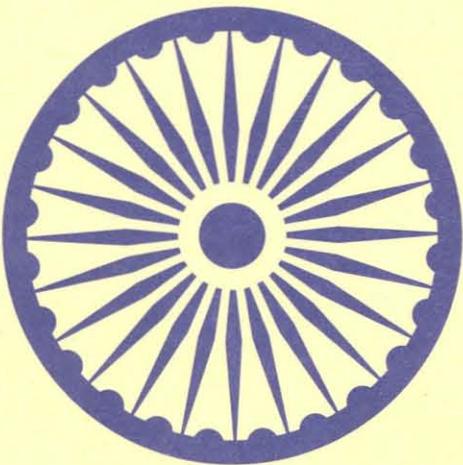


Government of India



सत्यमेव जयते

*Report of the
Sixth Central Pay Commission*



March 2008

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Preface

Sixth Central Pay Commission is the first Central Pay Commission to be constituted in this century of rapid technological advances and after coming into force of the Right To Information (RTI) and Fiscal Responsibility and Budget Management (FRBM) Acts. The Government machinery, therefore, has to gear up for better performance under stricter fiscal discipline and delivery mechanisms. These imperatives are reflected in the Terms of Reference of the Sixth Central Pay Commission which made it incumbent on the Commission to recommend systemic changes for, (i) transforming the Central Government organizations into modern, professional and citizen friendly entities that are dedicated to the service of the people; and (ii) harmonizing functioning of the Central Government Organizations with the demands of the emerging global economic scenario.

The Sixth Central Pay Commission, therefore, had not only to evolve a proper pay package for the Government employees but also to make recommendations rationalizing the governmental structure with a view to improving the delivery mechanisms for providing better services to the common man.

The Commission, in this Report, has tried to achieve these objectives through reduction of layers within the governmental structure so that decision making and delivery is expedited. In the process, a number of superfluous levels, created merely to afford channels of promotion to Government employees, have been removed. A system that primarily lays emphasis on delivery and end results and which continuously rewards performance has been put in place by incorporating features like Performance Related Incentive (PRI) and variable increments in the basic scheme of pay scales. Flexibility is also inherent in the proposed scheme of running pay bands. By incorporating systemic changes in the existing procedure of appointments, efforts have been made for ensuring a young and dynamic bureaucracy, with a result oriented approach, where the best persons available are selected for holding specific posts. While proposing these changes, the Commission has also kept in view the capacity of the Government to pay and the principle that every rupee spent on allowances, facilities and salaries of Government employees has to translate into a specific measure for public good. It is our belief that the Report will lead to a realization that it is only the ultimate outcome and delivery to the last beneficiary which will justify the huge Government edifice. The Report will, therefore, not only increase the pay and allowances of Government employees but will also prove beneficial for all the people in the country.

Organisation

Commission

1. Justice B. N. Srikrishna, Chairman
2. Prof. Ravindra Dholakia, Member
3. Shri J. S. Mathur, Member
4. Smt. Sushama Nath, Member Secretary

Secretariat

1. Smt. Madhulika P. Sukul, Joint Secretary
 2. Smt. Sangeeta Singh, Joint Secretary
 3. Shri Manoj Joshi, Adviser
 4. Smt. Sheela Prasad, Officer on Special Duty
 5. Shri Alok Saxena, Director
 6. Smt. Deepa K. Sengar, Director
 7. Shri N. K. Mishra, Deputy Secretary
 8. Shri Uday P Apsingekar, Sr.P.P.S. to Chairman
 9. Sh. S. D. Sharma, Under Secretary
 10. Shri V. K. Sinha, Under Secretary
 11. Shri G. S. Panwar, Under Secretary
 12. Shri Harish Pokhriyal, Under Secretary
 13. Shri Manoj Pandey, Private Secretary
 14. Shri T. A. Sunni, Private Secretary
 15. Shri Dalip Singh, Assistant
 16. Shri Ramakrishnan, Assistant
 17. Shri Ranjan Giri, Personal Assistant
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INDEX

Sl. No.	Content	Page No.
Part-I - Common Issues		
1	General	
1.1	Introduction	1
1.2	Philosophy & Guiding principles	6
1.3	The General Economic Situation & Financial Resources of the Central and State Governments	16
2.	Principles of Pay Determination and Pay Scales	
2.1	Comparison with Public Sector and Private Sector	28
2.2	General Recommendations on Pay Structure & Fixation	36
2.3	Pay scales of Defence Forces Personnel	71
2.4	Lateral movement of Defence Forces personnel	138
2.5	Performance Related Incentive Scheme	144
3	Pay Scales for Specific Service, Categories & Cadres	
3.1	Headquarters Organisations in Government of India & Office Staff in field offices	158
3.2	All India Services	165
3.3	Central Services Group 'A'	170
3.4	Engineering Services	185
3.5	Scientific Services	188
3.6	Medical and Para Medical Services	192
3.7	Group D Staff	199
3.8	Common Categories	207

Sl. No.	Content	Page No.
4	Allowances and Facilities for Civilians and Defence Forces Personnel	
4.1	Dearness Allowance	222
4.2	Allowances other than Dearness Allowance	229
4.3	LTC & other benefits	256
4.4	Over Time Allowance and Bonus	260
4.5	Holidays and leave facilities	268
4.6	Advances	271
4.7	Women employees in Central Government	277
4.8	Persons with disabilities in Central Government	280
4.9	Central Government Employees Group Insurance Scheme & General Provident Fund Scheme	285
4.10	Allowances & conditions of service of Defence Forces personnel	289
4.11	Medical facilities for serving employees & pensioners	322
5	Pension and Related Benefits for Civilians and Defence Forces Personnel	
5.1	Pensionary benefits of civilian employees and Defence Forces Personnel	325
6.	Other Important Matters	
6.1	Appointment & Promotion Policy	353
6.2	Age of superannuation and voluntary retirement	361
6.3	Towards Effective and Responsive Administration	365
6.4	Training Academies & Staff Colleges	370
6.5	Date of effect	374
Part-II	- Issues specific to individual Organisations, Ministries and Departments	
7	Pay scales for specific posts in various Ministries, Departments & other bodies	
7.1	Ministry of Agriculture	376
7.2	Ministry of Chemical & Fertilizers	384
7.3	Ministry of Civil Aviation	385
7.4	Ministry of Coal	390
7.5	Ministry of Commerce and Industry	391

Sl. No.	Content	Page No.
7.6	Ministry of Communications and Information Technology	394
7.7	Ministry of Consumer Affairs, Food and Public Distribution	400
7.8	Ministry of Corporate Affairs	403
7.9	Ministry of Culture	407
7.10	Ministry of Defence	411
7.11	Ministry of Development of North Eastern Region	424
7.12	Ministry of Earth Sciences	425
7.13	Ministry of Environment and Forests	427
7.14	Ministry of External Affairs	430
7.15	Ministry of Finance	433
7.16	Ministry of Food Processing Industries	441
7.17	Ministry of Health and Family Welfare	444
7.18	Ministry of Heavy Industry & Public Enterprises	449
7.19	Ministry of Home Affairs	450
7.20	Ministry of Housing and Urban Poverty Alleviation	472
7.21	Ministry of Human Resource Development	473
7.22	Ministry of Information and Broadcasting	475
7.23	Ministry of Labour & Employment	480
7.24	Ministry of Law and Justice	486
7.25	Ministry of Micro, Small and Medium Enterprises	489
7.26	Ministry of Mines	491
7.27	Ministry of Minority Affairs	495
7.28	Ministry of New & Renewable Energy	496
7.29	Ministry of Overseas Indian Affairs	497
7.30	Ministry of Panchayati Raj	498
7.31	Ministry of Parliamentary Affairs	499
7.32	Ministry of Personnel, Public Grievances and Pension	500
7.33	Ministry of Petroleum and Natural Gas	505
7.34	Ministry of Planning	506
7.35	Ministry of Power	507
7.36	Ministry of Railways	509
7.37	Ministry of Rural Development	540
7.38	Ministry of Science and Technology	542
7.39	Ministry of Shipping, Road Transport & Highways	544
7.40	Ministry of Social Justice & Empowerment	554
7.41	Ministry of Statistics and Programme Implementation	556
7.42	Ministry of Steel	559
7.43	Ministry of Textiles	561
7.44	Ministry of Tourism	565
7.45	Ministry of Tribal Affairs	568
7.46	Ministry of Urban Development	570
7.47	Ministry of Water Resources	579
7.48	Ministry of Women & Child Development	583
7.49	Ministry of Youth Affairs & Sports	585

Sl. No.	Content	Page No.
7.50	Department of Atomic Energy & Department of Space	586
7.51	Cabinet Secretariat	594
7.52	Prime Minister's Secretariat	595
7.53	Union Public Service Commission	596
7.54	Central Vigilance Commission	598
7.55	Election Commission of India	600
7.56	Indian Audit & Accounts Department	601
7.57	Union Territories	607
8	Regulatory Bodies	
8.1	Pay scales, allowances & conditions of service of Members in Regulatory Bodies	627
9.	Employees and Court Officers of the Supreme Court of India	
9.1	Pay scales, allowances and service conditions of employees and Court Officers of the Supreme Court	633
Part-III - Financial Implications , Summary, Acknowledgements and Annex		
10.	Financial implications	
10.1	Financial implications of the recommendations	638
11.	Summary of main recommendations	643
12.	Acknowledgements	650
13.	Annex	Separate volume

Introduction

**Constitution of
the Sixth Central
Pay Commission**

1.1.1 The Government constituted the Sixth Central Pay Commission vide Resolution No. 5/2/2006-E.III(A) dated October 5, 2006.

**Terms of
Reference**

1.1.2 The Terms of Reference of the Commission are as under :

A. *To examine the principles, the date of effect thereof that should govern the structure of pay, allowances and other facilities/benefits whether in cash or in kind to the following categories of employees:-*

1. *Central Government employees – industrial and non-industrial.*
2. *Personnel belonging to the All India Services.*
3. *Personnel belonging to the Defence Forces.*
4. *Personnel of the Union Territories.*
5. *Officers and employees of the Indian Audit and Accounts Department; and*
6. *Members of the regulatory bodies (excluding the RBI) set up under Acts of Parliament.**

B. *To transform the Central Government Organisations into modern, professional and citizen-friendly entities that are dedicated to the service of the people.*

C. *To work out a comprehensive pay package for the categories of Central Government employees mentioned at (A) above that is suitably linked to promoting efficiency, productivity and economy through rationalization of structures, organizations, systems and processes within the Government, with a view to leveraging economy, accountability, responsibility, transparency, assimilation of technology and discipline.*

D. *To harmonize the functioning of the Central Government Organisations with the demands of the emerging global economic scenario. This would also take in account, among other relevant factors, the totality of benefits available to the employees, need of rationalization and simplification, thereof, the prevailing pay structure and retirement benefits available under the Central Public Sector Undertakings, the economic conditions in the country, the need to observe fiscal prudence in the management of the economy, the resources of the Central*

Government and the demands thereon on account of economic and social development, defence, national security and the global economic scenario, and the impact upon the finances of the States if the recommendations are adopted by the States.

- E. *To examine the principles which should govern the structure of pension, death-cum-retirement gratuity, family pension and other terminal or recurring benefits having financial implications to the present and former Central Government employees appointed before January 1, 2004.*
- F. *To make recommendations with respect to the general principles, financial parameters and conditions which should govern payment of bonus and the desirability and feasibility of introducing Productivity Linked Incentive Scheme in place of the existing ad hoc bonus scheme in various Departments and to recommend specific formulae for determining the productivity index and other related parameters.*
- G. *To examine desirability and the need to sanction any interim relief till the time the recommendations of the Commission are made and accepted by the Government.*

*As substituted by Ministry of Finance Resolution No.5/2/20006-E.III (A) dated the 7th December, 2006.

***Additional Term
of Reference***

1.1.3 Through a subsequent Resolution No.5/2/2006-E.III.(A) dated 8th August, 2007, the terms of reference were enlarged to include the officers and employees of the Supreme Court.

Background

1.1.4 The Fifth Pay Commission had recommended that pay revision should, in future, be entrusted to a permanent Pay Commission drawing its authority from a constitutional provision and whose recommendations, made annually, should have a binding character. The Commission, as an alternative, suggested that dearness allowance should be converted into dearness pay every time the cost of living rises by 50% over the base level. In their opinion, DA would normally increase by 50% in a period of 5 years and that this relief could be combined with a decennial exercise of pay revision through a Pay Commission, meeting partially the demands of Central Government employees for a more frequent revision of salaries on the analogy of public sector employees. The Fifth CPC recommended constitution of the next Pay Commission by 2003 so that its report was available by 2006. Although the Government did not appoint the next Pay Commission in 2003, it allowed merger of 50% of dearness allowance with pay with effect from 1/4/2004.

Composition of the Commission

1.1.5 Sixth Central Pay Commission comprised a Chairman and 3 Members as under :

1	Chairman	Justice B.N.Srikrishna
2	Member	Prof. Ravindra Dholakia
3	Member	Mr. J. S. Mathur
4	Member-Secretary	Smt. Sushama Nath

Unfortunately, one of the distinguished Members, Shri J.S. Mathur passed away in February, 2008. The Commission would like to place on record its gratitude for the immense and substantive contribution made in the Report by Shri J.S. Mathur.

Special features of Terms of Reference

1.1.6 Terms of Reference of the Sixth Central Pay Commission are somewhat different from those of the earlier Central Pay Commissions. Clause 2 (B) of the Terms of Reference envisages transforming the Central Government organizations into modern, professional and citizen friendly entities that are dedicated to the service of the people. While the earlier Commissions were required to examine the work methods and work environment and to suggest rationalization and simplifications therein with a view to promoting efficiency and optimizing the size, it is for the first time that a Central Pay Commission has been asked to look into the measures that would improve the delivery mechanisms which have a direct bearing on the services provided by various Government agencies to the common citizens. Further, Clause 2 (D) of the Terms of Reference makes it incumbent upon the Commission to harmonize the functioning of the Central Government Organizations with the demands of the emerging global economic scenario.

1.1.7 The Sixth Central Pay Commission, therefore, had not only to evolve a proper pay package for the Government employees but also to make recommendations rationalizing the governmental structure with a view to improving the delivery mechanisms for providing better services to the common man. In addition, linking the pay packages with simplification of systems and processes within the Government, greater delegation with emphasis on accountability, responsibility and assimilation of technology, etc. have been the Commission's guiding philosophy.

Measures adopted to achieve desired objectives

1.1.8 The Commission, in this Report, plans to achieve these objectives through reduction of layers within the Governmental structure so that decision making and delivery is expedited. In the process, a number of superfluous levels have been removed. This simplification is also reflected in the entire scheme of pay scales being substituted by a system of running pay bands, where the existing 35 pay scales have been replaced by 4 running pay bands (excluding -1S) containing 20 grades. Additionally, the posts of Cabinet Secretary/equivalent and Secretary to Government of India/equivalent have been placed in distinct pay scales. A system

that primarily lays emphasis on delivery and end results and which continuously rewards performance has been put in place by incorporating features like Performance Related Incentive Scheme (PRIS) and variable increments in the basic scheme of pay scales. By incorporating systemic changes in the existing procedure of appointments, efforts have been made to ensure a young and dynamic bureaucracy, with a result oriented approach, where the best persons available are selected for holding specific posts. While proposing these changes, the Commission has also kept in view the capacity of the Government to pay and the principle that every rupee spent on allowances, facilities and salaries of Government employees has to translate into a specific measure for public good. The Commission, at the very outset, would like to underline the fact that this Report is a holistic document and has to be treated as an organic whole since all the major recommendations contained therein are inextricably inter-twined. Accordingly, any modification in the scheme of recommendations can severely affect the outcome this Report sets out to achieve. **The Government, therefore, would be well advised to consider implementing all the major recommendations contained in the Report as a package.**

Methodology

1.1.9 The Terms of Reference permitted the Commission to devise its own procedure. To elicit the views of various stakeholders, the Commission issued a public notice inviting all interested persons, including members of the public, peoples' representatives, consumer associations, staff associations, State/UT Governments, ministries/ departments to send their views on the subject by 31st December 2006. Consequent to an addition in the terms of reference, Unions/Associations of officers and employees of the Supreme Court of India were requested to submit their memoranda to the Commission before 31st August 2007. A questionnaire was also prepared to facilitate responses from Individuals/Groups on the items of specific interest to the Commission with facility for online response. The analysis of responses to the questionnaire is given at the end of the Volume carrying Annex to the Report. To elicit the views of various States on the financial impact that the likely recommendations of this Commission would have on them, a questionnaire in this regard was also sent to the State Governments. Since the Terms of Reference of the Commission included Regulatory Bodies, information on regulatory bodies set up under Acts of Parliament was also sought from the concerned Ministries/Departments. Following studies on specific subjects of importance were carried out by expert bodies on behalf of the Commission:-

- Study on Feasibility of Performance Related Incentive (PRI)
- Study for Estimating the Compensation Package for Government Employees and the Cost to the Government
- Study on Terminal Benefits of the Central Government Employees

(Full text of the Reports of these Studies is at the website of Sixth CPC <http://www.india.gov.in/govt/paycommission.php>)

From January 16, 2007, the Commission initiated meetings with various stakeholders to personally hear their views and demands on related issues. Meetings were held in various parts of the country to facilitate stakeholders staying in distant areas to present their views personally before the Commission and also to ensure larger representation. During these meetings, the Commission also got the benefit of hearing the views of Secretaries to Government of India, Heads of Department and other eminent persons. The Commission held these meetings in Mumbai, New Delhi, Kolkata, Port Blair, Guwahati, Chennai, Puducherry, Ahmedabad, Gandhinagar, Bangalore, Srinagar, Kargil, Leh and Hyderabad. During these hearings, a considerable number of documents were handed over to the Commission. The list of Unions/Federations/Associations/ eminent persons heard by the Commission is at Annex 1.1.1.

Visits

1.1.10 The Commission visited several establishments in different parts of the country to get a first hand impression about the functioning and the conditions of service prevailing there. During these visits, the Commission also interacted with a large number of field level functionaries.

Working of the Commission

1.1.11 The Sixth Central Pay Commission was given a period of 18 months to submit the Report. The Commission initiated its work immediately after the date of its Notification on 5th October, 2006. The Commission adopted a totally delayed approach where no hierarchical levels were allowed to exist and all functionaries could freely discuss the concerned issues with any one in the Commission irrespective of their hierarchy. This approach facilitated expeditious decision making and the Commission was able to finish its task well within the stipulated time-frame with a very small complement of staff. To keep the staff requirement at minimum, only multi-skilled functionaries were taken and no Group D staff employed. The Members and the officials of the Commission were not provided individual secretarial assistance or peons. Although 48 posts were sanctioned, the Commission filled only 17 posts. This has to be viewed vis-à-vis the strength of earlier Pay Commissions where the Fifth CPC had a total sanctioned strength of 141 posts (out of which 135 posts were filled) and the Fourth CPC had 209 posts. The Commission was able to achieve its target with a very small staff complement because the work processes in the Commission were re-oriented to have a result-oriented approach with emphasis on output rather than processes. Due to these work practices, the Commission was able to complete its work utilizing less than 60% of the allocated budget. In the Commission's opinion, a similar policy needs to be adopted in all Government offices, which would increase efficiency and improve the end user satisfaction.

Philosophy & the guiding principles

Introduction

1.2.1 The Government constituted the Sixth CPC at a time of fast and accelerating economic development, emerging trade and commercial practices, increasing globalization of trade and industry with greater emphasis on increasing investment flows and transfer of technology. Indian economy is rapidly getting integrated with the rest of the world. In the economic and financial sectors, the earlier era of protectionism where the Government largely played the role of a monopolistic supplier or of a restrictor or controller, has changed. The principal role of the Government presently is perceived to be that of a facilitator and regulator in the various economic activities. An imperative and urgent need exists to harmonize the functioning of the Central Government Organisations with the demands of the emerging global economic scenario. In the social/developmental sectors, especially in the fields of food security, elementary education, primary health care, and rural/urban development, the functioning of Government Organizations has to be improved to make them more professional, cost-efficient, citizen-friendly and delivery oriented. The Commission is the first Central Pay Commission to be constituted in this century of rapid technological advances and after coming into force of the Right To Information (RTI) and Fiscal Responsibility and Budget Management (FRBM) Acts. The Government machinery has to learn to adapt to these changes and to leverage knowledge and technology for better performance under stricter fiscal discipline and better delivery mechanisms. The Terms of Reference of the Commission suitably reflect this changed imperative.

Performance Related Incentive Scheme (PRIS)

1.2.2 The Commission has recommended several innovative features to ensure better delivery systems in the Government with emphasis on end user satisfaction which is the primary criterion for judging the efficiency of an organization. Introduction of Performance Related Incentive Scheme (PRIS) is a step in this direction. This is not a new concept. Many of the earlier Central Pay Commissions as well as various expert committees constituted in the past have recommended

performance related incentives in one form or the other. In this Report, however, the Commission has tried to devise a workable and practical model by which the concept can be implemented in the Government. The PRIS recommended by this Commission envisages a pecuniary component, over and above the salary, for higher performance that would be judged by improved delivery to the end user by an external independent agency. This scheme of PRIS has been recommended to be implemented in all ministries/departments/organisations of the Central Government in a phased manner. Performance Related Incentive Scheme (PRIS) should also work as a substitute for bonus (whether linked to productivity or ad-hoc), honorarium and over time allowance.

Fitment benefit

1.2.3 The efforts of the Commission have been to devise a suitable pay package which will not only provide enough incentive to retain the brightest officers but also attract the best to join it in future. The quantum of fitment has been decided, accordingly. At the time of Fifth Central Pay Commission, fitment of 20% of the pre-revised basic pay was recommended. This was subsequently raised by the Government to 40%. The Commission is recommending a new structure of running pay bands and grade pay. In the structure, grade pay has been normally taken at 40% of the maximum of the pre-revised pay scale. Grade pay is, therefore, in the nature of fitment benefit. The pay in the running pay band, as on 1/1/2006, has been computed by adding the basic pay and dearness allowance at the rate of 74% that would have been payable on the existing Fifth CPC pay scales w.e.f. 1/1/2006 had merger of dearness allowance equal to 50% of the basic pay not been allowed from 1/4/2004.

Minimum salary

1.2.4 For fixing minimum salary, the Commission has mainly been guided by various factors like ensuring fair wages keeping in view the capacity of the Government to pay, the inflationary impact of such increase on the economy in general and on the State Governments, various autonomous bodies and other organizations which follow the Central Government pattern of pay, and the fact that the minimum salary in Government can only be available at the entry level when an employee is single or married with a nuclear family. The consumption units for computing the minimum salary have been taken as three, which, in our view, reflects the factual reality. A fair comparison based on principles of equity and social justice, also makes it imperative to take into account the economic conditions of large sections of the community that are less privileged than Government employees and several of whom live below the poverty line.

Salaries in higher grades

1.2.5 The issue of fixing salaries in higher grades is more complex. Most of the employees, in the memoranda submitted to the Commission, and during the oral evidence, desired a linkage with the salaries in the public sector enterprises as well as the private sector on the ground that a broad parity needs to be ensured between the salaries in Central Government and in the public sector enterprises. A view has also been expressed that there is excessive job security enshrined in Article 311 of the Constitution and that cumbersome rules act as a hindrance to easy exit of Government employees. The Commission has given deep thought to all these arguments. It is undeniable that Government jobs provide unparalleled job security, pension benefits, work-life balance and status. The capacity of the Government to pay is limited. Further, the Government also provides a vast array of non-monetary benefits that can and should be monetized in order to correctly assess the actual compensation package available to the employees. Quantification of these benefits has other advantages as well. The aspirants for each category of Government job would know beforehand precisely what total package to expect and, could decide for themselves whether the Government job is sufficiently attractive vis-à-vis jobs in other sectors. This is all the more necessary because the salary packages offered in the private sector are on the basis of the cost to the company. In the Government, existence of multiplicity of allowances, coupled with a certain degree of uncertainty regarding their admissibility, considerably discounts the attractiveness of Government job in strict monetary terms. Secondly, this quantification will enable Government, Parliament and the public to have a clear, comprehensive and accurate picture of the total expenditure being incurred on Government employees, both civil and military, since non-monetary perquisites scattered over many budgetary heads, mask the true picture of the expenditure incurred on the employees. The Commission has taken various steps to assess the monetary value of such benefits. A study was also commissioned in this regard. An estimate of the total compensation package available to employees in different sectors has, for the first time, been attempted/computed upfront so that employees get a better idea of the benefits they receive and what these benefits cost the Government. It would also help in crystallizing, in monetary terms, the cost to society of delivery of the service that the employee is providing.

Contractual appointments for fixed tenures

1.2.6 The Commission is recommending introduction of contractual appointments for selected posts, particularly those requiring high professional skills. Under this, suitable persons from outside can be inducted in the Government. The existing employees, at their option, can also negotiate a consolidated amount for a specific tenure in a particular post provided they leave the service. Such employees will not be entitled to any other benefit. After the expiry of the tenure, the concerned employee may renegotiate the contract or leave. This will allow salaries that are broadly comparable to the private sector with similar terms of engagement to be paid in the Government. The concerned department/organization would not be given any extra budget on this account and should ensure commensurate savings elsewhere to absorb the extra expenditure incurred. The Commission is of the view that this will not only enable the opting employees to get remuneration comparable with the private sector but will also improve the work culture in the Government because continued employment of such employees will depend solely on their performance just like in the private sector. Another benefit that is expected to accrue will be infusion of fresh talent while simultaneously enabling the Government employees to leave the Government without following cumbersome procedure that applies in case of permanent Government employees. This will enable the Government to pay a higher and need-driven remuneration depending on the particular expertise of the concerned employee which will also stall the efflux of such employees to the private sector at a time when Government needs their experience. The scheme will be very useful for various technical and scientific categories that can opt for higher remuneration under a contractual appointment on tenure basis in the Government.

Running pay bands

1.2.7 A major departure from the earlier Pay Commissions has been made in respect of pay scales. For the first time, the Commission is recommending running pay bands for civilian employees as well as for the Defence Forces. The Fourth Central Pay Commission had recommended running pay bands for Defence Forces that were implemented. The Fifth CPC, however, recommended specific pay scales for civilians as well as Defence Forces personnel. A conscious departure has been made in recommending running pay bands because of the inherent advantages of such pay scales.

1.2.8 Since the individual pay scales have a limited span, it often leads to stagnation. To ease stagnation, promotional avenues have to be created even though no functional justification for higher posts may exist. Creation of additional posts in higher

grades through cadre reviews, etc. does not always achieve the desired results in terms of improved career progression. Movement from one pay scale to another frequently leads to problems in pay fixation like a senior drawing lower salary vis-à-vis a junior. Running pay bands will address all these problems and also remove many of the pay scale related anomalies.

1.2.9 Distinct running pay bands have been recommended for Government employees belonging to groups A, B and C. Employees in group D are to be retrained and upgraded to the lowest grade in pay band for group C. Within Group A, an additional separate running pay band has been prescribed for posts in the scale of Rs.18400-22400 and in higher administrative grade. This is because a common pool for all such posts that are not already encadred in any of the organized AIS/Group A services including posts under the Central Staffing Scheme has been recommended to which suitable officers of all services would be eligible for selection, based on their performance and merit. The common pool will ensure availability of the best talent for crucial posts in the highest grades. The interests of the officers who are not selected will not be harmed as they will still be eligible for promotions to the encadred posts within their individual services. Distinct scales have been recommended for the posts of Secretary and Cabinet Secretary, because these posts are occupied by heads of specific departments/ministries and the head of the bureaucracy respectively. As such, a distinction needs to be maintained for the pay scales attached to these posts.

Date of Effect

1.2.10 The revised pay structure has been devised to take effect from 1.1.2006. This will meet the demand of a majority of the employees and their associations. It is also in consonance with the observation made by the Fifth CPC that the next Pay Commission's pay scales should be made effective from such date. Recommendations relating to allowances and other issues should, however, take effect prospectively from the date these recommendations are accepted by the Government as was done while implementing the recommendations of the Fifth CPC.

Career progression

1.2.11 The pay structure has been so devised as to provide a decent entry grade and smooth career progression without any stagnation. The existing Assured Career Progression Scheme which provides two time-bound promotions in a span of 24 years has also been retained in a modified manner. Running pay bands and Modified Assured Career Progression Scheme will ensure smooth progression for 24 years. Even after 24 years, running pay bands will ensure that no one stagnates.

Changes in pension rules to facilitate early exit/contractual appointment

1.2.12 The Commission has also recommended modifications in the CCS (Pension) Rules, 1972 that will enable payment of pension at the rate of 50% of the average emoluments/ last pay drawn without any reference to the qualifying service of 33 years for full pension. This will enable Government employees to leave the service at a relatively young age, in case they feel that they have more opportunities outside, or to opt for contractual appointment for specified posts within the Government. Simultaneously, the Government will be able to tap the best available expertise from within or outside the Government for senior positions. **Shift from career based to post based selection in the higher echelons of Government has been recommended in order to get the best domain based expertise.** For Groups B and C, a fast track promotion mechanism has been recommended by means of Limited Departmental Competitive Examination that is proposed to be introduced in most of the levels in Groups B and C.

Cadre Reviews

1.2.13 The Commission received many memoranda from various associations, organizations and individuals seeking review of specific cadres. The Commission is aware that the last Pay Commission had reorganized and rationalized many individual cadres. These reviews, however, frequently disturbed the established relativities. Further, most of these reviews have been sought on the ground of alleviating the existing stagnation. The Commission is of the view that cadre review cannot be used as a tool for easing stagnation. The Commission has incorporated other provisions in the Report that will address the problem of stagnation and delink promotions from career progression. Accordingly, as a matter of policy, this Commission has refrained from undertaking specific cadre reviews that in any case need to be carried out within an institutional framework. An established procedure for conducting cadre reviews exists in the Government. This would now need to be reviewed in the light of the recommendations made in this Report. **It, however, has to be emphasized that, apart from non-functional upgradation of some posts on personal basis in consonance with certain recommendations made in the Report, creation of additional posts in Senior Administrative Grade/equivalent/ higher grades in future has to be strictly on functional considerations and such posts should invariably be created outside the cadre to be filled by method of open selection separately being recommended in the Report.**

Allowances and benefits

1.2.14 The demands in this regard invariably sought increase in the quantum of various allowances available to the

employees. The Commission has done a rationalization of the allowances. Some allowances like CCA have been proposed to be abolished and compensated elsewhere. The Commission has also attempted quantification of various benefits including allowances so as to compute the cost per employee to the Government and also to assess if these benefits could be made available to the employees in a more beneficial manner. The recommendations have been made accordingly.

Pension

1.2.15 Recommendations have been made to simplify the procedure for computation of pension. As mentioned earlier, the Commission has recommended delinking the payment of full pension on completing 33 years of qualifying service. Higher rates of pension have been recommended for retirees on attaining the age of 80, 85, 90, 95 and 100 years. A revised commutation factor for commuting pension has also been suggested taking into account the prevailing mortality rates, interest rates and fact that the commuted portion is restorable after 15 years.

Women employees

1.2.16 The Commission is conscious of the need to provide better facilities for women employees. Benefits like staggered working hours, special leave for child care, enhanced maternity leave of 180 days, better accommodation facilities in form of working women's hostels have been recommended specifically for women employees.

Persons with disabilities

1.2.17 The Commission has taken note of the problems faced by Government employees with disabilities and recommended various measures to alleviate the same. Enhanced number of casual leave, special aids and appliances for facilitating office work, higher interest subsidy for automobile loans, liberal flexi hours, extra allowance for disabled women employees to take care of young child till the time the child attains the age of two years, higher rate of transport allowance, better prosthetic aids and a proper grievance redressal machinery has been recommended for these employees.

Upgradation of certain categories

1.2.18 The Commission has recommended upgradation of certain specific categories like Nurses, Teachers, Constabulary and Postmen keeping in view the important functions being discharged by these categories. Parity between field offices and secretariat has been proposed as, in Commission's view, equal emphasis has to be given to the field offices in order to ensure better delivery.

Anomalies

1.2.19 Most of the memoranda sent to the Commission by Government organisations, employees or their associations

highlighted various anomalies with reference to the pay scales, allowances or status. These anomalies in majority of cases were caused by upgradations of specific individual posts or grant of certain allowance by the earlier Central Pay Commissions or the Government. In some cases the upgradations had to be extended to comply with specific directions of various Courts. The Commission has taken note of these anomalies.

Anomalies in pay scales

1.2.20 Insofar as anomalies relating to the pay scales are concerned, a large number of these anomalies would be automatically settled by introduction of the proposed scheme of running pay bands. Where considered necessary, the Commission has also recommended upgradations of individual posts in order to remove these anomalies. The Commission has, however, taken care to minimize the number of recommendations for such upgradations and the same have been restricted to the cases that were covered by any of the following conditions: -

- a) Where the promotion post had come to lie in a lower scale vis-à-vis any of the feeder posts.
- b) Where the promotion and feeder posts existed in an identical scale and the level of duties /responsibilities and qualifications attached to these posts were manifestly distinct precluding their merger.
- c) Where, (i) a distinct and established relativity had existed between different posts; (ii) the posts were otherwise comparable on the basis of the functions, nature of the job, qualifications prescribed, level of responsibility attached; and (iii) such relativity was disturbed at the time of or after the implementation of the recommendations of the last Central Pay Commission.
- d) Where identical or analogous posts discharging similar functions had been placed in two or more distinct pay scales.
- e) Where the functions, nature of the job, qualifications prescribed and level of responsibility attached to the post justified a higher pay scale without causing any distortion or imbalance in any of the established relativities

All the individual upgradations recommended by the Commission shall, in no case, take effect before 1.1.2006. This is because the Commission has no intention of rectifying these

anomalies right from the time of their inception and is of the view that interest of justice will be served if these anomalies are rectified for the present and the future.

Anomalies in allowances

1.2.21 The Commission received demands from almost all the central paramilitary and security organizations, scientific institutions and other services seeking grant of special allowance keeping in view the onerous nature of duties performed by them. It was the common argument of all that their respective organizations were performing a special job and deserved to be granted a special allowance. **The Commission is of the view that grant of special allowance for performing the assigned duties in respect of any organisation is not justified because the same is taken care of by the salary attached to the posts.** The Government has, in the past, extended special allowances in various forms to certain posts in different organisations which, in their opinion, deserved to be paid such an allowance. The Commission is maintaining status quo in respect of these allowances extended by the Government in the past. Insofar as further extension of any allowance on this account is concerned, the principle which should be followed is that **more onerous duties should result in a relatively higher pay scale being attached to the post rather than any special allowance.** A mechanism exists for evaluating the duties attached to different posts in an organization which should be used to assess the appropriateness of the existing pay scale (proposed to be substituted by grade pay and pay band) rather than granting a special allowance for performing the normal duties. **Performance of duties beyond the normal call should, in the revised scheme of things, result in a higher performance related incentive.** The specific problems faced by defence forces personnel (viz. army, navy and air force) on account of rigours of military life are, however, proposed to be compensated by an additional element of pay termed Military Service Pay (MSP).

1.2.22 The Commission has recommended substantial increase in the rates of many allowances like Transport allowance, TA/DA, Education Allowance, etc. to make them realistic. Apart from this, rationalization of allowances like HRA has also been proposed. The fixed allowances have been made inflation proof.

Administrative reforms

1.2.23 The Administrative Reforms Commission is presently functional. It has already made certain interim recommendations. The Fifth CPC had also made numerous recommendations in this regard. Thereafter, the Government had also constituted the Expenditure Reforms Commission. While the issue of increasing productivity, efficiency and a

result oriented approach with greater emphasis on end user satisfaction rather than on mere procedures has been addressed in the Report, the Commission has refrained from making comprehensive recommendations on the issue of organizational reforms. Recommendations given by expert bodies in the past like Expenditure Reforms Commission have been reiterated, wherever the Commission is of the view that the same are essential for better delivery and removing the flab from the Government. Some observations regarding corporatization of certain service ministries/departments have also been made.

Defence Forces

1.2.24 The Commission has recommended parity between various posts in the Defence Forces and civilian employees. Establishing such parity was necessary for another major recommendation contained in the Report concerning lateral movement of the Defence Forces personnel to Central Para Military Forces (CPMFs), other Central Police Organizations and defence civilian organisations. Such lateral movement would not only result in large savings for the Government but will also help in providing continuous employment to the various grades of Defence Forces personnel and make available a trained and disciplined force for the use of the nation. This will also have numerous other benefits, which have been discussed in detail in Chapter 2.4 of the Report. The pay scales for the Defence Forces have been devised accordingly. As mentioned earlier, the Commission has also recommended a separate element of pay called Military Service Pay for the Defence Forces keeping in view the difficulties specific to the military life. The Military Service Pay is to be treated as pay for all purposes (excluding increments) but will not be available once Defence Forces personnel shift to the CPMFs, etc. The concept has been discussed in detail in Chapter 2.3 relating to pay scales of Defence Forces personnel.

Implementation of recommendations

1.2.25 The Report has been kept concise as the Commission is of the view that lengthy and elaborate documents tend to get ignored as well as are liable to be quoted out of context. Most of the demands made before the Commission have been addressed by recommending systemic changes. Such demands have not been individually referred to in the Report. The number of recommendations made by the Commission is also limited. All the recommendations are inter-connected and need to be treated as an organic whole. Partial implementation of these recommendations will destroy the underlying spirit, break the common thread and bring in several anomalies and inconsistencies. **The Report would, therefore, need to be treated in a holistic manner and the recommendations considered as a package.**

The General Economic Situation & Financial Resources of the Central and State Governments

Terms of reference 1.3.1 The Terms of Reference of the Commission required that the recommendations had to be made taking into account various factors like the economic conditions in the country, the need to observe fiscal prudence in the management of the economy, the resources of the Central Government and the demands thereon on account of economic and social development, defence, national security and the global economic scenario as well as the impact upon the finances of the States, if the recommendations are adopted by them.

Trends in Economic Growth 1.3.2 The recent years between the last Pay Commission and now have witnessed a ratcheting up of growth. The overall macroeconomic situation has improved greatly with tangible progress towards fiscal consolidation and a strong balance of payments position. Gross Domestic Product (GDP) at factor cost at 1999-2000 constant prices has increased from Rs.18.7 lakh crore in 2000-01 to Rs.28.6 lakh crore in 2006-07, a 52.9 percent increase in seven years. The annual growth rate of GDP has also shown a general increase, from that of 5.8 percent per annum in 2001-02 to a level of 9.6 percent in 2006-07.

1.3.3 The Index of Industrial Production has increased approximately 2.7 times, from a level of 91.6 in 1990-91 to 247.1 in 2006-07 while the Index of Agricultural Production with base 1981-82, which stood at 166 in 2000-01, has increased modestly to 197.1 in 2006-07. There has been a steady increase in the annual growth rate of industrial production. This impressive growth in the industrial sector is propelled by the robust growth in manufacturing, which occupies the major share of the industrial production. The fastest growing sector has been Services. Between 2002-03 and 2006-07, 68.6 percent of the overall average growth in GDP has been attributed to growth in services. Trade, hotels, transport and communication became the leading sector by growing at double digits since 2003-04. Agriculture has shown wide fluctuations in its growth. In the

first five years since 2001-02, its annual average growth has been of the order of 3 percent. It increased to 6 percent in 2005-06 and then dipped to 3.8 percent in 2006-07. The low growth in agriculture has wide ramifications in terms of price instability due to snowballing effect of supply side constraints in essential commodities, and in terms of the “inclusiveness of the growth process”. Industrial growth, however, has revived since 2001-02. The real growth rates in industry that stood at 2.7 percent in 2001-02 accelerated to 11 percent in 2006-07.

Gross domestic capital formation and savings

1.3.4 The gross domestic capital formation has increased from a level of 26.3 percent of GDP at current market prices in 1990-91 to 35.9 percent in 2006-07. This buoyancy in the rate of investment in the economy in recent years is reflective of the high degree of business optimism. Gross domestic savings as a proportion of GDP at current market prices has been increasing since 2000-01 with savings rate rising from 23.5 percent in 2000-01 to 34.8 percent in 2006-07, mainly attributable to savings in the public sector and private corporate sector.

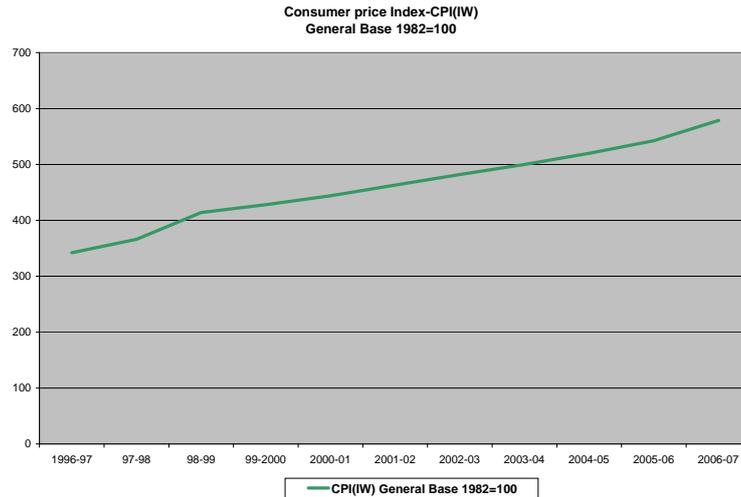
External sector

1.3.5 Exports have increased by 182 percent from a level of US \$ 45.5 billion in 2001 to US\$ 128.1 billion in 2006-07. The trade deficit increased from approx. US\$ 12 billion in 2000-01 to about US\$ 63 billion in 2006-07. While external debt has been increasing in absolute terms, it has decreased as a proportion of the Gross Domestic Product (GDP) from a level of 20.4 percent in end March 2003 to 17.9 percent in end March 2007.

Trends in Prices

1.3.6 The General Wholesale price index (WPI) (52 weeks average) increased 1.6 times between 1995-96 to 2005-06 while the price index for manufactures increased by 1.4 times and that of agriculture 1.6 times. Between 1996-97 and 2000-01, the general inflation averaged 5.1 percent. Acceleration in inflation post 2006 was caused by acceleration in inflation in primary commodities and continued high escalation in price of the commodities in fuel group due to hardening of global prices.

1.3.7 The Consumer Price Index (CPI) with Base 1982, increased from a level of 342 in 1996-97 to 579 in 2006-07.



1.3.8 The primary commodity specific nature of inflation translated into a higher level of inflation when measured in terms of the CPI as compared to WPI. This was mainly due to three reasons:-

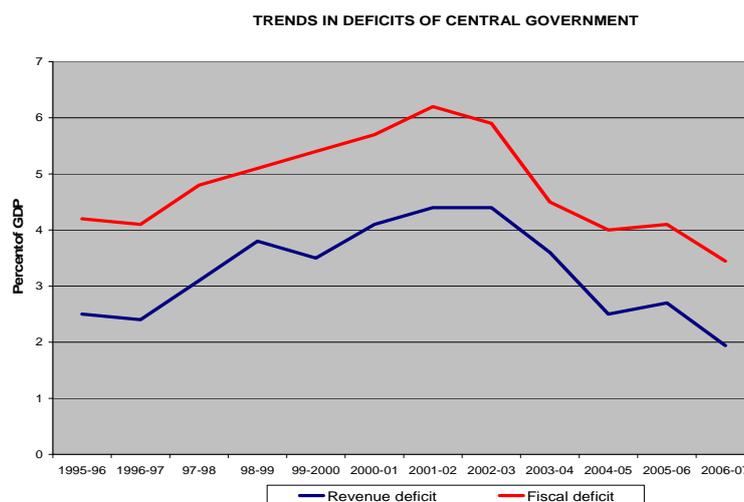
- i) Higher weightage of food group in the consumption basket,
- ii) Higher rate of inflation in the various items included in food group, and
- iii) Differences in composition of the basket for compilation of the two indices.

