras 19 & 20)

671. The special provisions made in the Study leave rules for officers of the Indian Economic Service, the Indian Statistical Service and medical officers should be extended to many more categories of specialists and technical personnel on merits of each case. For courses of study pursued in India, the emoluments during study leave should be regulated in the same way as during earned leave subject to the emoluments not exceeding the pay that the officer would have otherwise drawn had he remained on duty. No study allowance should be paid during this period. The existing provisions relating to study leave availed outside India should continue. The rates of study allowance admissible in foreign countries should be reviewed by the Government from time to time. (Paras 24 to 26)

672. In the case of Departmental Leave, the Department concerned should review the position and allow as leave salary from 10% to 25% of pay. In such cases, leave salary should be paid on a monthly basis for the first three months and thereafter it should be payable when the Government Servant returns to duty. Departmental Leave should not be debited to half pay leave, and for purposes of calculating the amount of half pay leave due "year" should be construed, not as meaning a calendar year in which duty is performed but as twelve months of actual duty. (Para 29)

673. Leave Rules should be amended to specify that a female Government servant should be granted maternity leave only if she has less than three living children at the time of application for such leave. (Para 30)

674. In case of death in harness, the cash equivalent of the leave salary that the deceased employee would have got had he gone on earned leave on the date of death, should be given to his family subject to a maximum of leave salary for 120 days. (Para 37)

Medical Facilities (Chapter 63)

675. The Central Government Health Scheme (CGHS) should be extended to other cities and towns on a priority basis. (Para 4)

676. The facilities provided under the C.G.H.S. should be improved. (Para 6)

677. Government should review the procedure for local purchase of medicines by the C.G.H.S. dispensaries to make it more expeditious and delegate more powers, if necessary, for the purpose to the medical officers incharge of the dispensaries. (Para 7)

678. The contributory basis of the C.G.H.S. as also the existing rate of contribution should be maintained. (Para 8)

679. In rural and other areas not adequately served by the existing authorised medical attendants, selected registered medical practitioners may be declared as authorised medical attendants. (Para 10)

680. The practitioners of indigenous system of medicine should also be declared as authorised medical attendants provided they are in Central or State Government employment. Employees should have the option to consult them and claim reimbursement. (Para 10)

681. Industrial and workcharged staff should be entitled to the same medical facilities as are available to non-industrial employees and on the same terms and conditions. (Para 14)

682. Government should review the existing rates of consultation/visiting fees charged by the authorised medical attendants keeping in view the present day conditions. (Para 15)

683. The revised pay limits in the new scales of pay for reimbursement of diet charges should be Rs. 640 in the case of patients suffering from Tuberculosis and Mental Diseases and Rs. 400 in the case of patients suffering from other diseases. (Para 16)

684. Prescription of a monetary ceiling on reimbursement of medical claims is not considered desirable. A system of selective review of medical reimbursement claims should, however, be introduced. (Para 18)

685. Railway employees at way-side stations and on branch lines should be allowed to avail of the medical facilities available at the nearest recognised hospital without the prior approval of their authorised medical attendant and get reimbursement of expenses. A scheme of empanelment of registered medical practitioners for this purpose may also be introduced. (Para 21)

686. All Central Government employees may be subjected to a compulsory medical examination at the ages of 40, 45 and 50 and thereafter at intervals as recommended by the Ministry of Health and Family Planning. A beginning may be made by extending the scheme to the employees covered by the Central Government Health Scheme. Railways and Ordnance Factories may also cover such of their employees as are posted at places having hospitals run by the Central Government. (Para 23)

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Staff Amenities (Chapter 64)

Uniforms

687. The Government may take note of the views expressed by a large section of the employees against the use of Khadi for the fabrication of uniforms. (Para 7)

688. The changes in the existing scales and standards of supply of uniforms as also in the amount of washing allowance, are matters which can be more appropriately settled by the Government in consultation with the staff. (Para 9)

689. The attention of the Government is drawn to the need for ensuring the timely supply of uniforms of the proper fit. (Para 10)

690. The demand for the grant of a kit allowance in lieu of the supply of ready made uniforms is not accepted. For the nursing staff, etc., instead of giving a uniform allowance the Government may examine the feasibility of supplying special grades of cloth (cotton, woollen or synthetic) and sanctioning an amount towards tailoring charges, leaving it to the officials to have their uniforms stitched in conformity with the regulations. (Para 10)

Canteens

691. It would not be possible to bring about uniformity in the standards applicable to canteens provided under the Factories Act and other canteens since the provisions made for the purpose under the Factories Act differ from State to State. However, where the provisions made under the departmental rules are more favourable these should be adopted even in respect of the canteens provided under the Factories Act. (Para 13)

692. Canteens in certain Ministries are often used as meeting places at all hours of the day; these should be kept open only during the specified hours. (Para 15)

Advances to Government Servants

693. The maximum amount of advance for the purchase of motor cars should be raised to Rs. 18,000, for motor cycles/scooters to Rs. 3,500 and for cycles to Rs. 250. (Para 15)

694. Government should consider whether having regard to all relevant factors, a lower rate of interest could be prescribed in respect of advances for house building purpose at least in respect of loans advanced to employees drawing less than Rs. 900 per mensem. (Para 17)

695. Government should consider whether the existing amount of Rs. 200 as an advance for purchase of warm clothings could be enhanced in view of the increased prices of woollens. An appropriate advance for purchase of warm clothings should be paid to Class II and Class I employees also on their first posting to a hill station. (Para 19)

Other Welfare Measures

696. There is considerable scope for providing more space, and for improving the office accommodation in use by better lighting, improved ventilation,

use of exhaust fans, greater cleanliness, and more liberal use of paint. There is scope also for re-arranging furniture, record rooms etc., to make the atmosphere more livable. (Para 21)

697. While construction of the new buildings would take time, improvements to existing buildings can be undertaken quickly and at a comparatively low cost. The other essential facilities like rest houses, rest rooms and dormitories should receive the close attention of the Government. The provision of rest houses etc., is also a comparatively less expensive proposition. The Government should attend to these matters with expedition. (Para 23)

698. Even though the provision of some of the welfare amenities would have to depend to a large extent on the concentration of staff at particular places, in certain other matters e.g. establishment of and the contribution by the Government to the employees' welfare funds, there should be some degree of uniformity in the different departments. (Para 28)

699. The idea behind a Holiday Home which provides lodging and other facilities at cheap rates for the benefit of the employees is sound and this facility should be extended further. In locating these holiday homes the Government should pay attention to the usual social habits of the generality of its employees. (Para 29)

700. A systematic study should be made of the trend of indebtedness among the employees and if its proportions show undue increase, the Government should consider steps to remedy the situation, including a scheme of financial assistance in hard and deserving cases. (Para 31)

Miscellaneous (Chapter 65)

701. I. Classification of Services

(i) We are inclined to the view that some kind of a classification based on an assumed equivalence of the work content in the different levels of the various occupational groups and hence of the pay ranges, is necessary for purposes of personnel administration. (Para 7)

(ii) We have, however, formed the impression that the term 'Class' presently in vogue has acquired overtones that could, with advantage be avoided, so as to create a healthy psychological climate. It should be possible to describe the existing classes and 'Groups' as the Government itself seems to have contemplated at one time. In other words, it may be feasible to redesignate the existing Classes I, II, III and IV as Groups 'A', 'B', 'C', and 'D'. We recommend accordingly. (Para 7)

702. II. Temporary and Quasi-Permanent Status

(iii) We feel that the existing proportion of one-fourth of the staff being temporary is too large and recommend that in permanent departments it should, in course of time, be brought down to about one-tenth. (Para 18)

(iv) In departments which are themselves considered temporary, or, which by the very nature of their work (as in Ordnance Factories) must carry a

somewhat larger component of temporary staff, the position should be periodically reviewed, so that as large a number of temporary staff as possible are made permanent. Temporary employees should be allowed relaxation in age to compete for appointment to permanent posts that fall in the same category. (Para 18)

(v) The quasi-permanent status is a valuable right specially to those serving in temporary posts in the temporary departments, inasmuch as efforts are more likely to be made to fit them elsewhere, if the necessity should arise. We, therefore, recommend that quasi-permanent status may continue to be conferred on the eligible temporary staff employed in temporary organisations. Elsewhere, there seems to be no specific need for this practice and the Government should consider dispensing with it. (Para 19)

703. III. Industrial and Non-Industrial Employees.

(v) It appears to us that there are broadly two possible approaches, viz.—

(a) to exclude all Government industrial workers from the purview of the labour laws, and treat them as an excluding category to be governed solely by the statutory rules and orders issued from time to time by the Government in exercise of its powers under Article 309 of the Constitution, or

(b) to segregate the industrial workers of the Government from its non-industrial workers, and to give them all the facilities and safeguards to which industrial workers in general are entitled under the labour laws. Simultaneously, it should be ensured that the various rules and orders normally applicable to Government servants generally are not extended to the industrial workers of the Government. Even so, however, without an amendment to Article 311 of the Constitution, an industrial Government worker still be entitled to certain safeguards denied to non-government industrial workers. (Para 25)

Staffing and Efficiency in Government Service (Chapter 66)

704. The additional expenditure arising out of the implementation of our recommendations can be justified only if there is no wasteful expenditure due to overstaffing and inefficiency; and productivity in the public service is maintained at fairly high level. (Para 1)

705. The pooled messenger system should be adopted in Government offices in preference to the peon system. The system of appointing helpers to assist the skilled workers in workshops as well as outside should be discontinued to the extent feasible. (Para 5)

706. The desk officer system should be adopted in the Secretariat with necessary changes in recruitment procedures and personnel deployment. (Para 6)

707. There is need for a regular and systematic review of prescribed staffing norms with reference to changing patterns and conditions of work and also

for periodical overhaul of the procedures and system of work with a view to improving efficiency in the offices. (Para 7)

708. The three organisations, namely, Department of Administrative Reforms, Staff Inspection Unit and Organisation and Methods and Internal Finance branches in each Ministry should be strengthened and their range of activity diversified with a view to achieving the objective of improving efficiency at minimum cost. Outside management consultants should also be used wherever necessary. (Para 8)

709. The scope for economy and improvement of efficiency appears to be greater in departments like Railways and Posts and Telegraphs which employ very large complements of staff. The Railways should explore the possibility of curtailing staff by introduction of mechanised track maintenance, automated marshalling yards, improved signalling and telecommunication facilities for better traffic control, etc. The justification for automation should be based not merely on staff savings but also on the overall cost of the scheme taking into account capital investment, interest, depreciation, etc. (Para 9)

710. The system of providing peons at residences of certain categories of officers is an anachronism and should be done away with. (Para 9)

(i) Fragmentation of inter-related functions resulting in a proliferation of categories should be avoided by combining such duties in a single person.

(ii) It should be ensured that existing promotion prospects of staff are not affected due to reduction in the number of posts in the base cadre. (Para 10)

711. There is an urgent need to look into the working of the Armed Forces, in view of the considerable scope for economy, without in any way affecting the fighting potential or the efficiency of the Armed Forces. (Para 11)

712. The existing pervasive system of checks and cross-checks needs to be replaced by a system where the points of control are few but effective. (Para 12)

713. It should be possible to curb excessive proliferation of staff by curtailing fresh recruitment and confining it only to meet the essential needs. Essential manpower requirements for the implementation of different plan schemes should be met by internal re-deployment of existing staff rather than by fresh recruitment. Government should exercise maximum stringency in sanctioning additional posts. (Para 13)

714. Any saving in the total wage bill can be fruitfully utilised for more productive employment elsewhere. The solution of the unemployment problem is not to absorb labour in the Government sector but create conditions under which more labour can be employed for productive purposes within or outside the Government. A shift in investment towards economically sound labour-intensive industries is indicated. (Para 14)

715. A Pay Body should not be burdened with the task of collection and collation of data concerning the functions, recruitment qualifications, promotion avenues, pay scales and number of various posts under

the Government. Such information should be made available to it in a processed form from its very inception. (Para 15)

716. A permanent machinery for systematic collection of reliable and comprehensive data regarding pay scales, fringe benefits, service conditions, etc. of employees not only in the Government but also in the Public and Private Sectors should be set up. If there are difficulties in voluntarily collecting the relevant data, Government may consider the desirability of enacting suitable legislation for the purpose. (Paras 15 & 16)

717. Cadre management should receive urgent attention. (Para 17)

718. A cautious beginning should be made with the use of job evaluation techniques. (Para 18)

719. Determination of pay scales of employees not specifically covered in the report should be examined by a Central Agency. (Para 20)

720. The creation of a 'Standing Body on Pay and Cadre Management' has been suggested to advise Government on the following matters :—

(i) Cadre reviews.

(ii) Regarding of any class of employees based on the results of job evaluation studies.

(iii) Pay revision of any class of employees either on its own motion or on a reference from the Government.

(iv) Creation of new scales not provided in the pay structure.

(v) Determination of pay scales of employees who might not have been covered in our Report. (Para 21)

Chapter 67

721. The proposed scales of pay should be made applicable from the 1st March, 1973 (Para 1)

722. The recommendations on pensionary benefits should be made applicable to those Government employees who retired on or after 1st March, 1973. In respect of these employees the emoluments for computing the pensionary benefits should include, in addition to pay and dearness pay (wherever applicable), the dearness allowance and interim reliefs drawn by them. (Para 5)

723. Employees drawing pay up to and including Rs. 1,800 per mensem in the existing scales should have their pay fixed in the proposed scales after adding to their existing emoluments an amount representing 5% of the existing pay (whether substantive, officiating or acting) subject to a minimum of Rs. 10 and a maximum of Rs. 50, and subject to the various other conditions stipulated for the fixation of pay in the proposed scales. (Para 6)

724. Employees drawing pay above Rs. 1,800 per mensem in the existing scales should have their pay fixed in the proposed scales under the Fundamental Rules 22, 23 and the relevant Audit Instructions. (Para 7)

725. The concordance tables should be regarded as being held in abeyance so far as the fixation of pay in the proposed scales of the existing employees is concerned. (Para 10)

INTERIM REPORT

The Government of India, by Ministry of Finance Resolution No. F. 7(25)-E. III(A)/69 dated 23rd April, 1970, set up the Third Pay Commission to enquire into and make recommendations, *inter alia*, on the principles which should govern the structure of emoluments and the conditions of service of Central Government employees. The Commission held its first meeting on 19th May, 1970. The next day a Press Notice was issued inviting unions and associations of all employees, and other organisations, institutions or individuals, who might be interested, to send by 24th June, 1970, memoranda outlining their views on the matters covered by the terms of reference of the Commission. Meanwhile, the terms of reference of the Commission were amended by the Government of India.* As the changes introduced were of a material character, we thought that some more time would be needed by the unions, associations, etc., for preparation of the memoranda. Accordingly, a second Press Notice was issued on 6th June, 1970, giving an extension of time up to 10th July, 1970, for submission of memoranda. While granting the extension it was indicated that memoranda relating to the need for relief of an interim character might be sent in advance of the date specified. Again, pursuant to representations received from several unions/associations it was decided to further extend the last date for the receipt of memoranda as follows :—

- (1) Memoranda on relief of an interim character 25th July, 1970.
- (2) Memoranda on other matters 31st August, 1970.

Up to 25th July, 1970, we had received from various sources about 7,000 memoranda. Of these, 555 were specifically on the question of interim relief, 433, being received from unions/associations and the rest from individuals.

2. Paragraph 4 of the terms of reference, as originally contained in the Ministry of Finance Resolution dated 23rd April, 1970, limited the Commission to consider demands for relief of an interim character arising in view of the increase in the cost of living only. This limitation was subsequently omitted in the Resolution of 4th June, 1970. The relevant term of reference now reads as follows :—

“4. In case the need for consideration of relief of an interim character arises during the course of deliberations of the Commission, the Commission may consider the demand for relief of an interim character and send reports thereon. In the event of the Commission recommending any interim relief, the date from which this relief should take effect will be indicated by the Commission.”

3. Before proceeding to examine the demands of the employees for grant of interim relief, it may be useful to briefly describe the position regarding pay and dearness allowance admissible to Central Government employees. The present pay structure is based very largely on the recommendations of the Second Pay Commission, who had also recommended grant of dearness allowance at the rate of Rs. 10 per month up to a pay of Rs. 149 per month and Rs. 20 per month between Rs. 150 and Rs. 300 per month with marginal adjustments up to Rs. 320. These amounts were related to index 115 of the All India Working Class Consumer Price Index, Base 1949=100 (hereinafter referred to as Index) and, in case, during a period of 12 months, the Index, on an average, moved 10 points above or below 115, the Government were to consider whether any adjustment in the rate of dearness allowance should be made.

*Vide Ministry of Finance Resolution No. F. 7(25)-E. III (A)/69, dated 4th June, 1970.

4. Subsequent to these recommendations, the question of dearness allowance for Central Government employees was examined by two bodies—Shri S.K. Das as a “One man Independent Body” appointed in August, 1964 (hereinafter called Das Body) and by the “Dearness Allowance Commission” (hereinafter referred to as Gajendragadkar Commission) which was appointed in July, 1966. The Das Body evolved eight pay ranges and recommended payment of dearness allowance at the following rates :

S. No.	Pay range	Dearness allowance recommended as from Oct. 1, 1964 (Index—145)	Neutralisation recommended	Effective neutralisation at minimum of slab (Index—145)
1.	Rs. 70—109	Rs. 28	90%	88.9%
2.	110—149	42	85%	84.8%
3.	150—209	54	80%	80.0%
4.	210—399	66	70%	69.8%
5.	400—599	70	40%	38.9%
6.	600—799	80	30%	
7.	800—999	85	24%	
8.	1000—1200	90	20%	

The Government accepted the recommendations of the Das Body *in toto* in respect of pay up to Rs. 600 per month but not above. However, when the 12-monthly average of the Index rose to 155, Government, while sanctioning further increases in dearness allowance with effect from 1-3-1965, sanctioned, for the first time, dearness allowance to those employees who drew pay in the salary range of Rs. 600-1000. A year later, Government also sanctioned dearness allowance at an *ad hoc* rate of Rs. 100 p.m. to employees drawing pay between Rs. 1,000 to Rs. 2,250.

5. The Gajendragadkar Commission, after considering the question of grant of dearness allowance to Central Government employees in future, concluded that dearness allowance was intended only to protect employees whose salaries were at, or a little above, the subsistence level. They accordingly recommended grant of dearness allowance at the following rates to employees drawing pay up to Rs. 575 p.m. :

Pay range (basic pay without dearness allowance)	Percentage of neutralisation for 10 point rise in the 12-monthly average of the Index above 175	Amount of D.A. for a 10-point rise	D.A. being paid at Index 175	Additional dearness allowance to be paid in future when the 12-monthly average of the Index reaches						Percentage of effective neutralisation at the minimum of the slab at Index 185
				185	195	205	215	225	235	
Rs.	(%)	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	(%)
70-109	90	6	47	6	12	18	24	30	36	89
110-149	60	7	70	7	14	21	28	35	42	82
150-209	55	8	90	8	16	24	32	40	48	77
210-399	45	9	110	9	18	27	36	45	54	67
400-449	25	10	120	10	20	30	40	50	60	38
450-499	24	11	120	—	—	33	44	55	66	31
500-575	24	12	120	—	—	—	—	60	72	28

It will be seen that the recommendations of the Das Body and the Gajendragadkar Commission have retained the then existing pattern of fixing different amounts of dearness allowance for employees drawing pay in different pay slabs. The effect of this has been that the neutralisation percentage went on decreasing with future increases in pay within a single pay range. For example, when the twelve monthly average of the Index is 215, the neutralisation percentage comes down from 88.2 at the minimum of the pay slab of Rs. 70-109 to 56.6 at the maximum of the slab. Similarly, the percentage goes down from 77.5 to 57.2 in the slab of Rs. 110-149. Thus, the existing system has the effect of further reducing the percentages of neutralisation below the level which may be considered desirable for employees drawing pay within a particular pay range.

6. Finally, as a measure of relief to employees in classes III and IV, Government have issued orders on 1st July, 1970, to the effect that such of the employees as had been stagnating at the maximum of their scales for a period of two years should be granted one increment.

7. After preliminary examination of the various memoranda on interim relief had been completed, we invited representatives of the employees' organisations (detailed in Annexure A) for discussion from 26th to 29th August, 1970, on their demands for relief of an interim character.

8. In monetary terms most of the unions of employees in the lower pay ranges have demanded interim relief of Rs. 70 p.m. for those drawing pay upto Rs. 350 p.m. and 20 per cent of pay plus dearness allowance to those drawing pay above this figure. The range of the demands made has varied from as low as Rs. 20 to Rs. 100 p.m. or even higher. The following table analyses the position :—

Minimum amount of interim relief demanded	Number of Unions/Associations
Below Rs. 20	Nil
Rs. 20 to 39	15
Rs. 40 to 59	48
Rs. 60 to 79	196
Rs. 80 to 99	34
Rs. 100 and above	81

59 associations have either not indicated the amount of interim relief or have asked for the interim relief in the shape of revised pay scales, higher rates of house rent allowance and city compensatory allowance, or for betterment of Travelling Allowance Rules. During the course of oral discussions, the representatives of some of the associations of employees in the lower pay ranges stated that they did not wish to put any upper limit up to which the proposed interim relief should be sanctioned.