Fiscal Performance of the Centre

1.3.9 The revenue deficit of the Central Government stood at 2.5 percent of GDP in 1995-96. This increased to 3.8 percent of GDP in 1998-99. The increase was largely attributable to increased expenditure on salaries and pensions consequent upon implementation of the Fifth Central Pay Commission recommendations. The revenue deficit peaked at 4.4 percent in 2001-02. Fiscal deficit also increased as a percentage of GDP from 4.2 percent in 1995-96 to 6.2 percent in 2001-02.

1.3.10 Revenue deficit as percentage of fiscal deficit increased sharply from 59 percent in 1995-96 to 80 percent in 2003-04 implying that borrowings were being increasingly used to fund current expenditure and only 20 percent of the borrowings were directed towards asset creation. It reflected the un-sustainability of the fiscal situation and the increasing risk of falling into a debt trap. This fiscal imbalance was identified as the root cause of the twin problems of inflation and the difficult balance of payments position. The chart below shows the trends in

revenue deficit and fiscal deficit of Central Government.



Fiscal Reforms and Budget Management Act (FRBMA)

1.3.11 In the backdrop of the tight fiscal situation, the FRBMA was enacted on August 26th, 2003 and the Act and Rules were notified to come into effect from 5th July 2004. The FRBMA provided a defined mandate for medium term fiscal management.

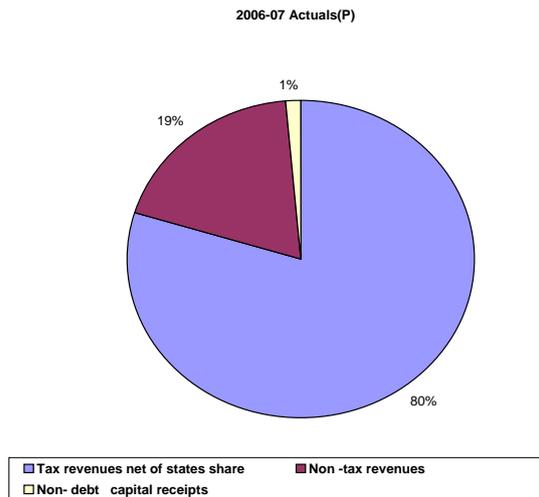
1.3.12 The Rules under FRBMA stipulate that the revenue deficit be reduced by an amount equivalent to half percent or more of the estimated GDP at the end of each financial year and be eliminated by 31st March 2009. Fiscal deficit is to be reduced by an amount equivalent to 0.3 percent or more of the estimated GDP at the end of each financial year and reduced to no more than three percent of the estimated GDP by the financial year ending on 31st March 2009.

1.3.13 The continuous and essentially incremental process of fiscal consolidation under FRBMA has been satisfactory. Post FRBMA, revenue deficit as percent of GDP has declined from 3.6 percent in 2003-04 to 1.9 percent in 2006-07(P). Fiscal deficit as a percent of GDP declined from 4.5 percent in 2003-04 to approximately 3.4 percent in 2006-07(P). Revenue deficit as percent of fiscal deficit declined from 80 percent in 2003-04 to 56 percent in 2006-07(P).

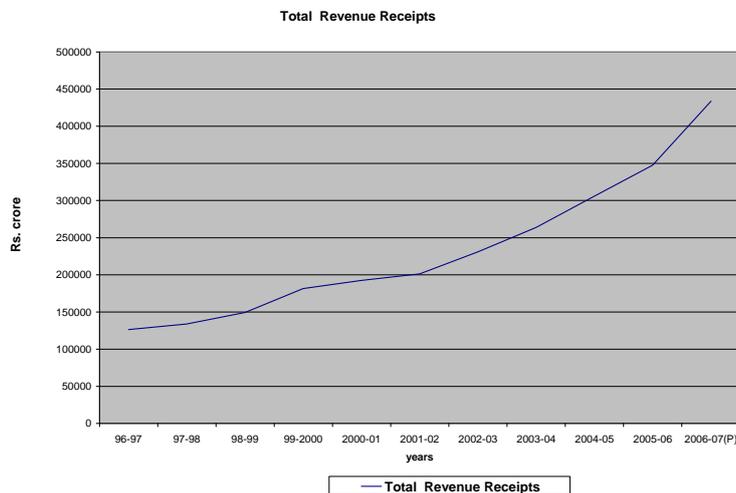
1.3.14 The FRBMA stipulates that public expenditure be reoriented for the creation of productive assets. It highlights the significance of keeping the revenue expenditure under control so as to eliminate revenue deficit by 2008-09. This essentially would necessitate that revenue expenditures are kept within the

contours of revenue receipts. As revenue expenditure is composed of pay and allowances, interest payments, grants to States and Union Territories, subsidies, etc., expenditures thereon would need to be synchronized with revenue generation.

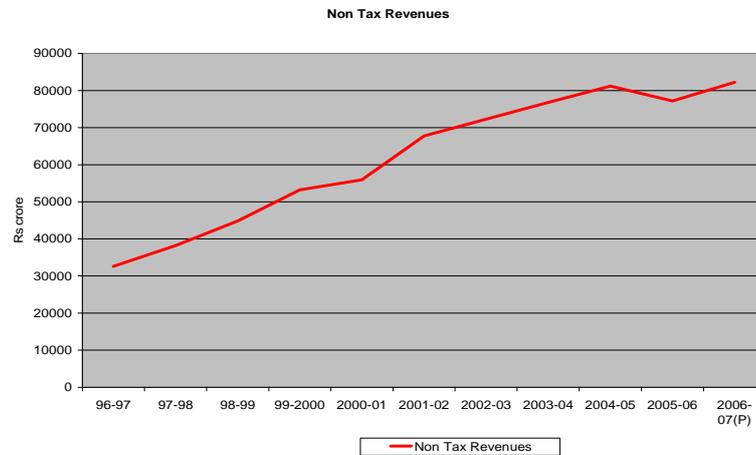
1.3.15 The non-debt receipts of the Central Government comprise tax revenue receipts, non-tax revenue receipts and non-debt creating capital receipts. The share of tax revenues in the total revenue receipt has been predominant.



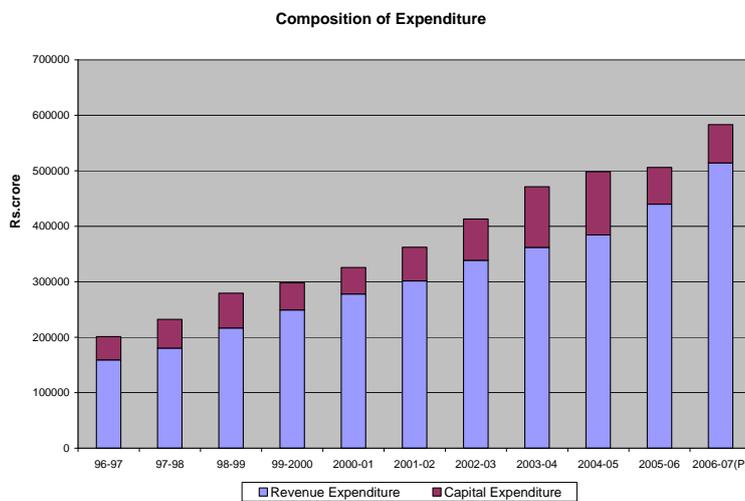
1.3.16 The tax revenue receipts of the Central Government net of share of States stood at Rs.95,672 crore in 1996-97. This increased to Rs.3,51,494 crore in 2006-07.



1.3.17 Non-tax revenue receipts mainly comprising interest receipts, dividends and profits, receipts from economic, social and fiscal services increased by 152 percent between 1996-97 and 2006-07.



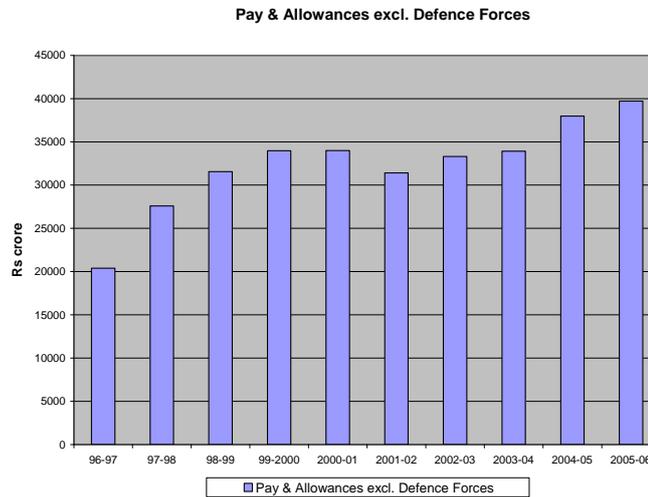
1.3.18 The expenditure of the Central Government has increased by 190 percent from 1996-97 to 2006-07. Not only has the total expenditure increased, the predominance of revenue expenditure has also increased implying that expenditure on capital formation is low and declining. The following table depicts the composition of expenditure of Central Government since 1996-97 :-



Trends in Pay and Allowances

1.3.19 The expenditure of the Central Government (excluding the Defence Forces), on pay and allowances, stood at Rs.20,396 crore in 1996-97 on the Fourth CPC scales. The Fifth CPC pay scales were implemented in September 1997, albeit

retrospectively, from 1/1/1996. The impact of revision of the pay scales and allowances by Fifth CPC resulted in the expenditure on this account increasing by 67% between 1996-97 and 1999-2000. The expenditure on pay & allowances in 2005-06 is estimated to be Rs.39,811 crore resulting in an increase of 17 percent over 1999-2000. The trend in this expenditure on pay and allowances is as seen in the following chart:-



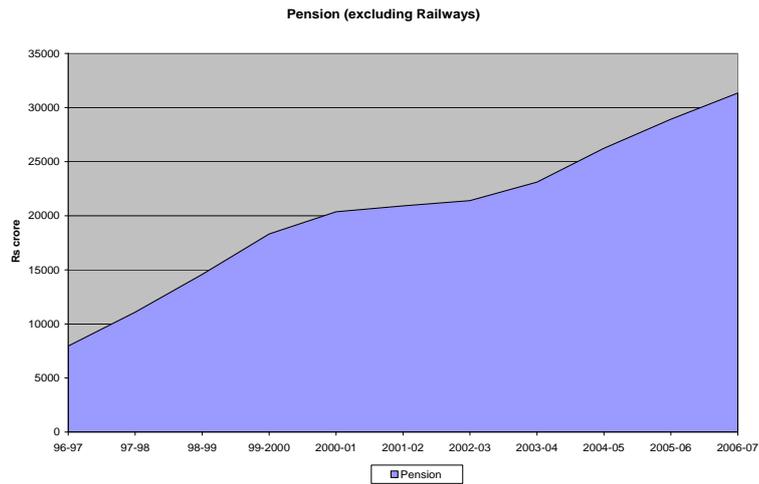
1.3.20 The major jump noticeable in the two years following 1996-97 is attributed to payment of arrears consequent upon recommendations of Fifth Central Pay Commission.

1.3.21 The dip in pay and allowances in 2001-02 is attributable to the exclusion of the employees of Telecommunications. Increase in 2004-05 over 2003-04 is attributable to the impact of merger of dearness allowance.

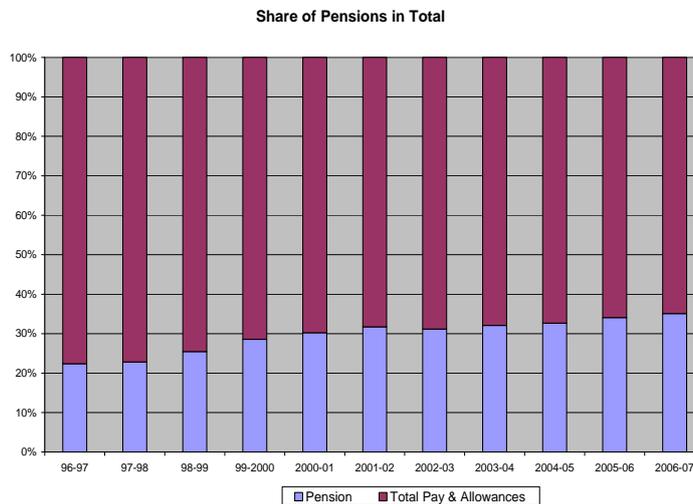
1.3.22 Expenditure on pay and allowances and pensions impact the revenue expenditure of the Government. It constituted 22 percent of the revenue expenditure in 1996-97. It rose to 27 percent as a result, *inter alia*, of the impact of the Fifth Central Pay Commission. It has thereafter been hovering around 21 percent. Average for the years 2004-05 to 2006-07 shows that pay, allowances and pensions including those for Railways comprise 24 percent of revenue receipts. Impact of the recommendations of the Fifth Pay Commission resulted in the share of pay, allowances and pensions in revenue receipts increasing from 28 percent in 1996-97 to 38 percent in 1998-99.

Pensions

1.3.23 The expenditure on pensions was Rs.7,956 crore in 1996-97 before implementation of the recommendations of the Fifth CPC. It increased to Rs.28,928 crore in 2005-06 and is placed at Rs. 31,350 crore in 2006-07 resulting in an increase of 294 percent within a span of ten years from 1996-97 to 2006-07. The impact of the Fifth Central Pay Commission resulted in an increased outflow of 39 percent in 1997-98 over the previous year which was compounded by a further increase of 32 percent in 1998-99. Thereafter, the growth tapered off. However, in 2003-04 the pension outflow saw renewed growth consequent upon merger of Dearness Allowance as evidenced from the following chart:-



1.3.24 Pension outflow constitutes 35% of the total expenditure on account of salaries, allowances and pension as evident in the chart below:-



Resources of the Centre

1.3.25 As per its Terms of Reference, the Commission, while making its recommendations, is required to assess the resources of the Centre bearing in mind the demands on its resources for the development of the economy, defence and national security. Projections made by the Ministry of Finance for the Eleventh Plan period and the assessment of the Working Group on Centre's Resources for the Eleventh Five Year Plan in regard to various items of receipts and expenditures, except expenditure on pay and allowances and pensions, forecast the following:-

- i) GDP growth at current prices of 13 percent from 2007-08 to 2010-11 and 13.5 percent in 2011-12.
- ii) Decline in WPI inflation from 5 percent in 2007-08 to 4 percent in 2011-12.
- iii) Doubling of tax revenues from Rs. 4,66,507 crore (with Direct tax revenues constituting Rs. 2,29,272 crore and Indirect taxes constituting Rs. 2,37,235 crore) in 2006-07 to Rs.10,56,149 crore in 2011-2012 comprising Rs.6,35,053 crore as direct taxes and Rs. 4,21,096 crore as indirect taxes. As a proportion of GDP, the increase in total tax revenues is from 11.4 percent in 2006-07 to 13.9 percent in 2011-12, an increase of 2.5 percentage points.
- iv) Increase in non -tax revenues from Rs.77,360 crore in 2006-07 to Rs.103,276 crore in 2011-12

Projections on expenditure, pay, allowances and pensions

1.3.26 The Commission is of the view that while recommending revision in pay and allowances, the question of adequacy of remuneration needs to be considered along with availability of fiscal space. The annual gross impact of the recommendations of this Commission is estimated at Rs.12,561 crore, including Rs.3,319 crore on account of Railways. This does not take into account the projected savings. Since the recommendations relating to pay structure i.e. pay bands as well as pensions are proposed to be implemented retrospectively from 1.1.2006, payment of arrears will be an additional one time expenditure of Rs.18,060 crore, including Rs.5,416 crore on account of Railways. This additional expenditure can be spread over two financial years in case the Government decides to split the arrears in two financial years.

Impact on Central Government's budget

1.3.27 The Commission has analyzed the impact of its recommendations on the Central Government's budget in the backdrop of the future profile projected by the Central Government on revenue receipts during the Eleventh Plan period. For assessing the Government's capacity to pay, the

average ratio of expenditure on pay and allowance and pensions of civilian employees (excluding Railways) and Defence Forces personnel, to revenue receipts for the years 2005-06 and 2006-07 has been calculated and this ratio applied to the future years for determining notionally the manner in which pay and allowances and pensions are likely to grow if this ratio is maintained. These results have been compared with the projections based on the Commission's recommendations on pay and allowances and pensions without taking into account the savings. The comparison shows that after taking into account the additional annual financial implications, the ratio during the Eleventh Five Year Plan period is well below the average ratio for 2005-06 and 2006-07. Even after including the payment of arrears in the years 2008-09 and 2009-10, this position does not change. **As such, in view of the revenue receipts expected in the future, the Central Government should be in a position to meet the additional expenditure consequent to the Commission's recommendations.** The future projections also need to be viewed in the light of the projected savings expected to be generated by various recommendations like lateral shift of Defence Forces personnel to Central Police Organisations etc.; changes in mode of payment of commutation along with a revised commutation table; limiting the role of Government on various loans to Government employees to granting interest subsidy, etc. The savings on this account will, over the next decade, substantially off-set the additional expenditure to be incurred at the time of implementation of the Report.

*Fiscal position of
State Governments*

1.3.28 The Commission has been informed by the Central Government that the Fiscal deficit of all the States in the aggregate declined from 4.09 percent of GDP in FY 2002 to 2.95 percent in FY 2006. The performance, in aggregate, of States has been quite spectacular, to the extent that many states have already achieved the fiscal correction path suggested by the Twelfth Finance Commission for the five year period. Twenty six out of the twenty eight States have enacted the FRBM Act (Fiscal Reform and Budget Management Act) as on July 2007, and have earned the debt waiver for having remained on the fiscal correction path. By 2008-09, the revenue deficit is targeted to be reduced to zero for availing the debt waiver benefits. The fiscal correction has been aided by enhanced tax revenues consequent upon introduction of VAT (Value Added Tax) which has led to reduction in structural deficit without compression of expenditures. However, Bihar and West Bengal have reduced deficits through forced expenditure cuts.

Projections by the Working group on States Resources for the Eleventh Five Year Plan

1.3.29 The Working Group on States' Resources for Eleventh Five Year Plan has also observed that there has been an overall improvement in State finances since 2002-03. Factors which have contributed to such a turn around are, *inter-alia*, overall improvement in the rate of growth of the economy leading to buoyancy in the tax revenues of the Centre and States, introduction of VAT and restructuring of the State taxes in many States. The fall in the interest rates of States' borrowings, the debt swap scheme and the consolidation and restructuring of States' debts have reinforced the States' efforts in mobilizing resources. In terms of the Working Group's estimates, the aggregate resources for 28 States is estimated to increase from Rs.1,99,384 crore in 2007-08 to Rs.3,65,922 crore in 2011-12, at current prices.

Impact on State finances

1.3.30 Many States have achieved the FRBMA mandated target of eliminating revenue deficit ahead of the scheduled 2008-09. According to the Reserve Bank of India's latest Report on State Finances, nineteen out of twenty eight states are estimated to be revenue surplus in 2007-08. The successful introduction of VAT has contributed to increase in tax receipts of States. The States' revenues in the coming years are likely to be buoyant especially in the backdrop of uptrend in the tax revenues of the Centre and consequent devolution to States. The award of the Thirteenth Finance Commission is expected for the period from 2010 - 2015. These factors would be relevant for the purpose of considering the capacity of the States to absorb the increase in expenditure if they were to adopt the recommendations of this Commission.

Analysis of the likely impact on States

1.3.31 In estimating the impact on State finances, the Commission has used a methodology similar to that followed for the Centre. As per information collected by the Commission, out of 28 States, 20 States had adopted the recommendations of the Fifth Central Pay Commission. It can, therefore, logically be assumed, that these 20 States will adopt the Sixth Central Pay Commission's recommendations as well. The States which did not adopt the Fifth CPC recommendations are Andhra Pradesh, Himachal Pradesh, Assam, Punjab, Kerala, Karnataka, Meghalaya and West Bengal. Some States adopted the Fifth CPC's recommendations with modifications. Out of the States expected to follow the Sixth Central Pay Commission's recommendations, only Goa and Tamil Nadu are estimated to be in a marginally revenue deficit situation in 2007-08, as per the RBI Report.

1.3.32 Assessment of the impact on State finances has been done on a like-to-like basis as for the Centre. Accordingly, the assumptions made for the purpose of this exercise are: implementation in 2008-09, a percentage increase in pay and allowances and pensions similar to that at the Centre and distribution of arrears in the same manner as at the Centre. **The actual situation, however, in each State may vary depending upon when the recommendations of the Fifth Central Pay Commission were implemented and the extent to which they were implemented.** The revenue receipts have been projected maintaining the ratio of State's Own Revenues to Gross State Domestic Product as in the past. The tax devolution from the Centre is projected to increase in the same manner as the Centre's tax revenues. The ratio of expenditure on pay and allowances and pensions to the projected revenue receipts has been worked out as for the Centre and a similar comparison made to estimate whether the expenditure consequent upon the Sixth CPC's recommendations is within this ratio. **It is observed that most of the States would be in a position to meet the additional expenditure.** States which do not reflect a comfortable position as far as the increased expenditure is concerned, can consider the options of :

- deciding on a date of implementation different from that of the Centre,
- staggering the payment of arrears suitably,
- generating additional tax and non-tax revenues,
- compressing expenditures.

Comparison with the Public and Private Sector

Terms of reference 2.1.1 Under the Terms of Reference, the Commission has to take into account, among other factors, the prevailing pay structure and retirement benefits available under the Central Public Sector Undertakings. The Fourth Pay Commission was similarly required under its terms of reference to take into account the pay structure under the Public Sector Undertakings. Although comparison with the Public Sector was not part of the terms of reference of the Fifth Pay Commission, they did collect information from various PSUs for the purpose of making a fair comparison and an assessment of the general climate of wage revisions in the country.

Approach of earlier Commissions 2.1.2 The Fourth Pay Commission, while addressing this term of reference, found that the public sector itself was not a homogenous unit or group for comparison of emoluments. They observed that there were several differences in the packet of total benefits and emoluments of employees in the Central Government and PSUs and it was, therefore, difficult to compare the emoluments of Central Government employees and those in PSUs. Fourth Pay Commission concluded that the pay structure of the employees of such a vast and complex organization like the Central Government cannot be based on a simple comparison of the pay scales of posts at the lowest level in the Public Sector Undertakings. The Public Sector Undertakings were created by Government for specified purposes and had adopted their own pay structure. The nature of work and conditions of service were different. The Fourth CPC felt that the pay structure and conditions of service of Central Government employees had to be determined on their own merits. The structure of emoluments in Public Sector Undertakings was, however, kept in view by the Fourth CPC while formulating their proposals.

2.1.3 The Fifth CPC, making similar observations in regard to the heterogeneity in the pay scales across the public sector, did not concede the principle of parity between the Government and the

Public Sector. It also observed that PSUs were established with a multiplicity of objectives, the commercial objective being most prominent and similar commercial criteria could not be applied to Government which provides services on a different criterion. However, making a "fair comparison", they suggested certain measures for bringing about a change in the relativities vis-à-vis employees in PSUs in order to improve the conditions of Central Government employees.

Determination of salaries in PSUs

2.1.4 As the position which obtains now is no different from the past, the issue of comparison with the public sector has necessarily to be examined in the context of PSUs being commercial undertakings which are required to function in a competitive environment and have the commercial objective as the predominant objective. A comparison of salaries between the public sector and the Government may not be appropriate as it would not be a comparison between similarly placed entities. However, the Commission did study the mechanism by which the salaries of employees of public sector undertakings are determined and the conditions that govern them with the aim of examining if any comparison could be drawn. The Department of Public Enterprises functions as the nodal department on the policy related to wage settlement of unionized employees, non-unionized supervisors, executives and board members. The public enterprises are categorized in 4 schedules viz. A, B, C and D based on quantitative factors like investment, capital employed, net sales, profit before tax, number of employees, etc.; qualitative factors such as national importance, level of technology, prospects for expansion and diversification, etc. as well as on the strategic importance of the corporation. The pay scales of chief executives and full time functional directors in Public Sector Enterprises (PSEs) are determined as per the schedule of the concerned enterprise. As on 31.3.2006, out of 245 Central PSEs, there are 52 Schedule A, 87 Schedule B, 54 Schedule C and 7 Schedule D enterprises. The remaining enterprises are not categorized. Around 3.65 lakh personnel, constituting roughly 22% of the overall strength, are in the supervisory and managerial cadres, while 78% of the work force are unionized workers. The public sector undertakings largely follow the Industrial Dearness Allowance (IDA) pattern and related scales of pay and, in some cases, Central Dearness Allowance (CDA) pattern and pay scales. Out of 16.49 lakh employees (covering 239 PSUs), around 86% of the workers and executives are on IDA pattern and related scales of pay while the rest are on CDA pattern and scales of pay.

Public Sector Pay Revision

2.1.5 The pay revision for board members, executives and non-unionized supervisors under the IDA pattern is done based on

recommendations of Committees set up for the purpose by the Government. The periodicity of such revision was 5 years before 1997 and has thereafter been modified to 10 years. The latest Pay Revision Committee was set up vide Resolution dated 30th September, 2006 and is to make its recommendations within 18 months of that date. This Committee's terms of reference stipulate that it is to take into account the Report of the Sixth Pay Commission. It has also been specifically mentioned in the terms of reference that the decision of the Government on the recommendations of the Committee will take effect from 1.1.2007.

Pay revision of workers

2.1.6 In respect of workmen following IDA pattern scales of pay, the managements of Central PSEs have the freedom to negotiate revision of pay scales with the workmen within certain limited conditions. Government has allowed the PSUs to opt for either a 10 year periodicity of pay revision with 100% neutralization of DA or a 5 year periodicity on the basis of graded neutralization. The Central PSEs opting for 5 year wage negotiation for workers were allowed wage negotiation for a period of 5 years w.e.f. 1.1.2002. In exceptional cases, some PSUs have been allowed 100% DA neutralization even with periodicity of revision of 5 years.

Revision under CDA pattern

2.1.7 In the case of employees under CDA pattern of pay scales, pay revision is carried out only as and when similar changes are effected for Central Government employees. The recommendations of the Fifth CPC were extended w.e.f. 1.1.96 for these employees and the benefit of merger of DA with basic pay w.e.f. 1.4.04 has also been allowed in those Central PSEs that are not loss making and are in a position to absorb the additional expenditure on account of the merger from their own resources without any budgetary support from the Government.

Current position on wage negotiation

2.1.8 The Central Government, in November, 2006, conveyed their decision that the next round of wage negotiations (which falls due on a general basis from 1.1.2007) with the workers of Central PSEs may be undertaken with the trade unions/associations by the respective managements of these enterprises. According to the guidelines issued, there would be freedom to negotiate keeping in view the generation of resources/profits by the concerned enterprises. No budgetary support for the wage increase is to be provided by the Government and resources for meeting the increased obligations must be internally generated and must come from improved performance in terms of productivity and profitability and not from the Government. The validity period of wage settlement would be 10 years with 100% DA neutralization w.e.f. 1.1.2007 and the revision would be subject to the condition

that there is no increase in labour cost per physical unit of output except in rare cases. Central PSEs which have incurred a loss during all the 3 financial years preceding the proposed wage negotiation have also been allowed to enter into negotiations provided they give an estimate to their Ministry as to how resources would be generated by them to meet the extra expenditure arising out of implementation. In sick PSUs, no revision is to be allowed until BIFR approves the revival plan for these enterprises.

Pay package in PSUs

2.1.9 In the demands made before the Commission, mention has been made of the pay package available in Central PSUs, particularly at the lowest entry level and suggestions made for formulation of salaries of Government employees keeping in view these salaries. In some cases, comparisons have been drawn with the 'navaratna' companies among the PSUs. The Commission called for detailed information on the package of benefits available in the PSUs in the power and the petroleum sector, most of which are profit making, for making a comparison. Detailed position in regard to the pay and allowances applicable in these Central PSUs has been brought out in the Annex 2.1.1. The examination of inputs received has revealed that while the pay scales of executives and non-unionized supervisory staff are generally comparable across PSUs owing to the fact that salary revision is carried out based on the recommendations of the Committee set up by DPE and not by individual PSUs, considerable variation in the pay scales of workers across PSUs exists due to the practice of separate wage negotiations by individual PSUs. Therefore, even among PSUs, a comparison cannot be made. However, some of the broad features of the PSU pay structure are highlighted here :-

- In many of the PSUs from which data was received, pay scales at lower levels are open-ended and have percentage-based increments.
- Most public sector enterprises have introduced performance related incentive schemes where employees get additional payments based on individual or group performance.
- Industrial DA beyond All India CPI 1708 is paid on quarterly basis and DA installments are released 4 times a year w.e.f. 1st January, 1st April, 1st July and 1st October as against twice in a year for the Central Government employees.

- HRA is paid generally on percentage basis and CCA is granted at rates applicable to Central Government employees.
- Apart from HRA, DA and CCA, other allowances granted include canteen subsidy/canteen allowance, reimbursement of expenditure on conveyance, professional development allowance, night shift allowance, uniform/washing allowance, leave travel concession and subscription for technical & professional journals.
- Other benefits include interest subsidy schemes on house building allowance, vehicle loan, computer loan, children education assistance, and medical benefits.

Terminal benefits

2.1.10 As far as terminal benefits are concerned, the information received indicates that in these PSUs, retirement benefits are generally granted as per the Payment of Gratuity Act, 1972 and the EPF & Miscellaneous Act, 1952. Leave encashment is also permitted as per DPE guidelines and some PSUs have post-retirement medical benefit schemes. Re-settlement benefits to employees such as traveling allowance, settling allowance, displacement allowance, etc. are also permitted. A Voluntary Retirement Scheme is in vogue in PSUs, under which financially sound Central PSUs can frame their own schemes and can offer as compensation upto 60 days salary for every completed year of service. Such compensation cannot, however, exceed the salary for the balance period of service left. The marginally profit or loss making PSUs can offer VRS which allows compensation @ 35 days' salary for each completed year of service and 25 days salary per year of service for balance service left till superannuation subject to some conditions. Sick PSUs can allow ex-gratia payment equivalent to 45 days for each completed year of service or salary for remaining months of service left, whichever is less. For those who have rendered 30 years of service, a maximum of 60 months salary not exceeding salary for balance period of service can be granted. Details of pay and pension structure in various Public Sector Undertakings that were made available to the Commission are at Annex 2.1.1.

The Commission's approach

2.1.11 As already mentioned, the Commission is of the view that an equal comparison with the public sector cannot really be made as:-

- There are variations in the job content and conditions of service in the public sector and the Government.

- The objectives with which PSUs have been set up are not comparable with that of the Government.
- The autonomy granted to PSUs in the matter of determining their pay scales does not render an equal comparison possible.

Therefore, instead of attempting to make any comparison, the result of which is likely to be misleading, the Commission has deemed it more appropriate to devise a pay package for Government employees incorporating the best practices related to remuneration in the Government and the non-governmental sector, which, while meeting the aspirations of the employees, will also enhance performance and accountability. The Commission has, therefore, within the constraints that govern the salaries of Government employees, made certain recommendations on pay scales and allowances keeping in view the concepts which are in existence in PSUs such as percentage based increments, introduction of performance related incentives, interest subsidy on loans, voluntary retirement schemes, etc.

Comparison with the private sector

2.1.12 Although comparison with the private sector is not part of the terms of reference of the Commission, a large number of memoranda, particularly those pertaining to Group A employees, have mentioned the disparities between the private sector salaries and salaries in the Government, citing this as a reason for the reduced attractiveness of the Government as a career option and for the decline in the quality of intake. The last contention was not really borne out by the discussions the Commission had with the heads of training institutions, according to whom the quality of intake has remained consistent over the years. This has also been corroborated by a survey carried out by one of the industrial chambers of commerce from among executives in the corporate sector, where, contrary to the popular belief that flight of talent has shifted more towards the private sector with fast advancing liberalization, a large number agreed that civil services continue to be an attractive option. Further, **mere comparison of the pay or pay scale without taking cognizance of the total package of allowances and benefits available within the Government may not be appropriate especially as the value of pension granted by the Government and the value of job security provided cannot be undermined since they form major components of the total package.** The Government provides unparalleled variety and job content, along with a much wider canvas of operation than in the private sector. The prestige involved in working for the Government and the opportunity of making a contribution to national policy or its implementation are other aspects which add an unquantifiable value to Government jobs. Moreover, job related stress is significantly lower in the Government and work schedules

provide a more favourable work-life balance.

2.1.13 The overall package offered in the private sector is worked out on a cost to company basis, quantifying most of the benefits to employees. In order to enable an appreciation of the total package of benefits available to Government employees, a study for estimating the total compensation package for Government employees and cost to the Government was assigned to XLRI, Jamshedpur. During presentations before the Commission, it emerged that while the compensation provided by the Government is higher at Group C and D levels, private sector compensation packages are marginally higher for employees comparable to Group B employees and substantially higher for posts comparable to Group A officers in the Government. Apart from quantifying the value of pension and other benefits of Government employees, the study has also brought out that the 'job security' offered by the Government has immense value that cannot be easily quantified and a quantification will only serve to underestimate the advantage it offers.

2.1.14 Further, in the private sector, the Cost To Company (CTC) may not actually be a reflection of the take home pay, as a major proportion of the CTC consists of variable pay which is based on performance. Further, the high starting salaries projected in the media and other reports are granted only to a miniscule number who are the best students of top-end management schools and at times, are not reflective of the industry average. Similarly, grant of extremely high pay packages in certain sectors may be a result of the demand for talent at the time of initial setting up of an industry or during the boom period. Such episodic events should not be used as the yardstick for comparison, as ultimately the higher salaries in these sectors get normalized over time.

2.1.15 The Commission is also of the view that the **main consideration in the private sector being 'profit', an equal comparison with the Government is not going to be ever possible.** Moreover, any increase in the resources of the Government need to be primarily directed towards development. However, the Commission, in making its recommendations, has taken note of the fact that the same pool of manpower provides the source of recruitment in the private sector and the Government and that there is a need to attract people both to the Group A posts as well as to technical posts for which a demand exists in the market by instituting some measures. In accordance with this, the **Commission has recommended a higher starting salary for Group A posts and has also recommended that Government should have the flexibility to offer a market driven salary to highly qualified scientific and technical personnel** whose skills

are in demand in the private sector. The higher package will, however, be accompanied with a fixed term contract which could be altered based on performance. In addition, the Commission has made suggestions in regard to appointment to selected posts at higher levels on contractual and tenurial basis where market driven salaries could be paid in order to attract the best possible expertise to the Government. Further, taking into account the fact that a large portion of the salary in the private sector comes from performance related payments, the **Commission has recommended introduction of performance related incentives in the Government.** This is also expected to bridge the gap vis-à-vis the private sector to some extent.

General Recommendations on Pay Structure & Fixation

Introduction

2.2.1 The Fifth Central Pay Commission (Fifth CPC) revised pay scales took effect from 1.1.1996. As per the recommendation of Fifth CPC that was accepted by the Government, full neutralization of dearness allowance has been provided in all Fifth CPC revised pay scales.

2.2.2 The Fifth CPC had compressed many scales. The number of pay scales was reduced from 51 pay scales as on 31.12.1995 to 34 pay scales by the Fifth CPC. In many cases, this led to the promotion and feeder cadres being placed in an identical pay scale. Although Department of Expenditure issued orders that existence of the feeder and promotion posts in the same pay scale will not constitute an anomaly, however, these orders have consistently been rejected by the various courts of this country. The Commission, therefore, had two options:-

- i) To evolve a new system of pay scales that would effectively address most of the existing anomalies.
Or
- ii) To make sufficient modifications in the scheme of pay scales given by Fifth Central Pay Commission so as to ensure that various anomalies existing across various ministries/ departments/organizations are removed.

2.2.3 The latter option was not feasible as the number of these anomalies was very large and the Commission continued to get references in this regard even though a period of more than 10 years had elapsed since the date of implementation of the Fifth Central Pay Commission pay scales. The difficulty became greater as the Commission's efforts were to reduce the number of scales even further. This was considered necessary for de-layering the Government with a view to hasten decision making and improving the existing delivery mechanisms for benefit of the citizens. Further, a mechanism of rewarding performers also had to be incorporated in the new system of pay scales. To achieve all this, the Commission has had to evolve a new system of pay bands.

2.2.4 The basic rationale of Fifth CPC revised pay scales was to ensure a sufficiently long span which along with the scheme of Assured Career Progression (ACPS), separately recommended by that Commission, would ensure that the employees did not stagnate at any point in their entire career. The Fifth CPC report was centered on the fact that employees, in a majority of cases, put in more than 35 years of service. Consequently, the pay scales revised by Fifth CPC had a sufficiently long span to ensure that the employees did not stagnate after getting the benefit of prescribed financial upgradations recommended under ACPS. However, during implementation the Government increased the fitment benefit to 40% as against 20% recommended by the Fifth CPC. Many of the pay scales got 'burst' at the time of initial fixation where revised pay of some of the employees became higher than the maximum of the revised pay scale and, therefore, had to be fixed at the maximum of the revised pay scale at the initial stage itself. These employees, therefore, had started to stagnate right from the time of implementation of the Fifth CPC pay scales.

2.2.5 The Fifth CPC had also recommended that dearness allowance equal to 50% of the basic pay should be converted as dearness pay each time the Consumer Price Index increased by 50% over the base index. The dearness pay was to be counted as basic pay for all purposes, including retirement benefits. The Government allowed merger of dearness allowance equal to 50% of the basic pay into dearness pay to be counted as pay for all purposes barring TA/DA, LTC and entitlement for Government housing w.e.f. 1.4.2004. The base index for computing DA, however, was not changed.

2.2.6 Presently, on Fifth CPC revised pay scales, dearness pay equal to 50% of the basic pay is payable. Dearness Allowance is payable on the basic pay plus dearness pay. As on 1.1.2006, Dearness Allowance at the rate of 24% was payable and with effect from 1.7.2007, it is paid at rate of 41% on the total amount of basic pay plus dearness pay.

*Recommended
date of
implementation of
Sixth CPC
recommendations*

2.2.7 The revised pay bands have been evolved for being implemented retrospectively from 1.1.2006. The Fifth CPC had recommended implementation of the next Pay Commission's revised pay scales from 1.1.2006. **The Commission is recommending implementation of the revised pay bands retrospectively from January 1, 2006.** This is also in consonance with demands of a majority of the Associations of Government employees that had sought implementation of Sixth CPC revised pay scales from 1.1.2006. The issues relating to date of effect have been discussed in detail in Chapter 6.5 of the Report.

Running pay bands

2.2.8 The Commission is recommending introduction of running pay bands for all posts in the Government presently existing in scales below that of Rs.26,000 (fixed). Four distinct running pay bands are being recommended - one running band each for all categories of employees in groups 'B' and 'C' (posts in the scale of Rs.5000-8000 have, as a result of delayering and elongation of certain scales, been placed in Group 'B') with 2 running pay bands being given for all Group A posts as under: -

- Posts up-to the Fifth CPC scale of Rs.16400-20900.
- Posts higher than Rs.16400-20900 but below that of Secretary to GoI/equivalent (Rs.26,000 fixed)

2.2.9 The posts of Secretary to Government of India/equivalent and Cabinet Secretary/equivalent are proposed to be kept in distinct pay bands. While a separate running pay band, designated as -1S scale, is being recommended for posts belonging to Group 'D', however, the same shall not be counted for any purpose as no future recruitment is to be made in this grade and all the present employees belonging to Group 'D' who possess the prescribed qualifications for entry level in Group 'C', will be placed in the Group 'C' running pay band straight away with effect from 1.1.2006. Other Group 'D' employees, who do not possess the prescribed qualifications, are to be retrained and thereafter upgraded and placed in the Group 'C' running pay band. Till such time they are retrained and are redeployed, they will be placed in the -1S scale. The Commission clarifies that -1S pay scale is not a regular or a permanent pay scale. Insofar as the present employees are concerned, the scale will operate only till the time all the existing Group 'D' staff is placed in the Group 'C' running pay band. The exact mechanism for placing Group 'D' staff in the revised Group 'C' running pay band has been discussed in detail in Chapter 3.7 relating to Group D staff. Group 'D' employees who are not placed in the Group 'C' pay band straightaway will be given the band after their retraining without any loss of seniority vis-à-vis those in Group 'D' who possessed higher qualifications, redeployed and were placed in the Group 'C' running pay band with effect from 1.1.2006. The retraining will also emphasize the multi-skilling of these employees so that one single employee is able to perform multiple jobs that hitherto were being done by many employees. This will ensure that higher scale of pay does not place any additional pecuniary burden on the Government. Ansari Report on restructuring of Group D posts in Railways also recommends such a mechanism where many Group D posts are to be upgraded with higher skills so that the number of employees required to do the job gets reduced.

Future recruitment in -1S pay band

2.2.10 Insofar as future recruitment is concerned, no direct recruitment in the -1S scale will take place. The scale will, however, be operated for regulating emoluments during the training period of candidates who do not possess the minimum qualification of Matric. The Commission is firmly of the view that candidates not possessing the minimum qualification of Matric and/or ITI cannot be recruited in the Government as all jobs in the Government require some level of skill. However, in certain exceptional circumstances like compassionate cases, etc. Government may need to provide employment opportunities to certain classes of persons not immediately meeting the minimum educational standards. Government should recruit them as trainees who will be given the regular pay bands and grade pay only on acquiring the minimum qualification prescribed under the recruitment rules. **The emoluments of these trainees, during the period of their training and before they are absorbed in the Government as employees, will be governed by the minimum of the -1S pay band without any grade pay. The period spent in the -1S pay band by the future recruits will not be counted as service for any purpose as their regular service will start only after they are placed in the revised pay band PB-1 of Rs.4860-20200 along with grade pay of Rs.1800.**

Promotions in the pay bands

2.2.11 Under the system of running pay bands being recommended by the Commission, all the employees belonging to the aforesaid 4 categories will be placed in distinct running pay bands. At the time of promotion from one post to another in the same running pay band, the grade pay (being a fixed amount attached to each post in the hierarchy) attached to posts at different levels within the same running pay band will change. **Additionally, increase in form of one increment will also be given at the time of promotion.** Rates of grade pay have been generally computed at the rate of forty percent of the maximum of the corresponding pre-revised pay scale which is rounded off to the next multiple of hundred. In a few cases, the rates of grade pay have been computed differently. This was necessary to fit the system of grade pay in the scheme of revised running pay bands. **Grade pay will determine the status of a post with (apart from the two apex scales of Secretary/equivalent and Cabinet Secretary/equivalent that do not carry any grade pay) a senior post being given higher grade pay. Grade pay being progressively higher for successive higher posts, the employees on promotion will get monetary benefit on promotion in the form of the increased grade pay apart from the benefit of one additional increment. In case of promotions between one pay band to the next pay band, the revised band pay will, in no case, be less than the minimum of the higher pay band. All the running pay bands will have annual increments in form of two and half percent of the total of pay in**

the pay band and the corresponding grade pay. In some cases, this may result in a slight drop vis-à-vis the existing rate of increment along with dearness pay and dearness allowance thereon. This, however, is inevitable as a completely new scheme is being recommended where annual increments are payable on a percentage basis without any fixed, quantized stages. Further, the initial loss is more than made up in the higher stages as the actual amount of annual increment will not be static as at present but is going to increase every year. In the revised scheme, the **date of annual increments, in all cases, will be the first of July. Employees completing six months and above in the scale as on July 1 will be eligible.** This is being recommended to alleviate a large number of anomalies that arise due to the present system of annual increments where the increments are given on the basis of the month of joining a particular post and which frequently leads to a senior drawing lesser salary than his/her junior. This date will also give ample time for all inputs to be considered while deciding variable increments for individual employees discussed in the next para.