8.2. The Confederation of Central Government Employees and Workers and the National Federation of P & T. Employees both of whom have asked for an interim relief of Rs. 70 p.m. for employees drawing emoluments (i.e., basic pay plus D.A.) up to Rs. 350 p.m. and 20% of pay plus D.A. to those drawing more than Rs. 350 p.m. adopted this figure as representing about

50% of the gap* between the existing emoluments (Rs. 141) and the inflated value at the Index 215 of the need based minimum wage of Rs. 125 p.m. mentioned in the report of the Second Pay Commission. The Second Pay Commission did not consider a need based minimum wage which might have been of the order of Rs. 125 in 1958 as feasible, financially and economically. The All India Railwaymen's Federation have also asked for an interim relief of Rs. 70 p. m. and based their demand, *inter alia*, on an exercise sponsored by the National Commission on Labour and undertaken by the Indian Social Institute, New Delhi, to compute a need based minimum wage with the help of linear programming techniques. While the Estimates in the exercise are based on the data for the calendar year 1967, the same have been related by the All India Railwaymen's Federation to the financial year 1966-67. Accordingly, an error has crept into their calculations as the average Index for 1967 has been taken to be 191 instead of the correct average Index of 209. On this basis, the gap between the existing minimum emoluments and their estimates of need based wage would be Rs. 54 and not Rs. 72-50.

9. Both in their memoranda as also in the course of discussions, most of the employees' unions argued that there had been an erosion of real wages during the last decade as the compensation given to the Central Government employees for increase in prices had neither been adequate nor timely. They have further based their demand for interim relief on the recommendations of the 15th Indian Labour Conference for a need-based minimum wage. Comparisons have also been made of the emoluments of certain representative categories under the Central Government with comparable categories of employees in public sector undertakings, nationalised banks and private sector organisations.

10. The point which was urged almost universally was that the cost of living had continued to rise since the pay structure was prescribed on the basis of the recommendations of the Second Pay Commission. For the purpose of determining the quantum of dearness allowance, the Second Pay Commission and subsequently the Das Body and Gajendragadkar Commission appointed to enquire into the question of payment of dearness allowance, had adopted the Working Class Consumer Price Index with base 1949=100. The indices of this series for the period subsequent to August, 1968, when the 1960 series were published, are obtained by converting the 1960 series, the conversion factor being 100 of 1960 series=121.54 of the 1949 series. This price index has by now reached the level of 225 (June 1970). The twelve monthly average of the Index for June 1970 is 218 approximately.

11. In estimating the demand for need based wage in conformity with the norms recommended by the 15th Indian Labour Conference, the employees' unions have by and large proceeded on the basis of the diet schedule recommended by the sub-committee appointed by the National Nutrition Advisory

*The gap should be Rs. 127.75 and not Rs. 147.25 as mentioned in the Memoranda, even according to the assumptions made by them.

Committee in 1965. We have had some discussions with Dr. C. Gopalan, Director, Nutrition Research Laboratories, Hyderabad, and Dr. K. Bagchi, Adviser, Nutrition and Assistant Director-General of Health Services, New Delhi. In the course of these discussions, we were informed that subsequent to the recommendations of the NNAC an expert group appointed by the Indian Council of Medical Research have also made certain recommendations in their special report series No. 60 (1968), which, according to these experts, were based on the latest findings in this field. Our enquiries from the Ministry of Health have revealed that this report is being examined by a sub-committee appointed by the Ministry, whose recommendations would be available in another six months or so. Quite early in our deliberations we had realised that the examination of this particular demand would require more detailed consideration. We, therefore, decided to defer consideration of this demand and to incorporate the results in our final report.

12. Another point which has been urged by the employees' unions is that emoluments, both in the public and private sectors, are very much higher than those available to comparable categories of Government employees. The Second Pay Commission had examined in detail the principle of fair comparison with rates of remuneration for broadly comparable work in outside employment and had come to the conclusion* that this was one of the important factors to be taken into account in determining the remuneration of Central Government employees and was useful as an aid and a corrective. When recommending scales for the clerical staff, they had observed that their remuneration did not compare unfavourably with what the corresponding category of employees outside the Government were getting at that time.† The employees' unions have very forcefully contended that since then the emoluments of employees in those sectors have been considerably improved, and upward revision of the emoluments of Central Government employees to maintain parity with the other sectors is long overdue. On the basis of data made available to us so far, we find that with a few exceptions, the minimum emoluments of a peon under the Central Government compare unfavourably with the minimum emoluments both in the public sector and the private sector. At the level of the clerk also, wide gaps have developed between what is being paid by the Government and by non-Government employers, specially by the Indian Oil Corporation, State Trading Corporation, Minerals and Metals Trading Corporation, the banks and other financial institutions. The employees have contended that by and large the work of a clerk or of a peon in both the sectors would be comparable. They have further argued that when public sector corporations are newly set up and Government employees are transferred to them, frequently their emoluments improve significantly, owing to the mere fact of such transfer. As the losses sustained by the public sector undertakings are being made good by contribution from the public revenues, the employees have found it difficult to concede that the Government themselves cannot adopt similar pay scales on the plea of their lack of capacity to pay. According to them, the improved emoluments are available not only to employees of undertakings which are making profits but also of those which are suffering losses. Accordingly, they argued that while employees in non-Government sectors have been able to secure better emoluments as a result of bilateral agreements or wage board awards (implementation of which was in many cases secured with the support of the Government) the emoluments of Government employees have lagged very much behind.

13. We feel that this is also a matter which will have to be examined by us in greater detail, as comparisons should take note of all the ingredients of the pay packet of an employee including monetary value of the benefits available to him. Moreover, it would be necessary, on the basis of further data, to examine in depth and establish proper correspondence between posts in the Government and in outside employment.

14. Demands have also been made in some of the memoranda for grant of advance increments, improvement in pay scales and retirement benefits and for increase in the rates of travelling allowance/daily allowance, house rent allowance, city compensatory allowance, etc. All these are matters which

will require detailed consideration and must wait till the stage of our making final recommendations.

15. The large and varying claims for interim relief urged by the unions and associations with considerable force impelled us to seek guidelines which would permit objective consideration. The question of interim relief, if any, to be recommended at this stage was given anxious thought and consideration. The First Pay Commission had recognised** that the minimum wage was subject to the limitations imposed by the general economy of the country. They had also held that it could not be fixed in disregard of the total production capacity of the country or without reference to the national income. The Second Pay Commission had also referred to the national income statistics. They held that the minimum wage could not be of the order of Rs. 125 per month when on the basis of the national income the average per family worked out only to Rs. 97 per mensem. As pointed out by them, the entire national income is not available for current distribution as a good percentage of it must go towards building up capital assets. We are of the tentative view that the minimum remuneration of Government servants cannot be treated in isolation and changes in per capita national income appear relevant for considering this matter. According to the information made available to us the position is as follows :—

Year	National product @ at current prices (per capita) per year	Minimum remuneration per month of Central Government Employees (highest for the year)
	Rs.	Rs.
1960-61	306.4	80.00
1961-62	316.4	85.00
1962-63	326.4	85.00
1963-64	366.4	90.50
1964-65	419.8	103.00
1965-66	421.2	111.00
1966-67(P)	470.8	123.00
1967-68(P)	551.4	135.00
1968-69(P)	542.3	141.00

(P) : Provisional. @ i.e. National Income.

In 1968-69, contrary to the normal trend, there has been a drop in the per capita national income at current prices, and the figure is provisional. Even so, it is found that while there has been an increase of 77% in the per capita national income since 1960-61 there has been a 76% increase in the minimum remuneration of the Central Government employees. For the preceding year, viz., 1967-68, the increase in the per capita national income was 80%, whereas the increase in the minimum remuneration of Central Government employees was 69% over the base year 1960-61. Since the minimum remuneration of the Central Government employees has remained unchanged since September 1968, while per capita national income can be expected to have grown above the levels of 1967-68 and 1968-69, it appears that the minimum remuneration of the Central Government employees has not kept pace with the increase in per capita national income. It may, however, be noted in this connection that the total employment of Class IV employees under the Central Government has increased by about 31% during the period 1960-68.

16. Another reference point which we thought would be helpful in indicating whether interim relief was justified or not, was a comparison of the earnings in real terms of the Government employees on the one hand with those of the industrial workers and mining workers in the organised sector on the other. This comparison has been made at Annexure B, which indicates that while the Index of real earnings of factory workers has diminished from 103 in 1962 to 95 in 1968, the diminution in respect of Government employees has been more marked. Thus, Government employees earning up to Rs. 400 per month have experienced a fall in their real earnings from an index number of 103 in 1962 to 88 in 1968. For Railway employees whose emoluments include running and over-time allowances, the fall

*Chapter IV—para 29

†Chapter XI—para 27

**Para 48—page 30

@Chapter VII—para 10

has been somewhat less. Thus, in 1968, the index numbers of real earnings for Classes III and IV stand at 93 and 92 respectively, as compared with 103 during 1962. A reasonable conclusion would, therefore, be that the real earnings of Central Government employees have lagged behind those of industrial employees generally.

17. We thought that another useful bench-mark which could be relied upon to give some indication of a reasonable minimum remuneration for Central Government employees would be the findings of the First Pay Commission. It will be recalled that the majority of the members of that Commission had agreed that Rs. 55 per mensem (made up of basic salary plus dearness allowance) would be a fair minimum wage at a cost of living index of 285* (base 1939=100). The Commission made it clear that the minimum wage they had in mind did not take house rent into account.** If this minimum wage is adjusted to the twelve-monthly moving average of the Index (218 points), it would come to Rs. 149.8 per month. At Index 225, which is the June 1970 figure, it would come to Rs. 154.58. Between the existing minimum emoluments of a Class IV Government employee and the adjusted minimum wage fixed by the First Pay Commission, there would thus be gaps of Rs. 8.8 and Rs. 13.58 for these two index numbers, respectively.

18. Yet another bench-mark which could be considered is the minimum remuneration fixed by the Second Pay Commission for employees of this category adjusted to the Index level of 218. The Second Pay Commission fixed the total emoluments at Rs. 70 Pay, plus Rs. 10 dearness allowance at an Index of 115 and the adjusted amount for 218 points would be Rs. 151.7 per month. This would result in a gap of Rs. 10.7 at the existing level of remuneration. If, however, we adopt the Index prevailing in June 1970 (225 points), then the gap between the existing minimum remuneration and the adjusted amount would be Rs. 15.52. We would also invite attention to the point that while arriving at the figure of Rs. 80 per month at Delhi prices, the Second Pay Commission did not take into account special allowances such as city compensatory allowance or house rent allowance.† We believe that for a proper comparison this fact should be taken into consideration.

19. The adjustment of the minimum remuneration recommended by the Second Pay Commission on the basis of the current consumer price index figures will only be as correct as the index figures themselves are, and may be questioned on the ground that the weights attached to various items of expenditure in the working class index do not conform to prevailing consumption patterns. It was pointed out to us that the current system of weights is based primarily upon the 1958-59 family budget enquiries, that is on data which is 12 years old. As a cross check, therefore, we took note of the actual diet specified by the Second Pay Commission and distributed composite items such as cereals and pulses, into the individual constituents on the patterns indicated by the National Nutrition Advisory Committee for the Northern Zone. To the expenditure on food at Delhi prices (June 1970) for three adult consumption units, we added the cost of clothing, and the house rent that a Government employee of this category would pay while staying in Government accommodation. We also added the item of miscellaneous expenditure. Both clothing and miscellaneous expenditure were computed according to the norms adopted by the 15th Indian Labour Conference. Taking the minimum monthly emoluments of a Central Government employee to be Rs. 141, the gap between income and expenditure as determined above was found to be of the order of Rs. 15 p. m. As already mentioned, considerable work has been done by Nutrition Experts, both at home and abroad, since the Second Pay Commission reported, while the diet suggested by the Second Pay Commission is open to question and even the recommendations made subsequently by the National Nut-

rition Advisory Committee are in a state of flux because of the recommendations made by the Indian Council of Medical Research in 1968, we nevertheless decided to consider the Second Pay Commission's diet because it constituted the basis for their fixation of the minimum remuneration. We have not examined fully the question of the need based minimum wage and of the physiological needs of Central Government employees at the lowest pay ranges at this stage. For the purposes of an interim report, however, it appeared relevant to us that we should consider how current prices have affected the base adopted by the Second Pay Commission. We thought that it would be reasonable to ensure that the lowest paid Central Government employees should not have to suffer a reduction in real terms which would take them below the minimum level considered appropriate by the Second Pay Commission 11 years ago.

20. Having regard to the comparisons made in the preceding paragraphs and to the various bench-marks mentioned therein, we have come to the conclusion that the grant of an interim relief to Government employees at the minimum pay ranges is amply justified.

21. The next point falling for consideration is the limit of pay upto which interim relief should be granted. Our concept of interim relief is that it should be limited to the intervening period while we are considering the general pay structure i.e. it should be a purely short term measure. It is meant primarily to give relief to those categories of employees who need relief urgently and who would otherwise have to suffer an undue hardship. While the First Pay Commission had contemplated dearness allowance even upto the pay level of Rs. 1,000, the Second Pay Commission recommended a dearness allowance upto the level of Rs. 300 p.m. At that stage, of course, the Index was only 115 but the Commission did consider the question of future adjustments in the event of a rise in prices. The relevant portion of the recommendation was as follows:—

"For future adjustment, however, we consider the staff above that level (Rs. 300) as falling in three groups, namely (i) those in the pay ranges Rs. 300 and above, but below Rs. 400, (ii) those in pay ranges Rs. 400 and above, but below Rs. 1,000; and (iii) those whose salaries are Rs. 1,000 and above. We consider that those in (i) should, in future adjustments of the dearness allowance to meet rise in prices, be grouped with those in the pay range below Rs. 300; for the present, we recommend only marginal adjustments for those on a pay of Rs. 300 and above. As regards group (iii), we do not envisage a situation in the foreseeable future in which it should be necessary to allow to that group a compensation for rise in prices. Concerning group (ii), we do not wish to prejudge their claims for dearness allowance, should the Index continue to rise; and we suggest that their case may be considered in the light of the various relevant circumstances at the time: the state of the economy; the extent and duration of the price rise as measured by the middle-class cost of living index which, we understand, is likely to come into existence in a year or two; the trend of remuneration for comparable classes of employees outside Government; the availability of candidates of the requisite standard, etc."

(Chapter IX—para 9)

21.2 The Das Body contemplated dearness allowance even upto the pay range of Rs. 1,000—Rs. 1,200 p. m., but this recommendation was not accepted, as the Government took the view that this part of the recommendations went beyond the terms of reference. The Gajendragadkar Commission merely adopted the limit of Rs. 300 as fixed by the Second Pay Commission, adjusted it to the increased Index and concluded that at the then current price level additional dearness allowance should cease to be admissible at a basic pay of Rs. 450 p. m. They were presumably actuated by the consideration that dearness allowance should be admissible to those employees whose salaries are at the subsistence level or a little above it. The Gajendragadkar Commission did, however, concede that the limit of vulnerability may have to be re-determined for future price levels which may be substantially higher than the current ones.

21.3 It is significant that the Second Pay Commission considered dearness allowance to be a device to protect real incomes and wages of some of the employees from the effects of a rise

*Para 51 of the First Pay Commission's Report mentions a cost of living index of 260. This figure was, however replaced by a figure of 285 by mutual agreement between the Commission and the then Finance Department (vide Appendix 'C' of their Report).

**Paragraphs 76 and 49.

†Chapter VII, Para 15, Page 68 of the Second Pay Commission's Report.

‡Chapter IV—Paragraph 4.16

@Chapter IV—Paragraph 4.14

in the prices to a greater or less extent. Also, their classification into three groups to which we have drawn attention was made at a time when the Index was only 115 and we cannot state with any assurance that the Second Pay Commission contemplated a rise of the Index to almost twice the then prevailing figure, when they stated that they did not envisage a situation in the foreseeable future in which it would be necessary to allow compensation for rise in prices to those whose salaries were Rs. 1,000 p. m. and above. As for those in the salary group of Rs. 400—1000, they kept the matter open.

21.4 It seems clear that Government employees in the lower pay ranges have been allowed rates of dearness allowance from time to time which resulted in reasonably high percentages of neutralisation of the increase in the cost of living. On the other hand, some of the Heads of Departments and officers of the rank of Joint Secretary and above have been given substantial increases in their basic rates of pay since the Second Pay Commission reported. Till the Gajendragadkar Commission reported, it was customary for persons in the pay group of Rs. 600—1000 to be allowed the same amount of dearness allowance as was admissible to those in the immediately preceding pay group under the Das Body formula. It was only after the Gajendragadkar Commission reported that this link was severed and subsequent increases allowed to lower pay groups were not extended to the range of Rs. 600—1000 with the result that Government employees drawing a pay of Rs. 499 per month now receive a dearness allowance of Rs. 164 per month while higher paid employees upto Rs. 1,000 per month receive Rs. 120 per month.

21.5 It is pertinent to refer in this connection to certain recommendations of the Gajendragadkar Commission. In Chapter VII paragraph 7.16 of their report they stated as follows:—

"We have already emphasised the fact that though we have held that employees drawing salaries above the limit of vulnerability are not entitled to dearness allowance in regard to the future rise in prices, the question above the adequacy of their salaries will need careful examination. The recommendation we make in this connection is that the revision of the salaries of these categories of employees should be undertaken at the end of two years or when the twelve-month average of the Index reaches 245, whichever is earlier. At that stage, the Government should sanction some suitable interim allowance to all the employees whose salaries would be revised by the appointment of a pay commission or otherwise. We ought to add that it is because we have decided to make this specific recommendation that we have not considered the question whether, in the case of employees drawing salaries above the upper limit of vulnerability, we should recommend any relief otherwise than by the way of dearness allowance, for the rise in prices in future, and, if yes, at what stage and in what manner."

It will be noticed that they expressly suggested that Government should sanction suitable interim allowance to all employees at the end of 2 years or when the twelve-monthly average of the Index reached 245, whichever was earlier. Also, in the table summarising their recommendations* they have mentioned that at the stage when the twelve-monthly average of the Index reached 225, employees in the pay range of Rs. 500-575 should be given an additional dearness allowance of Rs. 60 p.m. over and above Rs. 120 p.m. which they were already receiving. The period of two years has elapsed though the twelve-monthly average is yet below 225.

21.6 It has been strongly urged before us that while officers in the middle salary group perform vital functions and carry a heavy load of responsibility, they are denied the benefits that Government have given since the Second Pay Commission reported, both to their lower paid employees and also to the top echelons. Above the pay of Rs. 500 p.m., dearness allowance is reduced under the existing orders from Rs. 164 to Rs. 120 p.m. Because of marginal adjustments, the pay plus dearness allowance for these employees remains stationary till the difference of Rs. 44 is adjusted and any increments earned are offset, wholly or in part by reduction in dearness allowance in this pay range. Overtime allowance is not admissible to employees drawing basic pay of Rs. 500 per month or above. Reimbursement of tuition fees is not admissible to employees drawing basic pay above Rs. 600 p.m. There are also certain restrictions regarding dra-

wal of house rent allowance in C class cities, city compensatory allowance in B-2 class cities and hill compensatory allowance for employees in the pay range Rs. 500—750 and above. The curtailment or restriction of these benefits has been pointedly brought to our notice by the concerned unions and associations. We appreciate this point of view and feel that Government employees in the middle salary groups have their problems and the cushion that the Gajendragadkar Commission mentioned has become somewhat unreal in the face of the continued increase in prices. Even though these employees may be above the bare subsistence level, they have certain norms and social obligations to fulfil, and in their case also some relief is called for. We can do no better than refer to a quotation cited by the International Labour Office, which seems apposite:—

"Conceptually the notion of minimum social needs seems to be related to that of human dignity. . . . a family should not be obliged by poverty to live in a manner that sets it apart from other families in the social group to which it belongs and that makes it unable to live according to the established customs of the community".

21.7 Having regard to the points discussed above, we have come to the conclusion that the upper pay limit for grant of interim relief should be fixed at a pay of Rs. 1250 p.m. The various standard Class I time scales for technical, scientific and non-technical services go upto this figure. The posts above this limit are generally either selection grade posts or are treated as super-time scale posts. It, therefore, appears that Rs. 1250/- represents a fairly well-defined watershed between time scale and super-time scale posts. We have decided to leave out those drawing pay above Rs. 1250 p.m. (except for marginal adjustments) for the time being as interim relief is a short term measure, and we do not think we would be justified in holding that price increases have had so great an impact on them that immediate rectification is called for.