*Variable
increments*

2.2.12 **For Group A Pay Band PB-3, annual increments in the band will vary depending upon the performance. Not less than eighty percent of the employees in the grade will be allowed normal increment at the rate of 2.5% with the remaining 20% high performers during the year being allowed increment at the higher rate of 3.5%. In all other running pay bands also, increments in the form of percentage (2.5%) of the total of pay and grade pay have been recommended. This has been done to enable the Government to extend the scheme of variable increments in this grade as well at a future date. While introduction of the scheme of variable increments in Groups 'B' and 'C' is equally desirable, the Commission is not recommending this as it is of the view that consultations with the Staff Side would be needed before the scheme of variable increments is extended to posts in Group 'B' and 'C'. The Government may decide to extend the scheme of variable increments in running pay bands PB 1 and PB 2 as well. The proposed scheme of running pay bands do not, however, provide for variable increments in the PB-4 pay band.**

2.2.13 Introduction of running pay bands will have the following benefits:-

- (i) Since all the pay bands have a long span, the problem of stagnation in a pay scale will be effectively addressed.
- (ii) All matters concerning pay fixation at the time of promotion etc., which lead to numerous anomalies will be addressed automatically (since only grade pay will change along with one additional increment at the time of promotion without

there being any refixation of salary in the higher grade except when the promotion is from one running scale to another). This will make FRs relating to fixation of pay on promotion (like FR 22), largely redundant.

- (iii) Most of the pay scale related anomalies that have been continuing and in fact evolving afresh would be resolved.
- (iv) The model will make the Government organization less hierarchical. While, initially grade pay will be payable as per the hierarchy, however, Government will have the flexibility to remove layers by removing specific grade pay. In the long run the model can be suitably adjusted to remove even the element of grade pay thereby ensuring total delayering of the Government structure facilitating quick decisions and increased output.
- (v) The model will facilitate the evolution of the concept of performance related incentives which can be paid as a distinct component as a supplement to the running pay bands.
- (vi) Seniority of a post will depend on the grade pay drawn. This will invariably be more for a higher level post. Pay scales will largely become irrelevant for purposes of computing seniority. Thus, the present situation where frequently a junior draws higher salary (albeit in lower pay scale) vis-à-vis his senior because of longer years of service, will no longer be of any essence for purposes of computing seniority.
- (vii) Running pay bands will ensure a common hierarchical pattern for the purpose of the modified ACP scheme.

The present situation where a deputationist going on deputation to a post in a lower pay scale has to suffer salary loss (because salary can not be paid higher than the maximum of the pay scale attached to the post), will also be rectified in this model.

Minimum Salary-Demands

2.2.14 The various associations of the Staff Side in JCM had, in their memorandum submitted to the Commission, demanded minimum monthly salary of Rs.10,000. This was computed as per 15th International Labour Conference norms and taking the family to be comprising three units. The rates for food items adopted in the memoranda are, however, inconsistent with either the PDS rates or the prevailing market rates as on 1.1.2006. Separate provisions have also been made for expenditure on medical facilities/education. It was also mentioned that minimum salaries in Public Sector

Enterprises are in the vicinity of Rs.10,000 per month and a similar dispensation needs to be extended to the Central Government employees as well.

*Minimum Salary-
Analysis &
Recommendations*

2.2.15 The contention, that minimum salaries in Public Sector Enterprises are in the vicinity of Rs.10,000 per month and a similar dispensation needs to be extended to the Central Government employees as well, is not based on facts as such minimum salary did not exist in most of the Public Sector Enterprises as on 1.1.2006. Even otherwise, this contention can not be accepted as salaries of the staff in Public Sector Enterprises are negotiated based on their profitability which is not the case in the Central Government. This issue has been discussed in detail in Chapter 2.1 on 'Comparison with the Public and Private Sector'. The Commission, however, agrees that the norms set by the 15th International Labour Conference (ILC) are appropriate for computing minimum salary. It is also observed that the minimum salary is applicable at the time a person joins the Government which will usually be at a young age when a person may be just married and will not have responsibility of parents or many children. Accordingly, the family unit for minimum salary can only be taken as three. The Fifth CPC had also taken the average number of consumption at the age of entry as three. To this extent, the Commission is in agreement with the method adopted by the Staff Side for computing the minimum salary. Certain modifications are, however, necessary in the computations used by the staff Side. The minimum salary would need to be computed taking into account the prices as on 1.1.2006, being the date from which the revised pay scales are going to take effect. Government provides separate housing allowance, education allowance and medical facilities. As such, separate provision for the same cannot be made in the minimum salary. Keeping these modifications in view, as per the formula used by the JCM, Staff Side; minimum salary should be in the vicinity of Rs.5479 per month as on 1.1.2006. Detailed working by which the figure of Rs.5479 has been derived is at Table 2.2.1. The Commission is, however, recommending a higher minimum salary keeping in view their emphasis on higher skill levels and multi-skilling for all Government jobs. Accordingly, **the running pay bands recommended by the Commission prescribe the minimum salary of Rs.6660 (Rs.4860 as basic pay + Rs.1800 as grade pay to be counted as pay for all purposes) in the lowest grade of the Pay Band PB 1.** At the time of implementation of this Report in 2008, the gross minimum salary in A 1 cities (with reference to the minimum in PB 1 Pay Band) will be around Rs.10,000 once benefits of HRA, Transport Allowance, Education Allowance, etc. are included. This, incidentally, corresponds to the minimum salary demanded by the Staff Side.

Maximum Salary 2.2.16 The staff Side in their memorandum have proposed that the ratio of 1:12 should be kept between the minimum starting salary in the Central Government and the salary attached to the post of Secretary/equivalent in the Central Government. This ratio is called the minimum: maximum salary ratio. The Fifth CPC had retained the minimum: maximum salary ratio of 1:10.7 inherent in the Fourth CPC pay scales even though the ratio had become 1:8 in 1996 on account of unequal rates of Dearness Allowance neutralization where the highest category was allowed neutralization at 65%.

Recommendation on Maximum Salary 2.2.17 While fixing the ratio, differentials that exist between the salaries in the private, public and the Government sectors may also need to be kept in view. The Commission is of the view that a minimum: maximum salary ratio in the vicinity of 1:12 would be justified. This is in consonance with the ratio suggested by the Staff Side. **The maximum salary (Secretary to GOI/equivalent) has, accordingly, been pegged at Rs.80000 per month which works out to minimum: maximum ratio of 1:12.**

Recommendation 2.2.18 **The following scheme of revised pay bands is, accordingly, being recommended: -**

(In Rs.)

Pre-Revised		Revised		
Pay Scale	Pay Scale	Pay Band	Corresponding Pay Bands	Grade Pay
S-1	2550-55-2660-60-3200	-1S	4440-7440	1300
S-2	2610-60-3150-65-3540	-1S	4440-7440	1400
S-2A	2610-60-2910-65-3300-70-4000	-1S	4440-7440	1600
S-3	2650-65-3300-70-4000	-1S	4440-7440	1650
S-4	2750-70-3800-75-4400	PB-1	4860-20200	1800
S-5	3050-75-3950-80-4590	PB-1	4860-20200	1900
S-6	3200-85-4900	PB-1	4860-20200	2000
S-7	4000-100-6000	PB-1	4860-20200	2400
S-8	4500-125-7000	PB-1	4860-20200	2800
S-9	5000-150-8000	PB-2	8700-34800	4200
S-10	5500-175-9000	PB-2	8700-34800	4200
S-11	6500-200-6900	PB-2	8700-34800	4200
S-12	6500-200-10500	PB-2	8700-34800	4200
S-13	7450-225-11500	PB-2	8700-34800	4600
S-14	7500-250-12000	PB-2	8700-34800	4800
S-15	8000-275-13500	PB-2	8700-34800	5400

Pre-Revised		Revised		
Pay Scale	Pay Scale	Pay Band	Corresponding Pay Bands	Grade Pay
New Scale	8000-275-13500 (Group A Entry)	PB-3	15600-39100	5400
S-16	9000	PB-3	15600-39100	5400
S-17	9000-275-9550	PB-3	15600-39100	5400
S-18	10325-325-10975	PB-3	15600-39100	6100
S-19	10000-325-15200	PB-3	15600-39100	6100
S-20	10650-325-15850	PB-3	15600-39100	6500
S-21	12000-375-16500	PB-3	15600-39100	6600
S-22	12750-375-16500	PB-3	15600-39100	7500
S-23	12000-375-18000	PB-3	15600-39100	7600
S-24	14300-400-18300	PB-3	15600-39100	7600
S-25	15100-400-18300	PB-3	15600-39100	8300
S-26	16400-450-20000	PB-3	15600-39100	8400
S-27	16400-450-20900	PB-3	15600-39100	8400
S-28	14300-450-22400	PB-4	39200-67000	9000
S-29	18400-500-22400	PB-4	39200-67000	9000
S-30	22400-525-24500	PB-4	39200-67000	11000
S-31	22400-600-26000	PB-4	39200-67000	13000
S-32	24050-650-26000	PB-4	39200-67000	13000
S-33	26000 (Fixed)	Apex Scale	80000 (Fixed)	Nil
S-34	30000 (Fixed)	Cab. Sec./ Equ.	90000 (Fixed)	Nil

Increments & Span

- 1S** Annual increment @ 2.5%. Span 18 years.
- PB-1** Annual increment @ 2.5%. Span 50 years.
- PB-2** Annual increment @ 2.5%. Span 40 years.
- PB-3** Annual increments @ 2.5% & 3.5%. Span 32 years.
- PB-4** Annual increment @ 2.5%. Span 20 years.

Minimum : Maximum Ratio

- 1:12 between Apex scale and minimum of PB-1 (including grade pay)

Salient features

2.2.19 The revised scheme of pay bands being recommended has the following characteristics: -

- i. The minimum: maximum ratio is 1:12 (between the start of PB 1 scale and Apex Scale).
- ii. PB 1 pay band has 5 distinct grades represented by 5 different grade pay.
- iii. PB 2 pay band has 4 distinct grades (including the pre-revised pay scale of Rs.8000-13500 for Group B posts) represented by 4 different grade pay.
- iv. PB 3 pay band has 8 distinct grades represented by 8 different grades pay.
- v. PB 4 pay band has 3 grades represented by 3 grades pay.
- vi. The total number of grades has been reduced to 20 spread across in four distinct Running bands; additionally there is one Apex Scale and another grade for the post of Cabinet Secretary/equivalent as against 35 standard pay scales existing earlier.
- vii. Many pre-revised scales are being merged. Barring the Group D posts, this merger has been done by extending the existing minimum prescribed for the highest pay scale with which the other scales are being merged. However, the grade pay for the merged scale so derived has been computed with reference to the maximum of the highest scale. This, besides ensuring a uniform benefit, will also prevent bunching. Following scales have been merged:-

Rs.2550-3200 Rs.2610-3540 Rs.2610-4000 Rs.2650-4000 Rs.2750-4400	The scales belonging to Group 'D' are merged with the entry grade in the pay band PB 1 due to upgradation of Group 'D'.
Rs.5000-8000 Rs.5500-9000 Rs.6500-6900 Rs.6500-10500	Scales of Rs.5000-8000, Rs.5500-9000 and Rs.6500-10500 have been merged to bring parity between field offices; the secretariat; the technical posts; and the work shop staff. This was necessary to ensure that due importance is given to the levels concerned with actual delivery. It is also noted that a large number of anomalies were created due to the placement of Inspectors/equivalent posts in CBDT/CBEC and Assistants/ Personal Assistants of

	CSS/CSSS in the scale of Rs.6500-200-10500. The scales of Rs.5500-175-9000 and Rs.6500-200-10500, in any case, had to be merged to resolve these anomalies. The scale of Rs.6500-200-6900 was an intermediary scale identical to the scale of Rs.6500-200-10500, albeit with a shorter span. Since the length of a pay scale is not very relevant in the revised scheme of running pay bands, no rationale existed for retaining the scale of Rs.6500-6900 as a distinct scale.
Rs.8000-13500 Rs.9000 Rs.9000-13500	The scales of Rs.9000 and Rs.9000-275-13500 were unusually short in duration and applied to a very few categories. These have been merged with the scale of Rs.8000-275-13500.
Rs.10325-10975 Rs.10000-15200	The scale of Rs.10325-325-10975 also was unusually short in duration and applied to a very few categories. It has, accordingly, been merged with the scale of Rs.10000-325-15200.
Rs.12000-18000 Rs.14300-18300	The scale of Rs.12000-375-18000 was limited to a very few categories. It has been combined with the scale of Rs.14300-400-18300 as a measure of rationalization.
Rs.16400-20000 Rs.16400-20900`	The two scales are identical with a slight difference in span which will have no meaning in a running scale.
Rs.14300-22400 Rs.18400-22400	The scale of Rs.14300-22400 presently applies to very few posts in the Central Government. The scale was earlier available to Professors, etc. in Government institutes, almost all of whom have now switched to UGC pattern. As such, no rationale exists for retaining this scale as a separate scale. It is, accordingly, being merged with the next higher scale in the hierarchy.
Rs.22400-26000 Rs.24050-26000	The two scales had common maxima. The difference was in their span and the rate of increments. Running pay bands and increments payable on percentage basis left no functional justification for continuing the two scales as distinct entities.

- viii. The rate of annual increment in all the running pay bands is 2.5% of the total of pay band (stage of fixation in the running pay band) and grade pay.
- ix. **Two rates of increments have been provided in PB 3 with the base rate of 2.5% being extended to not less than 80% employees who are judged as normal performers for the period under consideration. Twenty percent employees adjudged high achievers for such period shall be given increment at the rate of 3.5%. Thus, in a year upto 20% of the total employees in any office/organisation can be given the higher rate of increment of 3.5%. It does not mean that 20% employees have to be given the higher rate of increment. In a scenario where no one is adjudged an high achiever, all the employees can be given the normal rate of increment of 2.5%. Head of the Department/ Organization shall decide performers for a specific year.**
- x. The scale of Rs.8000-13500 is the entry grade for Group A posts for which the Running Band PB-3 has been recommended. Many Group 'B' posts had been extended the scale of Rs.8000-13500 even though these continued to be Group 'B' posts. All such Group 'B' posts shall now be placed in the running band PB-2 along with a grade pay of Rs.5400. To ensure that existing parity in terms of pay scale of these posts vis-à-vis the entry scale of Group A posts is not disturbed, the same grade pay of Rs.5400 has been prescribed.
- xi. PB 3 and PB 4 bands have been kept totally distinct without any overlapping stages to ensure that everyone in PB 3 pay band enters the senior administrative grade (SAG) in PB 4 pay band at the same level.
- xii. The running pay bands have been given a sufficiently long span to ensure that no employee ordinarily stagnates at any stage in his/her career. To ensure that no stagnation takes place in any case, **it is further recommended that a person stagnating at the maximum of any pay band for more than one year continuously shall be placed in the immediate next higher pay band without any change in the grade pay.**
- xiii. **Date of regular increments, in all cases, will now be first of July. Employees completing six months and above in the scale as on July 1 will be eligible.**

Fixation of pay in the revised pay bands- demands

Analysis

2.2.20 The Commission had received various demands relating to fixation of pay. Most of these demands sought point to point fixation in the revised scales of pay.

2.2.21 The point to point fixation envisaged in these demands would have meant giving an equal number of increments in the revised scale of pay that were earned by the employee in the pre-revised scale. Such a dispensation was not feasible in the revised scheme of running pay bands being recommended. The Commission has tried to ensure that the seniors who have spent longer time in a particular scale are fixed at a higher level in the revised scheme of running pay bands and grade pay. The revised running pay bands would also ensure that, by and large, no bunching takes place. Some bunching where juniors and seniors would have come to be placed in an identical level of pay has taken place in cases where a higher start has been recommended like in the entry grade of Group A. Further, some more bunching will take place in the PB-1 Pay Band of Rs.4860-20200 along with a grade pay of Rs.1800 because all the erstwhile Group D posts will be finally placed in this pay band and grade pay. To alleviate the problem of bunching in these cases, the Commission has allowed the benefit of one extra increment wherever two or more stages in any of the pre-revised pay scale were getting bunched together at one level in the revised pay bands. It has also been ensured that a person drawing higher basic pay in any Fifth CPC pay scale is not fitted lower vis-à-vis a person drawing a lower basic pay irrespective of the pay scale. The Commission has prepared a detailed fixation chart (Table 2.2.2) which gives the fitment in the revised running pay bands of every stage in each of the pre-revised pay scales. Fixation has been done in this fixation chart in the following manner:-

- (i) The basic pay drawn as on 1/1/2006 on the existing Fifth CPC pay scales along with dearness allowance at the rate of 74% (which would have been payable on the Fifth CPC pay scales had merger of 50% dearness allowance as dearness pay not been allowed w.e.f. 1/4/2004) have been totaled and then rounded off to next multiple of 10. This has been taken as the pay in the revised running pay band.
- (ii) The grade pay has been computed at the rate of 40% of the maximum of the basic pay in each of the pre-revised pay scale. Where two or more pre-revised pay scales have been merged the maximum of the highest pre-revised pay scale has been taken and 40% thereof is given as grade pay. In some cases, the amount of grade pay has been adjusted so as to maintain a clear differential between successive grades pay.

- (iii) In case more than two stages in the pre-revised scale are getting fixed at the same stage in the revised running pay band, benefit of one increment has been given so as to avoid bunching of more than two stages in the revised running pay bands. In the case of pay scales in higher administrative grade (HAG) in the pay band PB-4, benefit of increment due to bunching has been given taking into account all the stages in different pay scales in this grade. **The detailed fixation chart (Table 2.2.2) showing stage-wise fixation of existing employees in the revised running pay bands should be utilized in every case of fixation of pay of the concerned employees in the revised running pay bands.**
- (iv) Fixation in the revised pay band and grade pay thereon has been done with reference to the pre-revised pay scale in which the employee was actually drawing pay irrespective of whether he/she has been placed in such pay scale on appointment, regular promotion or financial upgradation under ACPS or any other time bound promotion scheme; upgradation of the post, etc.
- (v) **On account of the proposed merger of pre-revised pay scales of Rs.5000-8000, Rs.5500-9000 and Rs.6500-10500, some posts which presently constitute feeder and promotion grades shall come to lie in an identical grade. The Commission has given specific recommendations about some categories of these posts in the Report. As regards other posts, it should first be seen if the posts in these three scales can be merged without any functional disturbance. If possible, this should be done. In case it is not feasible to merge the posts in these pay scales on functional considerations, the posts in the scale of Rs.5000-8000 and Rs.5500-9000 should be merged with the post in the scale of Rs.6500-10500 being upgraded to the next higher grade in pay band PB-2 with grade pay of Rs.4600 corresponding to the pre-revised pay scale of Rs.7450-11500. In case a post already exists in the scale of Rs.7450-11500, the post being upgraded from the scale of Rs.6500-10500 should be merged with the post in the scale of Rs.7450-11500. Besides, posts in the scale of Rs.6500-10500 carrying minimum qualification of either Degree in Engineering or a Degree in Law should also be upgraded and placed in the scale of Rs.7450-11500 corresponding to the revised pay band PB-2 of Rs.8700-34800 along with grade pay of Rs.4600.**

2.2.22 Fixation of pay in the revised pay bands of existing employees as well as future recruits shall be done in the following manner:-

- (i) **In cases where employees have been placed in a higher pay scale between 1/1/2006 and the date of notification of the revised Pay Bands on account of promotion, upgradation of pay scale, etc., the employees shall be given the option to switch over to the revised pay band and grade pay from the date of such promotion, upgradation, etc.**
- (ii) **Table 2.2.2 shows stage-wise fixation of existing employees in the proposed bands w.e.f. 1.1.2006. Subject to provisions of (i) above, all the employees shall be fixed accordingly.**
- (iii) Scales have been so devised to ensure that no bunching takes place. Bunching is occurring in the initial Group A band because of the higher start proposed there. Some bunching is also taking place in the initial Group 'C' pay band due to the proposed placement of Group 'D' posts in the initial grade of pay band PB 1. **To alleviate bunching, a jump equal to one increment at 2.5% of the revised pay band has been provided wherever more than two stages are getting bunched.** It should be noted that for this purpose, increment will not include grade pay as the additional increment is being given to ease bunching at the time of initial fitment in the corresponding revised pay band and the grade pay is only payable subsequently. **Hence, while all future increments will be on the sum of pay in the pay band and grade pay thereon, the additional increment on account of bunching at the time of initial fixation in the revised pay bands shall be computed with reference to the pay in the pay band alone.** Table 2.2.2 has been prepared accordingly.
- (iv) **In case of new recruits, fixation in the running pay band of the group (viz. 'A', 'B', 'C') to which the post belongs will be done in the following manner:-**
 - a. **Initially the fixed qualifying service prescribed in DOPT's OM dated 25/5/1998 (as may be amended by the Government in future) for movement from the first grade in the running band to the grade in which recruitment is being made will be computed.**
 - b. **Thereafter, one increment for every year of fixed qualifying service prescribed in the aforesaid OM of DOPT shall be provided on the sum total of the minimum of the running pay band and the lowest grade pay in that pay band.**

- c. **The pay band on joining shall be the stage so computed in the corresponding running pay band. Additionally, grade pay corresponding to the grade in that running pay band shall be payable.**
- d. To exemplify the fitment of new recruits in any grade in the revised pay bands, a case of direct recruitment in the revised pay band PB-1 of Rs.4860-20200 along with grade pay of Rs.2000 that corresponds to the pre-revised pay scale of Rs.3200-4900 has been taken up.
- DOPT's OM dated 25/5/1998 prescribes minimum six years of service for promotion from the pre-revised scale of Rs.2750-4400 (being the first grade in the running pay band) to the scale of Rs.3200-4900 (3 years from scale of Rs.2750-4400 to Rs.3050-4590 and thereafter 3 years from the scale of Rs.3050-4590 to Rs.3200-4900).
 - Hence, 6 increments at the rate of 2.5% for each increment - adding upto 15% - will need to be given. The minimum pay in the revised pay band for a person recruited to a post carrying grade pay of Rs.2000 will therefore be Rs.5859 i.e. the minimum of the pay (Rs.4860) attached to pay band PB-1 and 15% (being six increments at the rate of 2.5% each) of sum total of the minimum of the running pay band and the lowest grade pay in that pay band.
 - Grade pay of Rs.2000 will additionally be payable. Consequently, the consolidated pay in the pay band and grade pay, at the time of recruitment of an employee directly recruited in the pay band PB-1 with grade pay of Rs.2000, will be Rs.7859.
- (v) **In case of promotion between identical posts in the same cadre, if a senior employee promoted to the higher post before 1/1/2006 draws less pay in the revised scale from his/her junior who is promoted to the higher post on or after 1/1/2006, the pay of the senior employee shall be stepped up to an amount equal to the pay of the junior in that higher post, provided the senior employees, at the time of promotion, had been drawing equal or more pay than his/her junior.**
- (vi) **DA and all allowances, facilities, pension etc. shall be payable on the sum of grade pay and pay band.**

- (vii) Facilities like Government housing, etc., will be governed by the grade pay. An employee in the higher grade pay will be senior to an employee in a lower grade pay. In case of employees drawing same grade pay, priority shall be governed by the total emoluments drawn, including NPA in case of doctors and MSP in case of defence personnel.

Table 2.2.1**Fixation of Minimum wage as on 1.1.2006 as per 15 ILC norms**

Items	Per day PCU (In grams)	Per month 3CU (In kg)	Price per kg. taken by Staff Side (In Rs)	Total cost as per Staff Side (In Rs)	Price per kg. as per prevailing rates (In Rs)	Total cost as per prevailing rates (In Rs)
Rice/wheat	475	42.75	22.00	941	18	769.5
Dal (Toor/ Urad / moong)	80	7.2	65.00	468	40	288
Raw Veg.	100	9.00	28.00	252	10	90
Greenleaf Veg.	125	11.25	24.00	370	10	112.5
Other Veg.	75	6.75	26.00	176	10	67.5
Fruits	120	10.80	50.00	540	30	324
Milk	200 MI	18 Lt.	24.00	432	24	432
Sugar and Jaggery	56	5.00	24.00	120	24	120
Edible Oil	40	3.6	90.00	324	50	180
Fish		2.5	180.00	450	120	300
Meat		5.00	180.00	900	120	600
Egg		90 (no)	2.50	225	2	180
Detergents etc			300 P/m	300	200	200
Clothing		5.5 Mt.	80/Mt.	440	80/Mt.	440
Total				5838		4103.5
Misc. @ 20%*				1167.60		827
Total				7005.60		4930.5
Addl. Exp @ 25%**				1751.40	400#	400#
Total				8757.00		5330.5
Housing @ 10%***				973.00		^148
Grand Total				9730.00		5478.5

Source : Average market rates in Kolkata, Chennai, Delhi and Mumbai as indicated in the Economic Times & other major dailies (element of 20% has been added to cover the increase in cost in retail sale).

Notes PCU = Per day Consumption Unit 3CU = Three Consumption Units

* 20% Miscellaneous charges towards fuel, electricity, water etc.

** Additional Expense at the rate of 25% includes expenditure towards education, medical treatment, housing, recreation, festivals etc.

Has been taken as Rs.400 because separate allowances for education, medical treatment and housing exist in the Government. Consequently, only the expenditure towards recreation & festivals need to be taken in account.

^ Being the license fee chargeable for government accommodation at an average rate of 3% of the basic pay

Table 2.2.2

Fixation of Civilian Employees in the revised Pay Bands

Pre-revised scale (S - 1)
Rs.2550-55-2660-60-3200

Revised Pay Band -1S + Grade Pay
Rs.4440-7440 + Rs.1300

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
2,550	4,440	1,300	5,740
2,605	4,540	1,300	5,840
2,660	4,630	1,300	5,930
2,720	4,740	1,300	6,040
2,780	4,840	1,300	6,140
2,840	4,950	1,300	6,250
2,900	5,050	1,300	6,350
2,960	5,150	1,300	6,450
3,020	5,260	1,300	6,560
3,080	5,360	1,300	6,660
3,140	5,470	1,300	6,770
3,200	5,570	1,300	6,870

Pre-revised scale (S - 2)
Rs.2610-60-3150-65-3540

Revised Pay Band -1S + Grade Pay
Rs.4440-7440 + Rs.1400

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
2,610	4,550	1,400	5,950
2,670	4,650	1,400	6,050
2,730	4,750	1,400	6,150
2,790	4,860	1,400	6,260
2,850	4,960	1,400	6,360
2,910	5,070	1,400	6,470
2,970	5,170	1,400	6,570
3,030	5,280	1,400	6,680
3,090	5,380	1,400	6,780
3,150	5,490	1,400	6,890
3,215	5,600	1,400	7,000
3,280	5,710	1,400	7,110
3,345	5,820	1,400	7,220
3,410	5,940	1,400	7,340
3,475	6,050	1,400	7,450
3,540	6,160	1,400	7,560

Pre-revised scale (S - 2A)
Rs.2610-60-2910-65-3300-70-4000

Revised Pay Band -1S + Grade Pay
Rs.4440-7440 + Rs.1600

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
2,610	4,550	1,600	6,150
2,670	4,650	1,600	6,250
2,730	4,750	1,600	6,350
2,790	4,860	1,600	6,460
2,850	4,960	1,600	6,560
2,910	5,070	1,600	6,670
2,975	5,180	1,600	6,780
3,040	5,290	1,600	6,890
3,105	5,410	1,600	7,010
3,170	5,520	1,600	7,120
3,235	5,630	1,600	7,230
3,300	5,750	1,600	7,350
3,370	5,870	1,600	7,470
3,440	5,990	1,600	7,590
3,510	6,110	1,600	7,710
3,580	6,230	1,600	7,830
3,650	6,360	1,600	7,960
3,720	6,480	1,600	8,080
3,790	6,600	1,600	8,200
3,860	6,720	1,600	8,320
3,930	6,840	1,600	8,440
4,000	6,960	1,600	8,560

Pre-revised scale (S - 3)
Rs.2650-65-3300-70-4000

Revised Pay Band -1S + Grade Pay
Rs.4440-7440 + Rs.1650

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
2,650	4,620	1,650	6,270
2,715	4,730	1,650	6,380
2,780	4,840	1,650	6,490
2,845	4,950	1,650	6,600
2,910	5,070	1,650	6,720
2,975	5,180	1,650	6,830
3,040	5,290	1,650	6,940
3,105	5,410	1,650	7,060
3,170	5,520	1,650	7,170
3,235	5,630	1,650	7,280
3,300	5,750	1,650	7,400
3,370	5,870	1,650	7,520
3,440	5,990	1,650	7,640

3,510	6,110	1,650	7,760
3,580	6,230	1,650	7,880
3,650	6,360	1,650	8,010
3,720	6,480	1,650	8,130
3,790	6,600	1,650	8,250
3,860	6,720	1,650	8,370
3,930	6,840	1,650	8,490
4,000	6,960	1,650	8,610

Pre-revised scale (S -4)
Rs.2750-70-3800-75-4400

Revised Pay Band PB-1 + Grade Pay
Rs.4860-20200 + Rs.1800

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
2,750	4,990	1,800	6,790
2,820	5,120	1,800	6,920
2,890	5,120	1,800	6,920
2,960	5,150	1,800	6,950
3,030	5,280	1,800	7,080
3,100	5,400	1,800	7,200
3,170	5,520	1,800	7,320
3,240	5,640	1,800	7,440
3,310	5,760	1,800	7,560
3,380	5,890	1,800	7,690
3,450	6,010	1,800	7,810
3,520	6,130	1,800	7,930
3,590	6,250	1,800	8,050
3,660	6,370	1,800	8,170
3,730	6,490	1,800	8,290
3,800	6,620	1,800	8,420
3,875	6,750	1,800	8,550
3,950	6,880	1,800	8,680
4,025	7,010	1,800	8,810
4,100	7,140	1,800	8,940
4,175	7,270	1,800	9,070
4,250	7,400	1,800	9,200
4,325	7,530	1,800	9,330
4,400	7,660	1,800	9,460

Pre-revised scale (S - 5)
Rs.3050-75-3950-80-4590

Revised Pay Band PB-1 + Grade Pay
Rs.4860-20200 + Rs.1900

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
3,050	5,310	1,900	7,210
3,125	5,440	1,900	7,340
3,200	5,570	1,900	7,470
3,275	5,700	1,900	7,600
3,350	5,830	1,900	7,730
3,425	5,960	1,900	7,860
3,500	6,090	1,900	7,990
3,575	6,230	1,900	8,130
3,650	6,360	1,900	8,260
3,725	6,490	1,900	8,390
3,800	6,620	1,900	8,520
3,875	6,750	1,900	8,650
3,950	6,880	1,900	8,780
4,030	7,020	1,900	8,920
4,110	7,160	1,900	9,060
4,190	7,300	1,900	9,200
4,270	7,430	1,900	9,330
4,350	7,570	1,900	9,470
4,430	7,710	1,900	9,610
4,510	7,850	1,900	9,750
4,590	7,990	1,900	9,890

Pre-revised scale (S - 6)
Rs.3200-85-4900

Revised Pay Band PB-1 + Grade Pay
Rs.4860-20200 + Rs.2000

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
3,200	5,570	2,000	7,570
3,285	5,720	2,000	7,720
3,370	5,870	2,000	7,870
3,455	6,020	2,000	8,020
3,540	6,160	2,000	8,160
3,625	6,310	2,000	8,310
3,710	6,460	2,000	8,460
3,795	6,610	2,000	8,610
3,880	6,760	2,000	8,760
3,965	6,900	2,000	8,900
4,050	7,050	2,000	9,050
4,135	7,200	2,000	9,200
4,220	7,350	2,000	9,350
4,305	7,500	2,000	9,500

4,390	7,640	2,000	9,640
4,475	7,790	2,000	9,790
4,560	7,940	2,000	9,940
4,645	8,090	2,000	10,090
4,730	8,230	2,000	10,230
4,815	8,380	2,000	10,380
4,900	8,530	2,000	10,530

Pre-revised scale (S - 7)
Rs.4000-100-6000

Revised Pay Band PB-1 + Grade Pay
Rs.4860-20200 + Rs.2400

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
4,000	6,960	2,400	9,360
4,100	7,140	2,400	9,540
4,200	7,310	2,400	9,710
4,300	7,490	2,400	9,890
4,400	7,660	2,400	10,060
4,500	7,830	2,400	10,230
4,600	8,010	2,400	10,410
4,700	8,180	2,400	10,580
4,800	8,360	2,400	10,760
4,900	8,530	2,400	10,930
5,000	8,700	2,400	11,100
5,100	8,880	2,400	11,280
5,200	9,050	2,400	11,450
5,300	9,230	2,400	11,630
5,400	9,400	2,400	11,800
5,500	9,570	2,400	11,970
5,600	9,750	2,400	12,150
5,700	9,920	2,400	12,320
5,800	10,100	2,400	12,500
5,900	10,270	2,400	12,670
6,000	10,440	2,400	12,840

Pre-revised scale (S - 8)
Rs.4500-125-7000

Revised Pay Band PB-1 + Grade Pay
Rs.4860-20200 + Rs.2800

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
4,500	7,830	2,800	10,630
4,625	8,050	2,800	10,850
4,750	8,270	2,800	11,070
4,875	8,490	2,800	11,290
5,000	8,700	2,800	11,500
5,125	8,920	2,800	11,720

5,250	9,140	2,800	11,940
5,375	9,360	2,800	12,160
5,500	9,570	2,800	12,370
5,625	9,790	2,800	12,590
5,750	10,010	2,800	12,810
5,875	10,230	2,800	13,030
6,000	10,440	2,800	13,240
6,125	10,660	2,800	13,460
6,250	10,880	2,800	13,680
6,375	11,100	2,800	13,900
6,500	11,310	2,800	14,110
6,625	11,530	2,800	14,330
6,750	11,750	2,800	14,550
6,875	11,970	2,800	14,770
7,000	12,180	2,800	14,980

Pre-revised scale (S - 9)
Rs.5000-150-8000

Revised Pay Band PB-2 + Grade Pay
Rs.8700-34800 + Rs.4200

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
5,000	8,700	4,200	12,900
5,150	8,970	4,200	13,170
5,300	9,230	4,200	13,430
5,450	9,490	4,200	13,690
5,600	9,750	4,200	13,950
5,750	10,010	4,200	14,210
5,900	10,270	4,200	14,470
6,050	10,530	4,200	14,730
6,200	10,790	4,200	14,990
6,350	11,050	4,200	15,250
6,500	11,310	4,200	15,510
6,650	11,580	4,200	15,780
6,800	11,840	4,200	16,040
6,950	12,100	4,200	16,300
7,100	12,360	4,200	16,560
7,250	12,620	4,200	16,820
7,400	12,880	4,200	17,080
7,550	13,140	4,200	17,340
7,700	13,400	4,200	17,600
7,850	13,660	4,200	17,860
8,000	13,920	4,200	18,120

Pre-revised scale (S - 10)
Rs.5500-175-9000

Revised Pay Band PB-2 + Grade Pay
Rs.8700-34800 + Rs.4200

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
5,500	9,570	4,200	13,770
5,675	9,880	4,200	14,080
5,850	10,180	4,200	14,380
6,025	10,490	4,200	14,690
6,200	10,790	4,200	14,990
6,375	11,100	4,200	15,300
6,550	11,400	4,200	15,600
6,725	11,710	4,200	15,910
6,900	12,010	4,200	16,210
7,075	12,320	4,200	16,520
7,250	12,620	4,200	16,820
7,425	12,920	4,200	17,120
7,600	13,230	4,200	17,430
7,775	13,530	4,200	17,730
7,950	13,840	4,200	18,040
8,125	14,140	4,200	18,340
8,300	14,450	4,200	18,650
8,475	14,750	4,200	18,950
8,650	15,060	4,200	19,260
8,825	15,360	4,200	19,560
9,000	15,660	4,200	19,860

Pre-revised scale (S - 11)
Rs.6500-200-6900

Revised Pay Band PB-2 + Grade Pay
Rs.8700-34800 + Rs.4200

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
6,500	11,310	4,200	15,510
6,700	11,660	4,200	15,860
6,900	12,010	4,200	16,210

Pre-revised scale (S - 12)
Rs.6500-200-10500

Revised Pay Band PB-2 + Grade Pay
Rs.8700-34800 + Rs.4200

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
6,500	11,310	4,200	15,510
6,700	11,660	4,200	15,860
6,900	12,010	4,200	16,210
7,100	12,360	4,200	16,560
7,300	12,710	4,200	16,910

7,500	13,050	4,200	17,250
7,700	13,400	4,200	17,600
7,900	13,750	4,200	17,950
8,100	14,100	4,200	18,300
8,300	14,450	4,200	18,650
8,500	14,790	4,200	18,990
8,700	15,140	4,200	19,340
8,900	15,490	4,200	19,690
9,100	15,840	4,200	20,040
9,300	16,190	4,200	20,390
9,500	16,530	4,200	20,730
9,700	16,880	4,200	21,080
9,900	17,230	4,200	21,430
10,100	17,580	4,200	21,780
10,300	17,930	4,200	22,130
10,500	18,270	4,200	22,470

Pre-revised scale (S - 13)
Rs.7450-225-11500

Revised Pay Band PB-2 + Grade Pay
Rs.8700-34800 + Rs.4600

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
7,450	12,970	4,600	17,570
7,675	13,360	4,600	17,960
7,900	13,750	4,600	18,350
8,125	14,140	4,600	18,740
8,350	14,530	4,600	19,130
8,575	14,930	4,600	19,530
8,800	15,320	4,600	19,920
9,025	15,710	4,600	20,310
9,250	16,100	4,600	20,700
9,475	16,490	4,600	21,090
9,700	16,880	4,600	21,480
9,925	17,270	4,600	21,870
10,150	17,670	4,600	22,270
10,375	18,060	4,600	22,660
10,600	18,450	4,600	23,050
10,825	18,840	4,600	23,440
11,050	19,230	4,600	23,830
11,275	19,620	4,600	24,220
11,500	20,010	4,600	24,610

Pre-revised scale (S - 14)
Rs.7500-250-12000

Revised Pay Band PB-2 + Grade Pay
Rs.8700-34800 + Rs.4800

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
7,500	13,050	4,800	17,850
7,750	13,490	4,800	18,290
8,000	13,920	4,800	18,720
8,250	14,360	4,800	19,160
8,500	14,790	4,800	19,590
8,750	15,230	4,800	20,030
9,000	15,660	4,800	20,460
9,250	16,100	4,800	20,900
9,500	16,530	4,800	21,330
9,750	16,970	4,800	21,770
10,000	17,400	4,800	22,200
10,250	17,840	4,800	22,640
10,500	18,270	4,800	23,070
10,750	18,710	4,800	23,510
11,000	19,140	4,800	23,940
11,250	19,580	4,800	24,380
11,500	20,010	4,800	24,810
11,750	20,450	4,800	25,250
12,000	20,880	4,800	25,680

Pre-revised scale (S - 15)
Rs.8000-275-13500

Revised Pay Band PB-2 + Grade Pay
Rs.8700-34800 + Rs.5400

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
8,000	13,920	5,400	19,320
8,275	14,400	5,400	19,800
8,550	14,880	5,400	20,280
8,825	15,360	5,400	20,760
9,100	15,840	5,400	21,240
9,375	16,320	5,400	21,720
9,650	16,800	5,400	22,200
9,925	17,270	5,400	22,670
10,200	17,750	5,400	23,150
10,475	18,230	5,400	23,630
10,750	18,710	5,400	24,110
11,025	19,190	5,400	24,590
11,300	19,670	5,400	25,070
11,575	20,150	5,400	25,550
11,850	20,620	5,400	26,020
12,125	21,100	5,400	26,500

12,400	21,580	5,400	26,980
12,675	22,060	5,400	27,460
12,950	22,540	5,400	27,940
13,225	23,020	5,400	28,420
13,500	23,490	5,400	28,890

New (Group A Entry)
Rs.8000-275-13500

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 5400

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
8,000	15,600	5,400	21,000
8,275	15,600	5,400	21,000
8,550	15,990	5,400	21,390
8,825	15,990	5,400	21,390
9,100	16,390	5,400	21,790
9,375	16,390	5,400	21,790
9,650	16,800	5,400	22,200
9,925	17,270	5,400	22,670
10,200	17,750	5,400	23,150
10,475	18,230	5,400	23,630
10,750	18,710	5,400	24,110
11,025	19,190	5,400	24,590
11,300	19,670	5,400	25,070
11,575	20,150	5,400	25,550
11,850	20,620	5,400	26,020
12,125	21,100	5,400	26,500
12,400	21,580	5,400	26,980
12,675	22,060	5,400	27,460
12,950	22,540	5,400	27,940
13,225	23,020	5,400	28,420
13,500	23,490	5,400	28,890

Pre-revised scale (S - 16)
Rs.9000

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 5400

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
9,000	15,990	5,400	21,390

Pre-revised scale (S - 17)
Rs.9000-275-9550

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 5400

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
9,000	15,990	5,400	21,390
9,275	16,390	5,400	21,790
9,550	16,800	5,400	22,200

Pre-revised scale (S - 18)
Rs.10325-325-10975

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 6100

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
10,325	17,970	6,100	24,070
10,650	18,540	6,100	24,640
10,975	19,100	6,100	25,200

Pre-revised scale (S - 19)
Rs.10000-325-15200

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 6100

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
10,000	17,400	6,100	23,500
10,325	17,970	6,100	24,070
10,650	18,540	6,100	24,640
10,975	19,100	6,100	25,200
11,300	19,670	6,100	25,770
11,625	20,230	6,100	26,330
11,950	20,800	6,100	26,900
12,275	21,360	6,100	27,460
12,600	21,930	6,100	28,030
12,925	22,490	6,100	28,590
13,250	23,060	6,100	29,160
13,575	23,630	6,100	29,730
13,900	24,190	6,100	30,290
14,225	24,760	6,100	30,860
14,550	25,320	6,100	31,420
14,875	25,890	6,100	31,990
15,200	26,450	6,100	32,550

Pre-revised scale (S - 20)
Rs.10650-325-15850

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 6500

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
10,650	18,540	6,500	25,040
10,975	19,100	6,500	25,600
11,300	19,670	6,500	26,170
11,625	20,230	6,500	26,730
11,950	20,800	6,500	27,300
12,275	21,360	6,500	27,860
12,600	21,930	6,500	28,430
12,925	22,490	6,500	28,990
13,250	23,060	6,500	29,560
13,575	23,630	6,500	30,130
13,900	24,190	6,500	30,690
14,225	24,760	6,500	31,260
14,550	25,320	6,500	31,820
14,875	25,890	6,500	32,390
15,200	26,450	6,500	32,950
15,525	27,020	6,500	33,520
15,850	27,580	6,500	34,080

Pre-revised scale (S - 21)
Rs.12000-375-16500

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 6600

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
12,000	20,880	6,600	27,480
12,375	21,540	6,600	28,140
12,750	22,190	6,600	28,790
13,125	22,840	6,600	29,440
13,500	23,490	6,600	30,090
13,875	24,150	6,600	30,750
14,250	24,800	6,600	31,400
14,625	25,450	6,600	32,050
15,000	26,100	6,600	32,700
15,375	26,760	6,600	33,360
15,750	27,410	6,600	34,010
16,125	28,060	6,600	34,660
16,500	28,710	6,600	35,310

Pre-revised scale (S - 22)
Rs.12750-375-16500

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 7500

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
12,750	22,190	7,500	29,690
13,125	22,840	7,500	30,340
13,500	23,490	7,500	30,990
13,875	24,150	7,500	31,650
14,250	24,800	7,500	32,300
14,625	25,450	7,500	32,950
15,000	26,100	7,500	33,600
15,375	26,760	7,500	34,260
15,750	27,410	7,500	34,910
16,125	28,060	7,500	35,560
16,500	28,710	7,500	36,210

Pre-revised scale (S - 23)
Rs.12000-375-18000

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 7600

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
12,000	20,880	7,600	28,480
12,375	21,540	7,600	29,140
12,750	22,190	7,600	29,790
13,125	22,840	7,600	30,440
13,500	23,490	7,600	31,090
13,875	24,150	7,600	31,750
14,250	24,800	7,600	32,400
14,625	25,450	7,600	33,050
15,000	26,100	7,600	33,700
15,375	26,760	7,600	34,360
15,750	27,410	7,600	35,010
16,125	28,060	7,600	35,660
16,500	28,710	7,600	36,310
16,875	29,370	7,600	36,970
17,250	30,020	7,600	37,620
17,625	30,670	7,600	38,270
18,000	31,320	7,600	38,920

Pre-revised scale (S - 24)
Rs.14300-400-18300

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 7600

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
14,300	24,890	7,600	32,490
14,700	25,580	7,600	33,180
15,100	26,280	7,600	33,880
15,500	26,970	7,600	34,570
15,900	27,670	7,600	35,270
16,300	28,370	7,600	35,970
16,700	29,060	7,600	36,660
17,100	29,760	7,600	37,360
17,500	30,450	7,600	38,050
17,900	31,150	7,600	38,750
18,300	31,850	7,600	39,450

Pre-revised scale (S - 25)
Rs.15100-400-18300

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 8300

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
15,100	26,280	8,300	34,580
15,500	26,970	8,300	35,270
15,900	27,670	8,300	35,970
16,300	28,370	8,300	36,670
16,700	29,060	8,300	37,360
17,100	29,760	8,300	38,060
17,500	30,450	8,300	38,750
17,900	31,150	8,300	39,450
18,300	31,850	8,300	40,150

Pre-revised scale (S - 26)
Rs.16400-450-20000

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 8400

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
16,400	28,540	8,400	36,940
16,850	29,320	8,400	37,720
17,300	30,110	8,400	38,510
17,750	30,890	8,400	39,290
18,200	31,670	8,400	40,070
18,650	32,460	8,400	40,860

19,100	33,240	8,400	41,640
19,550	34,020	8,400	42,420
20,000	34,800	8,400	43,200

Pre-revised scale (S - 27)
Rs.16400-450-20900

Revised Pay Band PB-3 + Grade Pay
Rs.15600-39100 + 8400

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
16,400	28,540	8,400	36,940
16,850	29,320	8,400	37,720
17,300	30,110	8,400	38,510
17,750	30,890	8,400	39,290
18,200	31,670	8,400	40,070
18,650	32,460	8,400	40,860
19,100	33,240	8,400	41,640
19,550	34,020	8,400	42,420
20,000	34,800	8,400	43,200
20,450	35,590	8,400	43,990
20,900	36,370	8,400	44,770

Pre-revised scale (S - 28)
Rs.14300-450-22400

Revised Pay Band PB-4 + Grade Pay
Rs.39200-67000 + 9000

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
14,300	39,200	9,000	48,200
14,750	39,200	9,000	48,200
15,200	40,180	9,000	49,180
15,650	40,180	9,000	49,180
16,100	41,190	9,000	50,190
16,550	41,190	9,000	50,190
17,000	42,220	9,000	51,220
17,450	42,220	9,000	51,220
17,900	43,280	9,000	52,280
18,350	43,280	9,000	52,280
18,800	44,370	9,000	53,370
19,250	44,370	9,000	53,370
19,700	45,480	9,000	54,480
20,150	45,480	9,000	54,480
20,600	46,620	9,000	55,620
21,050	46,620	9,000	55,620
21,500	47,790	9,000	56,790
21,950	47,790	9,000	56,790
22,400	48,990	9,000	57,990

Pre-revised scale (S - 29)
Rs.18400-22400

Revised Pay Band PB-4 + Grade Pay
Rs.39200-67000 + 9000

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
18,400	43,280	9,000	52,280
18,900	44,370	9,000	53,370
19,400	44,370	9,000	53,370
19,900	45,480	9,000	54,480
20,400	45,480	9,000	54,480
20,900	46,620	9,000	55,620
21,400	46,620	9,000	55,620
21,900	47,790	9,000	56,790
22,400	48,990	9,000	57,990

Pre-revised scale (S - 30)
Rs.22400-525-24500

Revised Pay Band PB-4 + Grade Pay
Rs.39200-67000 + 11000

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
22,400	48,990	11,000	59,990
22,925	50,220	11,000	61,220
23,450	51,480	11,000	62,480
23,975	52,770	11,000	63,770
24,500	54,090	11,000	65,090

Pre-revised scale (S - 31)
Rs.22400-600-26000

Revised Pay Band PB-4 + Grade Pay
Rs.39200-67000 + 13000

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
22,400	48,990	13,000	61,990
23,000	50,220	13,000	63,220
23,600	51,480	13,000	64,480
24,200	54,090	13,000	67,090
24,800	55,450	13,000	68,450
25,400	56,840	13,000	69,840
26,000	58,270	13,000	71,270

Pre-revised scale (S - 32)
Rs.24050-650-26000

Revised Pay Band PB-4 + Grade Pay
Rs.39200-67000 + 13000

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
24,050	52,770	13,000	65,770
24,700	55,450	13,000	68,450
25,350	56,840	13,000	69,840
26,000	58,270	13,000	71,270

Pre-revised scale (S - 33)
26000 (fixed)

Apex Scale
80000 (fixed)

Basic Pay in the pre-revised scale	Revised pay in the Apex Scale	Grade Pay	Total Pay
26000	80,000	-	80,000

Pre-revised scale (S - 34)
30000 (fixed)

Cabinet Secretary/Equivalent Scale
90000 (fixed)

Basic Pay in the pre-revised scale	Revised pay in Cabinet Secretary/Equivalent Scale	Grade Pay	Total Pay
30000	90000	-	90000

Pay scales of Defence Forces Personnel

- Introduction* 2.3.1 The first two Pay Commissions did not consider the pay scales, allowances and other service conditions of Defence Forces personnel. At that time, the structure of emoluments of the Defence Forces personnel was looked into by the departmental committees which included the representatives of the three services.
- Post-war Pay Committee* 2.3.2 After the First Pay Commission, a Post War Pay Committee was constituted for the Defence Forces personnel. Their recommendations were implemented from 1/7/1947. The Committee simplified the pay structure of the Defence Forces personnel considerably and abolished a number of allowances which had either relevance only to war conditions or which could be merged with the pay. The Committee established a broad relativity of officers of Defence Forces with the officers of Class-I central services and the Indian Police Service (IPS). Insofar as Personnel Below Officer Ranks (PBORs) were concerned, the fully trained infantry soldier with 3 years service was equated with a semi-skilled worker. Pension related issues of the Defence Forces were considered subsequently by the Defence Forces Pension Revision Committee constituted in 1949 which gave its report in 1950.
- Raghuramaiya Committee* 2.3.3 Subsequent to the report of the Second Pay Commission, the consequential changes for Defence Forces personnel were effected as per the recommendations made by the Raghuramaiah Committee that gave its report in 1960. The revisions made by this Committee were consequential in nature and broadly followed the revisions made by the Second CPC on the civil side. The Committee did not modify any of the principles followed by the Post War Pay Committee. The Raghuramaiya Committee specifically mentioned that the accepted parallel between defence service officers and Class-I services of the Central Government, particularly the Indian Police Service should be continued.
- Subsequent developments* 2.3.4 Subsequently, the parity of officers' pay scale in Defence Forces vis-à-vis that of the IPS got cemented further and modifications in the IPS scales became a trigger for corresponding changes in the analogous grade in the Defence Forces.

*Third Pay
Commission*

2.3.5 The Third Pay Commission was the first Commission whose terms of reference included examination of the structure of emoluments, the retirement benefits and terms and conditions of the Defence Forces personnel. The Commission noted that the relativity of the officers in Defence Forces vis-à-vis IPS was only a working method of devising scales of pay for the service officers which did not mean that the functional role of the two services were similar. The Commission, however, qualified this statement by mentioning that the job profile of IPS officers was the closest civilian analogue vis-à-vis infantry officers and that a working relationship did exist between the two organizations. The Commission also specifically noted that the pay structure of the Indian Administrative Service with its long pay scales was particularly unsuitable for service officers.

*Disturbance
Allowance and the
edge in Defence
Forces pay scales*

2.3.6 The Defence Forces had demanded a higher rate of Special Disturbance Allowance from the Third Pay Commission. The Commission, however, noted that the Disturbance Allowance was granted in 1950 as a temporary measure to improve the earnings of service officers without interfering with the pay scales introduced as per the recommendations of the Post War Pay Committee which had brought down the pay scales of many Indian Commissioned Officers (ICOs). At such time, the grant of Disturbance Allowance offered some relief to them. The Third Pay Commission noted that the extent of turbulence was off-set by the special facilities given to Defence Forces personnel and no justification existed for continuance of the Special Disturbance Allowance as a separate entity. The Commission, however, did not recommend total abolition of this allowance as it had existed for a long time and instead merged this allowance with the pay scales of Defence Forces officers. Hence, the Third CPC pay scales of Defence Forces officers also contained an element of Special Disturbance Allowance which had hitherto been given as a separate allowance. On account of this fact, post-Third CPC, the pay scales of Defence Forces officers had a slight edge vis-à-vis the analogous posts in the civilian side.

Fourth CPC

2.3.7 The Fourth CPC, while devising the revised pay scales of Defence Forces officers took into note the proposal seeking running pay bands put forth by the Defence Forces. The Defence Forces had desired a running pay band so as to ensure a smooth and improved career progression which otherwise was not possible especially as any large scale cadre review in the Defence Forces would have created unacceptable aberrations in their hierarchical structure. The Fourth Pay Commission, accordingly, recommended an integrated pay scale for all officers upto the rank of Brigadier and equivalent in three services and separately gave a rank pay ranging from Rs.200 to Rs.1200 p.m. for posts from Captain/equivalent to Brigadier/equivalent. During such time, the Defence Forces had

desired inclusion of the officers in the rank of Major General also in the proposed integrated pay scale. This was, however, not found acceptable by the Fourth CPC who, therefore, placed Major Generals in the pay scale of Rs.5900-6700 being the senior administrative pay-scale (SAG) for civilians.

Fifth CPC

2.3.8 The Fifth CPC took note of the fact that the Special Disturbance Allowance had been incorporated by the Third CPC in the pay scales of Defence Forces officers. The Commission, accordingly, recommended a similar edge in the starting pay of Lieutenant (the rank of 2nd Lieutenant having been recommended to be abolished by the Commission) who was, therefore, given the starting pay of Rs.8250 as against Rs.8000 recommended for a civilian Group A officer. Before the Fifth CPC, the Defence Forces had proposed two running pay bands for Defence Forces officers – (i) till the post of Colonel; and (ii) from Brigadier to Lt. General. The Fifth CPC, however, concluded that a separate dispensation for Defence Forces in the form of running pay bands would have repercussions on civilian employees and that the better method would be to provide explicit compensation in regular pay scales. The Commission, accordingly, recommended abolition of integrated pay scales by regular pay scales with progression in pay being provided by the mechanism of ACP Scheme. The Fifth CPC, however, retained the concept of rank pay for officers till the post of Brigadier. The pay scale of Major General/equivalent was recommended as Rs.18400-22400 on par with SAG scale of civilians.

Relativity between Defence Forces and civilian officers established by the earlier Pay Commissions

2.3.9 The relativity existing between pay scales of analogous posts in the Defence Forces and the civilians since the time of Third Central Pay Commission is tabulated as follows:

Third CPC recommendations		(in Rs.)	
Civilian		Defence Forces*	
Grade	Pay Scale	Grade	Pay Scale
JTS	700-1300	2 nd Lieut.	750-790
		Lieut.	830-950
STS	1100-1600	Capt.	1020-1450
		Major	1350-1750
JAG	1200-2000	Lt. Col. (Acting)	1500-1900
		Lt. Col. (Subs.)	1700-1900
		Lt. Col. (TS)	1800 (Fixed)
NFSG	2000-2250	Colonel	1950-75-2175
DIG	2250-2500	Brig.	2200-100-2400
SAG I	2500-2750	Major General	2500-2750
HAG	3000 Fixed	Lt. General	3000 (Fixed)
Secretary	3500 Fixed	General	3500 (Fixed)
-		Service Chiefs	4000 (Fixed)

*(The pay scales in Navy were slightly different.)

Fourth CPC recommendations

Civilian		Defence Forces			
Grade Scale (Rs.)	Pay	Grade Scale (Rs.)	Pay		
JTS	2200-4000	2 nd Lieut. to Brig.	2300-100-4200- EB-100-5000 (Integrated pay scale) (Revised to 2300-5100)		
STS	3000-4500				
JAG	3700-5000				
NFSG	4500-5700				
DIG	5100-5700 (Revised to 5100-6150)				
				Rank	Amount of rank pay (p.m.)
				Capt. & equ.	200
				Major & equ.	400
				Lt. Col. (Sel. & equ.)	600
				Col. & equ.	800
		Brig. & equ.	1200		
		Pay scales for higher levels			
SAG	5900-6700	Maj. Gen. & equ.	5900-200-6700		
HAG	7600 (fixed)	Lt. Gen.	7600 (fixed)		
Secretary	8000 (fixed)	Army Comm.	8000 (fixed)		
Cab. Secy.	9000 (fixed)	Service Chiefs	9000 (fixed)		

Fifth CPC recommendations

Civilian		Defence Forces		
Grade Scale (Rs.)	Pay	Grade	Pay Scale (Rs.)	Rank pay (p.m.)
JTS	8000-13500	Lieut.	8250-10050	
		Capt.	9600-11400	400
STS	10000-15200	Maj.	11600-14850	1200
JAG	12000-16500	Lt. Col.	13500-17100	1600
NFSG	14300-18300	Col.	15100-17350	2000
DIG	16400-20000	Brig.	15350-17600	2400
SAG	18400-22400	Maj. Gen.	18400-22400	-
HAG	22400-24500	Lt. Gen. & equ.	22400-24500	-
Secretary	26000 (fixed)	Vice Chiefs and Army Comm. Equivalent	26000 (fixed)	-
Cab. Secy.	30000 (fixed)	Service Chiefs	30000 (fixed)	-

Analysis

2.3.10 The following facts emerge from the history of the rank structure of officers in the Defence Forces:-

- (i) A broad parity has always existed between the pay scales of Defence Forces officers and civilian group A services in general and with IPS in particular.
- (ii) Special Disturbance Allowance was given to the Defence Forces officers in 1950 as a temporary measure to improve their earnings without interfering with the pay scales introduced as per the recommendations of the Post War Pay Committee which had brought down the pay scales of many Indian Commissioned Officers (ICOs).
- (iii) An edge was provided by the Third CPC in the Defence Forces officer's pay scales because the Commission had converted the then existing Special Disturbance Allowance into an edge in starting pay vis-à-vis the civilian group A officers.
- (iv) The Fourth CPC had continued this edge in devising the running pay band for Defence Forces officers up to the rank of Brigadier and had revised the integrated pay scale taking in account the time taken for promotion to different pay scales. The element of rank pay was carved out of the pay scales so revised after giving the edge vis-à-vis civilian group A officers.
- (v) The Fifth CPC maintained this edge even though it reverted from running pay bands to individual pay scales for various officers' ranks in the Defence Forces.
- (vi) The edge in the Defence Forces pay scales for their officers is on account of the Special Disturbance Allowance. Otherwise, the established relativity of the posts of Major General and Brigadier is with SAG and DIG pay scales of civilians/police forces respectively.
- (vii) The Defence Forces had sought running pay band upto the post of Major General before the Fourth CPC. The Commission, however, conceded the running pay band only upto the post of Brigadier/equivalent.
- (viii) The Fifth CPC had not recommended running pay in Defence Forces on account of the repercussions it would have had on civilian pay scales.

*Analysis -
Movement of
SSCOs into
CPMFs*

2.3.11 This Commission has recommended running pay bands for all civilian employees. The ground on which the Fifth CPC had not conceded the demand of the Defence Forces to grant them running pay bands viz. the impact it will have on the civilian pay scales, therefore, does not hold good any longer. As such, running pay bands can justifiably be reintroduced for Defence Forces officers as well. Introduction of running pay bands for Defence Forces is necessary, even otherwise, to give effect to the recommendation envisaging absorption of all Short Service Commissioned Officers (SSCOs) and PBORs at appropriate levels in the Central Para Military Forces (CPMFs). This absorption will not be feasible unless identical or at least similar pay scales are introduced for civilians as well as the Defence Forces. For smooth assimilation of PBORs and SSCO on completion of their stint in the Defence Forces in CPMFs, similar pay scales along with one to one co-relation of analogous posts in the Defence Forces and CPMFs would be necessary. The normal stint of SSCO in Defence Forces is 7 years. After 7 years of service, an officer in the Defence Forces will be in the rank of Major/equivalent. In CPMFs, a direct Group A recruit with 7 years of service is likely to be in the scale of Rs.10000-15200 carrying the post of Deputy Commandant. Even otherwise, the posts of Major/equivalent in the Defence Forces and Deputy Commandant in CPMFs need to be treated as analogous because a direct recruit officer takes minimum 6 years to be promoted to this post in both the organizations. The Commission is fully aware that start of the pay scale of Major/equivalent (Rs.11600-325-14850) in Defence Forces is higher than that of Deputy Commandants (Rs.10000-15200). This, however, is on account of the edge prevailing in the Defence Forces which will continue till the time the officer serves there in form of Military Service Pay (MSP). Once the officer switches over to CPMFs, the MSP will not be payable as a separate element but will be counted for purposes of fixation of pay in the pay scale applicable to the post of Deputy Commandant/equivalent in any of the CPMFs. This will ensure that an officer on his switch over from Defence Forces to CPMFs does not lose out monetarily.

*Analysis -
Military Service
Pay*

2.3.12 The Commission is of the view that running pay bands on par with those recommended for civilian officers needs to be introduced in respect of the Defence Forces as well. This is also in conformity with the recommendations of all the three earlier Central Pay Commissions that had simultaneously considered the pay scales and related issues of civilians as well as the Defence Forces. The edge enjoyed by the Defence Forces over the civilian scales will, after suitable enhancement to meet the genuine aspirations of the Defence Forces, be given as a separate element called Military Service Pay. Presently the edge enjoyed by the Defence Forces

officers is limited to the rank of Brigadier. This edge will need to be protected. The edge will be carried to the post of Major General as well because Military Service Pay shall be taken in account for purposes of fitment at the time of promotion from Brigadier to Major General. Higher grades do not need to be extended any MSP. Consequently, **the Military Service Pay will be extended to all the posts in the Defence Forces upto the level of Brigadier/equivalent. MSP being a new element, no arrears shall be paid on this account. It will, however, be considered for purposes of fixation of pay and pension.**

2.3.13 **The Military Service Pay shall count as pay for all purposes except for computing the annual increment(s). However, status of the Defence Forces officers would be determined by the grade pay attached to their post as is the case with civilians. This will meet the two major demands of the Defence Forces viz.**

- i) Parity with civilian posts with a distinct edge to compensate for hardships specific to defence service.
- ii) Grant of Military Service Pay.

As stated earlier, the Commission has taken adequate care while devising the Military Service Pay to ensure that not only the element of edge over civilian pay scales currently enjoyed by the Defence Forces is maintained but also that the genuine aspirations of the Defence Forces officers are met.

Recommendations regarding pay scales of Defence Forces officers

2.3.14 **In view of the discussions in the preceding paras, the Commission recommends following pay scales for Service Officers in the Defence Forces:-**

	(Rs.)		
Post	Pay Band	Grade Pay	Military Service Pay#
Lieutenant/equ.	15600-39100	5400	6000
Captain/ equ.	15600-39100	5700	6000
Major/ equ.	15600-39100	6100	6000
Lt. Colonel/ equ.	15600-39100	6600	6000
Colonel/ equ.	15600-39100	7600	6000
Brigadier/ equ.	15600-39100	8400	6000
Major General/ equ.	39200-67000	9000	Nil*
Lt. General/ equ.	39200-67000	11000	Nil
Vice Chiefs and Army Commander/ equ.	80000 (Fixed)	Nil	Nil
Service Chiefs	90000 (Fixed)	Nil	Nil

No arrears on account of Military Service Pay shall be payable.

* The element of Military Service Pay shall be taken in account for purposes of fitment at the time of promotion from Brigadier/ equivalent to Major General/ equivalent.

Pay of Principal Staff Officers/ DG(AFMS)

2.3.15 The Defence Forces have proposed to place the Principal Staff Officers (PSOs) at Service Headquarters in the same pay scale as Secretary to Government of India and Army Commander/equivalent on the ground that they bring vast experience, professional knowledge, administrative and operational acumen in shaping the future policies of the three Services. PSOs take decisions having far reaching operational, personnel and financial ramifications on behalf of the Service Chiefs. **In view of the fact that PSOs are posted at service headquarters and upgradation of the pay scale of PSOs who draw the same pay scale as Corps Commanders, who are in the field would affect the relativity between field and peace assignments, the Commission does not recommend upgradation of the pay scale of PSOs.**

Pay scale of Director General (AFMS)

2.3.16 Higher scale of Rs.26,000 (fixed) has been demanded for the post of Director General (Armed Force Medical Service). Adequate justification exists for this demand as the cadre of Doctors in the Armed Forces should justifiably be headed by an officer in the Apex Scale. No relativity is likely to be disturbed on this account as no other post presently exists in the Defence Forces in this scale. **The Commission recommends placement of the post of Director General (AFMS) in the Apex Scale of Rs.80,000 (fixed) corresponding to the pre-revised pay scale of Rs.26,000 (fixed).**

Higher pay on personal basis to officers not promoted due to short tenure/ promotion on non-functional basis

2.3.17 Presently, Lt. General and equivalent who have less than two years service are not promoted as Army Commander even though they may be otherwise eligible. A demand has been made that Lt. General/equivalent not promoted as Army Commander/equivalent for want of residual service should be given the pay of Army Commander/equivalent. Grant of promotion on non-functional basis for certain other posts of officers has also been demanded. The demand has some merit as grant of higher pay on personal basis to Defence Forces officers not promoted due to short tenure would appear to be justified. The Commission, however, is not making a clear-cut recommendation on this issue because, in its opinion, the demand has to be considered by the Government taking in view the various considerations. **The Commission recommends that the Government should consider the demand for grant of higher pay band and grade pay on non-functional basis to the Defence Forces officers who are not promoted due to short tenure. This non-functional upgradation, if allowed, will not count for other benefits like increase in tenure, etc.**

Starting pay for AMC officers

2.3.18 Presently officers belong to the Armed Medical Corps (AMC) are given different entry level pay scale as compared to other commissioned officers. A Lieutenant (Army) is paid the entry level

pay scale of Rs.9150 during internship. Doctors who join the services after their internship are inducted as Captain in the entry level scale of Rs.9450. The existing position ensuring a higher start for these officers is justified. The Fifth CPC had also adopted this approach. The initial entry scale recommended by the Fifth CPC for Lieutenant and Captain in the Armed Medical Corps tentamounted to 3 and 4 advance increments respectively. The existing position needs to be maintained. **The Commission, accordingly, recommends that Lieutenant of the Army Medical Corps, Army Dental Corps, Remount and Veterinary Corps should be given a start that is 7.5% higher than the minimum of the pay band PB-3 of Rs.15600-39100 along with a grade pay of Rs.5400 attached to the post of Lieutenant. Similarly, Captains in the Army Medical Corps should be given the entry pay that is 10% higher than the minimum of pay band PB-3 of Rs.15600-39100 along with a grade pay of Rs.5700 attached to the post of Captain.**

*MNS -
introduction*

2.3.19 Officers of Military Nursing Service are treated on par with officers of general cadre in respect of leave, LTC and other facilities. Their pay scales are however lower and they are not entitled for benefit of FR 22(1)(a)(i) at the time of promotion. They are recruited either through the Defence Forces nursing schools which award a diploma in nursing. Civilian nurses with a degree [B.Sc. (Nursing)] are also eligible. They not only fulfill all the functions in the nursing field but are also liable to serve in the field areas just like any other personnel of the Defence Forces.

*Recommendations
regarding pay
scales MNS
Officers*

2.3.20 Officers belonging to Military Nursing Service (MNS) have a starting pay equal to the Group A civilian starting scale. MNS cadre follows same designations as the officers of the Army, however, their pay scales are slightly lower. The two preceding Pay Commissions had considered the issue of lower pay scales in MNS and recommended that parity of MNS officers with other Service Officers was not justified. The Fifth CPC had additionally observed that it would not be fair to give parity between civil nurses and MNS officers keeping in view the all India liability and military service element of the latter category. The observations made by the Fifth Central Pay Commission regarding absence of any justification for drawing parity between civil nurses and MNS officers are apt. **The Commission, however, is of the view that no differential in salary of officers belonging to the Services or MNS is justified and that the pay band and grade pay of similarly designated posts in Service Officers cadre and MNS cadre should be same.** In line with the other Defence Forces personnel, Military Service Pay (MSP) would also need to be extended in their case. **The rates of MSP would however need to be kept suitably lower keeping in view the fact that MNS officers are not primarily meant for combat**

duties. The Commission, accordingly, recommends the following pay structure for MNS officers:-

(Rs.)

Post	Pay Band	Grade Pay	Military Service Pay#
Lieutenant/ equ.	15600-39100	5400	4200
Captain/ equ.	15600-39100	5700	4200
Major/ equ.	15600-39100	6100	4200
Lt. Colonel/ equ.	15600-39100	6600	4200
Colonel/ equ.	15600-39100	7600	4200
Brigadier/ equ.	15600-39100	8400	4200
Major General/equ.	39200-67000	9000	Nil*

No arrears on account of Military Service Pay shall be payable.

The element of Military Service Pay shall be taken in account for purposes of fitment at the time of promotion from Brigadier/equivalent to Major General/equivalent.

Pay fixation & Career progression of MNS Officers

2.3.21 Benefit of pay fixation at the time of regular promotion to the next higher grade is always available because promotions to the next higher grade with a concomitant change in the pay scale (now pay band and grade pay) cannot be otherwise than on functional considerations. Even otherwise, benefit of fixation under FR 22(1)(a)(i) is available even at the time of financial upgradation under Assured Career Progression Scheme in case of civilians. The Commission has proposed retention of benefit of such pay fixation even in the Modified Assured Career Progression Scheme being recommended in the Report. In such a scenario, grant of pay fixation at the time of promotion to the officers of MNS cadre is eminently justified. **The Commission, accordingly, recommends that benefit of pay fixation (equal to 2.5% of pay) on par with all other categories of employees be allowed to the officers of MNS cadre at the time of their promotion. The scheme of time bound promotions upto the level of Lieutenant Colonel, already available to the Service Officers, should be extended to MNS officers as well.**

MNS (Local)

2.3.22 MNS cadre also comprises the cadre of MNS (Local). The cadre was constituted when in the regular cadre of MNS, service was not permitted after marriage. Officers belonging to MNS (Local) cadre are recruited in the rank of Lieutenant and are not entitled for further promotion. The existing pay scale of this category of officers is Rs.5500-9000. MNS (Local) is a dying cadre and no further recruitment is being made to this cadre because now regular MNS officers are retained in service after marriage. There are only 13 officers in this cadre. Since the duties of MNS (Local) officers are similar to those belonging to the regular cadre of MNS,

the Commission is of the view that these officers should be placed on par with the entry scale of officers belonging to the regular cadre of MNS. **It is, accordingly, recommended that all officers belonging to MNS (Local) cadre should be placed in the pay band PB-3 of Rs.15600-39100 along with a grade pay of Rs.5400 and MSP of Rs.4200. They will be eligible for two non-functional financial upgradations as at present on completion of stipulated years of service.**

*Personnel Below
Officer Ranks
(PBORs)*

2.3.23 Personnel Below Officer Ranks (PBORs) in Defence Forces are placed in three different groups depending upon the trade groups that represent different skill requirements. The Fifth Central Pay Commission had noted that till Fourth CPC, the linkage existed between the industrial worker and the Group D infantry soldier. The Fourth CPC was of the view that duties of infantry soldiers were not really comparable with any other category of employee and the scales were formulated in a manner that gave an edge to the infantry soldier with three years service over the skilled worker. The Fifth Central Pay Commission recommended that infantry soldier should continue to have an edge at the start over a Constable belonging to the Central Police Organisation. Before Fifth CPC, the PBORs were placed in five different groups namely A, B, C, D and E. The Fifth CPC recommended merger of Groups C & D for PBORs. Different pay scales were however given for trade groups in the three Defence Forces. Subsequently, the various groups for PBORs in the Defence Forces were reduced to three. Presently, three different trade groups viz. X, Y and Z exist for PBORs in the three Defence Forces.

*Principles and
methodology for
devising new pay
scales for PBORs*

2.3.24 The Commission is recommending lateral shift of PBORs and Short Service Commission Officers (SSCOs) to Central Police Organisations (CPOs) and Defence Civilian Organisations. To facilitate this lateral shift, a clear one to one relativity has to be established between different grades in the Defence Forces and those existing in CPOs/Defence Civilian Organisations. The pay scales of PBORs, therefore, needed to be converted to those existing in the civilian side so that no relativity issues can arise at the time of their lateral shift to CPOs/Defence Civilian Organisations. Defence Forces joint memorandum to the Commission has proposed common pay scales for various trade groups in the three Defence Forces. This is in modification of the present situation where the trade groups in the three Defence Forces are different. The Commission is of the view that placing personnel in same trade groups in different Defence Forces in an identical pay scale is justified because the trade groups are classified as per the skill requirements. Therefore, the amount of skill required in an identical trade group, whether in Army, Navy or Air Force would be same. Accordingly, a similar pay scale has to be given for PBORs in the

same trade group irrespective of whether they are serving in the Army, Navy or Air Force. The joint memorandum proposed retention of the three trade groups. The issue was discussed in a series of meetings with the officers of the three forces. During the course of these meetings, the issue of further reduction in the existing trade groups was also discussed. Officials of the Army, which has maximum number of personnel in the Z trade group, favored merger of the Y and Z trade groups. Air Force has very few categories in the Z trade group. Officials of the Navy had no objection in case the existing three trade groups were reduced to two with the lowest trade group (Z) being merged with the next higher trade group (Y). The Commission is of the view that the merger of Y and Z trade groups is necessary keeping in view the general principle being followed for civilian pay scales where all posts in Group D have been upgraded with the existing incumbents being placed in Group C pay scale.

Revised pay bands and grade pay

2.3.25 Keeping in view the principles propounded in the preceding para, civilian pay scales will need to be extended in case of PBORs. Further, not only the edge presently enjoyed by PBORs over civilian posts will need to be protected, but also the higher emoluments enjoyed by PBORs in X trade group over those in Y trade group will also have to be maintained. Since most of the PBORs will now be shifted laterally to the CPOs after their stint in the Defence Forces, the pay scales recommended for various posts in CPOs will need to be extended to PBORs. The Commission is unable to recommend different grade pay for PBORs holding same ranks in the two trade groups because in the Defence Forces, the seniority is not dependent on the pay scale but on the rank held by the concerned personnel. Consequently, a Naik in Group Y, despite enjoying a lower start vis-à-vis a Sepoy in group X, will still be superior in rank vis-à-vis the latter. Since, in the revised scheme of pay bands and grade pay being recommended by the Commission, the status within a pay band will be determined by the grade pay, it is not possible to recommend different grade pay for same ranks in different trade groups. Thus, the edge presently enjoyed by PBORs in X trade group will need to be protected in the form of separate X Group pay. The Commission has consequently recommended a separate X Group Pay for the PBORs in the X Group.

Military Service Pay for PBORs

2.3.26 The existing relativity of PBORs vis-à-vis CPOs and other civilian posts is not only fully protected but in fact it is being enhanced through the grant of Military Service Pay at all levels. For Defence Forces officers, the Commission has recommended MSP of Rs.6000 for posts upto Brigadier/equivalent equivalent. The Commission is of the view that the rate of MSP as a percentage of the existing pay has to be maintained in case of officers (up to the level of Brigadier/equivalent) as well as PBORs because the

difficulties faced in field situations by both these categories are similar. The minimum pre-revised basic pay at the entry level for officers is Rs. 8250. The minimum pre-revised basic pay at the entry level for PBORs is Rs.3200. Hence, the ratio between minimum pre revised basic pay of officers and PBORs in Fifth CPC pay scales is 2.6. Going by this ratio, the MSP for PBORs should have been Rs.2308 (6000/2.6). However, in case of officers, rank pay for various grades up to Brigadier/equivalent was also payable which will no longer be paid in the revised scheme of running pay bands along with grade pay and MSP (in case of defence officers). The average rank pay for grades of officers up to Brigadier/equivalent works out to Rs.1267. This amount will need to be excluded while computing MSP for PBORs as they were not paid any rank pay. The MSP for PBORs, therefore, should be in the vicinity of Rs. 1000. **The Commission, accordingly, recommends that all PBORs may be paid Military Service Pay of Rs.1000 p.m.**

*Relativity
between trade
groups X and Y*

2.3.27 Insofar as pay of PBORs in group X is concerned, a separate element will have to incorporate the edge that existed in their pay scales vis-à-vis the PBORs in Group Y. The following table gives the difference between pay scales proposed in the common memorandum for PBORs in X and Y trade groups:-

Rank	X scale	Y Scale	Difference
Sepoy	3675-4725	3325-4375	350
Naik	4150-5200	3900-5175	250
Havaldar	5000-6500	4320-5820	680
Nb. Subedar	6000-8520	5620-8140	380
Subedar	6750-9790	6600-9320	150
Subedar Major	7400-10200	6750-9550	650

As shown in the table above, the difference between the pay scales in various ranks of group X and Y varies between Rs.150 to Rs.680. The average difference works out to Rs.410. Dearness allowance and dearness pay are also payable on this difference. Further, relativity of some of the grades of PBORs in group X with diploma holders in the civilian side will also need to be taken in consideration. In the case of civilians, posts requiring minimum qualification of diploma in engineering are placed in the grade pay of Rs.4200 that corresponds to the pre-revised scale of Rs.5000-8000 and is being merged with the scales of Rs.5500-9000 and Rs.6500-10500. The grade immediately lower (Rs.4500-7000) carries the grade pay of Rs.2800. In the Defence Forces, some of the posts in X

group whose minimum qualifications are held equivalent to a diploma in engineering are being placed in the grade pay corresponding to the pre-revised pay scale of Rs.4500-7000. The element of X group pay will, therefore, need to be sufficient to cover the difference in grade pays between the pre-revised pay scales of Rs.4500-7000 and Rs.5000-8000. This difference is Rs.1400. Accordingly, the Commission recommends X group pay of Rs.1400 for PBORs in the X group. No Y group pay shall be paid as X group pay is being paid to protect the existing edge of the PBORs in X group vis-à-vis those in Y group.

Recommendations 2.3.28 In view of the discussions in preceding paragraphs, the following recommendations are made in respect of pay scales for PBORs:-

- i) Only two trade groups shall be retained for PBORs with the earlier trade groups Y and Z being merged. The personnel in the present trade group Z shall be placed in the same rank in trade group Y.
- ii) The pay bands and grade pay for same ranks in both the trade groups will be same. The personnel in trade group X will have a separate X Group Pay.
- iii) The revised pay bands, grade pay, Military Service Pay and X Group Pay for Personnel Below Officer Ranks in trade groups X and Y shall be as under:-

Army

(in Rs.)

PBORs (Existing Scales)	Recommended Pay Band	Grade Pay	Military Service Pay#	X Group Pay*
Sepoy	4860-20200	2000	1000	1400
Naik	4860-20200	2400	1000	1400
Havaldar	4860-20200	2800	1000	1400
Nb Sub.	8700-34800	4200	1000	1400
Subedar	8700-34800	4600	1000	1400
Sub. Maj.	8700-34800	4800	1000	1400

No arrears on account of Military Service Pay shall be payable.

* X Group Pay is payable only to the PBORs in X Group.

Air Force

(in Rs.)

PBORs (Existing Scales)	Recommended Pay Band	Grade Pay	Military Service Pay#	X Group Pay*
AC/LAC	4860-20200	2000	1000	1400
Corporal	4860-20200	2400	1000	1400
Sergeant	4860-20200	2800	1000	1400
Jr. Warrant Officer	8700-34800	4200	1000	1400
Warrant Officer	8700-34800	4600	1000	1400
MWO	8700-34800	4800	1000	1400

No arrears on account of Military Service Pay shall be payable.
X Group Pay is payable only to the PBORs in X Group.

Navy - X Group

(in Rs.)

PBORs (Existing Scales)	Recommen ed Pay Band	Grade Pay	Military Service Pay#	X Group Pay*
Apprentice	4860-20200	2000	1000	1400
Artificer V	4860-20200	2400	1000	1400
Artificer IV	4860-20200	2800	1000	1400
Artificer III-I**	8700-34800	3400	1000	1400
Chief Artificer	8700-34800	4200	1000	1400
MCPO II	8700-34800	4600	1000	1400
MCPO I	8700-34800	4800	1000	1400

No arrears on account of Military Service Pay shall be payable.

* X Group Pay is payable only to the PBORs in X Group.

**Intermediate scale not available in the civilian side

Navy – Y Group

(in Rs.)

PBORs (Existing Scales)	Recommended Pay Band	Grade Pay	Military Service Pay#
Seaman II/ Seaman I	4860-20200	2000	1000
Leading Seaman	4860-20200	2400	1000
Petty Officer	4860-20200	2800	1000
Chief Petty Officer	8700-34800	4200	1000
MCPO II	8700-34800	4600	1000
MCPO I	8700-34800	4800	1000

No arrears on account of Military Service Pay shall be payable.

Different tables for PBORs belonging to the X Group & Y Group in Navy have been given as the designations in these two groups are different in Navy.

*Pay of recruits
during training*

2.3.29 PBORs recruits receive a stipend during their training period. On successful completion of training, they are paid full salary with retrospective effect minus the stipend already paid. The Defence Forces have demanded that since PBORs are being paid the effective pay albeit retrospectively hence they should actually be paid full salary right from the time they join as a recruit instead of the stipend presently being given. The present position in respect of PBORs recruits and officer cadets is the same and salary is not payable during the training period in either case. The Defence Forces have, in fact, demanded a similar dispensation for the officer cadets. The Commission has considered this issue in Chapter 4.10 of the Report but has been unable to concede it. To retain the existing relativity, a similar position would need to be persisted with in case of PBORs as well. In any case the existing arrangement does not cause any pecuniary loss to PBOR recruits as they are given the arrears as a lump sum on successful completion of the training. In such a scenario, no real justification exists for changing the extant position. **The Commission, therefore, recommends that the existing position regarding pay of recruits during training may continue.** The existing rates of the stipend shall, however, be doubled. The rates may be increased by 50% every time the dearness allowance payable on revised pay bands goes up by 50%.

*Pay scale of
Honorary
Lieutenant and
Captain*

2.3.30 Presently Honorary Commission is granted to select Junior Commissioned Officers. These Honorary Commissioned Officers are granted fixed pay as follows :-

Honorary Lieutenant and equivalent	-	Rs.10,500 p.m.
Honorary Captain and equivalent	-	Rs.10,850 p.m.