22. The interim relief to be recommended to employees in the various pay ranges remains now to be considered. Our deliberations have led us to the conclusion that the existing slab of Rs. 70-109 adopted by both the Das Body and the Gajendragadkar Commission includes too many categories of lower grade employees with the result that if a uniform amount is recommended for the entire group then the upper grades within this slab may not be treated as equitably as they deserve to be. Thus, the effective neutralisation at present varies from 88.2% at the minimum of the slab to 56.6% only at the maximum (viz. Rs. 109 p.m.). Within this slab would fall several categories. Those on the pay scale of Rs. 70-1-85 would be mostly unskilled categories such as peons, chowkidars etc. Certain other categories included in this group are those on the scales of pay of Rs. 75-1-85-2-95 and Rs. 75-1-85-2-95-3-110. These latter scales include semi-skilled categories, supervisory categories, and even certain basic tradesmen. This pay range would also include persons on scales such as Rs. 80-1-85-2-95-3-110 where a fair degree of skill or of responsibility is expected. Representative categories would be X-ray Attendants, Pointsmen, Cabinmen, Gestetner Operators etc. We feel that a pay of Rs. 85 constitutes another fairly well-defined watershed. Persons in civil employ drawing a basic salary below this amount are either performing unskilled or fairly routine types of work. It may also be that they are basic tradesmen who have yet to acquire full proficiency and are still undergoing training. On the other hand, persons on the lower rungs of the somewhat higher class IV scales are comparatively junior and their family burdens are yet to increase to the full extent.

23. Having regard to the above and the considerations indicated in paras. 17 to 19 ante we recommend an interim relief of Rs. 15 p.m. for employees drawing pay below Rs. 85 p.m. A relief of this order would allow for a neutralisation of 104 per cent at the 12 monthly average Index of 218 for a pay of Rs. 70 p.m. We have deliberately allowed for a small element of over-neutralisation. Firstly, we would attach weight to the current money value of the basic quantities adopted by the Second Pay Commission by way of diet, clothing etc. ; we feel that there should be no erosion in these norms because of rising prices. Secondly, we have satisfied ourselves that an interim relief, of this order is amply justified, *inter alia* having regard broadly to the prevalent level of wages for unskilled labour, messengers etc. in organised trade and industry but without making a meticulous comparison and taking account of all benefits admissible.

23.2 As regards employees drawing pay of Rs. 85 and above, we feel that their needs are somewhat more than those of the

*Extracted in Para 5 of this report.

employees drawing pay below Rs. 85. They appear to deserve a higher interim relief because (a) persons on the lowest civil scale of Rs. 70-85 will reach the stage only after 15 years of service when their family responsibilities can be expected to be greater, and (b) the contribution that they make towards the efficient functioning of the organisations to which they are attached, and their performance as artisans and skilled workers call for greater recognition. For both these reasons we think that the interim relief in their case should be of the order of Rs. 25 p.m. and we recommend accordingly.

24. As regards the interim relief to be recommended to employees in other pay ranges, we have had a statement prepared (Annexure C) showing the monthly emoluments at the minimum of the appropriate scales of pay for some representative categories of employees for several years and indices of money and real earnings. It will be seen that compared to 1949, during 1969 only the peon was better off in real terms. In the case of a peon, the real earnings at the minimum of the scale have improved over the period 1949-69 by 2%. The Lower Division Clerk, who was comparatively better off till 1957 as compared with 1949, is currently worse off than he was then by about 2%. All the other categories have suffered a fall in their real earnings, this fall progressively increasing with increase in the basic emoluments. The fall at the minimum of the scale in the case of an Assistant, Class I Officer (Junior scale) and Class I Officer (senior scale) has been 22%, 32%* and 44%* respectively.

24.2 Our recommendations in regard to the grant of interim relief to employees in the pay range of Rs. 110 and above have been outlined in the statement at Annexure D. We have recommended an interim relief of Rs. 25 p.m. also for employees in the pay range of Rs. 110-209 so that this amount would be admissible to the entire range of Rs. 85-209. In making this recommendation we have taken note of the increased rate of D.A. now admissible to employees in the pay ranges of Rs. 110-149 and Rs. 150-209. Above this level, we have tried to achieve a smooth and progressive reduction in the percentage of neutralisation with increasing basic pay. We accordingly recommend an interim relief of Rs. 30 p.m. for the pay range of Rs. 210-499. For the pay range of Rs. 500-1250 we have recommended an interim relief of Rs. 45 p.m. Our justification for doing so is the higher quantum of dearness allowance admissible in the pay range of Rs. 450-499 (Rs. 164), as compared with the dearness allowance of Rs. 120 p.m. drawn by the employees in the pay range Rs. 543-999 p.m. and Rs. 100 for those getting a pay above Rs. 1019 p.m. The reduction in the dearness allowance suffered by those in the pay range above Rs. 500 p.m. has been moderated by the proposed higher rate of interim relief.

25. For salaries around Rs. 70 p.m. as already explained, we have allowed more than cent per cent neutralisation because we have not confined ourselves solely to the increase in the cost of living and have taken account of various other factors. Due to similar reasons we have recommended a higher neutralisation percentage for employees in higher salary ranges than those recommended by either the Das Body or the Gajendra-gadkar Commission. The table below shows the comparative position taking into account the existing dearness allowance and the interim relief recommended by us:—

Pay Slab : Effective neutralisation at the minimum of each slab for the Index average 215.
(in Percentages)

Rs.	Das Body@	Gajendra-gadkar Commission	Our recommendation
Below 85†	89.4†	88.2†	106.8†
85-109	73.6	72.6	98.2
110-149	84.6	77.5	97.2
150-209	80.0	70.7	85.2
210-399	70.0	60.5	72.9
400-449	40.0	34.8	41.3
450-499	35.2	31.7	37.5

*These calculations do not take into account the effect of direct taxes.

@This would have been the position if Das Body's recommendations had been implemented upto Index average of 215.

†Calculated at Rs. 70 p.m.

25.2 As indicated earlier, the recommendations of the Das Body for the grant of dearness allowance were accepted by the Government in respect of employees drawing pay upto Rs. 600 p.m. only. The Gajendra-gadkar Commission had also not recommended any additional dearness allowance for employees drawing a pay of Rs. 500 p.m. and above (except for marginal adjustments) at Index average 215. Our recommendations for interim relief, which cover employees drawing pay upto Rs. 1250 p.m. provide for neutralisation inclusive of the existing dearness allowance of 36%, 14% and 10% at pay levels of Rs. 500, Rs. 1,000 and Rs. 1,250 p.m. respectively at Index average 215.

26. In view of what has been stated earlier**, we think that it would be inappropriate to treat the interim relief we have recommended as though it were a dearness allowance, as the two concepts differ, the latter being determined almost solely by the cost of living. Another alternative deserving consideration would be to treat the interim relief as though it were pay, or dearness pay. Certain consequences would follow from doing so e.g. it would have to be taken into account for computing pensionary benefits and compensatory allowances, and for determining limits of admissibility of some benefits. The Government have already passed orders in August, 1970, allowing certain concessions to persons retiring on or after 1st December, 1968 but before 1st December 1969, and again to persons retiring after 1st December 1969 but before 1st December, 1971. The effect of these orders is to increase "average emoluments" for pensionary purposes by either one half of the dearness pay or by the entire dearness pay. In view of these orders, we feel that no further pensionary concessions were called for at this stage, in respect of persons retiring before we submit our final recommendations. Accordingly, no particular hardship would be caused if the interim relief we recommend did not count for pensionary benefits. We therefore suggest that it would be inappropriate to treat the interim relief either as dearness allowance or as pay. To avoid complications and administrative difficulties, we accordingly suggest for the Government's consideration that the interim relief recommended by us should be treated *sui generis* and should not be taken into account for determining any other allowances or benefits which may be admissible to Government employees on the basis of their pay. Correspondingly, it should not be taken into account for determining the house rent payable by Government employees. While we have no desire to go into further details and would be content to leave the matter for the determination of the Government at the stage of issuing orders, we are of the view that the interim relief should be made admissible during leave, joining time or during periods of suspension in the same manner as the dearness allowance is at present admissible during such periods.

27. Our terms of reference further require us to indicate the date from which the interim relief should take effect. Most of the unions have been urging us to link this date with the recommendations of the Gajendra-gadkar Commission and have suggested the 1st February, 1969, when according to them, the period of two years mentioned by that Commission elapsed. We are of the view that making the interim relief retroactive from so distant a date as suggested by the unions would not be reasonable. We find that there was a period of comparative price stability during 1968 and 1969 after the last revision in the rates of dearness allowance from the 1st September, 1968, during which the real earnings of the employees, by and large, remained intact. Further, we feel that acceptance of such a demand would impose an unduly heavy burden on the current year's budget. The present Pay Commission itself was brought into being only in April, 1970. We feel that it would be equitable to allow the interim relief with retrospective effect from the 1st March 1970 (i.e. salary for March 1970 payable in April 1970) which, more or less, coincides with the commencement of the recent spurt in prices. Such an arrangement would also be convenient from the budgetary point of view.

28. Our recommendations regarding interim relief are confined to the regular employees and to those work charged employees who are normally entitled to dearness allowance. We do not envisage the grant of interim relief to casual staff, to staff paid from contingencies, or to Extra-Departmental agents of the P. & T. Department for whom a separate Committee is proposed to be set up. Contract employees are to be remunerated in accordance with the terms of the contracts executed in respect of each emp-

**Paras 23, 23.2, 25 and 25.2 supra.....

loyee, and each case will therefore have to be considered on merits by the Government.

29. We need hardly emphasise that it would be an exercise in futility to keep on increasing the emoluments of Central Government employees, if these increases are largely wiped out soon afterwards by increases in prices of goods and services. There is, therefore, paramount need to maintain price stability and we are confident that the Government will take all necessary fiscal, monetary and other measures, including control over production and distribution, to maintain the price line. We are accordingly not suggesting any automatic changes with the price level in the quantum of interim relief we are recommending for the duration of our work. If, however, the price situation remains intractable despite all the measures the Government may take, a review may be called for when the 12-monthly average of the Index reaches 228. We have not considered it advisable at this stage to depart from the existing practice of making adjustments in the dearness allowance only when the 12-monthly average of the index rises by 10 points.

30. Our recommendations in regard to grant of interim relief may be summed up as follows:—

(a) *Quantum of Interim Relief*

Pay Range (Reckonable pay for Dearness Allowance) (Rs.)	Amount of Interim Relief per month (Rs.)
Below 85	15
85—209	25
210—499	30
500—1250 (With suitable marginal adjustments)	45

(b) *Date of effect* : 1st March, 1970.

(c) *Nature of Interim Relief* : It should be treated *sui generis*.

30.2. The interim relief, as recommended above, should be allowed to all regular Central Government employees (including employees of Union Territories) and the personnel belonging to the All India Services. The personnel belonging to the Armed Forces should also be given the same amount of interim relief and in their case the reckonable pay for grant of interim relief may be determined in the same manner as the reckonable pay for grant of dearness allowance.

30.3. On the basis of our recommendations the overall financial implications for a full year inclusive of additional expenditure on Armed Forces personnel and employees in the Union Territories are estimated at Rs. 102.90 crores (vide Annexure D).

31. Our terms of reference also require us in making our recommendations to have regard to the resources of the Central Government and the demands thereon on account of developmental planning etc. We have accordingly been collecting information on the financial position and on Plan expenditure. It appears that for the current financial year the overall deficit of Rs. 225 crores estimated at the budget stage will be increased by an additional Rs. 36 crores on account of supplementary grants taken during August, 1970. This latter figure represents the net cash outgo after making necessary accounting adjustments. For the Fourth Plan period, deficit financing is estimated at Rs. 850 crores i.e. an average of Rs. 170 crores per year. According to the budgetary figures, this average is likely to be exceeded during the current year even as it is, without taking into account the effect of our recommendations on the emoluments of Central Government employees. In mitigation of the above picture, it was found that both direct taxes and the Central excise duties have shown a somewhat encouraging trend in the preliminary actuals for 1969-70. It may, therefore, happen that tax revenues during 1970-71 will improve upon the budgetary

figures if industrial activity maintains the present tempo and no unforeseen developments take place. It is also not unlikely that some shortfall in Plan expenditure may occur. During 1969-70, against a Plan outlay of Rs. 1058 crores, the revised estimates were Rs. 998 crores, while the preliminary actuals may be still lower. There was, therefore, a shortfall in Plan expenditure of the order of Rs. 60 crores. This factor may partially explain the reduction in deficit financing during 1969-70 from the original figure of Rs. 290 crores to the present estimated figure of Rs. 58 crores. During the current year Plan outlay is put at Rs. 1195 crores, thus indicating a sharp increase of the order of Rs. 200 crores over the previous year's figure. We understand that some shortfalls in specified developmental schemes are envisaged. This reduction in expenditure is, however, likely to be largely offset by additional expenditure in excess of the budget estimates on certain other Plan projects. We do not know how far it will be possible to keep such additional expenditure in check, and also to prune other items of expenditure, particularly in the non-Plan sector. The resources position in respect of Railways does not seem to be encouraging, largely because, as we understand, the goods traffic has fallen off. Taken overall, however, and having regard to the past Plan performance, it would not be unrealistic to assume that there is some margin. Considering both the buoyancy in tax revenues, and the likely shortfall in Plan expenditure we feel that the Government may be able to eke out resources to meet the additional expenditure entailed by our recommendations.

32. We have not examined in depth the question of the need based minimum wage, and the reports of various expert bodies in this connection. We have not also considered, as fully as we would have liked to, the repercussions of our recommendations on the finances of the State Governments, public sector undertakings, local bodies etc. We find, however, from the very preliminary information collected by us that there are about six State Governments where the maximum emoluments of peons exceed those given by the Central Government to their peons at the maximum of the scale. We further find that some seven State Governments pay more to their Lower Division Clerks at the maximum of the scale, than what the Central Government pays its Lower Division Clerks also at the maximum of the scale. In at least one case, the minimum emoluments paid by the State Government to a Lower Division Clerk exceed those paid by the Government of India to a Lower Division Clerk at the minimum of the scale. By and large, we have found that the public sector undertakings, with some exceptions, are paying higher emoluments to their employees than are paid by the Central Government to corresponding categories of their employees. We would like to state, however, that our recommendations for interim relief have been made more in the nature of *ad hoc* concessions after taking a broad overall view rather than after a detailed and meticulous study of all aspects. We would like to make it clear, therefore, that these recommendations should not be construed as an endorsement or otherwise of the findings of previous commissions or bodies, and also to emphasise that we would feel free in our final report to make whatever recommendations we consider appropriate regarding pay structure and conditions of service after due consideration of the various aspects of the matter.

33. Finally, we would like to acknowledge the valuable assistance rendered to us by the Secretariat of the Commission and by the many persons who helped us in formulating our recommendations. We would also like to thank the representatives of the unions and associations who appeared before us and the large number of persons who have responded to our public notice by sending us their memoranda.

Sd/-
Raghubar Dayal
Chairman

Sd/-
Nihar Ranjan Ray
Member

Sd/-
V. R. Pillai
Member

Sd/-
A. K. Das Gupta
Member

Sd/-
H. N. Ray
Member-Secretary

New Delhi : dated the 16th September, 1970.

ANNEXURE A

(Vide para 7)

List of Employees Unions/Associations who were invited for discussions

1. Confederation of Central Government Employees and Workers.
2. All India Defence Employees' Federation and the Indian National Defence Workers' Federation, Delhi Cantt.
3. Indian National Defence Workers' Federation, Kanpur.
4. National Federation of P. & T. Employees.
5. Federation of National P. & T. Organisations.
6. Armed Forces Headquarters Superintendents' Association.
7. All India Railwaymen's Federation.
8. National Federation of Indian Railwaymen.
9. Telegraph Communication Engineers' Association.
10. Central Secretariat Service (Grade I) Association.
11. Indian Railway Accounts Service Association.
12. All India Federation of Income Tax Gazetted Services Associations.
13. Federation of the Central Secretariat and Allied Offices' Employees.

ANNEXURE B

(Vide para 16)

Indices of money earnings and real earnings of factory workers, Mine workers, Railways and Government Employees (Base 1961=100)

YEAR	MONEY EARNINGS							REAL EARNINGS						
	All India* CPI No. 1960— 100	Factory Workers earning less than Rs. 400 p.m.	Mining* workers	Govern- ment** employees earning upto Rs. 400 p.m.	Railway Employees Class@			Factory* workers earning less than Rs. 400 p.m.	Mining* workers	Govern- ment** employees earning upto Rs. 400 p.m.	Railway Employees Class@			
					IV	III	I&II				IV	III	I&II	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1962	103	106	104	106	106	106	103	103	101	103	103	103	103	100
1963	106	109	111	107	109	109	102	103	105	101	103	103	103	96
1964	121	114	112	113	117	118	107	94	93	93	97	98	98	88
1965	132	128	127	124	127	130	113	97	96	94	96	98	98	86
1966	146	139	138	132	137	142	116	95	95	90	94	97	97	79
1967	166	151(P)	179	141	147	150	111	91(P)	108	85	89	90	90	67
1968	171.	162(P)	189	150	158	159	114	95(P)	111	88	92	93	93	67

(P) Provisional.

*Indian Labour Statistics, 1970.

**Mid-point of pay range plus D.A. as on 31st March.

@Figures are based on the Statistical Statements in the Supplement to the Annual Reports by the Railway Board. These include all payments except Provident Fund Contribution and pensionary benefits. In particular include running allowance and overtime allowance.

ANNEXURE C
(Vide para 24)

Average Monthly Emoluments (Basic pay+ D.A.) in Rupees at the Minimum of the scale of pay and indices of Money and Real Earnings (Base 1949=100)

Category	1949	1957	1960	1969
Peon				
Emoluments	65	72.50	80	141
Index of Money Earnings	100	112	123	217
Index of Real Earnings	100	101	99	102
Lower Division Clerk				
Emoluments	100	112.50	120	208
Index of Money Earnings	100	113	120	208
Index of Real Earnings	100	102	97	88
Assistant				
Emoluments	215	222.50	230	356
Index of Money Earnings	100	103	107	166
Index of Real Earnings	100	93	86	78
Class I Officer (Jr. Scale)				
Emoluments	390*	390*	400	560
Index of Money Earnings	100	100	103	144
Index of Real Earnings	100	90	83	68
Class I Officer (Sr. Scale)				
Emoluments	685	685	700	820
Index of Money Earnings	100	100	102	120
Index of Real Earnings	100	90	82	56
CPI Number Base 1949=100	100	111	124	213

*Emoluments of an unmarried officer. Emoluments of a married officer were Rs. 420/-

Note: The above calculations do not take into account the erosion in real earnings as a result of increased direct taxation. If this is taken into account, the erosion may be more for Class I Officers.

ANNEXURE D

(Vide para 24.2 and 30.3)

Interim Relief Recommended for Various Pay Ranges and Approximate estimates of cost

Pay range (Reckonable pay for dearness allowance) (Rs.)	Estimated total number of employees as on 31-3-1970 (in lakhs)	Existing rates of D.A. (Rs.)	Interim relief (Rs.)	Total amount including existing D.A. (Col. 3+4) (Rs.)	Percentage of neutralisation of the entire rise since 1949 at Minimum/ Maximum of slab at index 218		Additional cost per month (Rs. lakhs)
					Minimum	Maximum	
1	2	3	4	5	6(a)	6(b)	7
Below 85	8.02	71	15	86	104.12@	86.76	120.30
85-109	6.67	71	25	96	79.71	74.64	166.75
110-149	4.84	98	25	123	94.76	69.96	121.00
150-209	3.81	122	25	147	83.05	59.61	95.25
210-399	2.86	146	30	176	71.02	37.38	85.80
400-449	0.16	160	30	190	40.25	35.86	4.80
450-499	0.16	164	30	194	36.53	32.95	4.80
500-542	0.04	AS of 663	45	AS+45	35.25	25.96	1.80
543-999	0.34	120	45	165	25.75	14.00	15.30
1000-1250	0.04	100*	45	145	14.00	10.00	1.80
Total :							617.60

(Rs. in crores)
 Total cost per annum 74.1
 +10% for Union Territory employees 7.4
 +Armed Forces Personnel 21.4
 Grand Total : 102.9

AS: Amount short of

*Except for marginal adjustments up to Rs. 1119.

@ Calculated at Rs. 70 p.m. which is the lowest pay on civil side for all practical purposes.

**THIRD PAY COMMISSION
SECOND INTERIM REPORT**

Our terms of reference* require us to consider demands for relief of an interim character. The relevant paragraph reads as follows :—

“4. In case the need for consideration of relief of an interim character arises during the course of deliberations of the Commission, the Commission may consider the demand for relief of an interim character and send reports thereon. In the event of the Commission recommending any interim relief, the date from which this relief should take effect will be indicated by the Commission.”

In the circumstances detailed in our Interim Report dated 16th September, 1970 (hereinafter referred to as ‘our Report’), we recommended payment of the following amounts as interim relief with effect from 1-3-1970 to the employees in the various pay ranges indicated below :—

Pay range	Amount of interim relief per month
Rs.	Rs.
Below 85	15
85—209	25
210—499	30
500—1250	45
(with suitable marginal adjustments)	
The interim relief related to the Index@ average of 218.	

2. In our Report we had emphasised the paramount need to maintain price stability, as we felt that any increase in the emoluments of Central Government employees would not be of much avail if they were to be largely offset by an increase in prices. Nevertheless, having regard to past trends, we did not rule out the possibility of a rise in the price level. And, while not suggesting any automatic increase in the quantum of interim relief with changes in the price level, we stated as follows in para 29 of our Report :—

“If however, the price situation remains intractable despite all the measures the Government may take, a review may be called for when the 12-monthly average of the Index reaches 228.”