Honorary Lieutenant and Honorary Captain are appointed by promotion of Junior Commissioned Officers. In the revised scheme of running pay bands and grade pay, all JCOs of the rank of Subedar Major will be placed in pay band PB-2 of Rs.8700-34800 along with a grade pay of Rs.4800. On their promotion as Honorary Commissioned Officers they will need to be placed in the revised running pay band PB-3 of Rs.15600-39100 with grade pay that of Lieutenant or Captain. **The Commission, accordingly, recommends that the Junior Commissioned Officers on their promotion as Honorary Lieutenant or Honorary Captain shall be placed in the pay band PB-3 of Rs.15600-39100 along with a grade pay of Rs.5400 in case of appointment as Honorary Lieutenant and Rs.2900 in case of appointment as Honorary Captain. Simultaneously, they will be paid Military Service Pay of Rs.6000 on par with that payable to all the Commissioned officers. In consonance with the uniform rules of pay fixation proposed to be followed in the recommended pay bands, they shall be entitled to the benefit of one increment at the time of promotion as Honorary Lieutenant or Honorary Captain.**

Pay structure of DSC personnel

2.3.31 Presently personnel in the Defence Security Corps (DSC) are given pay scales of Group Y in case they belong to clerical cadre and of Group Z in case they are in the general duty cadre. **The corresponding pay bands and grade pay recommended for these groups shall apply in their case also. The post in Group Z shall stand upgraded to Group Y as in the case of PBORs.**

Non-Combatants Enrolled (NCE)

2.3.32 A distinct category of Non-Combatants Enrolled (NCE) in various Group D pay scales exists in the Indian Air Force. The Defence Forces in their common memorandum have demanded higher pay scales in different Group C grades for these posts. The Commission, in case of civilian employees, has recommended that no further recruitment shall be made in any of the Group D categories and all the existing Group D employees shall be retrained and upgraded to the lowest grade in Group C. A similar dispensation shall need to be extended in case of Defence Forces as well keeping in view the principle of ensuring fully parity between civilian and Defence Forces being followed by this Commission. However, in consonance with the dispensation recommended for Group D posts in the civilian side, **the Commission recommends that all the Non-Combatants Enrolled in the air force be retrained and placed in the pay band PB-1 of Rs.4860-20200 along with a grade pay of Rs.1800. All future recruitments of NCE shall be made in this grade along with higher qualifications akin to those prescribed in the case of civilians.**

Minimum benefit on promotion 2.3.33 The Defence Forces have demanded a minimum increase of Rs.100 at the time of promotion on par with what is available to the civilians. **In the revised scheme of running pay bands and grade pay, prescribing a minimum benefit at the time of promotion is meaningless as every promotion shall allow benefit of one increment along with the increase in grade pay.** In the revised scheme of running pay bands, no minimum benefit at the time of promotion is being prescribed in case of civilians. Accordingly, **no justification remains for prescribing such minimum increase in case of the Defence Forces.**

Assured Career Progression Scheme for PBORs 2.3.34 Presently PBORs in Defence Forces are eligible for two time bound upgradations on completion of 10 and 20 years of service. The Defence Forces have demanded reduction of period for time bound upgradations to 8 and 12 years. Other suggestions have also been made regarding residency periods for promotion of PBORs. The Commission notes that under the Scheme of Assured Career Progression (ACPS) for civilians, the upgradations are given on completion of 12 and 24 years of service. Demands for reduction of the residency period in case of civilians were also received. However, the Commission has been unable to accept this demand keeping in view the revised scheme of running pay bands and annual increments as a percentage of pay. In such a scenario, any reduction in the prescribed residency period under ACPS for Defence Forces personnel would not be justified especially when the residency period requirements in their case are already lower than in the case of civilian employees. Accordingly, the residency periods for time bound upgradations for PBORs shall remain unchanged. Under the Modified Assured Career Progression now being proposed for the civilians, financial upgradations will entail one increment without any change in the grade pay. In consonance with the scheme of the Report to ensure parity between civilians and Defence Forces, a similar dispensation needs to be extended in case of the latter. **The Commission, therefore, recommends that the time bound promotion scheme in case of PBORs shall allow two financial upgradations on completion of 10 and 20 years of service as at present. The financial upgradations under the scheme shall allow benefit of pay fixation equal to one increment along with the higher grade pay. As regards the other suggestions relating to residency period for promotion of PBORs, Ministry of Defence may set up an Inter-Services Committee to consider the matter after the revised scheme of running pay bands is implemented.**

Table 2.3.1

Fixation of Officers in Defence Services (other than those belonging to MNS) in the revised Pay Bands

Post - Lieutenant/Sub Lieutenant/Flying Officer

Pre-revised scale Revised Pay Band PB-3 + Grade Pay + MSP

Rs.8250-300-10050 Rs.15600-39100 + Rs.5400 + Rs.6000

Pre-revised		Revised			
Pay in the scale	Rank pay	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
8,250	-	14,360	5,400	6,000	25,760
8,550	-	14,880	5,400	6,000	26,280
8,850	-	15,400	5,400	6,000	26,800
9,150	-	15,930	5,400	6,000	27,330
9,450	-	16,450	5,400	6,000	27,850
9,750	-	16,970	5,400	6,000	28,370
10,050	-	17,490	5,400	6,000	28,890

Post - Captain/Lieutenant/Flt. Lieutenant

Pre-revised scale Revised Pay Band PB-3 + Grade Pay + MSP

Rs.9600-300-11400 Rs.15600-39100 + Rs.5700 + Rs.6000

Pre-revised		Revised			
Pay in the scale	Rank pay	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
9,600	400	17,400	5,700	6,000	29,100
9,900	400	17,930	5,700	6,000	29,630
10,200	400	18,450	5,700	6,000	30,150
10,500	400	18,970	5,700	6,000	30,670
10,800	400	18,490	5,700	6,000	30,190
11,100	400	20,010	5,700	6,000	31,710
11,400	400	20,540	5,700	6,000	32,240

Post - Major/Lt. Commander/Sqdn. Leader

Pre-revised scale Revised Pay Band PB-3 + Grade Pay + MSP

Rs.11600-325-14850 Rs.15600-39100 + Rs.6100 + Rs.6000

Pre-revised		Revised			
Pay in the scale	Rank pay	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
11,600	1,200	22,280	6,100	6,000	34,380
11,925	1,200	22,840	6,100	6,000	34,940
12,250	1,200	23,410	6,100	6,000	35,510
12,575	1,200	23,970	6,100	6,000	36,070
12,900	1,200	23,540	6,100	6,000	35,640
13,225	1,200	25,100	6,100	6,000	37,200
13,550	1,200	25,670	6,100	6,000	37,770
13,875	1,200	26,240	6,100	6,000	38,340
14,200	1,200	26,800	6,100	6,000	38,900
14,525	1,200	27,370	6,100	6,000	39,470
14,850	1,200	27,930	6,100	6,000	40,030

Post - Lt. Colonel/Commander/Wg. Commander

Pre-revised scale Revised Pay Band PB-3 + Grade Pay + MSP

Rs.13500-400-17100 Rs.15600-39100 + Rs.6600 + Rs.6000

Pre-revised		Revised			
Pay in the scale	Rank pay	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
13,500	1,600	26,280	6,600	6,000	38,880
13,900	1,600	26,970	6,600	6,000	39,570
14,300	1,600	27,670	6,600	6,000	40,270
14,700	1,600	28,370	6,600	6,000	40,970
15,100	1,600	29,060	6,600	6,000	41,660
15,500	1,600	29,760	6,600	6,000	42,360
15,900	1,600	30,450	6,600	6,000	43,050
16,300	1,600	31,150	6,600	6,000	43,750
16,700	1,600	31,850	6,600	6,000	44,450
17,100	1,600	32,540	6,600	6,000	45,140

Post - Colonel/Captain/Group Captain

Pre-revised scale Revised Pay Band PB-3 + Grade Pay + MSP

Rs.15100-450-17350 Rs.15600-39100 + Rs.7600 + Rs.6000

Pre-revised		Revised			
Pay in the scale	Rank pay	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
15,100	2,000	29,760	7,600	6,000	43,360
15,550	2,000	30,540	7,600	6,000	44,140
16,000	2,000	31,320	7,600	6,000	44,920
16,450	2,000	32,110	7,600	6,000	45,710
16,900	2,000	32,890	7,600	6,000	46,490
17,350	2,000	33,670	7,600	6,000	47,270

Post - Brigadier/Commodore/Air Commodore

Pre-revised scale Revised Pay Band PB-3 + Grade Pay + MSP

Rs.16700-450-18050 Rs.15600-39100 + Rs.8400 + Rs.6000

Pre-revised		Revised			
Pay in the scale	Rank pay	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
16,700	2,400	33,240	8,400	6,000	47,640
17,150	2,400	34,020	8,400	6,000	48,420
17,600	2,400	34,800	8,400	6,000	49,200
18,050	2,400	35,590	8,400	6,000	49,990

Post - Major General/Rear Admiral/Air Vice Marshal/equivalent

Pre-revised scale Revised Pay Band PB-4 + Grade Pay

Rs.18400-500-22400 Rs.39200-67000 + Rs.9000

Pre-revised		Revised		
Pay in the scale	Rank pay	Stage in the revised Pay Band	Grade Pay	Total Revised Pay
18,400	-	43,280	9000	52,280
18,900	-	44,370	9000	53,370
19,400	-	44,370	9000	53,370
19,900	-	45,480	9000	54,480
20,400	-	45,480	9000	54,480

20,900	-	46,620	9,000	55,620
21,400	-	46,620	9,000	55,620
21,900	-	47,790	9,000	56,790
22,400	-	48,990	9,000	57,990

Post - Lt. General/Vice Admiral/Air Marshal

Pre-revised scale Revised Pay Band PB-4 + Grade Pay

Rs.22400-525-24500 Rs.39200-67000 + Rs.11000

Pre-revised		Revised		
Pay in the scale	Rank pay	Stage in the revised Pay Band	Grade Pay	Total Revised Pay
22,400	-	48,990	11,000	59,990
22,925	-	50,220	11,000	61,220
23,450	-	51,480	11,000	62,480
23,975	-	52,770	11,000	63,770
24,500	-	54,090	11,000	65,090

Post - Vice Chiefs/Army Commander/FoC-in-C/AOC-in-C

Pre-revised scale Revised Scale

26000 (fixed) 80000 (fixed)

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
26000 (fixed)	80000 (fixed)	-	80000

Post - Service Chiefs

Pre-revised scale Revised Scale

30000 (fixed) 90000 (fixed)

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
30000 (fixed)	90000 (fixed)	-	90000

Note : Military Service Pay (MSP) for officers of Military Nursing Service (MNS) is Rs.4200. For purposes of fixation, MSP in their case will be taken as Rs.4200.

Fixation of PBORs in Defence Services in the revised Pay Bands

Army - X Group

Rank - Sepoy

Pre-revised scale Revised Pay Band PB-1 + Grade Pay + MSP + X Gr. Pay

Rs.3600-70-4650 Rs.4860-20200 + Rs.2000 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
3,600	6,270	2,000	1,000	1,400	10,670
3,670	6,390	2,000	1,000	1,400	10,790
3,740	6,510	2,000	1,000	1,400	10,910
3,810	6,630	2,000	1,000	1,400	11,030
3,880	6,760	2,000	1,000	1,400	11,160
3,950	6,880	2,000	1,000	1,400	11,280
4,020	7,000	2,000	1,000	1,400	11,400
4,090	7,120	2,000	1,000	1,400	11,520
4,160	7,240	2,000	1,000	1,400	11,640
4,230	7,360	2,000	1,000	1,400	11,760
4,300	7,490	2,000	1,000	1,400	11,890
4,370	7,610	2,000	1,000	1,400	12,010
4,440	7,730	2,000	1,000	1,400	12,130
4,510	7,850	2,000	1,000	1,400	12,250
4,580	7,970	2,000	1,000	1,400	12,370
4,650	8,100	2,000	1,000	1,400	12,500

Rank - Naik

Pre-revised scale

Rs.3700-85-4975

Revised Pay Band PB-1 + Grade Pay + MSP + X Gr. Pay

Rs.4860-20200 + Rs.2400 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
3,700	6,440	2,400	1,000	1,400	11,240
3,785	6,590	2,400	1,000	1,400	11,390
3,870	6,740	2,400	1,000	1,400	11,540
3,955	6,890	2,400	1,000	1,400	11,690
4,040	7,030	2,400	1,000	1,400	11,830
4,125	7,180	2,400	1,000	1,400	11,980
4,210	7,330	2,400	1,000	1,400	12,130
4,295	7,480	2,400	1,000	1,400	12,280
4,380	7,630	2,400	1,000	1,400	12,430
4,465	7,770	2,400	1,000	1,400	12,570
4,550	7,920	2,400	1,000	1,400	12,720
4,635	8,070	2,400	1,000	1,400	12,870
4,720	8,220	2,400	1,000	1,400	13,020
4,805	8,370	2,400	1,000	1,400	13,170
4,890	8,510	2,400	1,000	1,400	13,310
4,975	8,660	2,400	1,000	1,400	13,460

Rank - Havaldar

Pre-revised scale

Rs.4150-100-5650

Revised Pay Band PB-1 + Grade Pay + MSP + X Gr. Pay

Rs.4860-20200 + Rs.2800 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
4,150	7,230	2,800	1,000	1,400	12,430
4,250	7,400	2,800	1,000	1,400	12,600
4,350	7,570	2,800	1,000	1,400	12,770

4,450	7,750	2,800	1,000	1,400	12,950
4,550	7,920	2,800	1,000	1,400	13,120
4,650	8,100	2,800	1,000	1,400	13,300
4,750	8,270	2,800	1,000	1,400	13,470
4,850	8,440	2,800	1,000	1,400	13,640
4,950	8,620	2,800	1,000	1,400	13,820
5,050	8,790	2,800	1,000	1,400	13,990
5,150	8,970	2,800	1,000	1,400	14,170
5,250	9,140	2,800	1,000	1,400	14,340
5,350	9,310	2,800	1,000	1,400	14,510
5,450	9,490	2,800	1,000	1,400	14,690
5,550	9,660	2,800	1,000	1,400	14,860
5,650	9,840	2,800	1,000	1,400	15,040

Rank - Nb. Subedar

Pre-revised scale

Rs.5770-140-8290

Revised Pay Band PB-2 + Grade Pay + MSP + X Gr. Pay

Rs.8700-34800 + Rs.4200 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
5,770	10,040	4,200	1,000	1,400	16,640
5,910	10,290	4,200	1,000	1,400	16,890
6,050	10,530	4,200	1,000	1,400	17,130
6,190	10,780	4,200	1,000	1,400	17,380
6,330	11,020	4,200	1,000	1,400	17,620
6,470	11,260	4,200	1,000	1,400	17,860
6,610	11,510	4,200	1,000	1,400	18,110
6,750	11,750	4,200	1,000	1,400	18,350
6,890	11,990	4,200	1,000	1,400	18,590
7,030	12,240	4,200	1,000	1,400	18,840
7,170	12,480	4,200	1,000	1,400	19,080

7,310	12,720	4,200	1,000	1,400	19,320
7,450	12,970	4,200	1,000	1,400	19,570
7,590	13,210	4,200	1,000	1,400	19,810
7,730	13,450	4,200	1,000	1,400	20,050
7,870	13,700	4,200	1,000	1,400	20,300
8,010	13,940	4,200	1,000	1,400	20,540
8,150	14,190	4,200	1,000	1,400	20,790
8,290	14,430	4,200	1,000	1,400	21,030

Rank - Subedar

Pre-revised scale Revised Pay Band PB-2 + Grade Pay + MSP + X Gr. Pay

Rs.6750-190-9790 Rs.8700-34800 + Rs.4600 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
6,750	11,750	4,600	1,000	1,400	18,750
6,940	12,080	4,600	1,000	1,400	19,080
7,130	12,410	4,600	1,000	1,400	19,410
7,320	12,740	4,600	1,000	1,400	19,740
7,510	13,070	4,600	1,000	1,400	20,070
7,700	13,400	4,600	1,000	1,400	20,400
7,890	13,730	4,600	1,000	1,400	20,730
8,080	14,060	4,600	1,000	1,400	21,060
8,270	14,390	4,600	1,000	1,400	21,390
8,460	14,720	4,600	1,000	1,400	21,720
8,650	15,060	4,600	1,000	1,400	22,060
8,840	15,390	4,600	1,000	1,400	22,390
9,030	15,720	4,600	1,000	1,400	22,720
9,220	16,050	4,600	1,000	1,400	23,050
9,410	16,380	4,600	1,000	1,400	23,380

9,600	16,710	4,600	1,000	1,400	23,710
9,790	17,040	4,600	1,000	1,400	24,040

Rank - Subedar Major

Pre-revised scale Revised Pay Band PB-2 + Grade Pay + MSP + X Gr. Pay

Rs.7250-200-10050 Rs.8700-34800 + Rs.4800 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
7,250	12,620	4,800	1,000	1,400	19,820
7,450	12,970	4,800	1,000	1,400	20,170
7,650	13,320	4,800	1,000	1,400	20,520
7,850	13,660	4,800	1,000	1,400	20,860
8,050	14,010	4,800	1,000	1,400	21,210
8,250	14,360	4,800	1,000	1,400	21,560
8,450	14,710	4,800	1,000	1,400	21,910
8,650	15,060	4,800	1,000	1,400	22,260
8,850	15,400	4,800	1,000	1,400	22,600
9,050	15,750	4,800	1,000	1,400	22,950
9,250	16,100	4,800	1,000	1,400	23,300
9,450	16,450	4,800	1,000	1,400	23,650
9,650	16,800	4,800	1,000	1,400	24,000
9,850	17,140	4,800	1,000	1,400	24,340
10,050	17,490	4,800	1,000	1,400	24,690

Army - Y Group

Rank - Sepoy

Pre-revised scale

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.3250-70-4300

Rs.4860-20200 + Rs.2000 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,250	5,660	2,000	1,000	8,660
3,320	5,780	2,000	1,000	8,780
3,390	5,900	2,000	1,000	8,900
3,460	6,020	2,000	1,000	9,020
3,530	6,150	2,000	1,000	9,150
3,600	6,270	2,000	1,000	9,270
3,670	6,390	2,000	1,000	9,390
3,740	6,510	2,000	1,000	9,510
3,810	6,630	2,000	1,000	9,630
3,880	6,760	2,000	1,000	9,760
3,950	6,880	2,000	1,000	9,880
4,020	7,000	2,000	1,000	10,000
4,090	7,120	2,000	1,000	10,120
4,160	7,240	2,000	1,000	10,240
4,230	7,360	2,000	1,000	10,360
4,300	7,490	2,000	1,000	10,490

Rank - Naik

Pre-revised scale

Rs.3425-85-4700

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2400 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,425	5,960	2,400	1,000	9,360
3,510	6,110	2,400	1,000	9,510
3,595	6,260	2,400	1,000	9,660
3,680	6,410	2,400	1,000	9,810
3,765	6,560	2,400	1,000	9,960
3,850	6,700	2,400	1,000	10,100
3,935	6,850	2,400	1,000	10,250
4,020	7,000	2,400	1,000	10,400
4,105	7,150	2,400	1,000	10,550
4,190	7,300	2,400	1,000	10,700
4,275	7,440	2,400	1,000	10,840
4,360	7,590	2,400	1,000	10,990
4,445	7,740	2,400	1,000	11,140
4,530	7,890	2,400	1,000	11,290
4,615	8,030	2,400	1,000	11,430
4,700	8,180	2,400	1,000	11,580

Rank - Havaldar

Pre-revised scale

Rs.3600-100-5100

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,600	6,270	2,800	1,000	10,070
3,700	6,440	2,800	1,000	10,240

3,800	6,620	2,800	1,000	10,420
3,900	6,790	2,800	1,000	10,590
4,000	6,960	2,800	1,000	10,760
4,100	7,140	2,800	1,000	10,940
4,200	7,310	2,800	1,000	11,110
4,300	7,490	2,800	1,000	11,290
4,400	7,660	2,800	1,000	11,460
4,500	7,830	2,800	1,000	11,630
4,600	8,010	2,800	1,000	11,810
4,700	8,180	2,800	1,000	11,980
4,800	8,360	2,800	1,000	12,160
4,900	8,530	2,800	1,000	12,330
5,000	8,700	2,800	1,000	12,500
5,100	8,880	2,800	1,000	12,680

Rank - Nb. Subedar

Pre-revised scale

Rs.5620-140-8140

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.8700-34800 + Rs.4200 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
5,620	9,780	4,200	1,000	14,980
5,760	10,030	4,200	1,000	15,230
5,900	10,270	4,200	1,000	15,470
6,040	10,510	4,200	1,000	15,710
6,180	10,760	4,200	1,000	15,960
6,320	11,000	4,200	1,000	16,200
6,460	11,240	4,200	1,000	16,440
6,600	11,490	4,200	1,000	16,690
6,740	11,730	4,200	1,000	16,930
6,880	11,980	4,200	1,000	17,180

7,020	12,220	4,200	1,000	17,420
7,160	12,460	4,200	1,000	17,660
7,300	12,710	4,200	1,000	17,910
7,440	12,950	4,200	1,000	18,150
7,580	13,190	4,200	1,000	18,390
7,720	13,440	4,200	1,000	18,640
7,860	13,680	4,200	1,000	18,880
8,000	13,920	4,200	1,000	19,120
8,140	14,170	4,200	1,000	19,370

Rank - Subedar

Pre-revised scale

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.6600-170-9320

Rs.8700-34800 + Rs.4600 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,600	11,490	4,600	1,000	17,090
6,770	11,780	4,600	1,000	17,380
6,940	12,080	4,600	1,000	17,680
7,110	12,380	4,600	1,000	17,980
7,280	12,670	4,600	1,000	18,270
7,450	12,970	4,600	1,000	18,570
7,620	13,260	4,600	1,000	18,860
7,790	13,560	4,600	1,000	19,160
7,960	13,850	4,600	1,000	19,450
8,130	14,150	4,600	1,000	19,750
8,300	14,450	4,600	1,000	20,050
8,470	14,740	4,600	1,000	20,340
8,640	15,040	4,600	1,000	20,640
8,810	15,330	4,600	1,000	20,930
8,980	15,630	4,600	1,000	21,230

9,150	15,930	4,600	1,000	21,530
9,320	16,220	4,600	1,000	21,820

Rank - Subedar Major

Pre-revised scale Revised Pay Band PB-2 + Grade Pay + MSP

Rs.6750-200-9550 Rs.8700-34800 + Rs.4800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,750	11,750	4,800	1,000	17,550
6,950	12,100	4,800	1,000	17,900
7,150	12,450	4,800	1,000	18,250
7,350	12,790	4,800	1,000	18,590
7,550	13,140	4,800	1,000	18,940
7,750	13,490	4,800	1,000	19,290
7,950	13,840	4,800	1,000	19,640
8,150	14,190	4,800	1,000	19,990
8,350	14,530	4,800	1,000	20,330
8,550	14,880	4,800	1,000	20,680
8,750	15,230	4,800	1,000	21,030
8,950	15,580	4,800	1,000	21,380
9,150	15,930	4,800	1,000	21,730
9,350	16,270	4,800	1,000	22,070
9,550	16,620	4,800	1,000	22,420

Army - Z Group

Rank - Sepoy

Pre-revised scale

Rs.3050-55-3875

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2000 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,050	5,310	2,000	1,000	8,310
3,105	5,410	2,000	1,000	8,410
3,160	5,500	2,000	1,000	8,500
3,215	5,600	2,000	1,000	8,600
3,270	5,690	2,000	1,000	8,690
3,325	5,790	2,000	1,000	8,790
3,380	5,890	2,000	1,000	8,890
3,435	5,980	2,000	1,000	8,980
3,490	6,080	2,000	1,000	9,080
3,545	6,170	2,000	1,000	9,170
3,600	6,270	2,000	1,000	9,270
3,655	6,360	2,000	1,000	9,360
3,710	6,460	2,000	1,000	9,460
3,765	6,560	2,000	1,000	9,560
3,820	6,650	2,000	1,000	9,650
3,875	6,750	2,000	1,000	9,750

Rank - Naik

Pre-revised scale

Rs.3150-70-4200

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2400 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,150	5,490	2,400	1,000	8,890

3,220	5,610	2,400	1,000	9,010
3,290	5,730	2,400	1,000	9,130
3,360	5,850	2,400	1,000	9,250
3,430	5,970	2,400	1,000	9,370
3,500	6,090	2,400	1,000	9,490
3,570	6,220	2,400	1,000	9,620
3,640	6,340	2,400	1,000	9,740
3,710	6,460	2,400	1,000	9,860
3,780	6,580	2,400	1,000	9,980
3,850	6,700	2,400	1,000	10,100
3,920	6,830	2,400	1,000	10,230
3,990	6,950	2,400	1,000	10,350
4,060	7,070	2,400	1,000	10,470
4,130	7,190	2,400	1,000	10,590
4,200	7,310	2,400	1,000	10,710

Rank - Havaldar

Pre-revised scale

Rs.3250-85-4525

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,250	5,660	2,800	1,000	9,460
3,335	5,810	2,800	1,000	9,610
3,420	5,960	2,800	1,000	9,760
3,505	6,100	2,800	1,000	9,900
3,590	6,250	2,800	1,000	10,050
3,675	6,400	2,800	1,000	10,200
3,760	6,550	2,800	1,000	10,350
3,845	6,690	2,800	1,000	10,490
3,930	6,840	2,800	1,000	10,640

4,015	6,990	2,800	1,000	10,790
4,100	7,140	2,800	1,000	10,940
4,185	7,290	2,800	1,000	11,090
4,270	7,430	2,800	1,000	11,230
4,355	7,580	2,800	1,000	11,380
4,440	7,730	2,800	1,000	11,530
4,525	7,880	2,800	1,000	11,680

Rank - Nb. Subedar

Pre-revised scale

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.5200-125-7450

Rs.8700-34800 + Rs.4200 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
5,200	9,050	4,200	1,000	14,250
5,325	9,270	4,200	1,000	14,470
5,450	9,490	4,200	1,000	14,690
5,575	9,710	4,200	1,000	14,910
5,700	9,920	4,200	1,000	15,120
5,825	10,140	4,200	1,000	15,340
5,950	10,360	4,200	1,000	15,560
6,075	10,580	4,200	1,000	15,780
6,200	10,790	4,200	1,000	15,990
6,325	11,010	4,200	1,000	16,210
6,450	11,230	4,200	1,000	16,430
6,575	11,450	4,200	1,000	16,650
6,700	11,660	4,200	1,000	16,860
6,825	11,880	4,200	1,000	17,080
6,950	12,100	4,200	1,000	17,300
7,075	12,320	4,200	1,000	17,520
7,200	12,530	4,200	1,000	17,730

7,325	12,750	4,200	1,000	17,950
7,450	12,970	4,200	1,000	18,170

Rank - Subedar

Pre-revised scale

Rs.6170-155-8650

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.8700-34800 + Rs.4600 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,170	10,740	4,600	1,000	16,340
6,325	11,010	4,600	1,000	16,610
6,480	11,280	4,600	1,000	16,880
6,635	11,550	4,600	1,000	17,150
6,790	11,820	4,600	1,000	17,420
6,945	12,090	4,600	1,000	17,690
7,100	12,360	4,600	1,000	17,960
7,255	12,630	4,600	1,000	18,230
7,410	12,900	4,600	1,000	18,500
7,565	13,170	4,600	1,000	18,770
7,720	13,440	4,600	1,000	19,040
7,875	13,710	4,600	1,000	19,310
8,030	13,980	4,600	1,000	19,580
8,185	14,250	4,600	1,000	19,850
8,340	14,520	4,600	1,000	20,120
8,495	14,790	4,600	1,000	20,390
8,650	15,060	4,600	1,000	20,660

Rank - Subedar Major

Pre-revised scale

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.6600-200-9400

Rs.8700-34800 + Rs.4800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,600	11,490	4,800	1,000	17,290
6,800	11,840	4,800	1,000	17,640
7,000	12,180	4,800	1,000	17,980
7,200	12,530	4,800	1,000	18,330
7,400	12,880	4,800	1,000	18,680
7,600	13,230	4,800	1,000	19,030
7,800	13,580	4,800	1,000	19,380
8,000	13,920	4,800	1,000	19,720
8,200	14,270	4,800	1,000	20,070
8,400	14,620	4,800	1,000	20,420
8,600	14,970	4,800	1,000	20,770
8,800	15,320	4,800	1,000	21,120
9,000	15,660	4,800	1,000	21,460
9,200	16,010	4,800	1,000	21,810
9,400	16,360	4,800	1,000	22,160

Navy - X Group

Rank - Apprentice

Pre-revised scale Revised Pay Band PB-1 + Grade Pay + MSP + X Gr. Pay

Rs.3200-60-3260 Rs.4860-20200 + Rs.2000 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
3,200	5,570	2,000	1,000	1,400	9,970
3,260	5,680	2,000	1,000	1,400	10,080

Rank - Artificer V

Pre-revised scale Revised Pay Band PB-1 + Grade Pay + MSP + X Gr. Pay

Rs.4150-70-4360 Rs.4860-20200 + Rs.2400 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
4,150	7,230	2,400	1,000	1,400	12,030
4,220	7,350	2,400	1,000	1,400	12,150
4,290	7,470	2,400	1,000	1,400	12,270
4,360	7,590	2,400	1,000	1,400	12,390

Rank - Artificer IV

Pre-revised scale Revised Pay Band PB-1 + Grade Pay + MSP + X Gr. Pay

Rs.4550-100-6350 Rs.4860-20200 + Rs.2800 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
4,550	7,920	2,800	1,000	1,400	13,120
4,650	8,100	2,800	1,000	1,400	13,300
4,750	8,270	2,800	1,000	1,400	13,470
4,850	8,440	2,800	1,000	1,400	13,640
4,950	8,620	2,800	1,000	1,400	13,820

5,050	8,790	2,800	1,000	1,400	13,990
5,150	8,970	2,800	1,000	1,400	14,170
5,250	9,140	2,800	1,000	1,400	14,340
5,350	9,310	2,800	1,000	1,400	14,510
5,450	9,490	2,800	1,000	1,400	14,690
5,550	9,660	2,800	1,000	1,400	14,860
5,650	9,840	2,800	1,000	1,400	15,040
5,750	10,010	2,800	1,000	1,400	15,210
5,850	10,180	2,800	1,000	1,400	15,380
5,950	10,360	2,800	1,000	1,400	15,560
6,050	10,530	2,800	1,000	1,400	15,730
6,150	10,710	2,800	1,000	1,400	15,910
6,250	10,880	2,800	1,000	1,400	16,080
6,350	11,050	2,800	1,000	1,400	16,250

Rank - Artificer III-I*

Pre-revised scale

Rs.5120-100-7120

Revised Pay Band PB-2 + Grade Pay + MSP + X Gr. Pay

Rs.8700-34800 + Rs.3400 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
5,120	8,910	3,400	1,000	1,400	14,710
5,220	9,090	3,400	1,000	1,400	14,890
5,320	9,260	3,400	1,000	1,400	15,060
5,420	9,440	3,400	1,000	1,400	15,240
5,520	9,610	3,400	1,000	1,400	15,410
5,620	9,780	3,400	1,000	1,400	15,580
5,720	9,960	3,400	1,000	1,400	15,760
5,820	10,130	3,400	1,000	1,400	15,930
5,920	10,310	3,400	1,000	1,400	16,110
6,020	10,480	3,400	1,000	1,400	16,280

6,120	10,650	3,400	1,000	1,400	16,450
6,220	10,830	3,400	1,000	1,400	16,630
6,320	11,000	3,400	1,000	1,400	16,800
6,420	11,180	3,400	1,000	1,400	16,980
6,520	11,350	3,400	1,000	1,400	17,150
6,620	11,520	3,400	1,000	1,400	17,320
6,720	11,700	3,400	1,000	1,400	17,500
6,820	11,870	3,400	1,000	1,400	17,670
6,920	12,050	3,400	1,000	1,400	17,850
7,020	12,220	3,400	1,000	1,400	18,020
7,120	12,390	3,400	1,000	1,400	18,190

*Intermediate scale not available in the civilian side

Rank - Chief Artificer

Pre-revised scale

Revised Pay Band PB-2 + Grade Pay + MSP + X Gr. Pay

Rs.6000-125-8250

Rs.8700-34800 + Rs.4200 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
6,000	10,440	4,200	1,000	1,400	17,040
6,125	10,660	4,200	1,000	1,400	17,260
6,250	10,880	4,200	1,000	1,400	17,480
6,375	11,100	4,200	1,000	1,400	17,700
6,500	11,310	4,200	1,000	1,400	17,910
6,625	11,530	4,200	1,000	1,400	18,130
6,750	11,750	4,200	1,000	1,400	18,350
6,875	11,970	4,200	1,000	1,400	18,570
7,000	12,180	4,200	1,000	1,400	18,780
7,125	12,400	4,200	1,000	1,400	19,000
7,250	12,620	4,200	1,000	1,400	19,220
7,375	12,840	4,200	1,000	1,400	19,440
7,500	13,050	4,200	1,000	1,400	19,650

7,625	13,270	4,200	1,000	1,400	19,870
7,750	13,490	4,200	1,000	1,400	20,090
7,875	13,710	4,200	1,000	1,400	20,310
8,000	13,920	4,200	1,000	1,400	20,520
8,125	14,140	4,200	1,000	1,400	20,740
8,250	14,360	4,200	1,000	1,400	20,960

Rank - MCPO II

Pre-revised scale

Rs.6750-190-9790

Revised Pay Band PB-2 + Grade Pay + MSP + X Gr. Pay

Rs.8700-34800 + Rs.4600 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
6,750	11,750	4,600	1,000	1,400	18,750
6,940	12,080	4,600	1,000	1,400	19,080
7,130	12,410	4,600	1,000	1,400	19,410
7,320	12,740	4,600	1,000	1,400	19,740
7,510	13,070	4,600	1,000	1,400	20,070
7,700	13,400	4,600	1,000	1,400	20,400
7,890	13,730	4,600	1,000	1,400	20,730
8,080	14,060	4,600	1,000	1,400	21,060
8,270	14,390	4,600	1,000	1,400	21,390
8,460	14,720	4,600	1,000	1,400	21,720
8,650	15,060	4,600	1,000	1,400	22,060
8,840	15,390	4,600	1,000	1,400	22,390
9,030	15,720	4,600	1,000	1,400	22,720
9,220	16,050	4,600	1,000	1,400	23,050
9,410	16,380	4,600	1,000	1,400	23,380
9,600	16,710	4,600	1,000	1,400	23,710
9,790	17,040	4,600	1,000	1,400	24,040

Rank - MCPO I

Pre-revised scale Revised Pay Band PB-2 + Grade Pay + MSP + X Gr. Pay

Rs.7400-200-10200

Rs.8700-34800 + Rs.4800 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
7,400	12,880	4,800	1,000	1,400	20,080
7,600	13,230	4,800	1,000	1,400	20,430
7,800	13,580	4,800	1,000	1,400	20,780
8,000	13,920	4,800	1,000	1,400	21,120
8,200	14,270	4,800	1,000	1,400	21,470
8,400	14,620	4,800	1,000	1,400	21,820
8,600	14,970	4,800	1,000	1,400	22,170
8,800	15,320	4,800	1,000	1,400	22,520
9,000	15,660	4,800	1,000	1,400	22,860
9,200	16,010	4,800	1,000	1,400	23,210
9,400	16,360	4,800	1,000	1,400	23,560
9,600	16,710	4,800	1,000	1,400	23,910
9,800	17,060	4,800	1,000	1,400	24,260
10,000	17,400	4,800	1,000	1,400	24,600
10,200	17,750	4,800	1,000	1,400	24,950

Navy - Y Group

Rank - Seaman II

Pre-revised scale

Rs.3325-60-3445

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2000 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,325	5,790	2,000	1,000	8,790
3,385	5,890	2,000	1,000	8,890
3,445	6,000	2,000	1,000	9,000

Rank - Seaman I

Pre-revised scale

Rs.3650-60-4550

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2000 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,650	6,360	2,000	1,000	9,360
3,710	6,460	2,000	1,000	9,460
3,770	6,560	2,000	1,000	9,560
3,830	6,670	2,000	1,000	9,670
3,890	6,770	2,000	1,000	9,770
3,950	6,880	2,000	1,000	9,880
4,010	6,980	2,000	1,000	9,980
4,070	7,090	2,000	1,000	10,090
4,130	7,190	2,000	1,000	10,190
4,190	7,300	2,000	1,000	10,300
4,250	7,400	2,000	1,000	10,400
4,310	7,500	2,000	1,000	10,500
4,370	7,610	2,000	1,000	10,610
4,430	7,710	2,000	1,000	10,710

4,490	7,820	2,000	1,000	10,820
4,550	7,920	2,000	1,000	10,920

Rank - Leading Seaman

Pre-revised scale

Rs.3900-70-4950

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2400 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,900	6,790	2,400	1,000	10,190
3,970	6,910	2,400	1,000	10,310
4,040	7,030	2,400	1,000	10,430
4,110	7,160	2,400	1,000	10,560
4,180	7,280	2,400	1,000	10,680
4,250	7,400	2,400	1,000	10,800
4,320	7,520	2,400	1,000	10,920
4,390	7,640	2,400	1,000	11,040
4,460	7,760	2,400	1,000	11,160
4,530	7,890	2,400	1,000	11,290
4,600	8,010	2,400	1,000	11,410
4,670	8,130	2,400	1,000	11,530
4,740	8,250	2,400	1,000	11,650
4,810	8,370	2,400	1,000	11,770
4,880	8,500	2,400	1,000	11,900
4,950	8,620	2,400	1,000	12,020

Rank - Petty Officer

Pre-revised scale

Rs.4320-85-5595

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
4,320	7,520	2,800	1,000	11,320
4,405	7,670	2,800	1,000	11,470
4,490	7,820	2,800	1,000	11,620
4,575	7,970	2,800	1,000	11,770
4,660	8,110	2,800	1,000	11,910
4,745	8,260	2,800	1,000	12,060
4,830	8,410	2,800	1,000	12,210
4,915	8,560	2,800	1,000	12,360
5,000	8,700	2,800	1,000	12,500
5,085	8,850	2,800	1,000	12,650
5,170	9,000	2,800	1,000	12,800
5,255	9,150	2,800	1,000	12,950
5,340	9,300	2,800	1,000	13,100
5,425	9,440	2,800	1,000	13,240
5,510	9,590	2,800	1,000	13,390
5,595	9,740	2,800	1,000	13,540

Rank - Chief Petty Officer

Pre-revised scale

Rs.5620-140-8140

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.8700-34800 + Rs.4200 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
5,620	9,780	4,200	1,000	14,980
5,760	10,030	4,200	1,000	15,230
5,900	10,270	4,200	1,000	15,470

6,040	10,510	4,200	1,000	15,710
6,180	10,760	4,200	1,000	15,960
6,320	11,000	4,200	1,000	16,200
6,460	11,240	4,200	1,000	16,440
6,600	11,490	4,200	1,000	16,690
6,740	11,730	4,200	1,000	16,930
6,880	11,980	4,200	1,000	17,180
7,020	12,220	4,200	1,000	17,420
7,160	12,460	4,200	1,000	17,660
7,300	12,710	4,200	1,000	17,910
7,440	12,950	4,200	1,000	18,150
7,580	13,190	4,200	1,000	18,390
7,720	13,440	4,200	1,000	18,640
7,860	13,680	4,200	1,000	18,880
8,000	13,920	4,200	1,000	19,120
8,140	14,170	4,200	1,000	19,370

Rank - MCPO II

Pre-revised scale

Rs.6600-170-9320

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.8700-34800 + Rs.4600 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,600	11,490	4,600	1,000	17,090
6,770	11,780	4,600	1,000	17,380
6,940	12,080	4,600	1,000	17,680
7,110	12,380	4,600	1,000	17,980
7,280	12,670	4,600	1,000	18,270
7,450	12,970	4,600	1,000	18,570
7,620	13,260	4,600	1,000	18,860
7,790	13,560	4,600	1,000	19,160

7,960	13,850	4,600	1,000	19,450
8,130	14,150	4,600	1,000	19,750
8,300	14,450	4,600	1,000	20,050
8,470	14,740	4,600	1,000	20,340
8,640	15,040	4,600	1,000	20,640
8,810	15,330	4,600	1,000	20,930
8,980	15,630	4,600	1,000	21,230
9,150	15,930	4,600	1,000	21,530
9,320	16,220	4,600	1,000	21,820

Rank - MCPO I

Pre-revised scale

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.6750-200-9550

Rs.8700-34800 + Rs.4800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,750	11,750	4,800	1,000	17,550
6,950	12,100	4,800	1,000	17,900
7,150	12,450	4,800	1,000	18,250
7,350	12,790	4,800	1,000	18,590
7,550	13,140	4,800	1,000	18,940
7,750	13,490	4,800	1,000	19,290
7,950	13,840	4,800	1,000	19,640
8,150	14,190	4,800	1,000	19,990
8,350	14,530	4,800	1,000	20,330
8,550	14,880	4,800	1,000	20,680
8,750	15,230	4,800	1,000	21,030
8,950	15,580	4,800	1,000	21,380
9,150	15,930	4,800	1,000	21,730
9,350	16,270	4,800	1,000	22,070
9,550	16,620	4,800	1,000	22,420

Navy - Z Group

Rank - Seaman II

Pre-revised scale

Rs.3050-55-3215

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2000 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,050	5,310	2,000	1,000	8,310
3,105	5,410	2,000	1,000	8,410
3,160	5,500	2,000	1,000	8,500
3,215	5,600	2,000	1,000	8,600

Rank - Seaman I

Pre-revised scale

Rs.3080-60-3980

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2000 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,080	5,360	2,000	1,000	8,360
3,140	5,470	2,000	1,000	8,470
3,200	5,570	2,000	1,000	8,570
3,260	5,680	2,000	1,000	8,680
3,320	5,780	2,000	1,000	8,780
3,380	5,890	2,000	1,000	8,890
3,440	5,990	2,000	1,000	8,990
3,500	6,090	2,000	1,000	9,090
3,560	6,200	2,000	1,000	9,200
3,620	6,300	2,000	1,000	9,300
3,680	6,410	2,000	1,000	9,410
3,740	6,510	2,000	1,000	9,510
3,800	6,620	2,000	1,000	9,620

3,860	6,720	2,000	1,000	9,720
3,920	6,830	2,000	1,000	9,830
3,980	6,930	2,000	1,000	9,930

Rank - Leading Seaman

Pre-revised scale

Rs.3200-70-4250

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2400 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,200	5,570	2,400	1,000	8,970
3,270	5,690	2,400	1,000	9,090
3,340	5,820	2,400	1,000	9,220
3,410	5,940	2,400	1,000	9,340
3,480	6,060	2,400	1,000	9,460
3,550	6,180	2,400	1,000	9,580
3,620	6,300	2,400	1,000	9,700
3,690	6,430	2,400	1,000	9,830
3,760	6,550	2,400	1,000	9,950
3,830	6,670	2,400	1,000	10,070
3,900	6,790	2,400	1,000	10,190
3,970	6,910	2,400	1,000	10,310
4,040	7,030	2,400	1,000	10,430
4,110	7,160	2,400	1,000	10,560
4,180	7,280	2,400	1,000	10,680
4,250	7,400	2,400	1,000	10,800

Rank - Petty Officer

Pre-revised scale

Rs.3775-85-5050

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,775	6,570	2,800	1,000	10,370
3,860	6,720	2,800	1,000	10,520
3,945	6,870	2,800	1,000	10,670
4,030	7,020	2,800	1,000	10,820
4,115	7,160	2,800	1,000	10,960
4,200	7,310	2,800	1,000	11,110
4,285	7,460	2,800	1,000	11,260
4,370	7,610	2,800	1,000	11,410
4,455	7,760	2,800	1,000	11,560
4,540	7,900	2,800	1,000	11,700
4,625	8,050	2,800	1,000	11,850
4,710	8,200	2,800	1,000	12,000
4,795	8,350	2,800	1,000	12,150
4,880	8,500	2,800	1,000	12,300
4,965	8,640	2,800	1,000	12,440
5,050	8,790	2,800	1,000	12,590

Rank - Chief Petty Officer

Pre-revised scale

Rs.5200-125-7450

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.8700-34800 + Rs.4200 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
5,200	9,050	4,200	1,000	14,250
5,325	9,270	4,200	1,000	14,470
5,450	9,490	4,200	1,000	14,690

5,575	9,710	4,200	1,000	14,910
5,700	9,920	4,200	1,000	15,120
5,825	10,140	4,200	1,000	15,340
5,950	10,360	4,200	1,000	15,560
6,075	10,580	4,200	1,000	15,780
6,200	10,790	4,200	1,000	15,990
6,325	11,010	4,200	1,000	16,210
6,450	11,230	4,200	1,000	16,430
6,575	11,450	4,200	1,000	16,650
6,700	11,660	4,200	1,000	16,860
6,825	11,880	4,200	1,000	17,080
6,950	12,100	4,200	1,000	17,300
7,075	12,320	4,200	1,000	17,520
7,200	12,530	4,200	1,000	17,730
7,325	12,750	4,200	1,000	17,950
7,450	12,970	4,200	1,000	18,170

Rank - MCPO II

Pre-revised scale

Rs.6170-155-8650

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.8700-34800 + Rs.4600 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,170	10,740	4,600	1,000	16,340
6,325	11,010	4,600	1,000	16,610
6,480	11,280	4,600	1,000	16,880
6,635	11,550	4,600	1,000	17,150
6,790	11,820	4,600	1,000	17,420
6,945	12,090	4,600	1,000	17,690
7,100	12,360	4,600	1,000	17,960
7,255	12,630	4,600	1,000	18,230
7,410	12,900	4,600	1,000	18,500
7,565	13,170	4,600	1,000	18,770

7,720	13,440	4,600	1,000	19,040
7,875	13,710	4,600	1,000	19,310
8,030	13,980	4,600	1,000	19,580
8,185	14,250	4,600	1,000	19,850
8,340	14,520	4,600	1,000	20,120
8,495	14,790	4,600	1,000	20,390
8,650	15,060	4,600	1,000	20,660