Our recommendations in regard to grant of interim relief were accepted by the Government *in toto* and necessary orders issued.

3. The possibility envisaged in our Report of the price situation remaining intractable, despite the measures the Government took, has unfortunately materialised. Accordingly, we have been asked by the Government to give our advice on the question of grant of further interim relief to the Central Government employees in the event of the Index average reaching 228. It became known to us in early November 1971 that with the monthly Index for September 1971 at 238, the Index average had reached 228. We therefore, gave urgent consideration to the question of grant of further relief to Central Government employees.

4. The changes in the Index since March 1970 are as shown below :—

Movement of All India Working Class Consumer Price Index (1949=100)

	1970-71		1971	1971-72	
	Monthly Index	12-monthly average		Monthly Index	12-monthly average
March 1970	218	215.17	224	225.50	
April "	220	216.17	224	225.83	
May "	222	217.17	224	226.00	
June "	225	217.92	227	226.17	
July "	226	218.58	231	226.58	
August "	227	219.33	236	227.33	
September "	228	220.17	238	228.17	
October "	230	221.33			
November "	230	222.58			
December "	226	223.50			
January 1971	224	224.25			
February "	224	225.00			

It would be seen that there has been a spurt in the Index from June 1971 onwards. In 1970-71 also, the Index had gone up during the period July to November 1970 but there was a downward trend thereafter. The spurt in prices from June onwards this year has, however, been much greater than during the corresponding period last year.

*Vide Ministry of Finance Resolution No. F. 7(25) E. III (A)/69 dated 23rd April, 1970 as amended vide Resolution of even number dated 4th June, 1970.

@Reference to the Index are to the All India Working Class Consumer Price Index (1949=100). The Index average refers to the 12-monthly average of this Index.

5. It is important to note that the character of relief which we are now called upon to consider is qualitatively different from that recommended by us last year. As indicated in para 25 of our Report, in recommending the interim relief, we had taken into account not only the increase in the cost of living but also various other factors. We thus allowed more than cent per cent neutralisation of the cost of living for salary groups around Rs. 70/- per month. We think that the relief to be considered by us now should take account of the increase in the cost of living alone. We should, however, make it clear that we have not arrived at any principles which we would like to follow for the grant of dearness allowance in future to Central Government employees. We, therefore, thought that the additional relief to be granted to them on the Index average reaching

228 should be in the form of an addition to the interim relief already granted. We would like to emphasise that the recommendations which follow, for the grant of additional interim relief, are in the nature of *ad hoc* concessions only. The considerations on which those recommendations are based might, therefore, have no relevance at all to the principles which we might adopt in our final Report.

6. We had stated in para 19 of our Report : "it would be reasonable to ensure that the lowest paid Central Government employees should not have to suffer a reduction in real terms which would take them below the minimum level considered appropriate by the Second Pay Commission 11 years ago." We have taken this as a guiding principle for the determination of the additional interim relief also. The minimum remuneration of Rs. 80/- per mensem (Rs. 70 pay + Rs. 10 dearness allowance), recommended by the Second Pay Commission at the Index level of 115, would amount to Rs. 151.7 per mensem when adjusted to the Index average of 218. Our recommendation for interim relief raised the total emoluments at the pay level of Rs. 70/- p.m. to Rs. 156/- p.m., the difference being due to reasons which we indicated in para 25 of our Report. The adjusted value of the minimum remuneration fixed by the Second Pay Commission comes to Rs. 158.6 p.m. at Index average 228 as against Rs. 151.7 p.m. at Index average 218. We are of the view that employees at this level should be given full compensation for this rise. On this basis, the compensation for these employees would amount to Rs. 6.90 p.m. Rounding off this figure, we recommend an additional interim relief of Rs. 7/- p.m. to employees drawing pay below Rs. 85/- p.m.

7. We recommended grant of interim relief to employees getting pay upto Rs. 1250/- per mensem for considerations indicated in para 21 of our Report. These considerations continue to hold good and we recommend grant of additional interim relief to employees getting pay upto Rs. 1250/- p.m.

8. The next point for consideration relates to the determination of the amounts of additional interim relief to employees in the pay ranges above the lowest slab. For grant of relief to employees in these pay ranges we have had regard to the overall neutralisation percentages at the Index average 218 and have adjusted these slightly in the light of the present objective of merely compensating for the increase in cost of living since then.

9. Our recommendations in regard to the grant of additional interim relief to employees in the various pay ranges are as follows :—

Pay range	Additional interim relief per month
Rs.	Rs.
Below 85	7
85—209	8
210—499	10
500—1250	15
(with suitable marginal adjustments).	

9.2 We recommend that the additional interim relief should be treated *sui generis* as contemplated in para 26* of our Report.

9.3 We would suggest that the recommendations contained in paras 28* and 30.2* of our Report should *mutatis mutandis* apply to the additional interim relief.

10. As regards the date from which the additional interim relief should take effect, it would be seen that the Index average of 228 was reached in the month of September 1971. We, therefore, recommend that the additional interim relief should be granted with effect from 1st October, 1971.

11. The financial implications of the grant of additional interim relief suggested above are indicated in the Annexure II to this Report. The additional interim relief is estimated to cost Rs. 37 crores for a full year and Rs. 15.45 crores during the current financial year.

12. As the additional interim relief recommended by us takes into account the increases in cost of living up to the Index

average 228, we feel that it should not be necessary to grant any other compensation to the employees for this increase.

12.2 We hope that the various measures which the Government have taken or might take would contribute to a reasonable price stability in future. If, however, despite all such measures, prices continue to rise, a review may be called for *only* when the Index average reaches 238.

13. We are fully aware of the great strain on the financial resources of the Central Government at present on account of the influx of the Bangla Desh refugees, assistance to States for natural calamities and the additional commitments for defence requirements on account of the grave situation on our borders. We also realise that the additional interim relief recommended by us would put a further strain on these resources. Nevertheless, the difficulties of the Central Government employees in the face of the steep rise in prices have to be appreciated. It is noteworthy that during the period March 1970 to September 1971 although the Index average rose by only 13 points from 215 to 228, the rise in the monthly Index was by 20 points from 218 to 238. We do not consider that the low paid Central Government employees, or for that matter the employees in the middle salary groups, have enough resilience to absorb the impact of an increase in prices of this magnitude. Further, we feel that at this critical juncture when our Armed Forces are deployed to counter threats of external aggression, they should not have the slightest cause for misgivings that assurances given by the Government regarding mitigation of the effects of price rises are being diluted in any way. If the general state of the country's economy or the state of Government's finances warrant a freeze in wages, it should be of general applicability and not confined to the Central Government employees. Having regard to all these considerations we are led to conclude that there is enough justification for the grant of the additional interim relief recommended by us.

14. We would like to express our thanks to the Secretariat of the Commission for the valuable assistance rendered to us in the preparation of this Report.

Sd/-
(Raghubar Dayal)
Chairman

Sd/-
(Nihar Ranjan Ray)
Member

Sd/-
(A. K. Das Gupta)
Member

Sd/-
(V. R. Pillai)
Member

Sd/-
(H. N. Ray)
Member-Secretary

New Delhi :
dated the 27th November, 1971.

ANNEXURE I

(vide Paras 9.2 and 9.3)

Relevant Extract from Report

Para 26....."To avoid complications and administrative difficulties, we accordingly suggest for the Government's consideration that the interim relief recommended by us should be treated *sui generis* and should not be taken into account for determining any other allowances or benefits which may be admissible to Government employees on the basis of their pay. Correspondingly, it should not be taken into account for determining the house rent payable by Government employees. While we have no desire to go into further details and would be content to leave the matter for the determination of the Government at the stage of issuing orders, we are of the view that the interim relief should be made admissible during leave, joining time or during periods of suspension in the same way as the dearness allowance is at present admissible during such periods."

Para 28. "Our recommendations regarding interim relief are confined to the regular employees and to those work charged employees who are normally entitled to dearness allowance. We do not envisage the grant of interim relief to casual staff, to staff paid from contingencies, or to Extra-Departmental agents of the P & T Department for whom a separate Committee is proposed to be set up. Contract employees are to be remunerated in accordance with the terms of the contracts executed in respect of each employee, and each case will therefore have to be considered on merits by the Government."

*Relevant extracts are reproduced in Annexure I.

Para 30.2. "The interim relief, as recommended above, should be allowed to all regular Central Government employees (including employees of Union Territories) and the personnel belonging to the All India Services. The personnel belonging

to the Armed Forces should also be given the same amount of interim relief and in their case the reckonable pay for grant of interim relief may be determined in the same manner as the reckonable pay for grant of dearness allowance."

ANNEXURE II
(vide para II)

Additional Interim Relief Recommended for Various Pay Ranges and Approximate Estimates of Cost

Pay range (Reckonable pay for Dearness Allowance)	Estimated total number of employees as on 31-3-1970 (in lakhs)	Existing rates of Dearness Allowance (including Dearness Pay)	Interim Relief			Total amount including existing D. A. and Interim Relief Col. 3+4(c)	Additional cost per month
			Interim Relief granted at Index average 218	Additional Interim Relief recomm- ended at Index average 228	Total Interim Relief Col. 4(a)+4(b)		
(Rs.)		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs. lakhs)
1	2	3	4(a)	4(b)	4(c)	5	6
Below 85	8.02	71	15	7	22	93	56.14
85—109	6.67	71	25	8	33	104	53.36
110—149	4.84	98	25	8	33	131	38.72
150—209	3.81	122	25	8	33	155	30.48
210—399	2.86	146	30	10	40	186	28.60
400—449	0.16	160	30	10	40	200	1.60
450—499	0.16	164	30	10	40	204	1.60
500—542	0.04	AS of 663	45	15	60	AS+60	0.60
543—999	0.34	120	45	15	60	180	5.10
1000—1250	0.04	100*	45	15	60	160	0.60
					Total		216.80

	(Rs. in crores)
Total cost per annum	26.02
+10% for Union Territory employees	2.60
+Armed Forces Personnel	8.46
Grand Total	37.08

AS : Amount short of.

*Except for marginal adjustments upto Rs. 1119.

THIRD PAY COMMISSION

THIRD INTERIM REPORT

Our terms* of reference require us to consider demands for relief of an interim character and send reports thereon. Accordingly, we sent to Government an Interim Report dated 16th September, 1970, (hereinafter referred to as the First Report) recommending payment of interim relief to certain categories of Government employees with effect from 1-3-1970. These

recommendations were related to the Index** average of 218. On the Index average rising to 228 in September, 1971, we sent to Government another report dated 27th November, 1971 (hereinafter referred to as the Second Report) recommending payment of additional interim relief. The table below indicates the interim relief recommended by us in these two Reports :—

TABLE I

Pay range	Amount of Interim Relief per month recommended w.e.f. 1-3-1970 to Index average 218	Amount of Interim Relief per month recommended w.e.f. 1-10-1971 related to Index average 228	Total of cols. 2 & 3
1	2	3	4
Rs.	Rs.	Rs.	Rs.
Below 85	15	7	22
85—209	25	8	33
210—499	30	10	40
500—1250	45	15	60

These recommendations were accepted by the Government.

2. We stated in our Second Report (para 12.2) that should the prices continue to rise despite the various measures which the Government might take, a review might be called for when

the Index average reached 238. This has now happened; the monthly Index for July 1972 (which became available to us in early September) having gone up to 249, the Index average reached 238.58. The table below indicates the movement of the All India Working Class Consumer Price Index since March, 1971:—

TABLE II

Movement of All India Working Class Consumer Price Index (1949=100)

	1971-72		1972-73		
	Monthly Index	12-monthly average	Monthly Index	12-monthly average	
March 1971	224	225.50	1972	236	233.42
April	224	225.83	"	237	234.50
May	224	226.00	"	238	235.67
June	227	226.17	"	244	237.08
July	231	226.58	"	249	238.58
August	236	227.33			
September	238	228.17			
October	238	228.83			
November	239	229.58			
December	237	230.50			
January 1972	236	231.50			
February	235	232.42			

3. We have been asked by the Government to give our advice on the question of grant of further interim relief to Central Government employees with reference to the 12-monthly Index average of 238 and also of the quantum of relief considered appropriate. To both these questions, we have given urgent and careful consideration.

*Vide Ministry of Finance Resolution No. F 7(25)-E. III (A)/69, dated 23rd April, 1970, as amended vide Resolution of even number dated 4th June, 1970.

**References to the Index are to the All India Working Class Consumer Price Index (1949=100). The Index average refers to the 12-monthly average of this Index.

12—1M of Fin./73

4. The price rise in recent months has been of such an order that the lower paid Government employees are finding it extremely difficult to meet their day to day expenses. We are, therefore, of the view that the grant of further interim relief to them is desirable. It would indeed be invidious to deny interim relief to these employees while the bulk of the employees in the private sector or in the public sector undertakings continue to enjoy the benefit of the automatic linkage between emoluments and the cost of living index because of Wage Board awards, bilateral agreements etc. However, if the Government are of the view that having regard to the Government's own finances and to the need to restrain inflationary pressures, no further interim relief should be granted at this stage, then we would

like to emphasise, as we did in our Second Report, that the freeze in wages should be of general applicability and not confined to Government employees.

5. The interim relief which we are now considering, like the second interim relief, is intended merely to compensate for the increase in the cost of living. We are of the view that the recent spurt in prices is the result of a combination of special factors such as delayed onset of the monsoon, floods in certain areas and drought in others, and above all the stresses and strains that the economy experienced in the wake of the influx of refugees from Bangladesh and the hostilities with Pakistan. These factors have placed a heavy burden on the finances of the Central Government which is also being called upon to render assistance to the States for relief measures and for other programmes to step up agricultural output and employment. Further, it is our experience that grant of relief to Central Government employees has repercussions on the States and leads to demands for additional Central assistance. In the circumstances, while we are fully conscious of the difficulties of Government employees, we think that a certain measure of austerity is called for. We, therefore, recommend that the upper pay limit for the grant of the third interim relief be fixed at Rs. 575 p.m. instead of Rs. 1250 p.m. as in our Second Report and further that the maximum amount of relief be brought down from Rs. 15 to Rs. 10 p.m. For employees in the other pay ranges the amounts recommended in our Second Report would be appropriate. As we hope to submit our final Report shortly, we feel that no undue hardship would be caused to the employees in the higher pay ranges if the present instalment of interim relief, which at best can confer marginal benefit, is not extended to them.

6. Thus, we recommend payment of the following amounts of additional interim relief to employees in the pay ranges indicated below :—

Pay range	Additional Interim Relief per month
Rs.	Rs.
Below 85	7
85—209	8
210-575 (with suitable marginal adjustments)	10

6.2. We recommend that the additional interim relief should be treated *sui generis* as contemplated in para 26* of our First Report.

6.3. We would suggest that the recommendations contained in paras 28* and 30.2* of our First Report should *mutatis mutandis* apply to the additional interim relief.

7. Since the Index average of 238 was reached in the month of July 1972, we recommend that the additional interim relief should be granted with effect from 1st August, 1972.

8. The additional interim relief recommended by us is estimated to cost Rs. 35.93 crores for a full year in respect of the Central Government employees including Armed Forces personnel and employees in Union Territories, and Rs. 20.96 crores during the current financial year.

*Relevant extracts are reproduced in Appendix.

9. As the additional interim relief recommended by us takes into account the increases in the cost of living up to the Index average 238, we feel that it should not be necessary to grant any other compensation to the employees for this increase.

10. We would like to acknowledge the assistance rendered to us by the Secretariat of the Commission in the preparation of this Report.

Sd/-
(Raghubar Dayal)
Chairman

Sd/-
(Nihar Ranjan Ray)
Member

Sd/-
(V. R. Pillai)
Member

New Delhi :
Dated the 12th September, 1972

Sd/-
(A. K. Das Gupta)
Member

Sd/-
(H. N. Ray)
Member-Secretary

Relevant Extract from our First Report

(Vide Paras 6.2 and 6.3)

Para 26.....“To avoid complications and administrative difficulties, we accordingly suggest for the Government’s consideration that the interim relief recommended by us should be treated *sui generis* and should not be taken into account for determining any other allowances or benefits which may be admissible to Government employees on the basis of their pay. Correspondingly, it should not be taken into account for determining the house rent payable by Government employees. While we have no desire to go into further details and would be content to leave the matter for the determination of the Government at the stage of issuing orders, we are of the view that the interim relief should be made admissible during leave, joining time or during periods of suspension in the same manner as the dearness allowance is at present admissible during such periods”.

Para 28. “Our recommendations regarding interim relief are confined to the regular employees and to those work-charged employees who are normally entitled to dearness allowance. We do not envisage the grant of interim relief to casual staff, to staff paid from contingencies, or to Extra Departmental agents of the P. & T. Department for whom a separate Committee is proposed to be set up. Contract employees are to be remunerated in accordance with the terms of the contracts executed in respect of each employee, and each case will therefore have to be considered on merits by the Government”.

Para 30.2. “The interim relief, as recommended above, should be allowed to all regular Central Government employees (including employees of Union Territories) and the personnel belonging to the All India Services. The personnel belonging to the Armed Forces should also be given the same amount of interim relief and in their case the reckonable pay for grant of interim relief may be determined in the same manner as the reckonable pay for grant of dearness allowance.”

PAY COMMISSION

Vigyan Bhavan Annexe
New Delhi

Please furnish the following particulars along with each copy of your reply to the questionnaire :

1. Name and address (person/ union/service association/ organisation/State).
2. If union/association, kindly give the strength of membership and date of formation.
3. The name of the central organisation/ federation, if any, to which your union/association is affiliated.
4. If person, please give occupation or profession.

QUESTIONNAIRE

(NOTE:—For questions marked* kindly see annexure for Explanatory Notes).

I. General Principles

- *1. From time to time various Commissions in the past have suggested certain principles for determining the pay of Government employees. Have you any comments on the suitability or otherwise of those principles in the present context? What principles would you advocate?
- *2. To what extent is it feasible to apply the principle of 'fair comparison with wages' or salaries paid by (a) the public sector undertakings including nationalised banks, (b) the private sector, and (c) the universities, for determining the wages or salaries of Government employees? In the application of this principle would you differentiate between posts at the bottom, intermediate and top levels?
- *3. (i) Certain unions and associations of employees have claimed "equal pay for equal work". What are the criteria for determining "equal work", especially when the type of work performed is dissimilar? How can the principle be applied in a time-scale?
- (ii) (a) To what extent can modern job evaluation techniques be applied in devising a salary structure for Government employees?
- (b) Considering the urgency of revising the pay structure, do you think it would be possible for the Commission to undertake job evaluation? If your answer is yes, what specific methods would you recommend?
4. To what extent and in what manner can the Government employees be assured their due share in the increased prosperity of the country as reflected in the increased per capita income?
5. (a) Do you consider it desirable and practicable for Government to assume powers to lay down and enforce a national wage policy so as to remove the inequalities in the levels of remuneration at present obtaining between the Government sector and the private sector?
- (b) Would you, in this context, suggest the formulation of an integrated policy in respect of wages, incomes and prices? If so, what institutional arrangements and administrative measures would you suggest? Has the experience of the working of the National Board of Incomes and Prices in the United Kingdom any relevance to Indian conditions?

6. (a) In the private sector, the employer's capacity to pay is an important criterion for wage fixation. Is it also valid for fixing wages of Government employees, considering that the Government have the power to raise resources through taxation?

(b) If so, would you suggest a practical method for assessing the Government's capacity to pay? Should the wage and salary bill of the Government bear any prescribed ratio to the revenue expenditure of the Government?

II. Minimum Remuneration

*7. What principles should be applied in fixing the minimum remuneration for a Government employee?

*8. Do you consider a need-based minimum wage according to the norms adopted by the 15th Indian Labour Conference capable of practical implementation at the current level of national income?

*9. In case a need-based minimum wage is to be fixed, which particular diet schedule should be adopted?

*10. What proportion of Class IV employees in the department with which you are familiar is engaged in light or sedentary work? If it is found that a large majority of this class is engaged in such work, would you favour accepting their nutritional needs as the basis for fixation of minimum remuneration for Government employees? Would you then advocate higher remuneration or additional allowance to employees doing moderate or heavy work?

11. In view of the prevailing regional differences, what prices should be adopted for calculating the cost of food budget applicable to Central Government employees?

12 (a) Is the adoption of a flat rate of 3 adult consumption units for an average family at the stage of entry of a person into a Government service justifiable in view of the fact that he may often be unmarried or, if married, have not more than one child?

(b) If it is not justifiable, how many consumption units would you deem reasonable at that stage?

(c) After how many years of service should his family be deemed to have reached the average size of 3 adult consumption units?

13. Should the quantum of rent taken into account for fixing the need-based minimum wage be on the basis recommended by the 15th Indian Labour Conference, or should it be the amount of rent paid by a Class IV employee living in a Government quarter, viz. 7½ per cent of pay, or any other amount?

14. Should there be any deductions in the quantum of the need-based wage on account of the fringe benefits provided by the Government to its employees, such as medical care, education facilities and uniforms?

15. In considering the minimum remuneration of a Central Government employee, what weight would you attach to (a) the per capita income of the country, and (b) the level of unemployment in the country? Suppose the minimum with reference to these considerations conflicts with your idea of a need-based minimum, which would you take as your point of reference, or would you suggest a compromise?

16. What relation, if any, should the minimum remuneration of Central Government employees bear to that prevailing outside the Government?

17. How far, in your opinion, should the minimum remuneration of Central Government employees be related to their Productivity ?

III. Pay Structure

*18. In view of the fluctuations in prices over-time, to which price level should the present Pay Commission relate the pay structure that it proposes to recommend ?

19. What should be the maximum salary of a Central Government employee considering (a) the level of per capita income of the country, and (b) the level of salary obtaining in the private sector for comparable posts ?

*20. What disparity ratio would you consider reasonable between the lowest and the highest salaries (post-tax) in Government service ?

*21. To what extent should the existing number of pay scales be reduced, keeping in view the present administrative structure ?

*22. Do you consider it feasible to bring all Central Government posts on, "a unified grading structure" ?

*23. On what factors should salary differentials be based ? What weight would you attach to the various factors suggested by you, and how far is it practicable to take these into account while devising a pay structure ?

24. Having regard to the proliferation in the activities of the Central Government and the avowed objective of setting up a welfare State, do you think that the pattern of pay scales of the All-India and Class I Services should be so designed as to enable the Government to attract candidates of outstanding ability ?

25. Do you feel that the quality of the candidates appearing at the U.P.S.C. Competitive Examinations has deteriorated in recent years ? If so, what, in your view, are the causes and what steps would you suggest, including the revision of pay scales, to retain the attractiveness of the higher services for candidates of the requisite calibre ?

*26. It has been represented that the liability of some Central Government employees to serve anywhere in India causes inconvenience to such employees. Do you think that this factor should be reflected in their emoluments ? If so, should it be reflected in the pay scales as such, or should it be in the form of an allowance either at the time of transfer or while posted outside the normal zone of operation ?

27. What are your views on the length of pay scales (*i.e.* time span) and the ratio of the minimum of a scale to its maximum ? Should these be different for direct entry scales and for scales applicable to posts which are normally filled by promotion ? How should the incremental amount be regulated during a Government employee's career, having regard both to his usefulness to the Government and his family responsibilities ?

28. Would you recommend additional remuneration for qualifications which are higher than the minimum prescribed for technical and scientific posts either at the time of recruitment or acquired later on ? If you do, would you favour advance increments (with or without corresponding seniority), special pay, or some other method ? Please give details.

29. What are your views on overlapping scales, *i.e.* where the maximum of the lower scale is higher than the minimum of the next higher scale ?

30. Do you think that efficiency bars serve any useful purpose ? Have you any suggestion for improving the system as it obtains today ?

*31. (i) Should the existing differentials in the pay scales be retained as between employees working in the Secretariat and attached offices on the one hand and their counterparts in the subordinate offices on the other ?

(ii) If you favour uniformity, would you suggest recruitment by open competitive examinations for subordinate offices also ?

*32. What are your views regarding the provision of selection grades ?

33. Does the system of special pay disturb internal relationships or lead to discrimination ? Or, do you feel that it is a satisfactory method to remunerate officials for additional

responsibilities and to attract the more efficient employees to certain key posts ? Is there any scope for rationalising the system ?

34. What are your views regarding the desirability of paying deputation allowance to an employee deputed to a post outside his parent cadre ?

35. Do you advocate the continuance of the system of paying non-practising allowance to doctors ? Should the system be extended to other professional and technical personnel ?

36. What remedies would you suggest for the grievance of employees that they often have to stagnate at the maximum of their scales for an unduly long period ? What, in your view, would constitute an unduly long period ?

37. (i) How far do you think the alleged deterioration in the services rendered by the Government departments can be attributed to any inadequacy in the present pay structure and promotion policies ?

(ii) What modifications, if any, would you advocate in the salary structure and in the promotion policies in order to improve efficiency ?

38. Do you think that the existing channels and prospects of promotion available to Government employees are too wide, too restrictive or just about right ? Should the grade/salary structure be made more promotion-oriented so that each employee during his career could look forward to at least two promotions ? Should greater inter-departmental mobility be facilitated to equalise promotion opportunities ?

*39. To what extent would the application of the principle "best man for the job" affect the existing pay structure ?

40. Should direct recruitment be resorted to for filling posts in the services at intermediate levels, so that by infusing fresh talent a high level of efficiency is achieved and maintained ? Or, do you think that such a course would be unfair to the existing employees whose promotion prospects are diminished in the process and may also inhibit recruitment of good candidates initially ?

41. (i) Do you consider that the present practice in certain departments of having the same level of posts occupied by members of a Class I Service and a Class II Service is in the public interest ? Or, do you think that there is no justification for having these two classes, particularly where the educational qualifications for direct recruitment are basically the same and the nature of duties performed are broadly comparable ?

(ii) Do you think that direct recruitment to the Class I Services, which offer quicker promotion prospects, would attract a better type of candidate than recruitment to one combined service, because suitable persons could then aspire to hold the more responsible and challenging posts while still comparatively young ?

42. Would you recommend provision of larger promotion opportunities, especially to Class III and Class IV employees, which might facilitate vertical mobility ? What measures would you suggest for enabling the lower paid employees to improve their qualifications in order to secure entry into the higher posts/services ? To what extent should recruitment rules be relaxed, so that employees who possess the requisite qualifications may become eligible for recruitment to higher posts/services ?

43. Do you think that certain categories of employees having similar duties and responsibilities and serving in different ministries/Departments can be identified as common categories ? If so, please specify such categories.

44. What are your views on the existing time-scales of pay in the various All-India and Class I Central Services ? Do you feel that the pay range covered by the time scales should be increased or reduced ? Please give reasons.

45. (i) Do you feel that promotion prospects in different All-India Services and Class I Central Services, both technical and non-technical, should be broadly the same ? If you do, what specific measures would you suggest ?

(ii) Each All-India Service stands sub-divided into 17 State cadres (including Union territories). Should steps be taken to ensure that promotion prospects of members of the same

All-India Service are made broadly uniform in all the States ? If so, what specific measures would you suggest ?

46. Should the salary scales of the various All-India Services and Class I Central Services be made uniform, having regard to their duties and responsibilities ? If the answer is yes, would you suggest any change in the methods of selection and recruitment ?

*47. Do you subscribe to the view that the existing relativities in the salary structure are unfavourable to the scientific and technical personnel ? Do you feel that the pay scales of technical and scientific posts should be kept higher than those at comparable levels in the non-technical services to encourage more talent to pursue scientific/technical research work ? What specific proposals would you make ?

48. Do you think that there should be a fixed pay for posts at senior levels, e.g. Joint Secretary and Additional Secretary, or would you consider a time-scale to be more appropriate ?

*49. (i) "Jobs similar in nature and of comparable difficulties, duties and responsibilities should carry the same scales not only in the Central Government but also between the Centre and the States....." [Study Team (N) quoted by A.R.C. in Chapter IV of Report on Personnel Administration].

Have you any comments to make on this observation ?

(ii) In devising any revised pay structure for the Central Government employees, to what extent, if any, can its likely repercussions on the finances of the State Governments, public sector undertakings, local bodies, etc., be taken into consideration ?

*50. Since the Central Government owns or controls many public sector undertakings, do you think that there should be reasonable parity between the wages paid by such undertakings and those paid by Government to their own employees doing broadly comparable work ?

51. Taking into consideration the suggestions made by you to the questions above, would you like to devise a pay structure for the Services/Organisations with which you are familiar ?

IV. Dearness Allowance

*52. What are your views regarding Dearness Allowance as a device to protect the real income of salaried employees from the effects of a rise in prices ?

*53. At the lowest pay range what should be the extent of neutralisation of any future increase in the consumer price index above the index level adopted in devising the pay structure ? (vide also Question No. 18).

*54. Do you recommend changes in any of the following :—

- (i) upper pay limit for admissibility of Dearness Allowance,
- (ii) existing percentages of neutralisation,
- (iii) the salary slabs ?

If you consider that the present slab system itself is unsatisfactory, what alternative would you suggest ?

55. Does the All-India Average Consumer Price Index Number for Industrial Workers (General) adequately reflect the price changes affecting the employees in the middle and higher income groups also ? If not, what alternative method of adjustment would you suggest ?

*56. At what intervals, in terms of time and in terms of price index, should a revision in the rates of Dearness Allowance be considered for Government employees ?

*57. Do you favour an automatic adjustment in the Dearness Allowance with changes in the consumer price index ?

V. Other Allowances

58. Have you any suggestions regarding the conditions of eligibility or quantum of the following allowances ?

- (i) Travelling/Daily Allowance
- (ii) House Rent Allowance
- (iii) Compensatory (City) Allowance
- (iv) Hill Compensatory Allowance
- (v) Bad Climate Allowance

(vi) Remote Locality Allowance

(vii) Conveyance Allowance

(viii) Project Allowance

(ix) Danger Allowance

*59. (i) What changes would you suggest in the existing rules or rates regarding Overtime Allowance so as to remove the alleged abuses in the system ?

(ii) Do you consider that the difference in overtime rates applicable to Railway employees and those admissible under the Factories Act is justified ? Have you any comments on the working of the Hours of Employment Regulations in the Indian Railways ?

60. Would you recommend grant of Night Duty Allowance to Government employees who are required to work regularly at night ?

61. To compensate for differences in the cost of living in different cities etc., the present system relies primarily on the house rent allowance and the compensatory (city) allowance which are based on classification of localities with reference to population. Do you think that this system is satisfactory ? If not, what are your suggestions ?

VI. Death-Cum-Retirement Benefits

62. Would you recommend any change in the existing age limits for superannuation (60 for Class IV employees and 58 for others), having regard to the longer life expectancy on the one hand and the present employment situation on the other ?

63. Have you any suggestions to make in regard to the authority vested in the Government of compulsorily retiring an employee in the public interest and the reciprocal option given to the employee of quitting Government, after completing 30 years' service or at the age of 55 (and also at 50 in the case of gazetted officers) ?

64. Have you any suggestions regarding the stipulated minimum period of qualifying service for pension ?

65. The Administrative Reforms Commission has recommended that a civil servant may be allowed to retire voluntarily after 15 years on proportionate pension and gratuity and that an employee who is superseded may be allowed to retire even earlier on similar terms if he has rendered at least 10 years' service (whether permanent or temporary). What are your comments ?

66. Would you favour giving gratuity to women employees who may wish to resign after marriage ? If you do, what minimum period of qualifying service and what quantum of gratuity would you recommend ?

*67. (i) What changes, if any, do you consider necessary in the existing rules and regulations relating to retirement pension and death-cum-retirement gratuity ?

(ii) Do you consider the existing family pension scheme satisfactory ?

(iii) What measures, if any, would you suggest for protecting pensions of existing Government employees from erosion on account of the possible increases in the cost of living ?

*68. The Administrative Reforms Commission has recommended that if a temporary employee has continued in Government service, without a break, for ten years or more, all such service, whether followed by confirmation or not, should count for pension and gratuity on the same scale as is admissible to permanent Government employees.

What are your views on this recommendation ?

69. Would you recommend the benefit of Contributory Provident Fund in lieu of pension

- (a) to facilitate greater mobility of personnel; and
- (b) in the interest of specialists who may enter Government service late ?

70. Should a scheme of compulsory insurance for Government employees be introduced ? If so, what should be the nature of the scheme ? Should it be supplementary to, or in substitution of the normal pension ?

VII. Conditions of Service, Facilities & Amenities

*71. (i) What is your view regarding the present classification of the Services into Classes I, II, III and IV ?

(ii) Do you think there should be no classification at all, or should the present nomenclature be changed ?

(iii) Are there any differences in the conditions of service of various classes of employees, which you think should be removed ?

72. Do you think that quasi-permanency confers a worthwhile benefit on the concerned class of Government servants and should continue, or would you suggest that there should be only two categories, namely temporary and permanent ? Which of these arrangements would serve the public interest better ?

73. Are you aware of any working difficulties or other problems arising out of the fact that industrial workers in Government are governed in certain respects both by the general labour laws (Industrial Disputes Act, Trade Unions Act, etc.) and by the rules applicable to non-industrial employees in Government ? Have you any suggestions to offer in this regard ?

*74. What are your views regarding hours of work, 'weekly off', weightage for night work and public holidays in Government service ?

75. What is your opinion about the adequacy of the existing leave entitlements and limits of accumulation of earned leave, in respect of industrial as well as non-industrial employees ?

76. Do you think it desirable to permit encashment of a portion of earned leave, as has been done by some State Governments and public sector undertakings ? If so, would you recommend any safeguards, since periodic leave is intended for recuperation and is considered necessary for the maintenance of efficiency.

77. (i) Are the existing medical facilities and provision for reimbursement of medical expenses satisfactory ? If not, what improvements would you suggest ?

(ii) What remedial measures would you suggest for counteracting alleged abuses in the existing system of reimbursement of medical expenses ? Will grant of a fixed medical allowance or introduction of group insurance in lieu of existing medical facilities help to eliminate alleged malpractices in the system ?

78. Would you recommend any modification in the existing schemes of children's education allowance and reimbursement of tuition fees ? Is there any justification for adopting different pay levels for eligibility, and treating gazetted employees differently under the two schemes ?

*79. What are the difficulties experienced by Government employees at present in regard to allotment of accommodation and recovery of house rent ? To what extent do the existing rules require change ?

80. Have you any proposals for improving the existing Leave Travel Concessions ?

81. (i) Kindly give your comments, if any, on the following facilities provided by the Government :

- (a) supply of uniforms and protective clothing;
- (b) grant of advances, such as for house building, purchase of conveyance, festival, etc.;
- (c) canteens and cooperative stores;
- (d) sports clubs and other welfare activities.

(ii) What is your opinion about the suggestion that the Government should supply subsidised foodgrains and other essential articles to their employees as a method of protecting wages from erosion due to rise in prices ? Assuming such a course to be both desirable and feasible, what machinery would you suggest for an efficient operation of the scheme ?

82. Do you know of any restrictive conditions of service of Central Government employees removal of which would improve their morale and the efficiency of public service ? Please cite instances.

VIII. Special Questions Relating to Armed Forces

83. A broad parity was established by the Post-War Pay Committee, 1946-47, between a trained soldier with 3 years

service and a semi-skilled worker for determining the soldier's pay. However, the pay of a soldier was reduced by a notional amount (home saving element) to take account of the food, clothing and accommodation provided by the Government. This arrangement still continues.

Have you any comments to make in this regard ?

84. For pay determination, a broad parity exists between Commissioned Officers on the one hand, and Indian Police Service and Class I Central Service Officers, on the other. There is a view that the pay of Commissioned Officers should be fixed independently taking account of the special features of their service. Have you any suggestion to offer.

85. The dearness allowance admissible to Armed Forces personnel below the officer rank is paid at 80% of the amount of dearness allowance admissible to civilian employees drawing pay in the corresponding pay slabs, in view of the 'home saving element' enjoyed by Armed Forces personnel at this level. Do you think this is appropriate ?

86. What should be the relationship between the pay of the personnel of the armed police (e.g. the Border Security Force, the Central Reserve Police) and the Infantry soldiers in the regular army ? Should there be any weightage on account of the fact that the Infantry soldier can normally serve with the colours only for a period of 10 years, whereas the personnel in the para-military organisations can serve till the normal age of superannuation ?

87. Having regard to the lower age of superannuation prescribed for the Armed Forces personnel, do you think that the pensionary benefits in force are adequate ?

IX. Special Questions Relating to Union Territories

*88. The pay scales of employees of some Union territories conform to the Central pattern, while those of others are linked with the salary structure of a neighbouring State. Would you suggest adoption of a uniform practice, linking the pay and allowances of employees in the Union territories with those of either the Central Government or of a neighbouring State ?

89. Would you suggest that the special problems of the Islands Union territories (*viz.* Andaman & Nicobar Islands and Laccadive Minicoy and Amindivi Islands) should be reflected in their pay and/or allowances ? Please spell out your proposals in this regard.

X. Economic and Financial Aspects

90. Do you think that payment of higher wages to Central Government employees would result in an upward swing in the wages of employees in all the sectors, which might adversely affect employment prospects in general ?

91. How would you arrange the priorities as between improving the wages of the existing Government employees on the one hand, and providing gainful employment to the unemployed on the other, having regard to the limited resources of the Government ?

92. If, in order to pay higher wages and yet maintain an acceptable rate of investment, the Government is forced to impose higher indirect taxes, would there be a danger of certain sections of the community already below the subsistence level, becoming still worse off ?

93. Some employees' organisations have suggested that sufficient additional resources can be raised for meeting the expenditure involved in the acceptance of a need-based minimum wage and the consequent upward revision in the pay scales of Central Government employees. Please spell out the scope for raising additional resources by

- (a) direct taxation
- (b) indirect taxation
- (c) improvements in tax collection
- (d) economy in non-Plan expenditure
- (e) curtailment of Plan expenditure.

94. Do you think that an increase of wages by itself results in greater efficiency and in economy of manpower ?

95. Do you think that there is substantial over-staffing in government offices ? If you do, kindly illustrate. What measures would you suggest to deal with the problem in the context of revision of pay and allowances and conditions of service ?

EXPLANATORY NOTES

(The numbers given in the margin refer to the question numbers in the main Questionnaire)

I. General Principles

1. Some of the principles enunciated in the past :—

- (a) "Pay so much and so much only as is necessary to obtain recruits of the right stamp and maintain them in such a degree of comfort and dignity as will shield them from temptation, and keep them efficient for the term of their service" (Islington Commission).
- (b) The lowest rate of remuneration should not be lower than a 'living wage' and the highest salaries should be kept down as far as possible, consistent with the essential requirements of recruitment and efficiency (Vardachariar Commission).
- (c) The highest and the lowest salaries should be determined on social and economic considerations and the disparity between the two in the public service should be much smaller than outside (Second Pay Commission).
- (d) "Sound and equitable internal relativities" in the determination of salaries intermediate between the highest and the lowest (Second Pay Commission).
- (e) "Pay what other responsible employers pay for comparable work" (Priestley Commission, U.K.).
- (f) "Equal pay for equal work" (Administrative Reforms Commission).
- (g) The State should be a model employer.

3. The methods normally adopted for job evaluation are (a) ranking method, (b) grading or classification method, (c) factor comparison method, and (d) the point rating method. In U.K., the decision to embark upon job evaluation in the Government was taken in 1968 but the preparatory work has not been completed so far.

II. Minimum Remuneration

7. The Committee on Fair Wages, set up in 1948, defined a minimum wage as under:—

"The minimum wage must provide not merely for the bare sustenance of life but for the preservation of the efficiency of the worker. For this purpose, the minimum wage must also provide for some measure of education, medical requirements and amenities".

The actual determination of a fair wage would, according to the Committee, be governed by the capacity of the industry to pay, productivity of labour, the prevailing wage rates for other industries in the region and the importance of the concerned industry in the economy of the country.

The 15th Indian Labour Conference (1957) was a tripartite body consisting of representatives of the Central Government and State Governments, employers and employees. The Conference agreed that the minimum wage should be 'need-based' and should ensure the minimum human needs of the industrial worker, irrespective of any other considerations. To calculate the minimum wage, the Conference accepted the following norms :

- (i) In calculating the minimum wage, the standard working class family should be taken to consist of 3 consumption units for one earner; the earnings of women, children and adolescents should be disregarded.

- (ii) Minimum food requirements should be calculated on the basis of a net intake of 2,700 calories, as recommended by Dr. Aykroyd for an average Indian adult of moderate activity.
- (iii) Clothing requirements should be estimated at a *per capita* consumption of 18 yards per annum which would give for the average worker's family of four, a total of 72 yards.
- (iv) In respect of housing the norm should be the minimum rent charged by Government in any area for houses provided under the subsidised Industrial Housing Scheme for low income groups.
- (v) Fuel, lighting and other 'miscellaneous' items of expenditure should constitute 20 per cent of the total minimum wage".

The Conference recognised the existence of instances where difficulties might be experienced in implementing these norms, but they suggested that wherever the minimum wage fixed went below the norms, it should be incumbent on the authorities concerned to justify it.

9. The 15th Indian Labour Conference did not specifically approve of any diet schedule that would provide a net intake of 2700 calories which was the norm recommended by them for food requirements. It, however, appears that the Conference had in mind the *adequate diet* which was recommended by Dr. Aykroyd. The diet schedule adopted by the Second Pay Commission was evolved in consultation with Dr. Patwardhan. The National Nutritional Advisory Committee has recommended diet schedules for working class families in different regions. The Indian Council of Medical Research, in its Special Report Series No. 60, has recommended balanced diets according to the nature of activity and separately for an adult man, an adult woman and children of different age groups.

Diet schedules recommended for an adult man by these bodies are based on a net intake of calories as indicated below :—

(1) 15th Meeting of the Indian Labour Conference (1957)	2700 calories
(2) Second Pay Commission (1959)	2645 "
(3) National Nutrition Advisory Committee (1965)	2700 "
(4) Indian Council of Medical Research (1968)	
(i) Light or Sedentary work	2400 "
(ii) Moderate work	2800 "
(iii) Heavy work	3900 "

It has been argued that in selecting a particular diet schedule the availability of various commodities should not be taken into account. On the other hand, it is also argued that adoption of a particular diet schedule may have only limited practical significance as employees are free to choose the pattern of their expenditure.