Rank - MCPO I

Pre-revised scale Revised Pay Band PB-2 + Grade Pay + MSP

Rs.6600-200-9400 Rs.8700-34800 + Rs.4800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,600	11,490	4,800	1,000	17,290
6,800	11,840	4,800	1,000	17,640
7,000	12,180	4,800	1,000	17,980
7,200	12,530	4,800	1,000	18,330
7,400	12,880	4,800	1,000	18,680
7,600	13,230	4,800	1,000	19,030
7,800	13,580	4,800	1,000	19,380
8,000	13,920	4,800	1,000	19,720
8,200	14,270	4,800	1,000	20,070
8,400	14,620	4,800	1,000	20,420
8,600	14,970	4,800	1,000	20,770
8,800	15,320	4,800	1,000	21,120
9,000	15,660	4,800	1,000	21,460
9,200	16,010	4,800	1,000	21,810
9,400	16,360	4,800	1,000	22,160

Air Force - X Group

Rank - Air Craftsman

Pre-revised scale Revised Pay Band PB-1 + Grade Pay + MSP + X Gr. Pay

Rs.3675 Rs.4860-20200 + Rs.2000 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
3,675	6,400	2,000	1,000	1,400	10,800

Rank - Leading Air Craftsman

Pre-revised scale Revised Pay Band PB-1 + Grade Pay + MSP + X Gr. Pay

Rs.4025-60-4925 Rs.4860-20200 + Rs.2000 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
4,025	7,010	2,000	1,000	1,400	11,410
4,085	7,110	2,000	1,000	1,400	11,510
4,145	7,220	2,000	1,000	1,400	11,620
4,205	7,320	2,000	1,000	1,400	11,720
4,265	7,430	2,000	1,000	1,400	11,830
4,325	7,530	2,000	1,000	1,400	11,930
4,385	7,630	2,000	1,000	1,400	12,030
4,445	7,740	2,000	1,000	1,400	12,140
4,505	7,840	2,000	1,000	1,400	12,240
4,565	7,950	2,000	1,000	1,400	12,350
4,625	8,050	2,000	1,000	1,400	12,450
4,685	8,160	2,000	1,000	1,400	12,560
4,745	8,260	2,000	1,000	1,400	12,660
4,805	8,370	2,000	1,000	1,400	12,770
4,865	8,470	2,000	1,000	1,400	12,870
4,925	8,570	2,000	1,000	1,400	12,970

Rank - Corporal

Pre-revised scale

Rs.4150-70-5200

Revised Pay Band PB-1 + Grade Pay + MSP + X Gr. Pay

Rs.4860-20200 + Rs.2400 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
4,150	7,230	2,400	1,000	1,400	12,030
4,220	7,350	2,400	1,000	1,400	12,150
4,290	7,470	2,400	1,000	1,400	12,270
4,360	7,590	2,400	1,000	1,400	12,390
4,430	7,710	2,400	1,000	1,400	12,510
4,500	7,830	2,400	1,000	1,400	12,630
4,570	7,960	2,400	1,000	1,400	12,760
4,640	8,080	2,400	1,000	1,400	12,880
4,710	8,200	2,400	1,000	1,400	13,000
4,780	8,320	2,400	1,000	1,400	13,120
4,850	8,440	2,400	1,000	1,400	13,240
4,920	8,570	2,400	1,000	1,400	13,370
4,990	8,690	2,400	1,000	1,400	13,490
5,060	8,810	2,400	1,000	1,400	13,610
5,130	8,930	2,400	1,000	1,400	13,730
5,200	9,050	2,400	1,000	1,400	13,850

Rank - Sergeant

Pre-revised scale

Rs.5000-100-6500

Revised Pay Band PB-1 + Grade Pay + MSP + X Gr. Pay

Rs.4860-20200 + Rs.2800 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
5,000	8,700	2,800	1,000	1,400	13,900
5,100	8,880	2,800	1,000	1,400	14,080
5,200	9,050	2,800	1,000	1,400	14,250

5,300	9,230	2,800	1,000	1,400	14,430
5,400	9,400	2,800	1,000	1,400	14,600
5,500	9,570	2,800	1,000	1,400	14,770
5,600	9,750	2,800	1,000	1,400	14,950
5,700	9,920	2,800	1,000	1,400	15,120
5,800	10,100	2,800	1,000	1,400	15,300
5,900	10,270	2,800	1,000	1,400	15,470
6,000	10,440	2,800	1,000	1,400	15,640
6,100	10,620	2,800	1,000	1,400	15,820
6,200	10,790	2,800	1,000	1,400	15,990
6,300	10,970	2,800	1,000	1,400	16,170
6,400	11,140	2,800	1,000	1,400	16,340
6,500	11,310	2,800	1,000	1,400	16,510

Rank - Jr. Warrant Officer

Pre-revised scale

Rs.5770-140-8290

Revised Pay Band PB-2 + Grade Pay + MSP + X Gr. Pay

Rs.8700-34800 + Rs.4200 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
5,770	10,040	4,200	1,000	1,400	16,640
5,910	10,290	4,200	1,000	1,400	16,890
6,050	10,530	4,200	1,000	1,400	17,130
6,190	10,780	4,200	1,000	1,400	17,380
6,330	11,020	4,200	1,000	1,400	17,620
6,470	11,260	4,200	1,000	1,400	17,860
6,610	11,510	4,200	1,000	1,400	18,110
6,750	11,750	4,200	1,000	1,400	18,350
6,890	11,990	4,200	1,000	1,400	18,590
7,030	12,240	4,200	1,000	1,400	18,840
7,170	12,480	4,200	1,000	1,400	19,080
7,310	12,720	4,200	1,000	1,400	19,320
7,450	12,970	4,200	1,000	1,400	19,570

7,590	13,210	4,200	1,000	1,400	19,810
7,730	13,450	4,200	1,000	1,400	20,050
7,870	13,700	4,200	1,000	1,400	20,300
8,010	13,940	4,200	1,000	1,400	20,540
8,150	14,190	4,200	1,000	1,400	20,790
8,290	14,430	4,200	1,000	1,400	21,030

Rank - Warrant Officer

Pre-revised scale

Rs.6750-190-9790

Revised Pay Band PB-2 + Grade Pay + MSP + X Gr. Pay

Rs.8700-34800 + Rs.4600 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
6,750	11,750	4,600	1,000	1,400	18,750
6,940	12,080	4,600	1,000	1,400	19,080
7,130	12,410	4,600	1,000	1,400	19,410
7,320	12,740	4,600	1,000	1,400	19,740
7,510	13,070	4,600	1,000	1,400	20,070
7,700	13,400	4,600	1,000	1,400	20,400
7,890	13,730	4,600	1,000	1,400	20,730
8,080	14,060	4,600	1,000	1,400	21,060
8,270	14,390	4,600	1,000	1,400	21,390
8,460	14,720	4,600	1,000	1,400	21,720
8,650	15,060	4,600	1,000	1,400	22,060
8,840	15,390	4,600	1,000	1,400	22,390
9,030	15,720	4,600	1,000	1,400	22,720
9,220	16,050	4,600	1,000	1,400	23,050
9,410	16,380	4,600	1,000	1,400	23,380
9,600	16,710	4,600	1,000	1,400	23,710
9,790	17,040	4,600	1,000	1,400	24,040

Rank - Master Warrant Officer

Pre-revised scale Revised Pay Band PB-2 + Grade Pay + MSP + X Gr. Pay

Rs.7400-200-10200 Rs.8700-34800 + Rs.4800 + Rs.1000 + Rs.1400

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	X Group Pay	Total Revised Pay
7,400	12,880	4,800	1,000	1,400	20,080
7,600	13,230	4,800	1,000	1,400	20,430
7,800	13,580	4,800	1,000	1,400	20,780
8,000	13,920	4,800	1,000	1,400	21,120
8,200	14,270	4,800	1,000	1,400	21,470
8,400	14,620	4,800	1,000	1,400	21,820
8,600	14,970	4,800	1,000	1,400	22,170
8,800	15,320	4,800	1,000	1,400	22,520
9,000	15,660	4,800	1,000	1,400	22,860
9,200	16,010	4,800	1,000	1,400	23,210
9,400	16,360	4,800	1,000	1,400	23,560
9,600	16,710	4,800	1,000	1,400	23,910
9,800	17,060	4,800	1,000	1,400	24,260
10,000	17,400	4,800	1,000	1,400	24,600
10,200	17,750	4,800	1,000	1,400	24,950

Air Force - Y Group

Rank - Air Craftsman

Pre-revised scale Revised Pay Band PB-1 + Grade Pay + MSP

Rs.3250 Rs.4860-20200 + Rs.2000 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,250	5,660	2,000	1,000	8,660

Rank - Leading Air Craftsman

Pre-revised scale Revised Pay Band PB-1 + Grade Pay + MSP

Rs.3650-60-4550 Rs.4860-20200 + Rs.2000 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,650	6,360	2,000	1,000	9,360
3,710	6,460	2,000	1,000	9,460
3,770	6,560	2,000	1,000	9,560
3,830	6,670	2,000	1,000	9,670
3,890	6,770	2,000	1,000	9,770
3,950	6,880	2,000	1,000	9,880
4,010	6,980	2,000	1,000	9,980
4,070	7,090	2,000	1,000	10,090
4,130	7,190	2,000	1,000	10,190
4,190	7,300	2,000	1,000	10,300
4,250	7,400	2,000	1,000	10,400
4,310	7,500	2,000	1,000	10,500
4,370	7,610	2,000	1,000	10,610
4,430	7,710	2,000	1,000	10,710
4,490	7,820	2,000	1,000	10,820
4,550	7,920	2,000	1,000	10,920

Rank - Corporal

Pre-revised scale

Rs.3900-70-4950

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2400 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,900	6,790	2,400	1,000	10,190
3,970	6,910	2,400	1,000	10,310
4,040	7,030	2,400	1,000	10,430
4,110	7,160	2,400	1,000	10,560
4,180	7,280	2,400	1,000	10,680
4,250	7,400	2,400	1,000	10,800
4,320	7,520	2,400	1,000	10,920
4,390	7,640	2,400	1,000	11,040
4,460	7,760	2,400	1,000	11,160
4,530	7,890	2,400	1,000	11,290
4,600	8,010	2,400	1,000	11,410
4,670	8,130	2,400	1,000	11,530
4,740	8,250	2,400	1,000	11,650
4,810	8,370	2,400	1,000	11,770
4,880	8,500	2,400	1,000	11,900
4,950	8,620	2,400	1,000	12,020

Rank - Sergeant

Pre-revised scale

Rs.4320-85-5595

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
4,320	7,520	2,800	1,000	11,320
4,405	7,670	2,800	1,000	11,470

4,490	7,820	2,800	1,000	11,620
4,575	7,970	2,800	1,000	11,770
4,660	8,110	2,800	1,000	11,910
4,745	8,260	2,800	1,000	12,060
4,830	8,410	2,800	1,000	12,210
4,915	8,560	2,800	1,000	12,360
5,000	8,700	2,800	1,000	12,500
5,085	8,850	2,800	1,000	12,650
5,170	9,000	2,800	1,000	12,800
5,255	9,150	2,800	1,000	12,950
5,340	9,300	2,800	1,000	13,100
5,425	9,440	2,800	1,000	13,240
5,510	9,590	2,800	1,000	13,390
5,595	9,740	2,800	1,000	13,540

Rank - Jr. Warrant Officer

Pre-revised scale

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.5620-140-8140

Rs.8700-34800 + Rs.4200 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
5,620	9,780	4,200	1,000	14,980
5,760	10,030	4,200	1,000	15,230
5,900	10,270	4,200	1,000	15,470
6,040	10,510	4,200	1,000	15,710
6,180	10,760	4,200	1,000	15,960
6,320	11,000	4,200	1,000	16,200
6,460	11,240	4,200	1,000	16,440
6,600	11,490	4,200	1,000	16,690
6,740	11,730	4,200	1,000	16,930
6,880	11,980	4,200	1,000	17,180
7,020	12,220	4,200	1,000	17,420
7,160	12,460	4,200	1,000	17,660

7,300	12,710	4,200	1,000	17,910
7,440	12,950	4,200	1,000	18,150
7,580	13,190	4,200	1,000	18,390
7,720	13,440	4,200	1,000	18,640
7,860	13,680	4,200	1,000	18,880
8,000	13,920	4,200	1,000	19,120
8,140	14,170	4,200	1,000	19,370

Rank - Warrant Officer

Pre-revised scale Revised Pay Band PB-2 + Grade Pay + MSP

Rs.6600-170-9320 Rs.8700-34800 + Rs.4600 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,600	11,490	4,600	1,000	17,090
6,770	11,780	4,600	1,000	17,380
6,940	12,080	4,600	1,000	17,680
7,110	12,380	4,600	1,000	17,980
7,280	12,670	4,600	1,000	18,270
7,450	12,970	4,600	1,000	18,570
7,620	13,260	4,600	1,000	18,860
7,790	13,560	4,600	1,000	19,160
7,960	13,850	4,600	1,000	19,450
8,130	14,150	4,600	1,000	19,750
8,300	14,450	4,600	1,000	20,050
8,470	14,740	4,600	1,000	20,340
8,640	15,040	4,600	1,000	20,640
8,810	15,330	4,600	1,000	20,930
8,980	15,630	4,600	1,000	21,230
9,150	15,930	4,600	1,000	21,530
9,320	16,220	4,600	1,000	21,820

Rank - Master Warrant Officer

Pre-revised scale Revised Pay Band PB-2 + Grade Pay + MSP

Rs.6750-200-9550 Rs.8700-34800 + Rs.4800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,750	11,750	4,800	1,000	17,550
6,950	12,100	4,800	1,000	17,900
7,150	12,450	4,800	1,000	18,250
7,350	12,790	4,800	1,000	18,590
7,550	13,140	4,800	1,000	18,940
7,750	13,490	4,800	1,000	19,290
7,950	13,840	4,800	1,000	19,640
8,150	14,190	4,800	1,000	19,990
8,350	14,530	4,800	1,000	20,330
8,550	14,880	4,800	1,000	20,680
8,750	15,230	4,800	1,000	21,030
8,950	15,580	4,800	1,000	21,380
9,150	15,930	4,800	1,000	21,730
9,350	16,270	4,800	1,000	22,070
9,550	16,620	4,800	1,000	22,420

Air Force - Z Group

Rank - Air Craftsman

Pre-revised scale Revised Pay Band PB-1 + Grade Pay + MSP

Rs.3050 Rs.4860-20200 + Rs.2000 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,050	5,310	2,000	1,000	8,310

Rank - Leading Air Craftsman

Pre-revised scale Revised Pay Band PB-1 + Grade Pay + MSP

Rs.3080-60-3980 Rs.4860-20200 + Rs.2000 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,080	5,360	2,000	1,000	8,360
3,140	5,470	2,000	1,000	8,470
3,200	5,570	2,000	1,000	8,570
3,260	5,680	2,000	1,000	8,680
3,320	5,780	2,000	1,000	8,780
3,380	5,890	2,000	1,000	8,890
3,440	5,990	2,000	1,000	8,990
3,500	6,090	2,000	1,000	9,090
3,560	6,200	2,000	1,000	9,200
3,620	6,300	2,000	1,000	9,300
3,680	6,410	2,000	1,000	9,410
3,740	6,510	2,000	1,000	9,510
3,800	6,620	2,000	1,000	9,620
3,860	6,720	2,000	1,000	9,720
3,920	6,830	2,000	1,000	9,830
3,980	6,930	2,000	1,000	9,930

Rank - Corporal

Pre-revised scale

Rs.3200-70-4250

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2400 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,200	5,570	2,400	1,000	8,970
3,270	5,690	2,400	1,000	9,090
3,340	5,820	2,400	1,000	9,220
3,410	5,940	2,400	1,000	9,340
3,480	6,060	2,400	1,000	9,460
3,550	6,180	2,400	1,000	9,580
3,620	6,300	2,400	1,000	9,700
3,690	6,430	2,400	1,000	9,830
3,760	6,550	2,400	1,000	9,950
3,830	6,670	2,400	1,000	10,070
3,900	6,790	2,400	1,000	10,190
3,970	6,910	2,400	1,000	10,310
4,040	7,030	2,400	1,000	10,430
4,110	7,160	2,400	1,000	10,560
4,180	7,280	2,400	1,000	10,680
4,250	7,400	2,400	1,000	10,800

Rank - Sergeant

Pre-revised scale

Rs.3775-85-5050

Revised Pay Band PB-1 + Grade Pay + MSP

Rs.4860-20200 + Rs.2800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
3,775	6,570	2,800	1,000	10,370
3,860	6,720	2,800	1,000	10,520

3,945	6,870	2,800	1,000	10,670
4,030	7,020	2,800	1,000	10,820
4,115	7,160	2,800	1,000	10,960
4,200	7,310	2,800	1,000	11,110
4,285	7,460	2,800	1,000	11,260
4,370	7,610	2,800	1,000	11,410
4,455	7,760	2,800	1,000	11,560
4,540	7,900	2,800	1,000	11,700
4,625	8,050	2,800	1,000	11,850
4,710	8,200	2,800	1,000	12,000
4,795	8,350	2,800	1,000	12,150
4,880	8,500	2,800	1,000	12,300
4,965	8,640	2,800	1,000	12,440
5,050	8,790	2,800	1,000	12,590

Rank - Jr. Warrant Officer

Pre-revised scale

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.5200-125-7450

Rs.8700-34800 + Rs.4200 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
5,200	9,050	4,200	1,000	14,250
5,325	9,270	4,200	1,000	14,470
5,450	9,490	4,200	1,000	14,690
5,575	9,710	4,200	1,000	14,910
5,700	9,920	4,200	1,000	15,120
5,825	10,140	4,200	1,000	15,340
5,950	10,360	4,200	1,000	15,560
6,075	10,580	4,200	1,000	15,780
6,200	10,790	4,200	1,000	15,990
6,325	11,010	4,200	1,000	16,210
6,450	11,230	4,200	1,000	16,430
6,575	11,450	4,200	1,000	16,650

6,700	11,660	4,200	1,000	16,860
6,825	11,880	4,200	1,000	17,080
6,950	12,100	4,200	1,000	17,300
7,075	12,320	4,200	1,000	17,520
7,200	12,530	4,200	1,000	17,730
7,325	12,750	4,200	1,000	17,950
7,450	12,970	4,200	1,000	18,170

Rank - Warrant Officer

Pre-revised scale Revised Pay Band PB-2 + Grade Pay + MSP

Rs.6170-155-8650 Rs.8700-34800 + Rs.4600 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,170	10,740	4,600	1,000	16,340
6,325	11,010	4,600	1,000	16,610
6,480	11,280	4,600	1,000	16,880
6,635	11,550	4,600	1,000	17,150
6,790	11,820	4,600	1,000	17,420
6,945	12,090	4,600	1,000	17,690
7,100	12,360	4,600	1,000	17,960
7,255	12,630	4,600	1,000	18,230
7,410	12,900	4,600	1,000	18,500
7,565	13,170	4,600	1,000	18,770
7,720	13,440	4,600	1,000	19,040
7,875	13,710	4,600	1,000	19,310
8,030	13,980	4,600	1,000	19,580
8,185	14,250	4,600	1,000	19,850
8,340	14,520	4,600	1,000	20,120
8,495	14,790	4,600	1,000	20,390
8,650	15,060	4,600	1,000	20,660

Rank - Master Warrant Officer

Pre-revised scale

Revised Pay Band PB-2 + Grade Pay + MSP

Rs.6600-200-9400

Rs.8700-34800 + Rs.4800 + Rs.1000

Stage in the pre-revised scale	Stage in the revised Pay Band	Grade Pay	Military Service Pay	Total Revised Pay
6,600	11,490	4,800	1,000	17,290
6,800	11,840	4,800	1,000	17,640
7,000	12,180	4,800	1,000	17,980
7,200	12,530	4,800	1,000	18,330
7,400	12,880	4,800	1,000	18,680
7,600	13,230	4,800	1,000	19,030
7,800	13,580	4,800	1,000	19,380
8,000	13,920	4,800	1,000	19,720
8,200	14,270	4,800	1,000	20,070
8,400	14,620	4,800	1,000	20,420
8,600	14,970	4,800	1,000	20,770
8,800	15,320	4,800	1,000	21,120
9,000	15,660	4,800	1,000	21,460
9,200	16,010	4,800	1,000	21,810
9,400	16,360	4,800	1,000	22,160

Note : Military Service Pay (MSP) is to be taken in account for purposes of fitment. No arrears on account of Military Service Pay are to be paid. MSP will, therefore, actually be payable prospectively from the date indicated in the notification.

Lateral movement of Defence Forces personnel

Introduction

2.4.1 Defence Forces have been facing a shortage of Officers. Resettlement of retired Personnel Below Officers Ranks (PBORs) is also an issue that has been engaging deep attention of the Government. The short tenure of Short Service Commissioned Officers (SSCOs) and PBORs in Defence Forces acts as a disincentive for many eligible candidates joining the Defence Forces. The Commission is also of the view that while a good compensation package is essential for the morale and quality of officers and men in the Defence Forces, the same will also, to a large extent, depend on those personnel being provided a life time career.

2.4.2 The problem of short tenure in Defence Forces has to be viewed in the context of ever increasing role of the Defence Forces in anti-terrorist and counter insurgency/related duties. These functions primarily lie with Central Para Military Forces (CPMFs) that have been specifically raised for performing duties relating to maintenance of law and order, carrying out anti-terrorists/counter insurgency operations, etc. However, help of the Defence Forces is also enlisted frequently for these duties.

2.4.3 In recent years, the size of CPMFs has increased by a large percentage to meet the increased internal security threat to the nation. The Government is presently recruiting a large number of personnel in various CPMFs and training them before they can be utilized for security related duties in the various para military forces. At the same time, a large number of personnel from the Defence Forces retire at a relatively young age when they are fit enough to discharge duties in CPMFs that are slightly less arduous than those required in Defence Forces. Further, these retired personnel are likely to have performed anti-terrorist and counter-insurgency duties while working in the Defence Forces. The Government is faced with an increased pension burden for these retired Defence Forces personnel who are still in their prime. It also has a responsibility of rehabilitating these trained personnel who still have a long, productive working life and are too young to take complete retirement from all work.

2.4.4 The twin problems of locating suitable trained manpower for induction in various Central Para Military Forces and providing sufficiently long tenure for the Defence Forces personnel can be addressed in case the recruitment to Central Para Military Forces is done by lateral shift of the Defence Forces personnel. This is not a new concept. Even at present, 10% of the posts of Assistant Commandant in various para military forces are reserved for ex-servicemen. All posts in defence security corps are exclusively reserved for ex-servicemen. The Fifth CPC had recommended increase in percentage of posts reserved for the retired service personnel in Group C and D in Central Police Organizations (CPOs) to 25% that were recommended to be filled by lateral transfer of the retiring service personnel to CPOs. The Commission had also recommended filling up of 25% posts of Assistant Commandant in CPOs by lateral shift of Defence Forces personnel with this facility being made available in particular to the Short Service Commissioned Officers. The Fifth Pay Commission had also suggested setting up a joint recruitment board comprising representatives of CPOs and Defence Forces headquarters that would jointly select officers/men who would render 7 years service in Defence Forces to be followed by lateral shift to CPOs.

Analysis

2.4.5 The recommendations of the Fifth Central Pay Commission are even more relevant today and need to be further extended so that all posts in different CPOs are filled by lateral shift of Defence Forces personnel. A similar dispensation needs to be extended for filling up the civilian posts in Ministry of Defence which should also be filled by lateral shift of the Defence Forces personnel. The average yearly discharge from the Defence Forces personnel is approximately 40,000. Assuming that a majority of these personnel would opt for lateral shift, around 35000 posts would be required annually to accommodate these personnel in CPOs/defence civilian organizations. The size of the various CPOs is approximately 7,00,000. The number of defence civilians in Ministry of Defence is around 4,00,000. The total number of average annual vacancies in CPOs and the various cadres of defence civilians would be around 35,000. Thus, the potential to allow lateral shift of nearly all Defence Forces personnel to CPOs and various cadres of defence civilians exists.

Recommendations

2.4.6 The Commission therefore is of the view that a scheme needs to be introduced for lateral shift of Defence Forces personnel to CPOs (including CPMFs) and defence civilian organizations. **It is, accordingly, recommended that in future, all recruitments to the posts of Short Service Commissioned Officers and Personnel**

Below Officers Ranks in the Defence Forces, CPOs and various defence civilian organisations should be made with the selected candidates serving initially in the Defence Forces for some period before being laterally shifted to CPOs/defence civilian organizations. The lateral shift of the Defence Forces personnel to CPOs shall be operationalised in the following manner:-

- i) Common recruitment shall henceforth be made to all the posts in Defence Forces, CPOs and defence civilians in Ministry of Defence.
- ii) The recruitment shall be made by Recruitment Boards in Defence Forces.
- iii) All the successful candidates recruited by this Board will initially render minimum 7 years of service in the Defence Forces. The span could, however, be extended to 17 years depending upon the vacancy position in CPOs/defence civilian organisations as well as the requirement in Defence Forces.
- iv) On completion of the tenure in the Defence Forces, the personnel shall be laterally shifted to an analogous post either in any of the CPOs or in one of the defence civilian organisation. The lateral shift to a specific CPO or a defence civilian organisation will depend on the availability of post as well as the choice and medical fitness of the concerned Defence Forces personnel.
- v) During the lateral shift the pay fixed in the pay band and the grade pay of the employee shall be protected. Once the lateral shift is made, the military special pay will no longer be payable. However, while fixing pay in the corresponding pay band and grade pay on the civilian side, the Military Service Pay will also be taken into account so that there is no drop in the salary.
- vi) The lateral shift, whether in CPOs or in one of the defence civilian organisations, will be to a post carrying same pay band and grade pay as being drawn by the concerned person in the Defence Forces at the time of lateral shift .
- vii) The Defence Forces personnel would have the option not to opt for the lateral shift. In such a scenario, the personnel shall retire at the stipulated age prescribed for the rank held by him/her in the Defence Forces. Pension as per the normal pension rules will then be payable. Since life time appointment would be offered under the scheme, no special pensionary benefits that were being given to compensate for the short tenure in the Defence Forces would henceforth be available.
- viii) The seniority of the concerned personnel on being laterally shifted to CPOs/defence civilian organisations will be determined on the basis of the date on which they were appointed in that specific pay band and grade pay in the

Defence Forces. Thus, the seniority shall be fully protected during the lateral shift to CPOs/defence civilian organisations. In accordance with the extant rules, the Defence Forces personnel laterally shifted to the CPOs/defence civilian organisations will continue to be governed by the pension scheme which governed them during their tenure in the Defence Forces. Consequently, they will fall outside the purview of the New Pension Scheme.

Benefits of the proposed scheme

2.4.7 This scheme will not only make available sufficient number of trained manpower for CPOs as well as defence civilian organisations but will also curtail the pension bill of the Government significantly. It is estimated that the Government spends nearly Rs.100 crore per annum on recruitment and training of personnel for CPOs and defence civilian organisations. This expenditure will be completely saved. Further the Government will have to pay pension to the retiring Defence Forces personnel only after 30/33 years of service as against 17 years of service at present. This will result in a further saving of Rs.700 crore per year. These savings will grow cumulatively for a period of 13 years. Therefore, at the end of 13 years the annual savings on this account will be to the tune of Rs.7800 crore at constant price index. The Government will also not have to provide for special measures and find means of providing rehabilitation of ex-Defence Forces personnel. This will have other side benefits because the trained manpower of the Defence Forces will be engaged in a life time employment and no subversive elements will be able to misguide them for anti social activities.

Reservations expressed against the Scheme and analysis thereof

2.4.8 The issue of lateral shift of Defence Forces personnel in CPOs was discussed by the Commission with officials from Ministry of Defence as well as Ministry of Home Affairs. Whereas the former were generally in favour and in fact welcomed the scheme, the Ministry of Home Affairs had expressed several reservations. The Commission has analyzed these reservations of MHA as under:-

- i) **MHA argument** - The age profile of the CPOs will be hit adversely by this lateral shift.

Analysis - - Presently the average age of recruitment in Defence Forces is 19 years. As against this, in CPMFs personnel upto the age of 26 years are recruited. After that such persons have to be trained. This on an average takes one year. If the recruits in Defence Forces are laterally shifted to the CPOs after a stint of 7 years, their average age at the time of entering the CPOs will be around 26 years.

Moreover, they will be fully trained. As such, the age profile of CPOs will not be hit adversely by this lateral shift.

- ii) **MHA argument** – The training of Defence Forces personnel is different from that of CPOs. Defence Forces personnel are trained to kill whereas police forces personnel are trained to control and not kill. Therefore, lateral shift of Defence Forces into CPOs will lead to operational problems.

Analysis – It is fallacious to assume that training procedure of Defence Forces will not be effective for rendering service in CPOs. In fact, Defence Forces are highly disciplined and are trained to take action as per the orders given and as per the demand of the situation. This is evident by the fact that Defence Forces are now being used in a major way in all the counter insurgency operations which earlier were being carried out by the CPMFs and CPOs. Defence Forces are increasingly being used for various kinds of duties in the interior of the country which are far removed from protecting the borders from the attack of foreign enemies. The ex-Defence Forces personnel are also given employment in State Police and CPOs. In fact there is a 10% reservation for ex-Defence Forces personnel to the post of Assistant Commandant in CPOs. Nobody has ever complained that the ex-Defence Forces personnel recruited in various police forces/CPOs have not performed as well as any other CPMF personnel. The argument, therefore, is not sustainable on facts.

- iii) **MHA argument** – The scheme will curtail the available employment opportunities.

Analysis – This argument will need to be seen in the light of the fact that the scheme will provide life time employment to the successful candidates who will serve for a few years in the Defence Forces and thereafter be laterally shifted to CPOs/defence civilian organisations. Presently, persons recruited in the Defence Forces get a service of only 17 years. Consequently, re-employment has to be found for them once they are discharged from the Defence Forces. The new scheme will resolve this problem effectively. Therefore, no real loss in employment opportunities will occur due to implementation of this scheme.

- iv) **MHA argument** – There will be problems about career progression of existing recruits who are directly inducted in the CPMFs because Defence Forces personnel on lateral shift

to CPOs/defence civilian organisations will retain their seniority and will, therefore, become senior to these personnel.

Analysis – This problem will exist for some of the existing personnel who are recruited directly in CPMFs. However, the current scheme of running pay bands and the modified assured career progression scheme will ensure that none of the existing direct recruits in various CPOs/defence civilian organisations stagnates at any point in his/her entire career. Further, the problem will not exist for a very long time because eventually all the recruits in CPOs/defence civilian organisations will come through the Defence Forces personnel which will automatically resolve this problem.

- v) **MHA argument** – It will be difficult to establish one to one parity between different posts in Defence Forces and CPOs/defence civilian organisations.

Analysis – While it is true that no clear-cut parity had existed in Fifth CPC pay scales between different posts in Defence Forces and CPOs/different defence civilian organisations in the revised scheme of running pay bands and grade pay being recommended, a complete one to one parity has been established between posts in Defence Forces vis-à-vis those in CPOs/other civilian organisations. Hence, the problem has been effectively addressed in the revised scheme of running pay bands being recommended by the Commission.

Conclusion

2.4.9 Discussions in preceding paragraphs would clearly show that the scheme of lateral shift of Defence Forces personnel in CPOs/various defence civilian organisations is extremely viable, beneficial and no real drawbacks exist in effective implementation of this scheme. This will not only result in substantial financial savings for the Government but will also guarantee a life time employment to the Defence Forces personnel. The Government will also benefit by getting an abundant supply of trained manpower for induction into various posts in CPOs/defence civilian organizations. The scheme, therefore, should be implemented in its entirety without any delay.

Performance Related Incentive Scheme

Introduction

2.5.1 Terms of Reference of the Commission mandated it to devise ways for transforming the Central Government organisations into professional and citizen friendly entities dedicated to the service of the people. The Terms of Reference also made it incumbent on the Commission to work out a pay package for Central Government employees that was linked to promoting efficiency, productivity and economy. The Commission also had to look into the financial parameters and conditions that would govern the payment of bonus. Keeping in view the aforesaid Terms of Reference, the Commission had to devise compensation package which improves the efficiency and delivery mechanism in the Government and which rewards performance. This, in the view of the Commission, could be achieved by incorporating an incentive, over and above the normal salary, in the revised structure being recommended. This was all the more important because the thrust of the Report is to move to a system that increasingly recognizes performance and gives motivation in the form of monetary incentives, merit increments, etc. Giving monetary incentive over and above the normal salary will also ensure that the emoluments available in the Government become somewhat comparable to those available for similarly placed personnel in other sectors.

What is Performance?

2.5.2 Before elaborating further on the concept of incentive based on performance, need exists to define performance. Performance for the Government is usually not measured in terms of profit, but in terms of achieving societal goals and desired outcomes, for example, reduction of crime, enhancing the quality of life, reducing infant mortality etc. Performance is effective service delivery and responsiveness to stakeholders. In the Governmental context, performance can be defined as the ability of the Government to acquire resources and to put these resources to their most efficient use (input-output relationship) and to achieve the desired outputs and outcome goals (output-outcome relationship). It is the shift from inputs-process emphasis (efficiency) to results, social goals and outcomes (effectiveness). Performance can, in the final analysis, only be viewed in terms of the final deliverables to the user/stakeholder.

Definition of performance related pay (PRP)

2.5.3 The OECD, in its synthesis study 'Performance Related Pay Policies for Government Employees' (OECD 2005), has defined 'Performance related pay' (PRP) as the variable part of pay which is awarded each year (or on any other periodic basis) depending on performance. PRP systems are applied at the individual employee level and at the team/group level. The definition of PRP excludes:

- Any automatic pay increases by, for example, grade promotion or service-based increments (not linked to performance);
- Various types of allowances which are attached to certain posts or certain working conditions (for example, over time allowances, allowances for working in particular geographical areas)

Past developments

2.5.4 Payment of incentives based on performance is not a new concept. The earlier two Pay Commissions i.e. Fourth and Fifth Pay Commissions had also commented on the issue of rewarding performance. The Fourth CPC had recommended variable increments for rewarding better performances. The Fifth Central Pay Commission had recommended the scheme of performance related increments for all Central Government employees where an extra increment was to be paid to the exceptionally meritorious performers with the under-performers being denied even the regular/normal increment.

Performance Related Incentive Schemes (PRIS) - successful implementation in the CPSEs

2.5.5 The Central Public Sector Enterprises (CPSEs) have successfully implemented Performance Linked Incentive Schemes where performance related payment, not exceeding 5% of the distributable profit, is normally paid. This scheme is based on the recommendations of the Pay Revision Committee headed by Justice S. Mohan which proposed that all payments over and above the ceiling of 50 per cent should be entirely in the nature of Performance Related Pay. The Central Public Sector Enterprises (CPSEs) also have an Employees Stock Option Scheme (ESOS) based on beneficiary's certificate against contribution by employees. Enterprise specific implementation models for performance related incentive based on project related targets, productivity linked key indicators etc. with organization, group and individual performance parameters have been functioning successfully for a number of years (Annex 2.5.1). PRI schemes tightly linked to organizational objectives are the norm in the private sector in India and vary according to the organisation (Annex 2.5.2).

PRIS - the International experience

2.5.6 Most OECD countries have introduced links between performance and pay. The methods by which different countries have introduced elements of performance-related pay in their public

services broadly reflect the established methods for determining public pay. Asian countries like Singapore, South Korea, Vietnam and Pakistan have also introduced PRI. Performance related incentives have now been introduced in career based systems like France, Hungary, Russia and Korea. Most of the countries pay PRI in form of merit increments as well as bonuses. Rate of merit increments normally varies from 3% to 20%. Rate of Bonus varies and countries like South Korea pays bonus of upto 100% of the monthly base salary (See Annex 2.5.3 for details).

Change in work culture through PRIS

2.5.7 The Commission had engaged the Indian Institute of Management (IIM (A)) to do a Study on Formulating the Concept, Principles, and Parameters for Performance-Related Incentive Schemes in Government. The Synthesis Report of studies has observed:-

“In India, Government employees are paid according to their service-incremental salary scales. For a larger (majority) section of employees there is hardly any performance for pay incentive available to them. Their salaries are today only a composite of basic pay plus certain allowances (variable) including DA that are admissible depending on the nature of jobs and duties and accompanying working conditions. In fact, natural increases in salary are very much guaranteed to Government employees. This leads to a situation where employees do not exert themselves for a higher level of on-the-job performance and achievements, thus depriving the Government of potential productivity gains and service delivery enhancements, both in terms of quantum and quality. There is no external motivation for risk-taking and delivering a higher level of performance, because though the risk-taking is punished if things go wrong, it is not financially rewarded if things improve because of employees’ initiative and risk-taking. Over the years, this has led to the development of a culture where employees have become risk averse.”

The lower risk taking ability of public servants where emphasis is only on routine observance of procedures without any reference to the end result or outcome can be changed only through changes in work culture that rewards performers. This will involve changes in the extant accountability structures and linkage to outcomes and deliverables. PRI is being recommended to act as a lever to herald this new work culture.

PRIS a variable pecuniary benefit over and above the regular pay

2.5.8 **Keeping in view the past developments, the model applied in CPSEs and the international experience, the Commission is of the view that a separate performance linked incentive scheme needs to be introduced to orient all Government departments towards better service delivery with higher emphasis on end results.** The IIM (Ahmedabad) ‘Synthesis Report of studies for formulating the concept, principles and parameters for Performance Related Incentives defines *“PRI as the variable*

component of the pay which is awarded ex-post, after individual/group performance is measured against pre-set and mutually agreed upon goals for a given period of assessment. It is non-additive and non-cumulative. It is not an automatic default pay which is given for the nature of duties & responsibilities or levels of difficulty (working conditions) for a certain rank/post."

Accordingly, the Commission recommends introduction of a new performance based pecuniary benefit, over and above the regular salary, for the Government employees. The benefit will be called Performance Related Incentive Scheme (PRIS) and will be payable taking into account the performance of the employee during the period under consideration. It is based on the principle of differential reward for differential performance. This incentive will be payable out of the savings made due to better performance of employee(s) during the period in consideration. To ensure that employees do not lose any of their regular salary as revised by this Commission in case they are found ineligible for this incentive; the Commission proposes to pay this incentive over and above the regular pay of the employee. In this sense, the incentive being recommended in this Report is different from Performance Related Pay (PRP) in other countries as, unlike in PRP; it is a benefit over and above the regular pay of the employee.

***Funding for PRIS:
a budget neutral
framework***

2.5.9 The essence of PRIS is that it will improve efficiency and end delivery without placing any additional financial burden through more efficient use of the available resources. Expenditure currently incurred in terms of current expenditure on ad-hoc bonus and honorarium payments will, in any case, be available to ministries/departments. Additional finances for implementing PRIS would, therefore, have to be generated internally through cost and efficiency improvements and productivity/output increases resulting from improved work processes and extensive use of information and communication technologies. Potential for cost-savings exists in most of the departments and ministries. This is also borne out in the study conducted by IIM (A). **It is, accordingly, recommended that fifty percent of the organizational savings available to a Department or organization should be made available for the PRI schemes or other organizational priorities, keeping in mind the levels where these savings occurred, as reward for effectiveness, with the balance being apportioned to Government. For computing the savings, the Commission recommends benchmarking of the annual budget expenditure by the Ministries and Departments in the year 2005-2006 with flexibility given to the individual Ministries/ Departments to use the savings generated against the benchmark year under various heads for the PRIS or for other organizational priorities like additional manpower, office infrastructure etc. within the overall budget neutral framework.** The department/organization should

consciously plan its savings. Savings from the restructuring and reorganization of work, rightsizing, improved efficiency and productivity, reduction in wasteful expenditure and tangible savings in contingencies like travel and consumables and outsourcing, savings through process re-engineering, greater delegation of responsibility and accountability in decision making, redistribution of the work load and efficiencies of scale, de-layering and simplification of office procedures would be part of the budget available to the organization for deployment towards its own priorities. **The savings from phasing out of ad-hoc bonus or PLB would also be part of available funds.** The funding for PRI should flow from savings and deployment within the budget with focus on greater organizational effectiveness and improved functioning and efficiency in working without confining it to downsizing and manpower reduction.

No uniform model for PRIS

2.5.10 Government of India performs myriad functions. Some Ministries are old whereas others are newly created. It is easier to make changes in new Ministries/Departments/Organisations where the structures are not so firmly established and can be modified for more effective performance. Further, performance across different ministries and departments as well as departmental units within a ministry/department show wide disparity. There is a variation in the social, demographic, and economic profile across the units. For rewarding unit level performance, these variations will need to be factored in. Concerns have also been raised on unequal opportunities due to difference in Department wise tasks/postings. To illustrate, in Railways, opportunities are perceived to be unequally distributed between line and staff functions; high density routes and branch lines. It is, therefore, apparent that a uniform model or a set of models cannot uniformly apply to all organisations insofar as grant of PRIS is concerned. **Every organisation will, therefore, have to devise its own PRIS based on the organizational structure, levels and processes being used.**

Decentralized design of PRIS at the Departmental level and below

2.5.11 In the preceding paragraph, it has been mentioned that no uniform model can be prescribed for PRI. Similarly, it is not necessary that PRI is introduced simultaneously across various Ministries/ Departments/Organisations in the Government. The IIM (A) study has also emphasized that any organization under a ministry or department of the Government should be free to decide whether they would like to participate in the PRIS or not. **Voluntary adoption of PRIS at an operational level at the Departmental level and below, within the overall given framework, will allow flexibility and directness of rewards linked to the changes in the work processes, improved performance and effective and responsive service delivery.**

Range of incentives, multiple slabs and periodicity

2.5.12 The amount of PRI in governments internationally is normally within 5-15% of basic pay. The IIM (A) case studies have also recommended bonuses between 5-20% of the basic pay. The IIM (A) has recommended two or maximum three slabs with differentials (Annex 2.5.4). **The Commission, however, is of the view that prescribing any set percentages/limits may not be appropriate and, a flexible, decentralized incentive payment structure for achievement beyond set targets with organizations having the freedom to set amounts and distribution within the benchmarked budget savings available would be more justified.**

2.5.13 The periodicity of payment of PRI should be linked to work processes and the frequency of performance measurement and assessment. **The form of PRI should, accordingly, be organization and design specific and payable as a cash incentive either when it becomes due, or on a monthly/quarterly/annual basis.**

Normal Salary for employees not covered under PRI and

2.5.14 **The adoption of PRIS is voluntary. In the event of ministries/departments deciding not to adopt the PRIS, the employees will continue to receive normal salary and compensation and will not be covered under PRIS.**

Broad outlines for implementing PRIS

Change in accountability framework

2.5.15 PRIS cannot work unless field functionaries are given adequate freedom and autonomy to perform. **Performance has to go hand-in-hand with delegation of powers.** While micromanagement may be a way to ensure accountability by monitoring performance and procedures, however, it leads to an over-emphasis on procedures leading to substantial non-productive paper work without any emphasis on end results and lack of delegation with a deleterious effect on performance. Narrow emphasis on accountability demoralizes employees and also leads to shift in priorities to compliance of regulations and performance accountability rather than service provision. Micro-management frequently proves detrimental to improvement in performance and effective service delivery. Basic changes in the accountability systems are essential for effective implementation of the PRIS framework. This change is all the more justified as the centralized command and control systems with process compliance and input control have not been effective in securing performance. **Accountability should be seen as the ability of the system to deliver results and services effectively and in a responsive manner of the appropriate quality and at the right time.** The correct test of accountability should be whether the results have reached the end consumer in a time-bound and effective manner and not merely whether all the prescribed procedures were followed without taking

in consideration the final effect of the action. Thus defined, accountability will lead to improvements in service and create an assurance in the working of the institution as against a narrow 'blaming' approach to accountability.

*Changes required
in organisational
functioning*

2.5.16 PRIS should be used as a tool for ushering in reforms rather than waiting for reforms before taking up PRIS. Following broad changes in organizational functioning are essential for effective implementation of PRIS:-

- a) Increasing employee participation through strengthening of delegation and accountability at each level of decision making to improve delivery of services to stakeholders. Delegation with accountability will also result in layering and streamlining the hierarchy of functioning leading to flatter organizations with "turning the pyramid upside down".
- b) Complete thrust on ultimate deliverables and outcomes.
- c) Enabling work environment with adequate infrastructure facilities and proper physical working conditions
- d) Institutionalization of stakeholder participation to ensure effectiveness and responsiveness in service delivery.
- e) Introduction of flexible and holistic job design with high performance work practices (HPWP), multi-skilled work and greater employee engagement in the decision making process (Annex 2.5.5).
- f) Use of ICT for transformation in work processes and public service delivery integration with minimal public interface for reduction in delay and corruption and upscaling of sectoral best practices through PRIS.
- g) Change in performance management system incorporating open and transparent assessment and linking of performance measurement indicators to deliverables in performance appraisal systems.
- h) Shift in accountability framework from emphasis on process compliance and input control to effective and responsive delivery of results and services.

All these measures leveraged through PRIS will help improve service delivery of the various organisations in Government.

*A systematic and
planned approach*

2.5.17 The IIM (A) analysis shows that the target groups (ministries/department) studied by them are amenable for introduction of PRIS. The performance management system

recommended by the IIM (A) consists of output/outcome definitions (Key Result Areas (KRAs)) with strategic performance indicators (SPI), performance measurement (PMS) and data tracking (MIS) The IIM (A) Studies have emphasised that PRI needs to be implemented in stages. In the first stage of readying the organisation, basic frameworks and measures need to be established through a process of consultation and organisational mission and goals and stakeholder commitments/citizens' charter clarified. The PRIS fund pool will have to be planned. This is necessary for building employee trust and acceptability of PRIS. In the next stage, measures for implementation of PRIS - like greater delegation and autonomy with greater accountability; setting up of performance measurement standards and indicators against service deliverables and restructuring the management information system through simple process re-engineering with work processes being changed through the introduction of high performance work practices like multiskilling, job enrichment and job rotation etc., are taken. A pilot may also be taken up at this stage to test the basic parameters in one or more work units. The final stage will consist of more advanced reforms linked to service deliverables to bridge service gaps and improved outcomes with focus on greater delegation, process re-engineering and convergence, change in accountability mechanisms, re-structuring of work processes and introduction of high performance work practices and stakeholder participation and interface. The focus during this stage is on outcomes and service deliverables and effective governance. The source of funds for the PRIS initiative would be derived from cost efficiency and higher productivity. The performance measurement systems and indicators would be further developed and refined in the light of organizational goals and objectives.

*Role of
Performance
Measurement
System (PMS)*

2.5.18 Performance Measurement System (PMS) is an important part of PRIS as it will measure performance which will then be rewarded under PRIS. PMS is, therefore, at the heart of the performance initiative. It is easier to design performance measurement for the private sector because their main objectives are profitability and sales. In Government, performance cannot be assessed only in these terms. Performance, therefore, has to be gauged on the basis of a wide array of parameters that can be different for various organizations within the Government. In an effective PMS, there has to be complete clarity about the goals and the steps proposed to get there. The goals have necessarily to incorporate the shift beyond accountability in terms of mere compliance with procedures to achievement of results and service deliverables linked to outcomes. The measures also have to be totally objective so that performance of every employee is captured. Measurement systems have to be perceived as fair. A system which

seeks to differentiate among good, average and poor performers has to be transparent and open to scrutiny. Since monetary benefits are involved, it is all the more important that the basis of performance is unambiguous and accepted by all. Transparency is needed not only for measuring performance but also for linking it to a variable component. PRIS will be more effective when parameters measuring performance are output based, objective, and quantifiable. While parameters related to input/efforts such as work in progress can be incorporated, care should be taken to avoid measures like “number of meetings attended” or “number of files gone through” because they do not reflect efficiency/effectiveness. To assess the actual performance in terms of the end result achieved, inputs from the actual stakeholder is also essential. This should pose no problem in case of field offices. Even in respect of nodal Ministries, Departments, Organisations, etc. also, the stakeholder will be other Ministries, Departments, Organisations whose inputs should form invaluable inputs for measuring performance in connection with PRIS. Besides, Management Information Systems (MIS) should also be used extensively for capturing performance and monitoring service delivery and gaps. PRIS is an opportunity to re-engineer MIS focusing on work processes linked to deliverables and outcomes.

Long term and short term goals, balanced measures

2.5.19 Performance measurement systems include long-term outcomes and strategic goals, intermediate outcomes or high level outputs; and short term outputs and outcomes. Indicators have necessarily to be a mix of these. Care has to be taken to see that short term perspectives do not get emphasised over long term perspectives. It is always easier to select short term and controllable goals as against meaningful results. On the other hand, indicators cannot be based purely on outcomes beyond the control of the organization. Further, PMS should be based on multiple measures covering work deliverables, product/ service quality, financial parameters, efficiency, innovation, improved processes and employee/stakeholder feedback etc. so that the end result is balanced. Use of balanced measures help align individual, current performance with strategic planning for the future. Other performance measurement tools like balance scorecards can be added as the indicators are refined and systems put in place. No set of performance indicators are perfect and the meaningfulness of indicators against outcomes have to be continuously assessed.

Linking of Individual, Group and Organisation Level

2.5.20 PRIS in practice typically includes, (a) some measures of performance at an individual level; (b) some measures of an appropriate group in the organization; and (c) sometimes a measure of how the entire organization performs. All have their associated advantages and disadvantages. OECD studies have pointed to staff jealousy, hoarding of resources and decline in morale linked to

purely individual indicators. On the other hand, group rewards may promote mean rather than outstanding performance. The best option, therefore, is to implement it at both the levels – largely group but some notional differentiation could be created for the above-average performing individuals. This is all the more justified since activities are interdependent for employees. **The Commission, therefore, is of the view that it is preferable to have a combination of individual, team and organisation/unit based measures.** The weights for the PMS can be implemented at individual/group/and organizational level. There can also be negative incentives, where some individuals within the group can be blocked from getting PRIS if certain parameters are not achieved. **Further, separate organisation specific weights may be assigned to public service (stakeholder) accountability and bridging of service gaps.** SMART performance goals are specific, measurable, attainable, relevant and timely and help integrate organizational targets across levels, link budgeted expenditure to outcomes and focus beyond budgeted targets to strategic goals. Implementing organisations should have the freedom to decide the relative weights.

*PRIS design :
Holistic
implementation of
PRI across all
levels within the
organization*

2.5.21 In most countries today, the design of PRIS includes all categories of staff. The IIM (A) study has highlighted the fact that while internationally PRI schemes are more prevalent at top levels of Government, the same is not the case in India. The existing systems of bonus payment and Ad-hoc bonus (non-productivity linked) cover Group B C & D employees in the Government. PRIS has to be implemented as a lever for wider management changes in organizations. **All employees in the organization should, therefore, be included in the PRIS.**

*Different forms of
PRIS - selection of
appropriate mix
for the
organization*

2.5.22 It was earlier discussed that no uniform model of PRIS can be evolved. There are many different forms of performance related incentives, which may be used on their own or side by side. All methods share the characteristics of incentives linked on a single or stepped basis with measured output/outcome. Some of the most common types of PRI are piecework, payment by results, plant or establishment wide incentives, merit incentives, objectives related incentives, competence related incentives, profit related incentives etc. **While operationalizing PRIS in respective ministries, it has to be customized to the objectives and deliverables of the ministry and become contextual.** Employers may use a mix or move from one type to another, depending on the situation subject to the basic principle of differential incentives for differential performance.

*Pilots to test
organization*

2.5.23 In case, implementing PRIS appears to be very complex, Ministries/Departments may be allowed to initially do a pilot test

*specific models
and time frame*

for PRI. The biggest advantage of a pilot system is that it allows the new system to be tested on a limited number of employees and it can be experimented with and improved before extending it to all the members within an organization. It also makes implementation process smooth and relatively trouble free as there is reduced resistance to the new idea and simultaneously it is adapted to the organization. The tailoring of PRIS to the specific requirements of the organization and incremental change are essential to its success. Pilots give an opportunity to learn and adapt, to evolve and reform (incremental) rather than bring about a revolution. Pilots therefore require careful preparation, monitoring and implementation. The whole process of PRIS implementation should be reviewed and feedback must be collected from all the stakeholders. The trials can be initiated on voluntary basis and may begin from the field offices, attached or subordinate offices or any organizational unit volunteering for the same. The pilot(s) can be run in one/multiple work units. The process can then be extended across all offices of the organization, in the next cycle and the model extended to other similar ministries.

*Monitoring and
Evaluation*

2.5.24 PRIS implementation has to include regular monitoring and evaluation. Program evaluations are important to ensure that incentive programs are administered efficiently and fairly, reward high-performing employees, and continue to motivate employees. Use of ICT facilitates monitoring on an on-line real time basis, with status information. Objective evaluation has to be carried out against outcomes and organizational goals and against service standards and stakeholder expectations in order to bridge service gaps effectively (Annex 2.5.7). **No new structure for oversight of the programme or creation of any additional staff is required and necessary need based structures may be created as cross - functional teams. Coordination functions and piloting of the scheme may be dealt with by the Department of Expenditure.**

2.5.25 Multiple assessors increase the reliability and dependability of the assessment process. The participation of stakeholders in the design and their institutional integration into the evaluation framework is necessary. **Stakeholder evaluation and feedback should be institutionalized in PRIS monitoring and evaluation design. Independent evaluation of deliverables, service quality and stakeholder satisfaction with performance by external agencies should be considered. The Sevottam model, for instance, has provision for third party feedback (Annex 2.5.6). Employee input should also be included as a necessary part of the evaluation process to improve employee confidence in the PRIS process and make PRIS more effective. Team-efficiency also improves when**

team members assess each other. Further, decentralized administration of PRIS awards is envisaged.

Pitfalls of making payments under PRIS routinely and across the board

2.5.26 The introduction of PRIS as monetary incentives that are consistently awarded over time may come to be viewed as 'entitlements' for expected performance rather than rewards for performance and achievements. This may lead to a degeneration of the scheme and result in across the board payment of incentives or routinisation of incentives and has to be avoided. The effectiveness of PRIS as a tool lies in its stimulation of organizational changes, delegation with accountability and breaking away from micromanagement, encouragement of innovation and process changes and rewarding differential performances with differential incentives.

PRIS- Life- cycle revisions and constant evolution, building capabilities and managing under-performance

2.5.27 Performance related incentive systems, like all systems, are organic and must evolve with time; else they will become redundant and unsuited to the environment as the context in which they are applied changes because of social, economic, and technological changes. They must be fundamentally reformed and adapt with changes in the organizational structures, processes, nature of work and priorities and constantly evolve in line with the changes in the external environment (economic, labor conditions, social, technological changes etc). **Performance indicators over time clearly indicate whether services have improved or declined; define the trajectory and help active management of performance. They help identify weaknesses and build capabilities and also identify underperformance.** Underperformance would also have to be addressed and resolved specifically.

All future increases in remuneration to be linked to PRIS

2.5.28 The ultimate measure of any administrative system is the accountability, professionalism and responsiveness with which it delivers services to its stakeholders. **An effective link between performance and additional compensation is necessary. Therefore, in future, the biggest increase in remuneration should be on account of PRIS.**

Benefits of PRIS

Enhanced productivity/performance

2.5.29 Currently only promotion is linked to performance and so employees have no other incentive to improve efficiency and customer-orientation. PRIS will be linked to achievement of targets and not length of service. This will motivate employees to work towards their targets, thus enhancing their productivity.

Improved work processes

2.5.30 One of the key effects of implementing PRIS will be that inefficient or redundant work processes will be reviewed to improve organizational / group / individual performance.

<i>Improved delivery to the citizen as end user</i>	2.5.31 PRIS will have an overall strong positive impact on citizen service delivery. Most of the outputs/ outcomes in Government departments/ organisations deal with service delivery to citizens and PRIS sharpens the focus on these outputs/ outcomes.
<i>Emphasis on end result</i>	2.5.32 Targets and measures related to result/ business orientation will help in developing employees' focus in this direction. Result orientation focuses on efficient and effective governance and business orientation focuses on promoting market value of products/services.
<i>Strengthening the team spirit</i>	2.5.33 Group rewards help in fostering teamwork. They also assist in clarifying organizational/ group objectives and engage employees with the organization's goal.
<i>Better talent</i>	2.5.34 Steep rise in salary and job conditions like autonomy is making private sector jobs seems much more attractive to the younger generation. If Government wants to attract good talent in future, then PRIS with delegation and transparency holds the key.
<i>Higher accountability</i>	2.5.35 Metrics developed to measure employees' business and customer orientation will bring the much-needed shift in their focus from political bosses to ordinary citizens. Transparent system will be a deterrent to corruption among employees.
<i>Conclusion</i>	2.5.36 The end objective of introducing PRIS in Government is not just limited to improving employee motivation; obtaining higher productivity or output and delivering quality public service; but seeks larger goals of effectiveness and systematic change for responsive governance. PRIS is necessary in the present scenario where the focus of public administration has changed from the command and control, strongly hierarchical structures and processes necessary at the initial stages of freedom with nation building and industrialization as central tasks. This change is linked to the shift in the nature of governmental tasks with facilitation and effective and responsive service delivery becoming the new focus of public administration. This necessarily requires flexibility in functioning, delegation of decision making, and change in the concept of accountability. PRIS is envisaged as a tool which will facilitate this transformation. PRIS provides an opportunity to shift from the classical command and control administrative approach with vertical and horizontal differentiation to more holistic, flexible, empowering and consultative styles of working leading to greater job satisfaction and productivity. This flexible model will enable better responsiveness and performance for service delivery. It is structured around better use of human potential, thus improving the quality of work and stakeholder satisfaction. The structure of

PRIS allows flexibility with freedom to innovate and bring about public service delivery oriented changes in work processes utilizing ICT; up-scaling of best practices; with greater delegation and introduction of High Performance Work Practices (HPWP) in a budget neutral framework. PRIS is also an important tool to inculcate pride in public service for employees with reinforcements of their contribution and potential and creation of a sense of ownership. Introduction of PRIS as an incentive system should, therefore, lead to improvement in effectiveness and responsive service delivery to the stakeholders without any losers.

Headquarters Organisations in Government of India & Office Staff in field offices

Office staff in Headquarters and Field Organisations of Government of India

3.1.1 The various Secretariats of the Ministries and Departments of Government of India together constitute the headquarters organization. The Secretariats are chiefly involved in matters relating to formulation of policy and ensuring that these policies are executed in a coordinated and effective manner. Actual execution of these policies, however, is left to field agencies outside the Secretariat which may be either attached or subordinate offices or quasi-Government/autonomous/public sector undertakings.

Disparity between Secretariat and field offices

3.1.2 The senior administrative posts in the Secretariat are mainly filled by officers of All India Services and Central Group A services on deputation under the Central Staffing Scheme. Some of the posts in the middle level are also held by officers of the Central Secretariat Services, Railway Board Secretariat Service in Ministry of Railways, Defence Forces Headquarters Services in Ministry of Defence and by Indian Foreign services (B) in Ministry of External Affairs. Historically, various services in the Secretariat have been given an edge over analogous posts in the field offices. This was done on the ground that office staff in the Secretariat performs complex duties and are involved in analyzing issues with policy implications whereas their counter parts in field offices perform routine work relating to routine matters concerning personnel and general administration, etc. Another argument that is used to justify the edge for various posts in Secretariat is that in Secretariat, level jumping occurs and personnel in the grade of Assistant etc. submit files directly to decision making levels of Under Secretary, Deputy Secretary, etc.

3.1.3 Higher pay scales in the Secretariat offices may have been justified in the past when formulation of proper policies was of paramount importance. The present position is different. Today, the weakest link in respect of any Government policy is at the delivery stage. This phenomenon is not endemic to India. Internationally also, there is an increasing emphasis on strengthening the delivery lines and decentralization with greater

role being assigned at delivery points which actually determines the benefit that the common citizen is going to derive out of any policy initiative of the Government. The field offices are at the cutting edge of administration and may, in most cases, determine whether a particular policy turns out to be a success or a failure in terms of actual benefit to the consumer. Accordingly, the time has come to grant parity between similarly placed personnel employed in field offices and in the Secretariat. This parity will need to be absolute till the grade of Assistant. Beyond this, it may not be possible or even justified to grant complete parity because the hierarchy and career progression will need to be different taking in view the functional considerations and relativities across the board.

Posts where parity exists and other posts

3.1.4 A parity has long been established between the posts of Lower Division Clerk (LDC) and Upper Division Clerk (UDC) in Secretariat and field offices. The position becomes different for posts above UDC level; with the Assistant in Secretariat offices being placed in higher pay scale vis-à-vis those working in field offices. Earlier, the respective pay scales of Rs.5500-9000 and 5000-8000 existed for Assistants in Secretariat and in Field offices. This disparity was aggravated in 2006 when the Government further upgraded the pay scales of Assistants belonging to Central Secretariat Service to Rs.6500-10500.

Anomaly in pay scales of Assistants and SOs

3.1.5 This upgradation, apart from increasing the existing chasm between similarly designated posts in the Secretariat and Field offices, has also led to a piquant situation where the feeder posts of Assistant and the promotion post of Section Officer have come to lie in an identical pay scale.

Disparity between CSS and other Secretariat Services after 2006

3.1.6 Further, it has also caused a hiatus between similar placed posts in different Secretariats because the higher pay scale has been limited to the Assistants belonging to CSS (Central Secretariat Services) only. Assistants working in other Secretariat organizations like AFHQ, MEA and various other non participating ministries/organisations etc. have been denied this and are stridently demanding similar higher pay scales from the Government.

Analysis

3.1.7 The Government, however, did not concede this parity and have referred the issue to this Commission for taking a final view thereon. The Commission has separately recommended the merger of pay scales of Rs.5000-8000, Rs.5500-9000 and Rs.6500-10500. This will place Assistants in all Secretariat offices in an identical pay scale vis-à-vis the promotion post of Section Officer as the entry pay scale for Section Officers is Rs.6500-10500. Distinction, however, remains in the case of Section Officers as they automatically get placed in the pay scale of Rs.8000-13500 on completion of four years service in the lower scale of Rs.6500-

10500. The scale of Rs.8000-13500 is not regarded as a Group A pay scale in their case. Further, the scale is also not taken into account for the purpose of granting financial upgradation under ACPS.

Recommendation

3.1.8 Elsewhere in the Report, the Commission has recommended that recruitment to all Group A posts (Junior Time Scale) shall be in the running Pay Band PB-3 of Rs.15600-39100 along with grade pay of Rs.5400. **As per the general recommendations made in Chapter 2.2, the Group B posts presently in the pay scale of Rs.8000-13500 will be allowed the same grade pay viz. Rs.5400 as given to Group A posts; however, they will be placed in the running pay band PB-2 of Rs.8700-34800. This dispensation will also apply in case of Section Officers and Private Secretaries presently in the scale of Rs.8000-13500.** This, however, does not address the problem of the pay scale of Assistants and the entry scale of Section Officers existing in one grade. It is also noted that officers of CSS help in decision making process and provide continuity. The entry pay scale of Section Officers in Secretariat Offices will, therefore, need to be upgraded especially when the post is presently in an identical scale as that of the feeder post of Assistants. In this context, it is seen that the pay scale of Assistants in CSS was increased in 2006. From 1.1.2006, the revised scales being recommended by the Commission shall take effect. Thus, the posts of Section Officer and Assistant will come to lie in an identical scale from 1.1.2006 itself on account of restructuring of the scales. In all cases where promotion and feeder posts have come to lie in an identical scale pursuant to rationalization of the scales of Rs.6500-10500 and Rs.5500-9000 and it is not found feasible to merge the posts, the Commission has recommended the next higher grade corresponding to the pre-revised scale of Rs.7450-11500. A similar dispensation would ordinarily have been extended in this case as well. However, in the past, direct recruitment to the post of Section Officers in CSS as well as in DANICS/DANIPS has been made through the same entrance examination wherein the successful candidates were offered the same initial pay scale of Rs.6500-10500 in all these services. Elsewhere in the Report, the entry scale of Rs.7500-12000 has been recommended for DANICS/DANIPS. A similar dispensation needs to be extended in this case as well. Such upgradation would also be required for the post of Private Secretary in CSSS which has an established parity with Section Officers.

Recommendations

3.1.9 Accordingly, **the Commission recommends upgradation of the entry scale of Section Officers in all Secretariat Services (including CSS as well as non participating ministries/departments/organizations) to Rs.7500-12000 corresponding to the revised pay band PB 2 of Rs.8700-34800 along with grade pay of Rs.4800. Further, on par with the dispensation already available in CSS, the Section Officers in other Secretariat**

Offices, which have always had an established parity with CSS/CSSS, shall be extended the scale of Rs.8000-13500 in Group B corresponding to the revised pay band PB 2 of Rs.8700-34800 along with grade pay of Rs.4800 on completion of four years service in the lower grade. This will ensure full parity between all Secretariat Offices. It is clarified that the pay band PB 2 of Rs.8700-34800 along with grade pay of Rs.4800 is being recommended for the post of Section Officer in these services solely to maintain the existing relativities which were disturbed when the scale was extended only to the Section Officers in CSS. **The grade carrying grade pay of Rs.4800 in pay band PB-2 is, otherwise, not to be treated as a regular grade and should not be extended to any other category of employees. These recommendations shall apply *mutatis-mutandis* to post of Private Secretary/equivalent in these services as well. The structure of posts in Secretariat Offices would now be as under:-**

Post	Pre revised pay scale	Corresponding revised pay band and grade pay
LDC	Rs.3050-4590	PB-1 of Rs.4860-20200 along with grade pay of Rs.1900
UDC	Rs.4000-6000	PB-1 of Rs.4860-20200 along with grade pay of Rs.2400
Assistant	Rs.6500-10500	PB-2 of Rs.8700-34800 along with grade pay of Rs.4200
Section Officer	Rs.7500-12000 Rs.8000-13500* (on completion of four years)	PB-2 of Rs.8700-34800 along with grade pay of Rs.4800. PB-2 of Rs.8700-34800 along with grade pay of Rs.5400* (on completion of four years)
Under Secretary	Rs.10000-15200	PB-3 of Rs.15600-39100 along with grade pay of Rs.6100
Deputy Secretary	Rs.12000-16500	PB-3 of Rs.15600-39100 along with grade pay of Rs.6600
Director	Rs.14300-18300	PB-3 of Rs.15600-39100 along with grade pay of Rs.7600

* This scale shall be available only in such of those organizations/services which have had a historical parity with CSS/CSSS. Services like AFHQSS/AFHQSSS/RBSS and Ministerial/Secretarial posts in Ministries/Departments organisations like MEA, Ministry of Parliamentary Affairs, CVC, UPSC, etc. would therefore be covered.

Amalgamation of Secretariat and Stenographers' Cadres

3.1.10 Presently, distinct Stenographers' cadres exist in the Secretariat as well as in the field offices. The Secretariat Stenographers cadre is identical to the CSS/analogous cadres in non-participating Ministries/Organizations with the exception that the scale of Rs.14300-18300 does not exist in the hierarchy. Keeping in view the general principle envisaging multi-skilling and de-layering that this Commission is recommending for the entire Government, **no justification exists for maintaining a distinct Stenographers cadre in any Government office. The emphasis should be on recruiting multi-skilled personnel at Assistant level to be designated Executive Assistants who will discharge the functions of present day Assistants besides performing all the Stenographic functions.** This should not be difficult as almost all the Central Government Offices now use Computers for office work. **Keeping this objective in view where the Secretariat and Stenographers cadres would stand merged in future, there is a need for ensuring full parity between these two cadres right from this stage.**

Recommendations for Secretariat Organizations

3.1.11 The Commission, accordingly, recommends introduction of a new grade in the scale of Rs.14300-18300 in CSSS and all other analogous Stenographers' cadres in non-participating Ministries/Departments/Organizations. Fifteen percent of the posts of PPS/Senior PPS in the Central Secretariat Stenographers Service/analogous services in non participating Ministries/Organizations would henceforth be upgraded and placed in the scale of Rs.14300-18300 corresponding to the revised pay band PB-3 of Rs.15600-39100 along with grade pay of Rs.7600. The new post so created shall be designated as Principal Staff Officer. The designation will continue till the time the cadres of office staff and stenographers in the Secretariat are merged. Once such merger takes place, a uniform designation, in any case, will attach to these posts.

3.1.12 Simultaneously, all future recruitment to CSS/CSSS/analogous Secretariat and Stenographers cadres in non participating Ministries/Organizations in the scale of Rs.6500-10500 will be made as Executive Assistants minimum recruitment qualification for which would include Graduation and one year Diploma in Computers. No recruitment should henceforth be made in the grade of Stenographers carrying the scale of Rs.4000-6000. All the vacancies arising in the scales of Rs.4000-6000/Rs.6500-10500 in CSSS/analogous cadres and in the scale of Rs.6500-10500 in CSS/analogous cadres would henceforth be filled by recruitment of Executive Assistants. These Executive Assistants will discharge the functions presently being carried out by Assistants as well as the Private Secretaries and in their case the cadres of CSS/CSSS and analogous cadres in other non-

participating Ministries/Organizations will be merged for promotional and all other purposes. Insofar as present incumbents to CSS/CSSS and analogous cadres in other non-participating Ministries/Organizations are concerned, they may continue as distinct cadres till the time the Administrative Ministry concerned evolves a procedure for their job enlargement/enrichment, retraining and re-deployment.

Extra allowance for sitting late and attending office on holidays

3.1.13 Extra allowance for sitting late and attending office on holidays has been demanded for various grades in CSSS. The Commission does not find any merit in this demand. **The same, therefore, cannot be accepted. Similar demands of separate secretariat allowance for various posts belonging to CSS, CSSS, CSCS etc. cannot be accepted.**

Recommendations for non - Secretariat Organizations

3.1.14 **In accordance with the principle established in the earlier paragraphs, parity between Field and Secretariat Offices is recommended.** This will involve merger of few grades. In the Stenographers cadre, the posts of Stenographers Grade II and Grade I in the existing scales of Rs.4500-7000/Rs, 5000-8000 and Rs.5500-9000 will, therefore, stand merged and be placed in the higher pay scale of Rs.6500-10500. In the case of ministerial post in non- Secretariat Offices, the posts of Head Clerks, Assistants, Office Superintendent and Administrative Officers Grade III in the respective pay scales of Rs.5000-8000, Rs.5500-9000 and Rs.6500-10500 will stand merged. **The existing and revised structure in Field Organization will, therefore, be as follows:-**

(in Rs.)

Designation	Present pay scale	Recommen-ded pay scale	Corresponding Pay Band & Grade Pay	
			Pay Band	Grade Pay
LDC	3050-4590	3050-4590	PB-1	1900
UDC	4000-6000	4000-6000	PB-1	2400
Head Clerk/Assistants/ Steno Grade II/equivalent	4500-7000/ 5000-8000	6500-10500	PB-2	4200
Office Superintendent/ Steno Grade I/equivalent	5500-9000			
Superintendent/ Asst. Admn. Officer/ Private Secretary/ equivalent	6500-10500			

Designation	Present pay scale	Recommen-ded pay scale	Corresponding Pay Band & Grade Pay	
			Pay Band	Grade Pay
Administrative Officer Grade II /Sr. Private Secretary/equ.	7500-12000	7500-12000 entry grade for fresh recruits) 8000-13500 (on completion of four years)	PB-2	4800 (5400 after 4 years)
Administrative Officer Grade I	10000-15200	10000-15200	PB-2	6100

Note 1 The posts in the intermediate scale of Rs.7450-11500, wherever existing, will be extended the corresponding replacement pay band and grade pay.

Note 2 The existing Administrative Officer Grade II /Sr. Private Secretary/equivalent in the scale of Rs.7500-12000 will, however, be placed in the corresponding replacement pay band and grade pay till the time they become eligible to be placed in the scale of Rs.8000-13500 corresponding to the revised pay band PB 2 of Rs.8700-34800 along with grade pay of Rs.5400.

3.1.15 Simultaneously, separate recruitment to the ministerial and Stenographer cadres in the field offices shall cease immediately. All future recruitment in the pay scale of Rs.6500-10500 corresponding to the revised pay band PB 2 of Rs.8700-34800 along with grade pay of Rs.4200 for every field office shall be made as Executive Assistant whose qualifications as well as method of recruitment shall be as prescribed for Executive Assistants in the Secretariat. Fifty percent of the posts in this grade shall be filled by direct recruitment of candidates possessing minimum qualification of a Graduate degree and one year diploma in Computers. The existing incumbents in the ministerial and stenographers cadres in field offices shall continue as distinct cadres till the time the administrative Ministry concerned evolves a procedure for their job enlargement/enrichment, retraining and re-deployment in one unified cadre.

All India Services

- Introduction** 3.2.1 Article 312 of the Constitution permits the Parliament to create 'by law' one or more all India Service common to the Union and the States. This Article also provides that the services known at the commencement of the Constitution as the Indian Administrative Service and the Indian Police Service would be deemed as All India Services.
- Present position** 3.2.2 Presently, three All India Services exist viz. Indian Administrative Service (IAS), Indian Police Service (IPS) and Indian Forest Service (IFS). The recruitment to IAS and IPS is made through the Union Public Service Commission on the basis of the combined Civil Services examination. A separate examination is conducted by UPSC for recruiting candidates to the Indian Forest Service. The officers of the All India Services are recruited by the Centre but their services are put under the various State cadres and they are liable to serve both under the State and the Centre. States may have independent or joint cadres. The States of the Union of India are divided into 24 cadres/joint cadres. There are three Joint cadres, namely, Assam-Meghalaya, Manipur-Tripura and AGMUT cadre comprising Arunachal Pradesh, Goa, Mizoram and all Union Territories. All other States have independent cadres.
- AIS Act, 1951** 3.2.3 The All India Services Act, 1951 empowers the Government of India to make, after consultation with the State Governments, rules for the regulation of recruitment and conditions of service of the persons appointed to an All India Service.
- Need for All India Services** 3.2.4 A professionally competent and politically neutral bureaucracy is a *sine qua non* for the smooth and efficient functioning of a democratic polity. The All India Services play a pivotal role in upholding the rule of law and the principles of democratic governance. They are expected to provide a uniformly high standard of administration and play a critical role in our federal structure. Concerted efforts, therefore, have to be made to improve the morale of the personnel belonging to AIS so that they develop a greater orientation towards upholding the Constitution,

efficiency, efficient & timely delivery and innovations that would improve the quality of administration for benefit of the general masses.

General issues

3.2.5 The Commission has ensured a decent salary package at entry levels for AIS/Group A these services by recommending a higher starting salary that has been pegged at Rs.21000 p.m. including the grade pay of Rs.5400. The Pay Bands have been devised to eliminate stagnation at any stage. The Commission is also recommending contractual fixed tenure appointments to specified senior level posts in the Centre which will allow these officers to function independently and also give them sufficient time to put their ideas and innovation in practice and to gauge the benefits/success thereof. Recommendations regarding Performance Related Incentive Scheme (PRIS) and variable increments should also motivate these officers to achieve greater results that will not only benefit the Government and the general public but will also prove financially remunerative to them. Proposed measures for making the process of deputation and appointments to various posts more transparent and equitable will improve the existing levels of meritocracy in these services. The Commission has also increased the minimum : maximum salary ratio slightly to ensure decent salaries at the highest echelons in the Government.

Edge for IAS – present position

3.2.6 Indian Administrative Service has traditionally enjoyed an edge vis-à-vis other AIS and Central Services. This edge has continued right from the time the First Central Pay Commission with varying amounts. From the Third CPC onwards, the edge for IAS vis-à-vis other services has been as under:-

Grade	Service	Third CPC	Fourth CPC	Fifth CPC
JTS	IAS	700-1300	2200-4000	8000-13500
	IPS	700-1300	2200-4000	8000-13500
	IFS	700-1300	2200-4000	8000-13500
	Group A	700-1300	2200-4000	8000-13500
STS	IAS	1200-2000	3200-4750	10650-15850
	IPS	1200-1700	3000-4500	10000-15200
	IFS	1100-1600	3000-4500	10000-15200
	Group A	1100-1600	3000-4500	10000-15200
JAG	IAS	-	3950-5000	12750-16500
	IPS	-	3700-5000	12000-16500
	IFS	-	3700-5000	12000-16500
	Group A	1500-2000	3700-5000	12000-16500
NFSG	IAS	2000-2250	4800-5700	15100-18300
	IPS	1800-2000	4500-5700	14300-18300
	IFS	1650-1800	4100-5300	14300-18300
	Group A	2000-2250	4500-5700	14300-18300

*Analysis and
Recommendations*

3.2.7 The edge of IAS in pay scales is limited to Senior Time Scale, Junior Administrative Grade and Non-Functional Selection Grade. Other All India Services and Central Services have been demanding parity with IAS. This demand was projected before the various Central Pay Commissions constituted earlier but the edge has continued. The Fifth CPC recorded that no persuasive reason existed to do away with this edge. The position has not changed since then. The role of IAS is still very important in the overall scheme of governance. They have an important coordinating, multi-functional and integrating role in the administrative framework with wide experience of working across various levels in diverse areas in Government. They hold important field level posts at the district level and at the cutting edge at the start of their careers with critical decision making and crisis management responsibilities. The leadership function, the strategic, coordinating and integrative role at this level requires the best talent available. The existing position would, therefore, need to be maintained. It will ensure that IAS officers near the beginning of their career are given slightly higher remuneration vis-à-vis other services and act as an incentive for the brightest candidates to enter this service. This is essential as the initial postings of IAS officers are generally to small places, they face frequent transfers and the pulls and pressures they have to stand upto early in their career are much more intense. The slight edge in the initial stages of their career would, to an extent, neutralize these problems. **The Commission, accordingly, is of view that the existing edge for IAS in the three grades viz. Senior Time Scale, Junior Administrative Grade and Non-Functional Selection Grade needs to be retained.**

3.2.8 The issue of exact quantum of edge that needs to be extended for these three grades in IAS in the revised structure of running pay bands will now need to be addressed. A perusal of the Fifth CPC pay scales reveals that the edge for IAS in STS, JAG and NFSG pay scales is equal to two additional increments. This edge, in monetary terms, works out to Rs.650 at the level of Under Secretary, Rs.750 at the level of Deputy Secretary and Rs.800 at the level of Director. Dearness allowance and dearness pay is additionally payable on this edge. However, this edge is presently not counted for purposes of annual increment and the rate of annual increment for posts in STS, JAG and NFSG is presently same for IAS as well as Group A / other All India Services. In the revised scheme of running pay bands, the increments will be payable as a percentage of pay in the pay band and grade pay thereon. Therefore, the edge will also count for increments. Consequently, the existing edge enjoyed by IAS in these three grades will need to be adjusted appropriately. Besides, the existing

edge will have to be dovetailed with the new scheme of running pay bands. Keeping these factors in view, the **Commission has recommended slightly higher grade pay of Rs.6500 for Senior Time Scale, Rs.7500 for Junior Administrative Grade and Rs.8300 for Non-Functional Selection Grade of IAS. These grades pay exceed the grades pay for other services by Rs.400 at Senior Time Scale, Rs.900 at Junior Administrative Grade and Rs.700 at Non-Functional Selection Grade.**

Abolition of DIG grade in IPS

3.2.9 Most of the IPS officers and their official memoranda have demanded removal of the Super Time Scale of Rs.16400-20000 that is currently attached to the post of DIG. The IPS (Central) Association has strongly urged abolition of the grade of DIG. It has also been stated that in many States like Maharashtra, Haryana, Karnataka, Kerala, etc., the Ranges are headed by Inspectors General. It is, however, observed that in most of the other States including large States like Madhya Pradesh, U.P., Bihar, etc., the post of DIG is a functional grade and the Ranges in these States are headed by DIGs. Ministry of Personnel, Public Grievances and Pension also has not favored abolition of the grade of DIG from the hierarchy in IPS. Considerable functional justification for persisting with the grade of DIG in IPS would, therefore, appear to exist. In any case, DIGs in various CPMFs have a functional role viz. in CRPF, DIGs head Range; in BSF they head a Sector, in CISF they head a Zone, etc. Hence, the level of DIG is an operational post whose retention in various CPMFs and other CPOs is functionally necessary. Abolition of this grade only in IPS will, therefore, create problems in smooth deputation to the post in this grade in various CPMFs and other Central Police Organizations. It is also observed that the post of DIG in IPS has relativity with the post of Brigadier/equivalent in the Defence Forces. **The Commission, accordingly, recommends that the grade of DIG in IPS cadres of different States may be continued. The Government may, however, review the position in future in case functional justification for continuing with this grade ceases to exist completely.**

Creation of post of Special Director General

3.2.10 Demands have also been made for creation of post of Special Director General in the various State cadres. No functional justification exists for creation of this additional grade. **The Commission is, therefore, unable to recommend its creation.**

Upgradation of the posts of Director General of various CPMFs

3.2.11 Presently, the post of Director General in Border Security Force (BSF) and Central Reserve Police Force (CRPF) is in the scale of Rs.26,000 (fixed). The posts of DG in other CPMFs are, however, in a lower pay scale. It has been demanded that all the posts of DG in various CPMFs should be placed in an identical scale of Rs.26,000 (fixed). There is considerable merit in this demand.

Presently, officers are appointed as DG in CPMFs other than BSF and CRPF frequently have a short tenure and leave the post once they are empanelled in the scale of Rs.26000 (fixed). This affects continuity and long term planning in the concerned CPMFs. Even otherwise, it is difficult to differentiate the duties attached with the post of DG in different CPMFs. **The Commission recommends that all the posts of Director General in the five Central Para Military Forces i.e. BSF, CRPF, ITBP, CISF & SSB should be upgraded to the scale of Rs.26,000 (fixed) corresponding to the revised pay scale of Rs.80,000 (fixed).** This will entail upgradation of the existing posts of DG in ITBP, CISF & SSB to the higher revised scale of Rs.80,000 (fixed).

Indian Forest Service (IFS) - demands & recommendations

3.2.12 The Fifth Central Pay Commission had made several recommendations relating to the Indian Forest Service. These recommendations were duly implemented and have gone a long way in improving the service conditions of this service. The Commission is not in favor of amending any of the relativities established by the earlier Commission in respect of IFS. Before the Commission, IFS association had asked for abolition of the post of Conservator. On functional as well as other considerations, the Commission has been unable to recommend abolition of the grade of DIG in IPS. It may, therefore, be necessary to persist with the post of Conservator as well. Besides, the post has a functional role to play. **The Commission, accordingly, recommends that the post of Conservator of Forest in IFS cadres of different States should continue.** IFS officers had also demanded more deputation posts in the centre. **The revised mechanism for deputation recommended in this Report will address this demand.**

Upgradation of the post of Director, IGNFA

3.2.13 Presently, the post of Director of the Indira Gandhi National Forest Academy (IGNFA) is in the pay scale of Rs.22400-24500. **Keeping in view the increased role of training, especially in the crucial field relating to conservation, the Commission recommends that the post should be upgraded to the scale of Rs.26,000 (fixed) corresponding to the revised pay scale of Rs.80,000 (fixed).**

Central Services Group 'A'

Introduction

3.3.1 Group A civil posts in the Central Government can be broadly categorized into two, viz., those encadred in the Organized Group A Central Services and posts in Group A that are not part of any Organized Group A Service, which are classified as General Civil Service (GCS) Group A. While the Organized Civil Services are governed by their respective Service Rules, each GCS Group A post has its own individual recruitment rules which, *inter alia*, stipulate mode and method of recruitment, etc. Apart from the Organized Services and GCS Group A posts, posts of the level of Deputy Secretary and above in the Central Secretariat are filled up through the Central Staffing Scheme managed by Department of Personnel & Training (DOPT). The posts under Central Staffing Scheme do not have recruitment rules and are filled up in accordance with the provisions of the said Scheme.

3.3.2 While the three All-India Services, namely, the Indian Administrative Service, Indian Police Service and Indian Forest Service are common to the Centre and the States, the manpower for performing the functions of the Central Government at Group A level is mainly provided by Organized Central Services and these Services account for the bulk of the Group A posts under the Central Government. They are broadly classified into (I) Non-Technical Services, (II) Technical Services (which include engineering services), (III) Health Services and (IV) Other Services (which include the scientific services). The non-technical services are meant to administer non-technical areas of administration at the Centre like audit, income-tax, posts and railways. The technical services perform specialized functions on the technical side of the Central Government in departments like the CPWD.

3.3.3 In this chapter, Organized Group A Central Services are being taken up.

Evolution, Growth & Structure

3.3.4 An Organized Group A Central Service represents a group of posts belonging to a distinct functional area arranged in a hierarchical order and pyramidal manner representing different

grades or levels of responsibility. These responsibilities increase with each senior level. At the time of the Second Central Pay Commission (CPC) in 1957, there were 6 Group A non-technical Services (then called Class I Services). By the time of the Fifth CPC, there were 62 Group A Services. Over the years, more of these Services were organized to manage and run a particular Branch of the Government, or a Department, which in many cases was an operative role. As a result, the officers belonging to these Services develop domain expertise in their particular Branch. At the same time, as officers of these Services grow in their cadres, they have to shoulder higher responsibilities relating to both policy formulation and general administration. Consequently, Organized Central Services have a very good talent pool, which has both the experience of general administration/policy formulation and extensive knowledge of their area(s) of specialization.

3.3.5 Consequent to the implementation of the Fifth CPC's recommendations, following standard grades are prevalent in most of the Organized Group A Services:

- Junior Time Scale (JTS): Rs.8000-13500
- Senior Time Scale (STS): Rs.10000-15200
- Junior Administrative Grade (JAG): Rs.12000-16500
- Non-Functional Selection Grade (NFSG): Rs.14300-18300
- Senior Administrative Grade (SAG): Rs.18400-22400
- Higher Administrative Grade (HAG): Rs.22400-24500
- Higher Administrative Grade-I (HAG I): Rs.24050-26000

Most Services have the highest level post equivalent to the Secretary's grade

Developments in last 10 years

3.3.6 Till the time of the Fifth CPC, most Organized Central Services did not have an encadred Secretary level, or equivalent post. However, the Fifth CPC recommended that each Service should have one encadred post in the scale of Rs.26000 (fixed). Barring a few, this recommendation of the Fifth CPC has been implemented in most of the Services. In 2000, the Government implemented the Fifth CPC's Recommendation and increased the percentage of Non-Functional Selection Grade (NFSG) posts from 15% to 30% of Senior Duty Posts. Simultaneously, for the Technical Services, the scale of Rs.14300-18300 was made the functional grade of Superintending Engineer (and equivalent) and the scale of Rs.12000-16500 was made Non-Functional Junior Administrative Grade (JAG). Both these measures have considerably reduced the time taken by officers of both technical and non-technical Organized Services in getting the NFSG. The Ministry of Railways, however, did not implement the

recommendation of the Fifth CPC regarding introduction of Non-Functional JAG for its Group A Technical Services on the ground that it would disturb the relativities between various Railway Services.