10. The 2nd Pay Commission based its calculations regarding minimum remuneration for Central Government employees with reference to a "diet suitable for an adult man engaged in moderate (not light or sedentary) activity".

According to an eminent nutrition expert, the bulk of Government employees are engaged on light or sedentary work.

According to him, light or sedentary work would cover the following daily routines:—

8 hours—in bed

8 hours—off work

(1 hour personal necessities such as dressing, undressing, washing, shaving, bathing etc. 2 hours walking at 3 m.p.h., 4 hours sitting and standing activity; and 1 hour recreation); and

8 hours of sedentary work at the overall rate of 1·7 calories/kg/hr.

(for example, carrying files from one room to another or cycling etc.; in other words the type of work which a peon generally does. Dusting the tables or sweeping the floor, etc.; i.e. the type of work which generally a farash or a sweeper does.)

According to the same expert, the term 'moderate work' refers to the work carried out by industrial labourers in factories and 'heavy work' refers to the type of work involved in stone cutting, lifting and carrying of heavy loads for long distances, etc.

12. The 15th Indian Labour Conference suggested 3 adult consumption units for an average family. The family unit is generally assumed to comprise the following :

One adult male	(1·0 consumption unit)
One adult female	(0·8 " ")
One child between 1-3 years	(0·5 " ")
One child between 7-9 years	(0·7 " ")
Total:	3·00 " "

Certain National Tribunals, however, assumed a smaller number of consumption units at the start of an employee's service. The observations on the question of the size of an average family made by the Supreme Court are as follows :—

"But it seems to us that if at the start the family is assumed to be 2·25, it is somewhat difficult to appreciate that the family would take 8 years to grow to make 3 consumption units. We are aware that the Shastri Tribunal thought of 3 consumption units at the 10th year and the Sen Tribunal at 8th year but we think that these miss the realities of our national life. In our country it would not be wrong to assume that on an average 3 consumption units must be provided by the end of the 5 years service. The consumption units in the first five years should be graduated. As things stand today, it is reasonable to think that three consumption units must be provided by the end of the five years' service if not earlier."

III. Pay Structure

18. It is necessary for the present Pay Commission to adopt a base index figure to which the recommended pay structure can be related. Any difference between this base figure and the prevailing Index figure at any particular point of time could be neutralised either in whole or in part through the mechanism of an allowance, such as the Dearness Allowance. The 2nd Pay Commission related salaries below the level of Rs. 300 p.m. to the 1949 price level; and salaries higher than Rs. 300 p.m. were fixed at levels which appeared reasonable in the then prevailing conditions on a consideration of various factors. (vide Question No. 53.)

20. Different views have been expressed regarding the reasonableness of the disparity ratio between the minimum remuneration and the highest salary prevailing in government service. While some have suggested that the disparity ratio should be further reduced (ratios ranging from 1:6 to 1:15 have been mentioned), others have suggested that it is not very important to specify a particular ratio and that the highest salaries should be determined keeping in view the need to make the higher services under the government sufficiently attractive so as to secure a fair share of talented persons.

21. The Second Pay Commission had recommended approximately 140 pay scales as against 500 or more pay scales then prevalent. The number of scales at present is approxi-

mately 600, and has been criticised as being unduly large. Preliminary analysis shows that the bulk of Government employees are on much fewer scales. Thus, 75% of the employees in Class III are borne on 11 pay scales and almost all Class IV employees are drawing pay in only 6 scales. The Class III and Class IV employees of the Central Government constitute 46·5 per cent and 51 per cent respectively of all the Central Government employees (as on 31-3-1968).

22. The Administrative Reforms Commission recommended that all posts in the Civil Service, both under the Centre and in the States, should be brought on a unified grading structure having about 20 to 25 grades (vide Recommendations Nos. 8 and 9 in the A.R.C. Report on Personnel Administration). The A.R.C. felt that this would check the automatic upward movement in a time-scale, result in promotions being based on merit, and facilitate greater mobility between the different services because of their having identical grades of pay. A further advantage claimed is that the disparities between the grades in the Central Government and the various State Governments would be obviated. On the other hand, it has been suggested that it might not be feasible to group all Government posts, including posts in quasi-commercial undertakings like the Railways and the Posts and Telegraphs, within 25 grades in view of the variety and complexity of the jobs and the need for maintaining sound and equitable relativities and for providing adequate avenues of promotion. It has also been pointed out that fewer scales would result in higher cost, and in longer pay scales which the A.R.C. itself did not favour.

23. The Committee on Fair Wages had recommended that differentials in wages should take the following factors into consideration:

- (1) degree of skill,
- (2) strain of work,
- (3) experience involved,
- (4) training required,
- (5) responsibility undertaken,
- (6) mental and physical requirements,
- (7) disagreeableness of the task,
- (8) hazard attendant on the work, and
- (9) fatigue involved.

Certain other factors suggested are—difficulty and complexity of the work involved, the importance of the work either to the Government as a whole or to particular persons whose safety might depend upon the proper performance of the assigned duties, the contribution expected from the concerned employees, status of the work when it reaches him, and finally the extent of the supervision exercised over him.

26. Some of the inconveniences which have been pointed out are:

- (1) differences in regional languages which make it necessary to educate the children elsewhere;
- (2) differences in cost of living; and
- (3) family dislocation and the necessity to maintain dual establishment, etc.

27. It is argued that longer pay scales take away the incentive for better performance as employees tend to become complacent because of the automatic progression in the time-scale. On the other hand, it is argued that longer pay scales foster a sense of security amongst the employees, as well as afford the Government greater freedom in deploying employees on the same pay scales, thereby making for administrative efficiency and flexibility.

31. For retaining the existing differentials, it is argued that recruitment of office staff for the Secretariat/attached offices is made through an All India Competitive Examination conducted by the U.P.S.C. and that the work in the secretariat involves policy formulation which makes greater demands on the office staff also. On the other hand, it is argued that in the formulation of policies and their execution there is a good deal of interdependence between the Secretariat and subordinate offices and the work in the two organisations is not so dissimilar as to justify the differential pay scales. Further, the office staff in the subordinate offices are liable to be transferred unlike the office staff in the Secretariat/attached offices.

32. The Second Pay Commission recommended the introduction of selection grades without functional differentiation,

as an incentive in certain cases where promotional outlets were limited. On the other hand, the First Pay Commission thought that it might not be bad economy slightly to increase the number of posts to be filled by promotion beyond the number dictated merely by the work to be done.

39. The Fulton Committee on the Civil Service in the U.K. observed as follows:

"We believe that the principle of the best man for the job should apply between civil servants of different occupations no less than between those who enter the service with different levels of educational qualification. No posts should be the preserve of any one group except in so far as individual in the group may be uniquely qualified for them".
(Para 217 of their Report).

The administrative Reforms Commission too based their scheme of reforms on getting the best man for each job (para 37 of Chapter III of the A.R.C. Report on Personnel Administration). However, the A.R.C. recommended the continuance of not only the technical services and the services in the functional areas of administration (as defined by them), but also the continuance of the existing All India Services and the formation of new ones. It has been pointed out that it would be very difficult to implement the principle of "the best man for the job" while continuing the service concept. A staffing policy based on this approach, it is also argued, might dilute the attraction arising from the assured promotion prospects which characterize the organised services under the Government today; to offset such dilution, it might be necessary to make substantial changes in the pay scales so as to attract persons of the requisite calibre to the higher services.

47. Scientific and technical posts would refer only to those posts for which a scientific, engineering, medical or professional Diploma/Degree is a pre-entry qualification for recruitment to Government service.

49. It has been argued that disparities in the pay scales of Central Government employees and the State Government employees having comparable duties lead to dissatisfaction. On the other hand, at present the various State/local bodies pursue different policies in fixing pay scales for their employees. Accordingly, there are differences not only between the pay scales of comparable posts in the Centre and the States but there are similar differences *inter se* between the States/local bodies. The financial position of the States and of the local bodies also varies widely.

Any upward revision of the emoluments of the Central Government employees frequently generates a demand by employees of various State Governments for a corresponding improvement in their scales of pay also. Most of the State

Governments may find it difficult to accede to such demands except at the cost of pruning their development schemes.

50. Although the Central Government finance and control their public sector undertakings, the boards of management of these undertakings enjoy a certain degree of autonomy and are free to devise their own wage/salary structure for posts created by the Board. It is only in respect of the top management posts in the undertakings, generally in the salary range from Rs. 2,000/- to Rs. 4,000/- p.m. that powers are reserved to Government. The wage structure below the level of these top posts in different undertakings is not uniform. It is also to be noted that Wage Boards in devising the wage structure for a sector of industry do not draw a distinction between the public sector and private sector undertakings as regards the application of the 'region-cum-industry' principle.

IV. Dearness Allowance

52. The Second Pay Commission described dearness allowance as "a device to protect, to a greater or lesser extent, the real income of wage earners and salaried employees from the effects of rise in prices". The Das Body thought that "it would be unfair and unjust to deny to Government employees adjustment of dearness allowance to compensate for the fall in their real income". The Dearness Allowance Commission, however, were of the view that dearness allowance is a "temporary expedient" and "intended to protect employees whose salaries are at or a little above the subsistence level". According to the National Commission on Labour, "the only purpose of D.A. is to enable a worker in the event of a rise in cost of living to purchase the same amount of goods of basic necessity as before. This purpose would be served by an equal amount of dearness allowance to all employees irrespective of the difference in their emoluments."

53. For employees in the lowest pay range, both the Das Body and the Gajendragadkar Commission on Dearness Allowance recommended a neutralisation of 90% of the increase in the cost of living. The National Commission on Labour recommended that neutralisation at the rate of 95% should be afforded to minimum wage earners in respect of any future rise in the cost of living.

54. Employees drawing pay up to Rs. 499 per month are at present given dearness allowance on a graduated scale with suitable marginal adjustments. Employees in the pay range of Rs. 543-999 and Rs. 1,000-2,250 are given a fixed amount of dearness allowance on an *ad hoc* basis. The following table gives the existing rates as also the extent of neutralisation of the increase in the cost of living applicable to Central Government employees in various pay ranges.

Pay range	Existing rates of D.A.	Interim relief	Total amount including existing D.A. (Col. 2+3)	Effective neutralisation at Index average 218 (1949=100) at	
				Minimum of the slab	Maximum of the slab
1	2	3	4	5	6
Rs.	Rs.	Rs.	Rs.	%age	%age
Below 85	71	15	86	104.12†	86.76†
85—109	71	25	96	95.71	74.64
110—149	98	25	123	94.76	69.96
150—209	122	25	147	83.05	59.61
210—399	146	30	176	71.02	37.38
400—449	160	30	190	40.25	35.86
450—499	164	30	194	36.53	32.95
500—542	AS of 663	15	678	35.25	25.96
543—999	120*	45	165	25.75	14.00
1000—1250	100	45**	145	14.00	9.83
1296—2250	100§	—	100	6.5	3.76

AS—Amount short of

*With marginal adjustments up to Rs. 1,119.

**With marginal adjustments up to Rs. 1,295.

†Calculated at Rs. 70 p.m. which is the lowest pay on civil side for all practical purposes.

‡Calculated at Rs. 84 p.m.

§With marginal adjustments up to Rs. 2,350.

It has been argued that the present system of neutralisation at specified rates for different salary slabs leads to the following anomalies:-

- (i) The extent of neutralisation is gradually reduced as a person reaches the maximum within the slab, e.g., the neutralisation goes down from 95.7% to 74.6% in the pay range of Rs. 85-109.
- (ii) The level of neutralisation of an employee getting pay at the minimum in the higher slab is sometimes more than that for the employee drawing salary at the maximum of the lower slab, e.g., the neutralisation on a pay of Rs. 110 in the pay range of Rs. 110-149 is 94.7% as against 74.6% on a pay of Rs. 109 in the pay range of Rs. 85-109.

An alternative to the existing system of payment of D.A. which has been suggested to the Commission is that dearness allowance should be calculated as a percentage of pay. This was the practice during War time, and is at present prevalent in some of the public/private sector organisations.

56. At present, changes in the rates of dearness allowance are considered when the average of the All India Working Class Consumer Price Index (Base 1949.100) for 12 months rises by 10 points over the earlier figure adopted for the purpose. The Bank Award provides for increases in the rates of dearness allowance if the quarterly average of the index rises by 4 points. The National Commission on Labour have suggested that revisions in the dearness allowance should take place when the Index has risen by 5 points.

57. The second Pay Commission was of the opinion that a degree of flexibility was essential for the efficient management of a developing economy with its numerous social complexities and its rapidly changing situations. They thought that a rigid, over-simple, arrangement for the adjustment of Government servant's remuneration to rise in prices would not be in accord with the Government's other responsibilities. They pointed out that in the event of a severe crop failure or other national calamity, if the real wages of Government servants were maintained by a money increase in the shape of a dearness allowance or otherwise, it would simply mean that Government servants would not have to share in the hardships imposed on the country as a whole. Further, they drew attention to the fact that certain price increases may be policy induced, e.g., by recourse to indirect taxation. They pointed out that it could not be the intention to compensate Government servants for a rise in prices caused by taxation as this would in effect mean that they were escaping their tax liability.

The Gajendragadkar Commission on Dearness Allowance had recommended automatic adjustments in the dearness allowance at different Index levels for employees in pay ranges going up to Rs. 575 p.m.

V. Other Allowances

59. The majority of the Railway staff are governed by the Hours of Employment Regulations and are classified as "Intensive", "Continuous", "Essentially Intermittent" and "excluded". On exceeding the prescribed duty hours, the staff in the first three classes is paid over-time at the rate of 1½ times the ordinary rate of pay. The staff in the Railway Workshop is, however, governed, by the Factories Act and is eligible for payment of overtime at twice the rate of pay on exceeding the statutory limit of 48 hours a week.

VI. Death-cum-retirement Benefits

67. At present, pension is calculated by multiplying the average pay drawn during 36 months preceding retirement by the number of years of qualifying service (subject to a maximum of 30 years) and dividing the result by 80. In the case of the higher services, the last pay drawn reckoned for this purpose, is limited to Rs. 1800/-. It has been suggested that with the raising of the age of retirement to 58, the average length of Government service is nearer 35 years. Moreover, it is claimed that in the interests of efficiency and integrity, senior Government officers should be enabled to live in reasonable comfort after retirement. Death-cum-Retirement Gratuity is calculated at the rate of half a month's pay for every year of qualify-

ing service subject to a maximum of Rs. 24,000. Demands have been made that the rate at which gratuity is calculated should be increased and that there should be no maximum limit to the amount of gratuity.

Deductions equivalent to two months' pay is made from the amount of the gratuity towards the Family Pension Scheme. The amount of family pension is limited to a maximum Rs.150/- per month.

68. At present temporary or officiating service under Government qualifies for pension only if the service is followed without interruption by confirmation in the same or another post. It has been pointed out that there are cases where employees have continued in Government service on a temporary basis for several years and may well have retired from service as such without being entitled to a pension.

VII. Conditions of service, Facilities & Amenities

71. The classification of services received the attention of the First and the Second Pay Commissions. The Second Pay Commission recommended abolition of the present classification in view of the virtual uniformity in the conditions of service that prevailed. Suggestions have been made in several memoranda that there should be no classification at all or the present nomenclature should be changed on the basis of remuneration, duties and responsibilities, etc. Some have suggested that there should be only two categories-gazetted and non-gazetted, while others have stated that there should be only different grades denoted by levels of pay.

74. The Second Pay Commission recommended that every alternate Saturday should be a holiday, while there should be full working on other Saturdays. It was decided, however, that only the second Saturday of a month would be a holiday. One of the arguments advanced was that the public would be unduly inconvenienced if Central Government offices were to observe every alternate Saturday as a holiday.

79. (i) It has been suggested that when Government employees arrive on transfer, accommodation should be provided to them either by requisitioning/hiring a private house (charging only the prescribed percentage of pay as rent) or by preferential allotment of available Government accommodation.

(ii) It has also been suggested that Government servants should be enabled to continue to live in Government houses after their retirement, as they find it difficult to secure alternative accommodation after retirement. A solution that has been suggested is the introduction of a scheme to enable (non-transferable) employees quite early in their career to opt for purchase of houses (earmarked for the purpose) on a hire-purchase basis. It is understood that some schemes are in operation in certain private/public sector enterprises for sale of houses at subsidised prices to their employees.

(iii) It has been pointed out as an anomaly that while Government charge house rent after taking compensatory (city) allowance into account, this element is ignored while calculating the amount of house rent allowance admissible.

IX. Special Question Relating to Union Territories

88. Till the end of 1968, the pay and allowances of Government employees in Union territories were generally linked to those prevailing in the neighbouring State. This principle was then modified to the extent that emoluments in the Union territories should not exceed those admissible for similar categories under the Central Government. Later, in March, 1970, it was decided to adopt uniformly the Central pattern of pay and allowances for all the employees of the Union territories. The existing position is that the pay structure of Union territories of Delhi, Goa, Daman & Diu and the Islands conforms to the Central pattern; Union territories of Pondicherry, Tripura and Manipur were given an option to either opt for the Central pattern or for the 'linked' neighbouring States (Pondicherry opted for Central scales and Tripura for the neighbouring State, viz. West Bengal). In Himachal Pradesh, the Secretariat staff continue on the Central pattern but the non-Secretariat employees, as also the employees of Chandigarh, were given the revised Punjab pay scales.

OFFICES, ESTABLISHMENTS, ETC. VISITED BY THE
PAY COMMISSION.

The Head Post Office,
New Delhi.

The Central Trunk Exchange,
New Delhi.

The Central Telegraph Office,
New Delhi.

The Telecommunication Research Centre,
New Delhi.

Power Cabin at Delhi Junction.

Manual Cabin,
New Delhi Station.

Control Office,
New Delhi Station.

Assistant Station Master's Office,
New Delhi Station.

Central Ordnance Depot,
Delhi Cantt.

505, Army Base Workshop,
Delhi Cantt.

Kanchipuram Head Post Office,
Madras.

Kanchipuram Telephone Exchange,
Madras.

Integral Coach Factory, Perambur,
Madras.

No. 23 Equipment Depot,
(Air Force) Madras.

No. 8 Base Repair Depot, Avadi,
Madras.

Central Excise Collectorate,
Madras.

Mail Motor Organisation,
Madras.

Regional Telegraph Stores,
Madras.

Trunk Automatic Exchange,
Madras.

Carrier Station,
Madras.

Meenabakkam Air Port,
Madras.

Customs House,
Bombay.

V.T. Passenger Yard,
Bombay.

Wadi Bunder Goods Depot,
Bombay.

Bhabha Atomic Research Centre,
Trombay.

India Government Mint,
Bombay.

Railway Mail Service,
Delhi.

Safdarjung Hospital,
New Delhi.

Primary Health Centre, Kishanganj,
Delhi.

Central Hospital, Northern Railway,
New Delhi.

T.V. Centre (A.I.R.),
New Delhi.

Delhi Station of A.I.R.
New Delhi.

News Services Division (A.I.R.),
New Delhi.

External Services Division (A.I.R.),
New Delhi.

High Power Transmitter,
Khanpur.

High Power Transmitter, Kingsway Camp,
Delhi.

Army Hospital,
Delhi Cantt.

Government of India Press, Minto Road,
New Delhi.

Diesel Locomotive Works,
Varanasi.

Mughal Serai Yard,
Mughal Serai.

R.M.S. Running Station,
Allahabad-Kanpur.

Small Arms Factory,
Kanpur.

Defence Research Laboratory (Materials),
Kanpur.

No. 1 and No. 4 Base Repair Depots (Air Force),
Kanpur.

25, Wing Air Force.

B.S.F. & C.R.P. Units in Kashmir;
Military Formation in Kashmir;
Kargil,
Baramula/Baz.

Defence Metallurgical Research Laboratory,
Hyderabad.

Dolphin Nos Lighthouse,
Visakhapatnam.

Naval Establishments in Visakhapatnam.

Training Ship 'Mekhala',
Visakhapatnam.

Jet Training Wing,
Hyderabad.

E.M.E. College,
Secunderabad.

National Defence Academy,
Khadakvasla.

Air Force Station,
Poona.

9, Base Repair Depot,
Poona.

Naval Dockyard,
Bombay.

Naval Establishments in Bombay.

Union Territory Secretariat, Panjim,
Goa.

Gun and Shell Factory,
Cossipore, Calcutta.

Kancharapara Workshop,
Eastern Railway.

National Test House,
Calcutta.

Directorate of Marine Engineering Training,
Calcutta.

**PROMINENT PUBLIC MEN, ECONOMISTS RETIRED
GOVERNMENT OFFICIALS ETC.**

- Shri S. Bhoothalingam, I.C.S. (Retired),
Director General, National Council of Applied Economic
Research,
New Delhi.
- Shri B. Sivaraman, I.C.S. (Retired),
ex-Cabinet Secretary.
- Shri G. Mukharji,
Director, Indian Institute of Public Administration,
New Delhi.
- Shri P.L. Tandon,
Chairman, State Trading Corporation,
New Delhi.
- Shri K.B. Mathur,
ex-Chairman, Railway Board.
- Shri N.P. Sen,
Principal, Administrative Staff College,
Hyderabad.
- Shri S.N. Mazumdar, I.C.S. (Retired)
- Admiral A.K. Chatterji,
ex-Chief of Naval Staff.
- General P.P. Kumaramangalam,
ex-Chief of Army Staff.
- Shri K.R. Damle,
ex-Chairman, Union Public Service Commission.
- Shri A.K. Chanda,
ex-Comptroller & Auditor General.
- Prof. B.R. Shenoy,
Director, Economic Research Centre,
New Delhi.
- Prof. M.L. Dantwala,
Head of Department of Economics, University of Bombay,
Bombay.
- Shri M.C. Bhandari,
President, Indian Institute of Chartered Accountants of India
New Delhi.
- Dr. Bharat Ram,
Delhi Cloth & General Mills Co., Ltd.,
Delhi.
- Shri R. Jagannathan,
ex-Controller General of Defence Accounts.
- Shri J.G. Bodhe,
Dr. H.C. Visveswariya,
Lt. Gen. R.A. Loomba,
The Institute of Engineers (India),
Delhi Centre.
- Dr. B.N. Ganguli,
ex-Vice Chancellor,
Delhi University.
- Prof. D.T. Lakdawala,
Sardar Patel Institute of Social Research,
Ahmedabad.
- Dr. D.S. Kothari,
Chairman, University Grants Commission,
New Delhi.
- Shri D.C. Kothari,
Industrialist,
Madras.
- Shri G.D. Khandelwal,
ex-Chairman, Railway Board.
- Shri M.R. Chopra,
Vice-Chancellor, Roorkee University.
- Prof. V.M. Dandekar,
Director, Gokhale Institute of Politics and Economics,
Poona.
- Dr. C.D. Deshmukh,
President, India International Centre,
New Delhi.
- Dr. K.L. Wig,
ex-Director, All India Institute of Medical Sciences,
New Delhi.
- Col. R.D. Aiyar,
ex-Director General, Health Services,
New Delhi.
- Dr. B.P. Pal,
Director General, Indian Council of Agricultural Research,
New Delhi.
- Shri A.K. Roy,
ex-Comptroller & Auditor General,
- Shri T.A. Paj,
Chairman, Life Insurance Corporation.
- Shri Pran Chopra, Journalist.
- Shri K.T. Chandy,
Chairman, Hindustan Steel Ltd.,
Ranchi.
- Shri B.N. Lahiri,
ex-Inspector General of Police.
- Shri L.C. Jain, I.C.S. (Retired),
ex-Secretary (Communications), and Director General,
Posts & Telegraphs.
- Shri Jagdish Prasad,
ex-Member, P. & T. Board.
- Rear Admiral Daya Shankar,
ex-Director General, Ordnance Factories.
- Shri Shanti Prasad,
ex-Inspector General of Police.
- Shri P. Sahaj,
ex-Member, Railway Board.
- Shri M. Dayal,
ex-Senior Member, P & T. Board.
- Shri B.G. Verghese,
Editor-in-Chief, Hindustan Times,
New Delhi.
- Shri V. Shankar, I.C.S. (Retired)
- Dr. K.N. Raj,
ex-Vice Chancellor, Delhi University.

SERVICE ASSOCIATIONS AND REPRESENTATIVES OF GROUPS OF EMPLOYEES

MINISTRY OF AGRICULTURE

- All India Agricultural Officers' Association,
New Delhi.
- Association of Class II Central Service Officers,
(Research Officers),
Forest Research Institute & College,
Dehra Dun.
- Technical Staff Association,
Forest Research Institute & College,
Dehra Dun.
- Association of Class I (General) Central Service Officers,
Forest Research Institute & College,
Dehra Dun.

MINISTRY OF COMMUNICATIONS

- Overseas Communications Service Employees Union,
New Delhi.
- Indian Postal Service Association,
New Delhi.
- Gazetted Officers Association,
Overseas Communication Service,
Bombay.
- Traffic Officers' Association,
Overseas Communication Service,
Bombay.
- Wireless Planning and Co-ordination & Monitoring Organisa-
tion Officers' Guild,
New Delhi.

POSTS & TELEGRAPHS DEPARTMENT

- All India Savings Bank Control Employees Union,
Bombay.
- All India P. & T. Administrative Offices Stenographers'
Association,
Ambala Cantt.
- All India Postal Accountants' Association,
Calcutta.
- All India Association of Inspectors and Assistant Superinten-
dents of Post Offices,
Bangalore.
- Telephone Inspectors Welfare Association,
Ambala Cantt.
- All India Association of Postal Supervisors (General Line),
Bangalore.
- All India Telephone Inspectors Welfare Association,
New Delhi.
- All India Telegraph Traffic Supervisors' Association,
New Delhi.
- All India Association of Post Masters (Gazetted and HSG),
Calcutta.
- National Federation of P. & T. Employees.
- Federation of National P. & T. Organisations,
New Delhi.
- The P. & T. Mazdoor Union,
New Delhi.
- Telephone Workers Union,
Bombay.

- Postal Officers Association,
New Delhi.
- Telegraph Traffic Officers' Association,
New Delhi.
- P. & T. Accounts Officers' Association, New Delhi.
- Telegraph Engineers Association, New Delhi.
- Telegraph Communication Engineers' Association (India),
New Delhi.
- Telecommunication Engineering Officers' Association,
New Delhi.
- P. & T. Workshop Engineers Association,
Calcutta.
- Telecom. Research Centre Scientific Officers (Class I)
Association, New Delhi.

MINISTRY OF DEFENCE

- All India Defence Civilian Clerks Association,
New Delhi.
- All India A.O.C. Clerks Association,
New Delhi.
- All India Association of Clerical Employees of Ordnance
Factories,
Kanpur.
- Armed Forces Film and Photo Division,
New Delhi.
- A.F.H.Q. Stenographers Association,
New Delhi.
- Armed Forces Headquarters Civilian Officers' Association,
New Delhi.
- A.F.H.Q. Civilian Assistant Staff Officers Association,
New Delhi.
- Indian Navy Civilian Officers' Association,
Bombay.
- Naval Armament Gazetted Officers' Association,
Vishakhapatnam.
- All India Air Force Civilian Association,
New Delhi.
- Vayu Sena Karamchari Union,
Kanpur.
- E.M.E. Workshop Officers' Association,
New Delhi.
- All India Association of Ordnance Officers Civilian (Direct)
A.O.C.,
New Delhi.
- Air Force Storekeepers Association (India),
New Delhi.
- All India E.M.E. Civilian Personnel Association,
Secunderabad.
- C.O.D. Karamchari Union,
Kanpur.
- The All India Association of Storekeepers & Assistant Store-
keepers of the A.O.C.,
New Delhi.

All India Association of Storekeepers & Storemen in the Armed Forces Medical Services,
New Delhi.

Defence Fire Staff Association,
New Delhi.

Indian Ordnance Factories Supervisors Association,
Poona.

Ammunition Factory Workers' Union,
Poona.

All India Association of the Non-Gazetted Officers of Ordnance and Clothing Factories & Inspectorates,
P.O. Ishapur, Nawabganj,
24-Parganas (West Bengal).

Superintendents (B/R, E/M.) Grade I Association Headquarters Engineer-in-Chief's Branch,
New Delhi.

All India Association of Civilian Assistant Security Officers,
Poona.

Southern Region Military Engineer Services (Civilian) Employees Union,
Madras.

Ordnance Factory Teaching Staff Association,
Kanpur.

The All India M.L. & C. Service Staff Association,
Secunderabad.

Naval Technical Supervisory Staff Association,
Bombay.

Armed Forces Headquarters Drawing Office Association,
New Delhi.

All India M.E.S. D'Men Association, New Delhi.

Association of Scientific Workers (Ordnance Establishments),
Poona.

Defence Science Service Officers Association,
New Delhi.

Defence Laboratory Workers National Union,
Hyderabad.

Military Lands and Cantonments Service Officers' Association,
Agra.

Indian National Defence Workers Federation,
Kanpur.

All India Defence Employees Federation,
Poona.

Military Engineers Services Civilian Officers Association,
New Delhi.

Indian Ordnance Factories Officers' Association,
Ishapore, P.O. Chapur-Nawabganj (W.B.).

The Ordnance Factories Service Association, Calcutta.

Canteen Stores Department (India) Employees Union, CSD(I) E. Union,
Bombay.

MINISTRY OF EDUCATION & SOCIAL WELFARE

Botanical Survey of India Employees Association.

Botanical Survey of India Gazetted Officers' Association,
Calcutta.

Anthropological Survey of India Employees Association,
Calcutta.

National Archives of India Gazetted Officers' Association,
New Delhi.

Association of Gazetted Officers Technical Education,
Delhi.

Central Education Officers' Service Association,
New Delhi.

Gazetteers Unit,
New Delhi.

Anthropological Survey of India Gazetted Officers' Association
Calcutta.

Association of Gazetted Officers of Commission for Scientific & Technical Terminology and the Central Hindi Directorate,
Delhi.

MINISTRY OF EXTERNAL AFFAIRS

Indian Foreign Service Branch (B) (Grade IV, V & VI) Association,
New Delhi.

Information Service of India Association,
New Delhi.

I.F.S. Branch (B) (Gazetted Officers) Association,
New Delhi.

Indian Foreign Service Association,
New Delhi.

Association of Research Cadre,
New Delhi.

MINISTRY OF FINANCE

DEPARTMENT OF EXPENDITURE

All India Defence Accounts Association (Central Body),
Poona.

Defence Accounts Department S.A.S. Association,
New Delhi.

All India Defence Accounts Employees Association,
Calcutta.

All India Accounts Officers' Association (Defence Accounts),
Poona.

Industrial Management Pool Officers' Association,
New Delhi.

Indian Defence Accounts Service Association.

Central Cost Accounts Pool,
New Delhi.

DEPARTMENT OF ECONOMIC AFFAIRS

All India National Savings Gazetted Officers' Association,
Cochin.

All India National Savings Employees Association,
Hyderabad.

Alipore Mint Staff Association, Alipore.

The Bombay Mint Staff Union, Bombay.

India Security Press Staff Union, Nasik Road (Maharashtra).

India Security Press Mazdoor Sangh,
Nasik Road (Maharashtra).

Mint Gazetted Officers' Association, Bombay.

DEPARTMENT OF REVENUE AND INSURANCE

Income Tax Employees Federation,
New Delhi.

All India Central Excise and Land Customs Ministerial Officers' Federation,
Madras.

All India Central Excise and Customs (Class IV) Officers' Federation,
Arrah (Bihar).

The Tamil Nadu Income Tax Inspectors Association,
Madras.

All India Federation of Central Excise (Class II) Executive Officers, Central Excise & Customs,
New Delhi.

All India Federation of Central Excise Customs (NG) Executive, Officers,
Calcutta.

All India Customs Preventive Service, Calcutta.

All India Customs Appraising Officers' Federation,
Calcutta.

Indian Customs Service Association,
New Delhi.

All India Central Excise Gazetted Officers' Association,
New Delhi.

All India Federation of Income Tax Gazetted Services
Association,
New Delhi.

Central Revenue Chemical Service Association,
New Delhi.

All India Customs Employees Federation,
Calcutta.

Indian Revenue Service (Income Tax) Service Association,
New Delhi.

MINISTRY OF COMMERCE

Gazetted Officers' Association of the Office of the Textile
Commissioner,
Bombay.

Textile Commissioner's Office Staff Association,
Bombay.

Import and Export Officers' Association, New Delhi.

Commercial Intelligence Union, Calcutta.

MINISTRY OF HEALTH AND FAMILY PLANNING

Indian Dental Association, New Delhi.

Dental Council of India, New Delhi

Dental Department,
Willingdon Hospital,
New Delhi.

The Trained Nurses Association,
New Delhi.

Delhi Nurses Association,
Delhi.

C.G.H.S. Dressers Union
New Delhi.

Delhi Radiographers Welfare Association,
Delhi.

Central Government Health Scheme Pharmacists Association,
New Delhi.

National Federation of Pharmacists,
Delhi.

All India Government Medical Stores Depot Employees
Federation, New Delhi.

Government M.S.D. Officials' Association,
Medical Stores Depot,
Madras.

All India Government Medical Stores Depot Officials
Federation,
Calcutta.

Association of Physio-Occupational Therapists, New Delhi.

Central Health Service Doctors Service Association,
Dhanbad (Bihar).

Association of Central Health Service Officers, New Delhi.

Group of Specialists Cadre Officers of Central Health Scheme,
New Delhi.

Association of Scientists in Medical and Public Health
Institutions,
Delhi.

Association of Non-Medical Teachers of Indian Medical
Institutions,
New Delhi.

Association of Professorial Staff (Non-Medical), All India
Institute of Hygiene and Public Health, Calcutta.

Indian Medical Association,
New Delhi.

Federation of Associations/Societies of Medical Services,
New Delhi.

MINISTRY OF HOME AFFAIRS

Ad hoc Association of Hindi Teachers (Hindi Teaching
Scheme),
New Delhi.

Assam Rifles Employees' Association,
Shillong.

MINISTRY OF INDUSTRIAL DEVELOPMENT

Small Scale Industries Development Organisation (On behalf
of Technical Officers),
New Delhi.

Technical Gazetted Officers' Association,
New Delhi.

Association of Technical Officers of Patent Office,
Calcutta.

All India Salt Employees Union, Jaipur.

India Salt Service Class II Gazetted Officers' Association,
Jaipur.

Association of Supervisory Technical Officers of the Patent
Office,
Calcutta.

MINISTRY OF INFORMATION AND BROADCASTING

All India Radio Ministerial Staff Association,
A.I.R.,
Bombay.

All India Radio Ministerial Staff Association,
New Delhi.

All India Radio Stenographers' Association,
New Delhi.

All India Radio (Non-Gazetted) Engineering Employees'
Association,
Lucknow.

All India Radio Programme Staff Association,
New Delhi.

All India Radio Engineers Association,
New Delhi.

Listeners' Research Officers Association,
New Delhi.

Central Information Service Association,
New Delhi.

MINISTRY OF IRRIGATION AND POWER

C. W. & P. R. S. Research Assistant Engineers' Association,
Poona.

Association of Research Assistants (Scientists), C. W. & P. R. S.
Khadakwasla,
Poona-24.

Statistical and Scientific Employees Association, C. W. &
P. C.,
New Delhi.

Supervisors' Association,
New Delhi.

Drawing Staff Association, New Delhi.

Central Water and Power Research Station Engineers Class I
Association,
Poona.

The C. W. & P. C. Engineers Class I Association,
New Delhi.

C. W. & P. C. Engineers Class II Association,
New Delhi.

C. W. & P. R. S. Engineers' (Class II) Association,
Central Water and Power Research Station,
Poona.

Central Water and Power Research Station
Scientific Officers' Association,
Poona.

MINISTRY OF LABOUR AND REHABILITATION

Officers of National Employment Service.
 Central Staff Association of D. G. E. & T., C. T. I.,
 Howrah.
 Association of Central Government Labour Officers,
 Delhi.
 Central Industrial Relations Machinery Officers' Association,
 New Delhi.
 Association of Director General Factory Advice Service and
 Labour Institutes Gazetted Officers,
 Bombay.

MINISTRY OF LAW AND JUSTICE

Central Legal Service Association,
 New Delhi
 Legal and Technical Staff Association,
 New Delhi.
 Income-Tax Appellate Tribunal,
 New Delhi.

MINISTRY OF PLANNING

P. E. O. Senior Economic Investigators Association,
 New Delhi.
 P. E. O. (Planning Commission) Economic Investigators
 (Grade II) Association,
 New Delhi.
 The Planning Commission Economic Investigators Association,
 New Delhi.

MINISTRY OF RAILWAYS

Railway Board Ministerial Staff Association,
 New Delhi.
 All India Railway Ministerial Staff Association,
 Lucknow.
 All India Train Clerks Council,
 Arkonum.
 All India Train Clerks Association,
 Delhi.
 All India Train Clerks Association,
 Northern Railway, Juhi Yard,
 Kanpur.
 All India Railway Commercial Clerks Association,
 Ajmer.
 All India Railway Commercial Clerks Association,
 Subzi Mandi, Delhi.
 All India Railway Stenographers Association,
 Delhi.
 All India Railway Stenographers Association,
 Madras.
 All India Railway Stenographers Association,
 Hyderabad.
 S. E. Railway Commercial Clerks Outdoor Staff Association,
 Calcutta.
 Western Railway Commercial Inspectors' Association,
 Ahmedabad.
 S. Railway Welfare Inspectors Forum,
 Palghat, Kerala.
 All India Railway Personnel Inspectors Association,
 New Delhi.
 All India Railway Telephone Operators Association,
 Lucknow.
 All India Railway Saloon Attendants Association,
 New Delhi.
 S. E. Railway Wireless Operating Staff Association,
 Calcutta.
 Railway Telegraph Office,
 Bhusawal, Central Railway, Maharashtra.
 All India Railway Telegraph Staff Council,
 Gorakhpur.

Southern Railway Switchman Association,
 Dharamnagar, Sealum, Tamil Nadu.
 Northern Railway Shunting and Cabinmen Association,
 Delhi:
 Wagon Movement Inspector,
 Delhi Division (N. Railway),
 Delhi.
 Eastern Railway Transportation Apprentices Association,
 Asansol, Burdwan.
 All India Train Controllers Association,
 Bombay.
 All India Railway Cashiers (Pay Clerks) Association,
 Delhi.
 All India Railway Shroffs Association,
 Delhi.
 Indian Railway Ticket Checking Staff Association,
 New Delhi.
 S. Railway Ticket Checking Staff Union,
 (Olavakkot Division), Coimbatore Junction.
 All India Accounts Stock Verifiers Association,
 Varanasi Branch, D. L. W.,
 Varanasi.
 Traffic Inspectors Association,
 N.F. Railway, Central Gotanagar,
 P. O. Gauhati.
 Indian Railway Store Keeping Staff Association,
 Liluah, Howrah.
 All India Apprentices and Ex-Apprentices Train Examiners
 (M) Association, Kharagpur Division,
 Kharagpur.
 All India TXRs Welfare Committee,
 Liluah, Howrah.
 The Indian Railway Scientific Staff Association,
 Ajmer.
 N. F. Railway Legalmen's Association,
 N. F. Railway,
 Gauhati.
 Railway Legalmen's Association,
 New Delhi.
 The S. C. Railway Teachers Association,
 Secunderabad.
 Chittaranjan Railway School Teachers' Association,
 Chittaranjan, Distt. Burdwan (W. B.).
 Post-Graduate Teachers of Railway Mixed-Multipurpose
 High School,
 Tiruchirapalli (S. Railway).
 Foreman and Supervisory Staff,
 Electrical Traction Department,
 Sub-Station Cadre,
 Bombay.
 Shri M. R. Bhadra,
 Office of the District Electrical Engineer (Sub Station), S.E.
 Railway (Electrician), Bilaspur, R.S. (M.P.).
 Distribution Staff Association,
 (Sealdah, Asansol, Dhanbad and Dinapur Traction),
 Asansol.
 All India Railway Teachers Federation,
 Secunderabad.
 Northern Railway Sub-Overseers and Mistries Association,
 Delhi.
 Works Mates Council,
 Kampala P.O., P.O. Saklasapur,
 Mysore.
 S.E. Railway Yard Staff Council,
 Shalimar, S.E. Railway.
 Railway Yard Staff Council,
 Sealdah Division,
 Sealdah.

- N. Railway Yard Operating Advisory Committee,
Gauhati.
- Indian Railway S. & T. Staff Association,
Delhi.
- Shri R. C. Mukherjee,
Dy. C.T.C.I. Office, N.F. Railway,
P.O. Katihar, Distt. Purnea, Bihar.
- Indian Railway Bridge Inspectors Association,
Delhi.
- Indian Railway Engineering Inspectors Association, P.W.I.,
Central Railway,
Palwal (Gurgaon), Haryana.
- Indian Railway P.W.I. and A.P.W.I.s Association,
Sealdah, Calcutta-14.
- Indian Railway Drawing Staff Association,
Delhi.
- Railway Engineering Works Subordinate Association,
Eastern Railway,
Calcutta.
- Railway Board Ministerial Staff Association,
representing Drawing Office Staff,
New Delhi.
- All India Station Masters Association,
P. O. Birnagar,
Distt. Nadia (W. B.).
- Belgaum Branch, S. C. Railway Mazdoor Union,
Belgaum, Mysore State.
- Shri B. Ramanatha Menon,
Assistant Station Master, S. E. Railway,
Khanagad, Cannonore Distt., Kerala State.
- All India Railway Accounts Staff Association,
Calcutta.
- Accounts Staff Association,
Northern Railway,
New Delhi.
- All India Ungraded Railway Accounts Staff Association,
Delhi.
- Shri T. Ramakrishna Rao,
Chairman, Ad-hoc Committee,
D. A. O.'s Office (S. C. Railway),
Secunderabad.
- Federation of All India SAS (Rlys.) Qualified Staff,
Delhi.
- N. F. Railways S. A. S. Staff Association,
Gauhati.
- E. Railway Protection Force Association,
Howrah.
- Indian Railway Accounts Service Association,
Madras.
- Western Railways Nurses and Midwives Association,
Ajmer.
- Indian Railways Hospital Dressers Association,
New Delhi.
- Indian Railway X-Ray and Lab. Staff Association,
N. E. Railway,
Gorakhpur.
- Western Railway Radiographers Association,
Bombay-8.
- N. Railway Health Inspectors Association,
Delhi.
- All India Health Inspectors Association,
Secunderabad.
- Pharmacists Council of Indian Railways,
Kota Junction (Rajasthan).
- Southern Railway Pharmacists Welfare Council,
Madras.
- Indian Railway Traffic Service Association,
New Delhi.
- I. R. S. T. A. Sub-Unit, Central Railway,
New Katni Junction.
- Indian Railways Technical Supervisors Association,
Lucknow.
- Western Railway Press Staff,
Western Railway,
Bombay.
- All India Guards Council,
Nagpur.
- All India Guards Council,
Ghaziabad (U. P.).
- National Railway Mazdoor Union,
Bhusawal.
- All India Loco Running Staff Association,
Abu Road, Rajasthan.
- All India Loco Running Staff,
Renigunta (A. P.).
- The Federation of Temporary Officers'
Association of Indian Railways,
Delhi.
- Western Railway Temporary Officers' Association,
Baroda.
- Central Railway Temporary Officers' Association,
Bombay.
- Indian Railway Physio-Therapist (Medical) Association,
Hyderabad (A. P.).
- Indian Railway Service of Engineers' Association,
Secunderabad.
- Indian Railway Service Engineers' Association,
New Delhi.
- Association of Indian Railway Service of
Mechanical Engineers,
Lucknow.
- Zonal Association of the Officers of the Indian Railway Service
of Mechanical Engineers,
Secunderabad.
- Association of I. R. S. M. E. Officers (D. L. W. Branch),
Varanasi.
- Shri M. M. Bam,
Director, Mechanical Engineering,
New Delhi.
- Indian Railway Stores Service,
Zonal Council, Eastern Railway,
Calcutta.
- Association of the Officers of the Indian Railway Stores Services,
Western Railway,
Bombay.
- Indian Railways Electrical Engineers' Association,
Secunderabad.
- Indian Railway Electrical Engineers' Association,
Calcutta.
- Indian Railway Signal Engineers' Association,
Bombay.
- Indian Railway Signal Engineers' Association,
Calcutta Zone,
Calcutta.
- Railway Medical Officers Association,
New Delhi.
- Railway Medical Officers' Association,
Western Railway Zone,
Bombay.
- Federation of Class I Railway Officers' Association,
New Delhi.
- Indian Railways Class II Officers Federation,
New Delhi.
- Eastern Railway Class II Officers' Association,
Calcutta.

R. D. S. O. Class II Officers' Association.
 All India Railwaymen's Federation,
 New Delhi.
 National Federation of Indian Railwaymen,
 New Delhi.
 Indian Railway Loco Mechanical Staff Association,
 Delhi.
 South Eastern Railway Travelling Inspectors of
 Accounts Association,
 Calcutta.
 All India Railway Junior Supervisors' Association,
 Howrah.

MINISTRY OF SHIPPING AND TRANSPORT

All India Central Government Lighthouses and
 Lightships Staff Federation,
 Quilon (Kerala).
 All India Lighthouse Workshop Staff Association,
 Calcutta.
 The Government Pre-Sea-going Training Ship Employees
 Association,
 Calcutta.
 Lighthouse Engineers' Association,
 Calcutta.
 Merchant Navy Training Officers' Association,
 Bombay.
 The Academic Staff Association,
 Training Ship 'Dufferin',
 Bombay.
 Government of India Marine Surveyors' Association,
 Bombay.
 The Central Services (Roads) Class I Direct Recruits
 Association,
 New Delhi.
 Shri N. S. Ramaswami,
 Chief Engineer (Bridges), Road Wing,
 New Delhi.
 Class I Officers (Direct Recruits) Association,
 Roads Wing,
 New Delhi.

MINISTRY OF STEEL AND MINES

Geological Survey of India Employees Association,
 Hyderabad.
 Indian Bureau of Mines Scientific Officers' Association,
 Nagpur.
 Technical Officers' Association,
 Geological Survey of India,
 Calcutta.
 Geological Survey of India Scientific Officers' Association,
 Hyderabad.
 Association of Geophysicists,
 Geological Survey of India and
 Airborne Mineral Survey and Exploration,
 New Delhi.

MINISTRY OF TOURISM & CIVIL AVIATION

India Meteorological Department (Non-Gazetted)
 Staff Union,
 New Delhi.
 Air Traffic Controllers' Guild,
 Calcutta.
 Air Traffic Controllers' Guild,
 Madras.
 India Meteorological Department Gazetted Officers'
 Association,
 New Delhi.

Civil Aviation Department Communicators Guild,
 New Delhi.
 Civil Aviation Department Gazetted Officers' Association,
 New Delhi.
 India Meteorological Workshops' Union,
 New Delhi.
 Association of Tourist Officers of the
 Government of India,
 New Delhi.
 Avionic Engineers' Guild,
 New Delhi.
 Civil Aviation Department Employees Union,
 New Delhi.

MINISTRY OF WORKS AND HOUSING

Government of India Press Clerks' Union.
 Clerks' Association,
 Government of India Press,
 Simla.
 C.P.W.D. (Subordinate) Stenographers' Association,
 New Delhi.
 Architectural Draftsmen Association,
 C. P. W. D.,
 New Delhi.
 Drawing Staff Association,
 Town and Country Planning Organisation,
 New Delhi.
 Engineering Drawing Staff Association,
 C. P. W. D.,
 New Delhi.
 C. P. W. D. Non-Gazetted Office Staff Association,
 Northern Zone,
 New Delhi.
 Non-Technical Class I and II Officers' Association
 (Subordinate Offices), Government of India
 Printing and Stationery Department,
 Calcutta.
 Town and Country Planners' Association,
 New Delhi.
 All India Official Architects Association,
 New Delhi.
 C. P. W. D. Architects Association,
 New Delhi.
 Central Engineering Service/Central Electrical Engineering
 Service Class II Direct Recruits' Association,
 C. P. W. D.,
 New Delhi.
 National Federation of India
 Printing and Stationery Department Employees,
 New Delhi.
 Rajkiya Press Mazdoor Sangh,
 Government of India Press,
 Aligarh.
 National Federation of India Press Workers,
 New Delhi.
 Government of India Press Workers' Union,
 Coimbatore.
 Central Engineering Services Class I
 Direct Recruits Association,
 C. P. W. D.,
 New Delhi.
 C.P.W.D. Engineers Association,
 New Delhi.

DEPARTMENT OF ATOMIC ENERGY

Non-Gazetted Staff Association,
 Bhabha Atomic Research Station,
 Bombay.

Bhabha Atomic Research Centre Officers' Association,
Bombay.

DEPARTMENT OF COMPANY AFFAIRS

Company Law Board Association,
New Delhi.

DEPARTMENT OF CULTURE

National Museum Officers' Association,
New Delhi.

National Library Employees' Association,
Calcutta.

Government of India Libraries Association,
New Delhi.

Indian Library Association,
Delhi.

Archaeological Survey Officers' Association,
Museum Branch,
Calcutta.

All India Archaeological Service Association,
Hyderabad.

DEPARTMENT OF SCIENCE AND TECHNOLOGY

Class III Services Association,
Survey of India,
Dehradun.

Ministerial Staff Association,
Survey of India Office,
Dehradun.

Surveyors' Association,
Survey of India,
Dehradun.

Zoological Survey of India Employees' Association,
Calcutta.

Zoological Survey of India Gazetted Officers' Association,
Calcutta.

Survey of India Karamchari Class IV Union,
Dehradun.

Survey of India Class II Service Association,
Dehradun.

Association of Civilian Class I Officers,
Survey of India,
Dehradun.

DEPARTMENT OF SUPPLY

Officers' Association (D.G.S. & D.),
New Delhi.

Association of Scientific Assistants,
National Test House,
Calcutta.

The Directorate of Supplies (Tax) Bombay
Non-Gazetted Officers' Association,
Bombay.

The Directorate of Supplies and Disposals
Non-Gazetted Staff Association,
Bombay.

Directorate of Inspection Staff Association,
Bombay.

CABINET SECRETARIAT

DEPARTMENT OF PERSONNEL

Central Government Clerks' Union,
New Delhi.

Central Secretariat Service Grade IV
(Direct Recruits) Association,
New Delhi.

Central Secretariat Assistants' Association,
New Delhi.

Central Government Staff Car Drivers' Association,
Madras.

Central Secretariat Stenographers Service Association,
New Delhi.

Central Secretariat Stenographers Service
(Gazetted Officers) Association,
New Delhi.

Central Government Class IV Employees Association,
New Delhi.

Central Government Economic and Statistical
Class II Officers Association,
New Delhi.

Central Secretariat Service
(Direct Recruits—Gazetted) Association,
New Delhi.

Central Secretariat Service (Grade I) Association,
New Delhi.

Central Secretariat Service Section Officers
(Departmental Examination Category) Association,
New Delhi.

Central Secretariat Service Grade III
Section Officers Association,
New Delhi.

Indian Economic Service Association,
New Delhi.

Indian Statistical Service Association,
New Delhi.

DEPARTMENT OF STATISTICS

All India Association of Assistant Superintendents and
Inspectors (S. E.),
National Sample Survey.

All India Association of Investigators,
Mayuram, Tamil Nadu.

All India Association of Assistant Superintendents and
Computers (AS), National Sample Survey,
Faridabad.

All India National Sample Survey Assistant Superintendents
and Computers (IS) Association,
Kanpur.

UNION TERRITORIES

Delhi School Teachers Association,
Delhi.

Government School Teachers' Association,
New Delhi.

Government Schools Post-Graduate Teachers Club,
Delhi.

Government Schools Principals' Association,
New Delhi.

Educational Officers' Association,
Directorate of Education, Delhi Administration,
Delhi.

Patwaris and Kanoongos Association,
Delhi.

DANI Civil Service Association,
Delhi.

Delhi Administration Officers' Association,
Delhi.

Civil and Sessions Courts Employees' Association,
Delhi.

Federation of N. E. F. A. Employees Association,
Shillong.

Goa Government Employees Association.
Association of Engineers, Goa.

Association of Government Secondary Teachers,
Goa.

Goa Medical College Staff Society.
U.T. Administration officials,
Goa.

Andaman and Nicobar Government Employees and Workers' Federation and Non-Gazetted Officers' Association, Andaman and Nicobar Islands,
Port Blair.

Andaman and Nicobar Government Employees (Non-Gazetted) Association and Andaman and Nicobar Government Employees Association,
Port Blair.

Laccadive, Minicoy and Amindiv Islands Non-Gazetted Officers Association,
Kavarathi Islands.

Andaman Trade Unions,
Port Blair.

The Engineering Subordinate Welfare Association,
Andaman and Nicobar Islands,
Port Blair.

The Pondicherry Non-Gazetted Government Officers' Union,
Pondicherry.

Pondicherry Secretariat Non-Gazetted Officers' Association.

ALL INDIA SERVICES

Indian Police Service (Central) Association,
New Delhi.

Indian Civil and Administrative Service (Central) Association,
New Delhi.

Indian Forest Service Association,
New Delhi.

AUDIT AND ACCOUNTS DEPARTMENT

All India Federation of Divisional Accountants,
Calcutta.

All India S. A. S. Association.
Allahabad.

All India Non-Gazetted Audit and Accounts Association,
New Delhi.

All India Association of Accounts/Audit Officers of
I. A. & A. Department,
Jaipur.

Indian Audit and Accounts Service Association,
New Delhi.

OTHERS

Confederation of Central Government Employees and Workers,
New Delhi.

All India Confederation of Central Government Officers' Association,
New Delhi.

All India Federation of Engineering Service Association,
New Delhi.

ALL INDIA LABOUR UNIONS

All India Trade Union Congress, New Delhi
Shri Satish Loomba
Shri S. Madhusudan

Centre of India Trade Unions, Calcutta
Shri P. Ramamurti
Shri Mohd. Ismail, M. P.
Shri Samar Mukerjee
Shri M. K. Pandhe

Hind Mazdoor Sabha, Bombay
Shri Mahesh Desai
Shri Natwar Shah
Shri Umraomal Purohit
Shri G. V. Raghavan

Indian National Trade Union Congress, New Delhi
Shri G. Ramarajam
Shri R. K. Malviya
Shri H. D. Mukerjee
Shri R. L. Thakar

GOVERNMENT OFFICIALS

MINISTRY OF FINANCE

(1) DEPARTMENT OF EXPENDITURE AND REVENUE AND INSURANCE

Shri B. D. Pande,
Finance Secretary.

Shri M. R. Yardi,
Secretary (Expenditure)

Shri Jasjit Singh,
Chairman,
Central Board of Central Excise & Customs.

Shri R. D. Shah,
Chairman,
Central Board of Direct Taxes.

Shri A. Rajagopalan,
O. S. D. & *Ex-officio* Additional Secretary (Insurance).

Shri D. S. Nakra,
Financial Adviser (Defence Services).

Shri S. G. Dube,
Additional Financial Adviser.

Shri P. C. Bhattacharya,
Controller General of Defence Accounts.

Shri J. M. Lalvani,
Joint Secretary (Personnel).

(2) DEPARTMENT OF ECONOMIC AFFAIRS

Dr. I. G. Patel,
Secretary.

Shri Ashok Mitra,
Chief Economic Adviser.

(3) DEPARTMENT OF BANKING

Shri A. Baksi,
Secretary.

Shri M. G. Balasubramanian,
Joint Secretary.

MINISTRY OF LABOUR & REHABILITATION

Shri P. M. Nayak,
Secretary.

Shri R. Ananthakrishna,
Joint Secretary.

Shri N. P. Dubey,
Joint Secretary.

Shri Ishwar Chandra,
Director General (Employment and Training)

MINISTRY OF TOURISM & CIVIL AVIATION

Shri N. Sahgal,
Secretary.

Shri P. Koteswaram,
Director General, Observatories.

Shri G. C. Arya,
Director General, Civil Aviation.

Shri Ramamritham,
Deputy Director General, Civil Aviation.

Shri B. N. Raman,
Director General, Tourism.

MINISTRY OF STEEL & MINES

Shri N. Subrahmanyam,
Secretary.

Shri T. N. Lakshminarayanan,
Joint Secretary.

MINISTRY OF COMMERCE

Shri H. Lal,
Secretary.

Shri Y. T. Shah,
Additional Secretary.

Shri K. Kishore,
Textile Commissioner.

Shri B. D. Kumar,
Joint Secretary.

MINISTRY OF HOME AFFAIRS

Shri Govind Narain,
Home Secretary.

Shri M. G. Pimputkar,
Special Secretary,
Union Territories.

Shri M. Gopal Menon,
Additional Secretary,
Department of Administrative Reforms.

Shri B. Venkataraman,
Joint Secretary.

HEADS OF POLICE ORGANISATIONS

Shri A. Jayaram,
Director, Intelligence Bureau.

Shri K. F. Rustamji,
Director General,
Border Security Force.

Shri Imdad Ali,
Director General,
Central Reserve Police.

Shri B. Chatterjee,
Director General,
Indo-Tibetan Border Police.

CABINET SECRETARIAT

Shri T. Swaminathan,
Cabinet Secretary.

Shri P. K. J. Menon,
Secretary,
Department of Personnel.

Shri Uma Shankar,
Joint Secretary.

Miss R. Anna George,
Joint Secretary.

Shri D. Sen,
Director, C. B. I. & I. G. P., SPE.,
Central Bureau of Investigation.

MINISTRY OF INDUSTRIAL DEVELOPMENT

Shri B. B. Lal,
Secretary.

Shri R. K. Talwar,
Joint Secretary.

MINISTRY OF PETROLEUM & CHEMICALS

Shri B. Mukerji,
Secretary.

MINISTRY OF INFORMATION & BROADCASTING

Shri R. C. Dutt,
Secretary.

Shri B. K. Rao,
Deputy Director General, A. I.R.

Shri Mushair Ahmed,
Controller of Films.

MINISTRY OF DEFENCE

Shri K. B. Lall,
Defence Secretary.

Shri G. L. Sheth,
Secretary,
Department of Defence Production.

Shri Satish Chandra,
Secretary,
Department of Defence Supplies.

Dr. B. D. Nag Chaudhuri,
Scientific Adviser to Defence Minister.

Shri S. K. Mukherjee,
Additional Secretary.

Shri R. M. Mazumdar,
Director General, Ordnance Factories.

Lt. Gen. S. N. Chatterji,
Director General,
Armed Forces Medical Services.

Maj. Gen. R. G. Williams,
Director General (Inspection).

ARMY HEADQUARTERS

Gen. S. H. F. J. Manekshaw, M. C.
Chief of the Army Staff,
Army Headquarters.

Lt. Gen. H. K. Sibal,
Adjutant General.

Lt. Gen. K. N. Dubey, PVSM,
Master General (Ordnance)

Lt. Gen. B. N. Das,
Engineer-in-Chief.

Maj. Gen. S. K. Sinha,
Deputy Adjutant General.

NAVAL HEADQUARTERS

Admiral S. M. Nanda, PVSM,
Chief of the Naval Staff,
Naval Headquarters.

Rear Admiral S. J. Lalkaka,
Chief of Logistics (Navy).

Rear Admiral R. N. Batra,
Chief of Personnel (Naval)

Rear Admiral Krishan Dev

Cap. R. C. Bhatnagar,
Director,
Pay Commission Cell (Navy).

AIR HEADQUARTERS

Air Chief Marshal P. C. Lal, DFC,
Chief of the Air Staff,
Air Headquarters.

Air Vice Marshal T. S. Virk, PVSM,
Air Officer-in-charge (Admn.).

Air Commodore H. R. Chitnis,
Director, Pay Commission Cell,
Air Headquarters.

MINISTRY OF IRRIGATION & POWER

Shri B. P. Patel,
Secretary.

Dr. A. S. Sharma,
Joint Secretary.

MINISTRY OF COMMUNICATIONS

Shri N. V. Sheno,
Secretary.

Shri L. K. Narayanaswamy,
Special Secretary.

Shri D. N. Ramchandani,
Member (Adm.), P & T Board.

Shri K. L. Bhola,
Member, P & T Board.

Shri Rama Kant,
Deputy Director General.

MINISTRY OF LAW & JUSTICE

Shri R. S. Gae,
Secretary.

MINISTRY OF EXTERNAL AFFAIRS

Shri T. N. Kaul,
Foreign Secretary.

Shri Avtar Singh,
Additional Secretary.

MINISTRY OF WORKS & HOUSING

Shri P. C. Mathew,
Secretary.

Shri Kartar Singh,
Joint Secretary.

Shri S. Chaudhuri,
Joint Secretary.

Shri O. Muthachen,
Engineer-in-Chief (CPWD).

Shri P. K. Sen,
Chief Controller of Printing & Stationery.

MINISTRY OF HEALTH & FAMILY PLANNING

Shri K. K. Das,
Secretary.

Shri R. N. Madhok,
Additional Secretary.

Shri A. B. Malik,
Joint Secretary.

Dr. J. B. Srivastava,
Director General of Health Services.

MINISTRY OF AGRICULTURE

Shri T. P. Singh,
Secretary.

Dr. M. S. Swaminathan,
Director General,
Indian Council of Agricultural Research.

Shri K. P. A. Menon,
Secretary,
Indian Council of Agricultural Research.

MINISTRY OF RAILWAYS

Shri B. S. D. Baliga,
Chairman, Railway Board.

Shri K. S. Sundara Rajan,
Financial Commissioner.

Shri H. M. Chatterjee,
Member (Mechanical).

Shri B. M. Kaul,
Member (Transportation).

Shri M. N. Bery,
Member (Staff).

MINISTRY OF SHIPPING & TRANSPORT

Shri G. C. Baveja,
Joint Secretary.

Shri K. Sivaraj,
Joint Secretary.

Shri N. R. Reddy,
Joint Secretary & Chief Controller of Chartering.

Shri R. Doraiswamy,
Director General, Shipping.

Commodore G. S. Kapoor,
Director General,
Lighthouses and Lightships.

MINISTRY OF EDUCATION & SOCIAL WELFARE

Shri Triveni Prasad Singh,
Secretary.

COMPTROLLER & AUDITOR GENERAL OF INDIA

Shri S. Ranganathan,
Comptroller & Auditor General.

Shri A. K. Mukherjee,
Deputy Comptroller & Auditor General.

PLANNING COMMISSION

Shri A. Mitra,
Secretary.

UNION PUBLIC SERVICE COMMISSION

Shri R. C. S. Sarkar,
Chairman.

Shri Rajendra Lal,
Secretary.

DEPARTMENT OF ATOMIC ENERGY

Dr. H. N. Sethna,
Secretary.

Shri M. A. Hardi,
Joint Secretary.

Shri S. V. Kulkarni,
Controller.

DEPARTMENT OF SCIENCE & TECHNOLOGY

Shri A. J. Kidwai,
Secretary.

CENTRAL WATER & POWER COMMISSION

Shri S. K. Jain,
Chairman.

PRIME MINISTER'S SECRETARIAT

Shri P. N. Haksar,
Principal Secretary to the Prime Minister.