3.3.7 Through the mechanism of Cadre Review, most Organized Group A Services have also got more posts created at Senior Administrative Grade (SAG) and Higher Administrative Grade (HAG) levels. In the last ten years, some Organized Group A Services have opted to create additional HAG and SAG level posts through the mechanism of comprehensive 'Cadre Re-structuring'.

Present Scenario

3.3.8 In spite of implementation of the recommendations of the Fifth CPC and the Cadre Reviews and Restructurings undertaken in the last ten years, most of the Services still have a great degree of stagnation at SAG and HAG levels. This is so, because the Services are organized in pyramidal manner and creation of a large number posts at senior levels beyond a certain threshold is not possible. Apart from this, promotions in the Central Group A Services are based strictly on the availability of vacancies; therefore, career progression of Officers in a particular cadre greatly depends on the manner in which it is managed on a long-term basis. In other words, in a scenario where an officer joins an Organized Service in his mid-20's and looks forward for at least a 35 year long career, his career progression depends on factors like the size of his batch as also the size of the batches immediately preceding his batch, his age at the time of joining and number of posts in various grades. Also, the ability of the Officers to work on deputation away from the parent department is a crucial tool in the management of cadres in Group A Services.

3.3.9 The Commission has recommended an open method of selection to the posts in SAG and above that are not encadred in any service. In order to increase the number of such posts, the Commission also recommends that all **the Organized Group A Services should consider decadring 20% posts in SAG and above so that the Government has the option to select the most suitable personnel for some posts from any source. In case this is done, the individual service would be allowed to operate an equal number of posts in SAG/HAG on non-functional basis in addition to the already sanctioned SAG/HAG posts. These posts shall be filled up by officers having the minimum service prescribed for promotion to such posts. The procedure for such promotions shall be same as is being followed presently for promotions to SAG/HAG, including consultations with the UPSC, wherever required. No other screening shall be required when the officers thus promoted to the SAG are adjusted against regular vacancies based on their seniority. Promotions to the**

HAG on non-functional basis shall be given effect from 1st January of the year in which the officers become due, notwithstanding any delays that might occur on account of procedures/delayed DPC etc. This will not only ensure that the interests of officers of these services are fully protected but will, in fact, increase their chances of promotion to the HAG as the posts in HAG so decadred could also be filled by these officers.

Demands made in the Memoranda and the Oral Submissions

3.3.10 During the course of oral evidence, the Sixth Central Pay Commission heard Associations of most of the Organized Central Group A Services. Besides, Cadre Controlling Authorities of some important Group A Services were also invited for interaction by the Commission. Most Group A Services' Associations demanded faster and better career progression, particularly, at SAG and HAG levels. Some suggested removal of the linkage between vacancy and promotions and demanded introduction of running pay bands. Specific demands relating to individual cadres have been addressed separately in succeeding paragraphs.

3.3.11 Insofar as the general demands are concerned, following demands were made :-

- (i) Full parity with the IAS in terms of pay-scales and career progression. This demand was made by a majority of the service associations.
- (ii) Classification of Central Group A Services into 3 categories, viz., 1) those having sovereign functions of the State; 2) those having regulatory functions; and 3) the ones that are commercial in nature. While category 1 should be paid the best salaries, category 3 should be corporatised.
- (iii) A level playing field for appointments in the Central Government under the Central Staffing Scheme the SAG and HAG levels.
- (iv) Ensuring an even progression for various Group A and All India Services.
- (v) Increasing the entry grade in Group A Services sufficiently so that a nexus with the salaries existing in private sector is made and the Government is able to attract the best talent available.

Analysis of the demands raised and recommendations thereon - parity with IAS

3.3.12 Most Group A Organized Services' Associations have demanded abolition of the edge presently granted to the IAS in terms of pay scales at the level of Senior Time Scale, Junior Administrative Grade and Selection Grade. **This issue has been examined in detail in this Report's Chapter 3.2 on the All India Services.** Insofar as the issue of equal career progression is concerned, the promotion of IAS officers in various State cadres

varies depending on the vacancy position, etc. In any case, promotion in a State cadre has to be taken as distinct from their posting at different grades in the Centre. A case, however, exists for ensuring that the Group A services are given their due. In this context, it is observed that there is a conventional edge of two years between IAS and other AIS/Central Group A services. The Fifth CPC had considered this issue and taken the view that the edge need not be disturbed. In practice, however, the gap of two years for posting to various grades in the Centre in form of empanelment of IAS officers and promotion for other Group A officers, has increased in respect of many organised Group A services. **This is not justified as organised Group A services have to be given their due which justifiably should mean that the disparity, as far as appointment to various grades in Centre are concerned, should not exceed two years between IAS and organised Central Group A services. The Government should, accordingly, consider batch-wise parity while empanelling and/or posting at Centre between respective batches of IAS and other organised Group A services with the gap being restricted to two years. Whenever any IAS officer of a particular batch is posted in the Centre to a particular grade carrying a specific grade pay in pay bands PB-3 or PB-4, grant of higher pay scale on non-functional basis to the officers belonging to batches of organised Group A services that are senior by two years or more should be given by the Government.** The higher non-functional grade so given to the officers of organised Group A services will be personal to them and will not depend on the number of vacancies in that grade. These officers will continue in their existing posts and will get substantial posting in the higher grade that they are holding on non-functional basis only after vacancies arise in that grade. This will not only ensure some sort of modified parity between IAS and other Central Group A services but will also alleviate the present level of disparity existing between promotional avenues available to different organised Group A services. It is also observed that eligibility criteria prescribed for promotion to SAG in different technical and non-technical organised Group A services are different. **In order to bring uniformity, these eligibility criteria should be uniform across various organised Group A services. The Commission recommends accordingly.**

Analysis of the demands raised and Recommendations thereon - classification of

3.3.13 The demand of a few Associations regarding classification of Central Group A Services into 3 categories, viz., those having sovereign functions of the State; those having regulatory functions; and the ones that are commercial in nature have also been examined by the Commission. **While the Commission is not in favour of disturbing the existing relativities in pay scales, the**

*Group A services
in three categories*

need to reward performance cannot be understated. The Commission is recommending the introduction of Performance Related Incentive Scheme (PRIS) in the Government. The introduction of PRIS and the variable rate of increment would not only act as a motivating factor for the performers within the Civil Services, but also meet the demand that those who contribute more should be rewarded financially, apart from other benefits.

*Analysis of the
demands raised
and
Recommendations
thereon -
Deputation Policy*

3.3.14 The demand regarding introducing transparency and providing a level playing field for appointment of officers to posts at the level of Joint Secretary and above under the Central Staffing Scheme was made by almost all the Group A Service Associations. Most of the Associations pointed out that at present the procedure for empanelment of officers under the Central Staffing Scheme lacks transparency and at times, there is a substantial time lag between the empanelment of IAS officers and those belonging to the Central Services. It is natural for officers from these services to look for career prospects under the Central Staffing Scheme, where the domain knowledge and expertise earned by them in their service can be utilized in senior capacities. **Realizing these legitimate aspirations of the Officers, this Commission recommends that HAG posts and above under the Central Staffing Scheme should be filled up in consultation with the UPSC through an open competitive web-based method. This would bring about transparency and objectivity in these appointments. The entire scheme for deputation has been discussed in detail in Chapter 6.1.**

*Analysis of the
demands raised
and
Recommendations
thereon - uniform
career progression*

3.3.15 A perusal of the memoranda submitted by various Group A Organized Services' Associations reveals that even amongst these Services, there is wide variation in terms of career progression. While officers of some Services get promoted to the Senior Administrative Grade in 16 years, officers in some other Services take more than 26 years for the same promotion. Absolute parity amongst various Organized Group A Services for the purpose of promotions to SAG and HAG levels is not possible, as each cadre is designed and managed in a manner which is unique to itself. In any case, the recommendation made in para 3.3.12 will address this issue and bring about a degree of uniformity in the promotional avenues, pay and allowances of officers belonging to these Services having same seniority.

*Analysis of the
demands raised
and
Recommendations*

3.3.16 The demand to have higher pay for the entry grade in the Organized Services has considerable merit. It is a fact that there is a need to have a higher entry grade to attract the best talent available in the country for joining the premier Civil Services. **Accordingly,**

thereon – higher pay scales

the Commission is recommending a higher starting pay for the Junior Time Scale of Organized Group A Services and the All-India Services. However, the contention that higher pay scales are essential to attract the best talent for these posts is not totally convincing. The Government job provides many other benefits apart from challenges and opportunities which cannot be strictly measured in pure monetary terms. During the course of the oral evidence, the Commission also heard Directors of some important National Training Academies and Staff Colleges where young directly recruited and also promotee officers are trained before they actually assume their responsibilities. All the Heads of Training Academies unanimously stated that the Services were still attracting the best and brightest of the youngsters as direct recruits, albeit the age of entry had increased due to the present recruitment policy of the Government. Further, it was also stated that most of the recruits were having professional qualifications and many had left corporate jobs with high salaries to join the Civil Services. It is also to be noted that both the nature of Government Service and the nature of pay and allowances given to Government Employees are entirely different from the compensation package given in the corporate sector. Besides, some components of the service conditions of Government employees can not be monetized, like the security of job guaranteed by the Constitution. Therefore, **this demand made by many Associations cannot be acceded to.**

Cadre review of individual services

3.3.17 In the preceding paragraphs, the general demands relating to pay scales, career progression, opportunities for deputation and other related issues of organized Group A services made before the Commission have been discussed. The demands made by Group A service associations relating to allowances and other facilities have been dealt with in the related Chapters pertaining to these allowances, facilities, etc. Apart from these demands, many Service Associations also made demands relating specifically to their individual cadres. These demands chiefly pertained to Cadre Reviews, Cadre Restructuring and upgradation of posts. **The Commission, as a general rule, has refrained from conducting cadre reviews of individual services. Accordingly, demands made by individual service associations for cadre reviews have not been taken up.**

Issues relating to various organised Group A Services

3.3.18 The service related specific demands made by the following individual services in the memoranda submitted to the Commission are examined in succeeding paragraphs :-

- 1) Indian Foreign Service
- 2) Indian Audit & Accounts Service (IA&AS)
- 3) Indian Civil Accounts Service
- 4) Indian Customs & Central Excise Service

- 5) Indian Defence Accounts Service
- 6) Indian Defence Estates Service
- 7) Indian Economic Service
- 8) Indian Information Service
- 9) Indian Ordnance Factory Service
- 10) Indian Postal Service
- 11) Federation of Railway Officers'
- 12) Indian Revenue Service
- 13) Indian Statistical Service
- 14) Indian Trade Service

Issues pertaining to other services are covered separately in the Report at appropriate places.

Indian Foreign Service

3.3.19 Indian Foreign Service is concerned with all issues relating to foreign relations of India. The service has an established parity with IAS. This parity needs to be maintained. **It is recommended that the existing parity between IAS & IFS should be maintained. The Government should also ensure that batch-wise parity between IAS and Indian Foreign Service is maintained at the time of empanelment of officers for placement in various grades in the Centre.**

Indian Audit & Accounts Service (IA&AS)

3.3.20 Indian Audit & Accounts Service (IA&AS) assists the C&AG of India in discharge of his constitutional responsibilities. They have demanded that in view of the similar nature of their job, the posts of Additional Deputy C&AG of India (ADI) and Deputy C&AG of India (DAI) should be merged. This would entail upgradation of the post of ADI from the present pay scale of Rs.24500-26000 to that of DAI in the scale of Rs.26000 (fixed). This merger is more in the nature of restructuring of a cadre. The Commission is not going into restructuring of cadres. **The Government may, however, consider this demand** keeping in view the fact that the suggestion for this merger was also endorsed by the Comptroller and Auditor General of India. Apart from IA&AS, other organised Group A Accounts Services exists like Indian Civil Accounts Service, Indian Defence Accounts Service, Indian Railway Accounts Service, etc. **The Government should look into the feasibility of merging various other organised Central Group A Accounts Services with IA&AS which will facilitate more efficient functioning and use of resources. A Committee to look into this issue may, therefore, be constituted by the Government at the earliest. Insofar as Indian Railway Accounts Service is concerned, the issue of its merger should be looked into taking in account the recommendation for corporatizing the Indian Railways as a Central Public Sector Enterprise.**

*Indian Civil
Accounts Service*

3.3.21 The Indian Civil Accounts Service was constituted in 1977 when auditing and accounting functions in civil Ministries of Government of India were separated. The officers of this service look after internal audit functions in the various Ministries/Departments excepting those which have an in-house accounting set-up. The service is headed by Controller General of Accounts. No specific demands for upgradation of any post have been made. **They have, however, proposed integration of the finance and accounts functions. This involves a systemic change and the matter should correctly be looked into by the Administrative Reforms Commission.**

*Indian Customs &
Central Excise
Service*

3.3.22 This service exists in Department of Revenue. Officers of this service are concerned with collection of central indirect taxes. At its apex is the Central Board of Excise & Customs (CBEC) which is headed by a Chairperson who is also Special Secretary to Government of India. Five posts of Member also exist in the Board. All the Members are ex-officio Additional Secretaries to Government of India. The service has demanded functional and financial autonomy on par with that available in Railway Board for CBEC. Status of Principal Secretary along with pay of Cabinet Secretary has been demanded for the post of Chairperson, CBEC with the status of Secretary to Government of India being demanded for Members, CBEC. Apart from this, 4 additional posts of regional Members in CBEC, one each for North, East, South and West Zones, in the rank of Secretary to Government of India have been demanded. Upgradation of 35 posts in the Higher Administrative Grade to Rs.26000 (fixed) and 50 posts in Senior Administrative Grade to Rs.24050-26000 has also been demanded. Encadrement of all the posts of Chairperson and Members, CBEC in the service has also been sought.

3.3.23 Work entrusted to CBEC is revenue collection which is one of the sovereign functions. The Board cannot, therefore, be equated to the Railway Board which primarily discharges functions of a commercial nature. As such, **complete functional and financial autonomy to CBEC is not justified. Functional justification for upgrading the extant pay scales of various posts and creating additional posts in the higher grades does not exist. The Commission is also not in favour of encadring any new posts in a particular service as the same restricts the choice of best available person. Elsewhere in the Report, the Commission has suggested placement of all the Members in Central Board of Direct Taxes (CBDT) in the scale of Rs.80000 (fixed) with their status being equated to that of Special Secretary to the Government of India. The post of Chairman is proposed to be continued in this pay band and with a similar status (Special Secretary to the Government). This dispensation may need to be**

replicated in CBEC once it is given in CBDT keeping in view the fact that these two Boards are similar.

*Indian Defence
Accounts Services*

3.3.24 The Defence Accounts performs functions relating to accounting and payment, internal audit and financial management in various organizations under Ministry of Defence. Various demands relating to upgradation of posts have been made. These demands are chiefly based on the ground that taking in view the delegation of powers to the Service headquarters, Command headquarters and Field Formations, for efficient working the officers from the finance stream should be of the rank which, at the most, is only one lower than the Executive side. The Commission is not taking up cadre reviews of individual services. **The demand should, however, be considered by the Government also keeping in view the functional considerations.** Creation of certain posts like Additional CGDA (Internal Audit), CDA (Cost Audit)/(Coast Guard)/(Naval Dockyards), etc. has also been demanded. Creation of new posts has to be done only on functional considerations which should correctly be looked into by the concerned Ministry. Other demands relating to common issues have been addressed in the relevant Chapters.

*Indian Defence
Estates Service*

3.3.25 The Indian Defence Estates service exists in Ministry of Defence and their officers perform all duties relating to custody and upkeep of defence lands. It has been demanded that 3 posts in the scale of Rs.24500-26000 should be created in this cadre for manning the posts of Senior Additional Director General in the Directorate General of Defence Estates; Principal Director, Central Command - Lucknow; and Principal Director, Southern Command, Pune. The post of Senior Additional Director General does not exist at present. The Commission, as a general policy, has not favoured creation of additional levels in the hierarchy. **As such, creation of this additional grade cannot be recommended.** Insofar as creation of posts of Principal Directors in the two Commands is concerned, the same should justifiably be considered by the Government keeping in view the functional exigencies. **The Commission, therefore, is unable to recommend creation of these posts.**

*Indian Economic
Service*

3.3.26 The Indian Economic Service was constituted in 1961. IES officers provide economic inputs into policy formulation in Central Ministries and Departments. The Department of Economic Affairs is cadre controlling authority of this service. The IES cadre authority is advised by the Indian Economic Service Board headed by the Cabinet Secretary. Officers of this service presently are facing an acute stagnation with promotion in SAG taking more than 25 years. The association has demanded time-bound

promotions upto HAG. The Commission has adopted a different approach to alleviate the problem of stagnation which would now be addressed in form of running pay bands, variable increments as a percentage of the basic pay as well as the scheme of Modified ACPS which will also cover the Group A posts. These measures should sufficiently address the problem of stagnation in this service.

*Indian
Information
Service*

3.3.27 The officers of this service are concerned with the basic function of disseminating information regarding Government activities, policy and programmes. They are posted in various media organisation and departments of central Governments. The association has demanded constitution of a Board consisting of Senior IIS Officers to manage the promotion, transfer and posting of IIS Officers. Time-bound promotions have also been sought on ground of severe stagnation stated to exist in the IIS. Encadrement of the post of Information Advisor to the Prime Minister in IIS has also been sought. **Constitution of a Board to look after administrative functions relating to a specific service is not justified and cannot be recommended. The Commission is recommending a Modified Assured Career Progression Scheme which will extend to Group A posts as well. As stated earlier, the problem of stagnation would be considerably addressed by the systemic changes being recommended by the Commission. Encadrement of any additional post in a specific cadre is generally not being recommended as it curtails the available choice for the best candidate. The demand cannot, accordingly, be accepted.**

*Indian Ordnance
Factory Service*

3.3.28 Ordnance Factories function as departmental formations under the Department of Defence Production and Supplies. Indian Ordnance Factory Service is concerned with overall management of Ordnance Factories. The service comprises both technical and non-technical posts with the former comprising nearly 90% of the total cadre strength. The technical posts are filled mainly by Combined Engineering Service Examination and through interviews (for Chemical Engineers, Metallurgists, Leather and Clothing Technologists) whereas non-technical posts are filled by the Civil Service Examination. The service has demanded a cadre-restructuring with the post of Chairman and Members (9 posts) being placed in the scale of Rs.26000 (fixed) and all Ordnance Factories being headed by HAG level officers. As stated repeatedly in the Report, the Commission is not looking into individual cadre reviews. The Commission observes that the mode in which sustainable growth of the various Ordnance Factories was to be achieved in the medium and long term was looked into by Nair Committee. This Committee had observed that conversion of

Ordnance Factory Board into Ordnance Factory Corporation Limited, as done at the time of conversion of Department of Telecommunication into Bharat Sanchal Nigam Limited (BSNL), was the most viable option for future growth of these Factories. The Committee had observed that this conversion would enable the OFB to re-focus itself and its areas of cooperation in a flexible manner that would enable it to respond to the market as well as strategic interests in a better manner which would not only be cost-effective but also improve efficiency. The recommendations of Nair Committee have been largely repeated in the recommendation of the Kelkar Committee. The Commission is in full agreement with the observations of these two Committee. **It is, accordingly, recommended that Government should seriously consider corporatisation of all the Ordnance Factories on the lines of BSNL which would give them the necessary flexibility to meet the market forces in a competitive and cost-effective manner.** No other recommendations are, therefore, necessary in respect of this service.

Indian Postal Service

3.3.29 Indian Postal Service is the apex of the Postal Services run by Government. The apex postal body is a Postal Services Board comprising one Chairman and three Members. Secretary (Posts) is also the Chairman of the Board as well as the Director General of Postal Operations. The Fifth CPC had upgraded the pay scale of the Members of the Postal Board to Rs.24050-26000.

3.3.30 Indian Postal Service has demanded uniformity in service conditions for all organizations in the Government. Higher scale in entry grade of Group A and running pay bands have also been sought along with delegation of the process of decision making and empanelment to JS level / higher posts in the Central Secretariat by an independent agency like the UPSC. Specifically for their service, it has been demanded that the posts of Heads of Circles of States having a Metro city should be upgraded to the scale of Rs.22400-26000. Besides, upgradation of the heads of postal circles in the newly created states of Uttarnachal, Jharkhand and Chattishgarh from SAG to HAG has also been demanded. Other demands include creation of a new post of Member (Business Development and Technology) by upgrading the post of Chief General Manager (Business Development) and upgradation of all the posts of Member, Postal Services Board in the rank of Special Secretary.

3.3.31 Indian Postal Service is one of the very few Services to have posts in the pre-revised scales of Rs.22400-26000 as well as Rs.24050-26000. The Commission is recommending merger of these two pay scales as a part of restructuring of the extant pay scales. Consequently, as a result of the proposed merger of the

pre-revised pay scales of Rs.22400-26000 and Rs.24050-26000, the posts of Member in the Postal Board and those of Principal Chief Postmaster Generals in three States would come to be placed in an identical revised pay band PB-4 of Rs.39200-67000 along with grade pay of Rs.13000. These posts constitute promotion and feeder posts and cannot, therefore continue to exist as separate levels in the hierarchy as at present. These posts would need to be merged. **The Commission recommends that Postal Services Board will now comprise six posts of Members in revised pay band PB-4 of Rs.39200-67000 along with grade pay of Rs.13000. This shall be done by placing the erstwhile post of Principal Chief Postmaster General as Member, Postal Service Board.** This will also be functionally justified because the Postal Services Board is expanding their activities relating to business development, parcel and logistics, etc. **Simultaneously the three Circles in the States of Maharashtra, Tamil Nadu and Madhya Pradesh that were earlier headed by Principal Chief Postmaster General will now be headed by Chief Postmaster General in the running pay band PB-4 of Rs.39200-67000 along with grade pay of Rs.11000.** It is also seen that Postal Circles in the three newly created States of Jharkhand, Chattisgarh & Uttarakhand do not have any post of Chief Postmasters General in HAG even though all other States have this post in HAG. **Government may, in the context of the size and amount of postal work in these three new States, examine whether these postal circles require to be headed by Chief Postmasters General in the Higher Administrative Grade.**

*Federation of
Railway Officers*

3.3.32 Federation of Railway Officers represents the following nine organized services in Indian Railways:-

1. Indian Railway Accounts Service (IRAS)
2. Indian Railway Medical Service (IRMS)
3. Indian Railway Personnel Service (IRPS)
4. Indian Railway Service of Engineers (IRSE)
5. Indian Railway Service of Electrical Engineers (IRSEE)
6. Indian Railway Service of Mechanical Engineers (IRSME)
7. Indian Railway Stores Service (IRSS)
8. Indian Railway Service of Signal Engineers (IRSSE)
9. Indian Railway Traffic Service (IRTS)

3.3.33 The Association has demanded introduction of a modern system that would motivate civil servants to be pro-active so as to ensure good-governance in the country. They have also demanded constitution of a permanent, independent body for looking after the pay and cadre structure of the various Services in the Government. Higher rate of allowances along with higher pay scales have also been sought.

3.3.34 **The Commission is recommending a revised scheme of pay structure that includes the mechanism of variable increments and performance related incentive which is expected to ensure a greater orientation towards delivery of service for the betterment of common man.** It is observed that the Fifth Central Pay Commission had recommended constitution of a permanent body for looking after the pay scale/service related issues. **The Commission, however, is not in favour of recommending constitution of a separate body in this regard as specific mechanisms already exist in the Government. The demands relating to higher pay scales and allowances have been addressed elsewhere in the Report.**

Indian Revenue Service

3.3.35 Indian Revenue Service is concerned with collection of direct taxes for the Government. Over a period of time, the role of this Service has grown insofar as collection of taxes is concerned. The ratio of direct taxes to GDP has gone up from 2.35% of GDP to around 6% in the last 15 years. The Service is the largest organized Group A service with a cadre strength of more than 4400. It is also seen that Income Tax Department is predominantly an officer driven Department. Despite the large cadre strength, the Service does not have a single Secretary level post encadred in the Service. This is clearly anomalous especially because this Service is performing the important function of revenue collection. The Commission is aware that as a general policy, no recommendation regarding restructuring of individual cadres is being made. However, considering the fact that other Group A services with less than 1/10th the strength of Indian Revenue Service have more Secretary level posts, Government will have to seriously examine the issue and resolve the legitimate aspirations of the service. **The Government should consider upgrading the post of Member, CBDT presently in the scale of Rs.24050-26000 to the revised apex pay band of Rs.80000 (fixed). The post of Chairman shall continue to exist in this pay band and the status of Chairman as well as Members, Central Board of Direct Taxes will be that of Special Secretary to the Government of India with the Chairman, CBDT occupying the position of first amongst equals. Since no post in the Board is encadred, the Government should encadre some of the post(s) in the revised apex scale of Rs.80000 in CBDT in IRS which will ensure that this service, that has largest number of officers amongst all the organized Group A services, also has some post(s) in the apex scale.**

3.3.36 **Other demands made by IRS Association seek change in the extant deputation policy so as to allow better representation to various Group A Services. The Commission has addressed this demand elsewhere in the Report. Other general demands**

relating to better facilities and allowances have also been addressed in the respective Chapters.

Indian Statistical Service

3.3.37 Indian Statistical Service is concerned with collection of statistics relating to different specific areas. The Central Statistical Organization in Ministry of Statistics and Programme Implementation is the nodal agency for planned development of the statistical system in the country. Members of this service have lamented intense stagnation in their service. The figures made available reveal that the minimum period for promotion to the posts in JAG, NFSG, SAG and HAG is 10.8 years, 15 years, 23 years and 30.1 years respectively. It has also been stated that the minimum qualifications required for entry to this service is a post-graduate degree as against graduate degree prescribed for other Group A services and hence a better deal needs to be extended in their case. They have, accordingly, desired in-situ promotions at SAG level for officers who have completed more than 20 years of Group A service. They have also demanded strengthening of statistical functions in various ministries by creation of additional posts for this purpose.

3.3.38 The Commission is not in favour of creating additional posts for functions which are already inherent in the existing scheme of things. The Commission is also not considering restructuring of individual cadres. The issue of stagnation will, to a large extent, be ameliorated under the scheme of running pay bands, variable increments as a percentage of salary, etc. The Commission is also opening up a large number of posts in the higher echelons which will now be filled by an open method of selection. No other specific recommendation is, therefore, necessary in respect of this service.

Indian Trade Service

3.3.39 The Indian Trade Service was originally created to provide a specialized cadre of officers to man the import-export trade control organisation. The Service was created in 1997 and direct recruitment through the Civil Services Examination was started in 1986. In their memorandum to the Commission, the Service has demanded restructuring of the entire cadre along with other general demands like introduction of running pay bands, amending the Central Staffing Scheme so as to provide better opportunities for manning SAG level and higher posts, better allowances, etc.

3.3.40 The Commission is not considering cadre reviews of individual Services. Other demands like introduction of running pay bands, making necessary changes in the extant Central Staffing Scheme, etc. have been duly addressed in the relevant Chapters. No other specific recommendations are, therefore, necessary.

Engineering Services

- Introduction* 3.4.1 Organized Engineering cadres exist in a number of Ministries and Departments of the Central Government. Largest cadres exist in Ministries of Railways, Road Transport and Highways, Urban Development, Water Resources, Defence, Mines and Science & Technology.
- Demands* 3.4.2 All Group A Engineering Services have demanded better promotional prospects. It is their constant refrain that acute stagnation exists in Engineering services vis-à-vis similarly placed Group A Civil Services and All India Services. Lamenting the absence of adequate number of post in the higher echelons, certain specific services have demanded creation of additional posts in Higher Administrative Grades. Allowances like NPA and Field Duty Allowances have also been demanded.
- Analysis* 3.4.3 It is observed that some level of stagnation exists in many Group A Engineering cadres. The levels of stagnation, however, are not uniform; engineering cadre in Railways is much better off in this regard. The Commission has suggested running Pay Band PB-3 for Group A posts that encompasses all levels below the Senior Administrative Grade. The Commission has also recommended opening up of appointments to most of the senior level posts. Engineers will also be eligible for appointment to these posts. Recommendations made in para 3.3.12 of the Report will extend to the organized engineering services as well. All these measures will alleviate the existing problem of stagnation being felt in many Group A Engineering cadres in the Government.
- Allowances* 3.4.4 The demand for extension of non-practicing allowance to categories other than Doctors has been discussed by the Commission in Chapter 4.2 of the Report. **In consonance with the recommendations made therein, non-practicing allowance cannot be extended to any of the engineering cadres.** The demand for grant of field duty allowance had been made before the Fifth Central Pay Commission also who, however, did not consider it justified. The view expressed by the Fifth Pay Commission is appropriate. **Consequently, no field duty allowance can be**

allowed in case of engineering cadres. Design and planning allowance is presently available to the engineering officers posted in Planning/Design wings. In consonance with the general policy followed, the existing rates of these allowances shall be doubled.

*Subordinate
Engineering cadres*

3.4.5 Subordinate engineering cadres include holders of diploma in engineering and other posts of engineers carrying minimum direct recruitment qualification of Bachelor of Engineering who have not been recruited to a Group A service or post.

Demands

3.4.6 Junior Engineers have demanded parity with Inspectors in Central Board of Direct Taxes and Central Board of Excise and Customs. Most of the Subordinate Engineering cadres have demanded parity with the Junior Engineers in Central Public Works Department (CPWD) insofar as financial upgradations under ACPS are concerned. Certain individual departments and individual cadres have brought out specific problems where the general pay scale recommended for the category by the Fifth Central Pay Commission was not implemented.

3.4.7 Fifth CPC had recommended that all posts carrying minimum qualifications of diploma in engineering should be placed in the pay scale of Rs.5000-8000. While this recommendation was accepted, however, its implementation has not been uniform because the recommendation was interpreted differently in different departments and organisations. The scale of Rs.5000-8000 will now get merged with the scales of Rs.5500-9000 and Rs.6500-10500 on account of restructuring of pay scales being recommended by the Commission. To ensure that the recommendation made by Fifth CPC and accepted by the Government is uniformly implemented in the revised structure of pay bands, **the Commission recommends that all posts in Subordinate Engineering cadres carrying minimum qualification of diploma in engineering for direct recruits and having an element of direct recruitment should be placed in the running Pay Band PB-2 of Rs.8700-34800 along with a grade pay of Rs.4200 corresponding to the pre-revised pay scale of Rs.6500-10500. Simultaneously, all posts in Subordinate Engineering cadres carrying minimum qualifications of a degree in engineering and having an element of direct recruitment should be placed in the running Pay Band PB-2 of Rs.8700-34800 along with the grade pay of Rs.4600 corresponding to the pre-revised pay scale of Rs.7450-11500. These posts will form feeder cadre for promotion to the posts in running Pay Band PB-3 of Rs.15600-39100 carrying grade pay of Rs.5400 (pre-revised Rs.8000-13500)**

in which direct recruitment to Group A Engineering cadre posts is made.

3.4.8 Most of the cadres of Junior Engineers/equivalent have demanded the hierarchical structure that presently exists for Junior Engineers in Central Public Works Department (CPWD). This demand is made because the structure in CPWD proves more beneficial for getting financial upgradations under the extant scheme of ACPS. **The Commission has separately recommended a modified ACPS in which the financial upgradations will invariably be to the next grade in the hierarchy of revised pay bands and grade pay and, therefore, the financial upgradation under ACPS will invariably provide similar benefit irrespective of the hierarchy of the posts existing in the organisation.** This will ensure uniform progression under the ACPS. No other specific recommendation is, therefore, required in this case.

3.4.9 In some organisations separate quotas have been prescribed for cadres of diploma engineers and degree engineers for promotion to the post of Assistant Engineer. This frequently leads to problem as even a senior degree holding engineer sometimes gets superseded by a junior diploma holding engineer. The position, therefore, needs to be rectified. **It is, accordingly, recommended that no separate quota for diploma and degree holding engineers should be prescribed for promotion to the Group A posts in PB-3 of Rs.15600-39100 along with a grade pay of Rs.5400 (pre-revised Rs.8000-13500).** However, existing eligibility criteria for diploma and degree holders should continue to be maintained without any change. This will give a slight edge for degree holders while ensuring that no eligible senior gets superseded on account of demarcation of posts available on promotion in different quotas.

Draughtsman

3.4.12 Category of Draughtsman has been considered in Chapter 3.8 of the Report. No separate recommendations are being made for this category in this Chapter.

Scientific Services

- Introduction* 3.5.1 Separate benefits for scientists in certain ministries/departments are discussed in relevant Chapters. Here, the Commission is primarily discussing the Flexible Complementing Scheme for scientists.
- Flexible Complementing Scheme - Historical background* 3.5.2 Third CPC had, for the first time, recommended introduction of Flexible Complementing Scheme (FCS) for scientific services. This scheme envisaged promotion from one grade to another after a prescribed period of service for scientists of proven merit and ability irrespective of the availability of any vacancy. The scheme was initially introduced in a few scientific Departments and autonomous bodies engaged in scientific research and development activity before being extended to the major S&T Ministries, Departments and organisations, as also some scientific personnel in other organisations. The Fifth CPC while noting that the FCS suffered from certain structural distortions and lack of uniformity in its application in the identified organisations, recommended a modified Flexible Complementing Scheme for R&D professionals at Group A level to replace the scheme then existing. The modified FCS was to apply to all eligible R&D professionals working in fields of creative research activity throughout their service in all Departments, including Space, Atomic Energy and Defence Research and Development Organisation, without special dispensations for individual departments. Professionals posted to Secretariats of Ministries and Departments, were to be excluded from this scheme. The Fifth CPC had specifically recommended that FCS will not apply to personnel in Groups B, C & D. FCS was to be uniformly applied to scientific Group A posts in all R&D organisations and promotions after stipulated residency periods were to be extended in the following pay scales :-

Pay Scale (Rs.)	Residency Period
8000-13500	3 years
10000-15200	4 years
12000-16500	4 years
14300-18300	5 years
16400-20000	5 years
18400-22400	-

3.5.3 The Fifth CPC had also recommended constitution of assessment boards for assessing the suitability of candidates for promotion under FCS which would comprise minimum 50% of the members from outside the organisation. It was also stipulated that 50% of the members should be subject matter experts in the concerned field of activity. Adequate provisions were also built in so that any R&D professional did not suffer due to delayed assessment. The Commission also defined R&D professionals, R&D activity and R&D organisation to whom FCS would apply.

Existing position

3.5.4 The Government did not accept the recommendation of the Fifth CPC proposing extension of modified FCS to all departments including Department of Space, Atomic Energy and DRDO uniformly. Accordingly, the then existing schemes of merit based promotion system for Groups A, B & C personnel in Departments of Space, Atomic Energy and DRDO were allowed to continue. The Government, however, revised the criteria for identifying institutions/organisations as scientific and technological institutions as well as for defining scientific activities and services. The assessment procedure was also revised and assessment of Annual Confidential Reports on a 10 point scale with 10 marks being given for Outstanding grading; 8 marks for Very Good; 4 marks for Good and Average; and 0 marks for Poor grading was introduced. Officers who satisfied the minimum residency period and acquired a minimum percentage of performance based on the marks in their ACRs alone were eligible for being considered under FCS. The residency periods recommended by the Fifth CPC were adopted without any modification.

Analysis

3.5.5 The Fifth CPC had recommended modified FCS for scientists with a view to make it uniformly applicable across all the identified S&T organisations. The Government, however, chose to continue the existing scheme of merit based promotion in Departments of Atomic Energy, Space and DRDO. This was presumably done keeping in view the pre-eminent status of these departments. Post Fifth CPC, the Government has already issued orders restricting FCS to scientists and technologists holding scientific posts in scientific and technology departments and who

are engaged in scientific activities and services. The assessment norms for promotions under the FCS have also been made more rigorous.

Recommendations 3.5.6 Various time-bound promotion schemes may be necessary for scientific organisations as the morale of scientists has to be kept high in order to keep them motivated and to stop the flight of talent from Government organisations involved in research and scientific activities. **The Commission, therefore, recommends that the existing scheme of FCS with necessary modifications has to be continued for R&D professionals in all S&T organisations. Merit based promotion scheme in the Departments of Atomic Energy, Space and DRDO would also need to be persisted with.** The Commission, however, recommends following features to be incorporated in the existing schemes of FCS and merit based promotion so as to make the same more relevant to the context:-

- i) **The criteria for identifying institutions/organisations as scientific and technical institutions and defining scientists and scientific posts should be made more objective and stringent so that only those organisations as are involved in creating new scientific knowledge or innovative engineering, technological or medical techniques or which are involved in professional research and development work predominantly including survey and mapping of geological, geo-physical or metrological nature are covered under FCS.**
- ii) **The promotions under FCS should be limited to grades carrying grade pay of Rs.9000 or lower.**
- iii) **In the case of Departments of Space, Atomic Energy and DRDO, the scheme of FCS may also cover posts carrying grade pay of Rs.11000.**
- iv) **The assessment board for judging the suitability of candidates for promotions under FCS should have a majority of members who are outside the concerned organisation and who possess expertise in the concerned field.**
- v) **Greater emphasis should be paid on the achievements as evaluated by an independent peer group rather than the seniority.**
- vi) **Emoluments should not be a bar for recruiting a scientist of merit whose services are considered necessary. Recruitment in such cases should be made on contractual**

basis with a significantly higher start. The pay in such cases, can be fixed anywhere within the prescribed pay band with the post carrying the grade pay of the rank in which the recruitment is being made. The contract should be made for a period of 3 or 5 years and should be renewable at the option of the Government and the contractee scientist. Option of joining the Government as a permanent employee in regular scale of pay, allowances and other benefits should also be made available at the time of renewing the contract.

- vii) **The Performance Related Incentive Scheme (PRIS) and variable increments should also be made applicable to all Ministries/Departments/organisations in which FCS or merit based promotion scheme is in vogue. This will ensure that achievements of scientists are invariably acknowledged and will motivate them to perform increasingly better. The scheme should be immediately implemented in all scientific departments working on mission mode as the achievements in these departments are easily quantifiable.**

Scientific Staff

3.5.7 Large number of scientific and technological staff exists in different Ministries/Departments/Organisations classified as scientific. They assist scientific officers in work related to experiments, field reports, surveys, collection of samples and other scientific work. The Fifth CPC had considered this category in detail and had made certain recommendations. **The Fifth CPC had recommended parity between posts of scientific staff carrying minimum qualifications of engineering degree and a post-graduate degree with the scale of Rs.6500-10500 being recommended for these posts. This relativity, wherever already conceded, may need to be continued** in light of the fact that this Commission has recommended placement of all posts carrying minimum direct recruitment qualifications of a degree in engineering in pay band PB-2 of Rs.8700-34800 along with grade pay of Rs.4600 corresponding to the pre-revised pay scale of Rs.7450-11500.

Medical and Para Medical Services

Introduction

3.6.1 Doctors in Central Government exist both in organized as well as outside organized services. The three organized health and medical services are Central Health Service, Indian Railway Medical Service and Indian Ordnance Factories Health Service. Defence Forces have an Army Medical Corps and various CPMFs also have a cadre of Medical Officers.

Central Health Service

3.6.2 Central Health Service (CHS) was constituted in 1963. The Service was declared a Group A Central Service in 1973. It was restructured in 1982 and divided into four sub cadres viz. Teaching Specialists, Non Teaching Specialists, Public Health Specialists and General Duty Medical Officer. The present strength of each sub-cadre is as under:-

- General Duty Medical Officer sub-cadre - 3139
- Teaching Specialists sub-cadre - 638
- Non-Teaching Specialists sub-cadre - 780
- Public Health Specialists sub-cadre - 078

In addition there are 13 posts in the Higher Administrative Grade, which are common to all the four sub cadres.

Railway Medical Service

3.6.3 Indian Railway Medical Service (IRMS) officers work in various hospitals and dispensaries of Indian Railways. No sub cadres exist in IRMS. There is a post of Director General in the scale of Rs.26000 (Fixed). Prior to Fifth CPC, the post existed in the pay scale of Rs.7300-7600 corresponding to the revised pay scale of Rs.22400-24500. The Fifth CPC had recommended only the corresponding revised pay scale for this post. However, Government subsequently upgraded the post.

Indian Ordnance Factories Health Service

3.6.4 Indian Ordnance Factories Health Service comprise 214 posts. The Medical Officers of this service are posted in Hospitals, Dispensaries and Clinics of various Ordnance Factories.

<i>Demands</i>	3.6.5 Demands for increasing the rate of Non-Practicing Allowance (NPA) to 50% and for creating better promotional avenues at the level of Senior Administrative Grade and Higher Administrative Grade have been made by various associations of Doctors.
<i>NPA</i>	3.6.6 The Commission has considered this issue in Chapter 4.2. No recommendations on NPA are, therefore, being made in this Chapter.
<i>DACP</i>	3.6.7 The Fifth CPC had recommended scheme of Dynamic Assured Career Progression (DACP) for different streams of doctors upto the scale of Rs.14300-18300. For Group A posts, Assured Career Progression Scheme (ACPS) was recommended by the Fifth CPC. The Government did not extend the ACP Scheme to non isolated Group A posts and in the case of isolated posts, the ACP scheme was implemented with the modification that two promotions shall be provided after 12 and 24 years of service instead of 3 (after 4 years, 9 years, 13 years) recommended by Fifth CPC. However, the scheme of DACP as recommended by Fifth CPC was implemented for doctors in CHS and a few other cadres. The scheme of DACP is different from ACPS in the sense that the designation also changes under the former. The scheme, therefore, cannot be equated to that of ACPS. The scheme also does not suffer from any of the short-comings evident in the extant scheme of Assured Career Progression. Accordingly, DACP would need to be retained in its existing form. Further, the scheme would need to be extended to other categories of Doctors presently not covered under the scheme as similar career advancement has to be ensured for all Doctors whose basic work remains same irrespective of the organisation or service to which they belong. Accordingly, the Commission recommends that the DACP scheme recommended by the Fifth Central Pay Commission for different streams of doctors should be extended to all Doctors including those working in isolated posts. The promotions under DACP for other categories of Doctors will be guided by the same conditions as applied in case of Doctors working in Central Health Scheme.
<i>Conveyance allowance</i>	3.6.8 Doctors are paid conveyance allowance for visit to hospitals and dispensaries outside normal duty hours as well as for making domiciliary visits. Presently, this allowance is payable at following rates:-

Mode of conveyance	Maximum per month		Minimum per month Non-CHS/CHS
	Non-CHS	CHS	
	Rs.	Rs.	Rs.
i) For those who maintain their own motor car	550	1650	80
ii) For those who maintain scooter/motor cycle	180	540	40
iii) For those who do not maintain either car or motor cycle/scooter	150	450	30

3.6.9 Keeping in view the general factor used for revising the rates of other allowances, the **Commission recommends that the rates of conveyance allowance for doctors may be revised as under:-**

Mode of conveyance	Maximum per month		Minimum per month Non-CHS/CHS
	Non-CHS	CHS	
	Rs.	Rs.	Rs.
i) For those who maintain their own motor car	1100	3300	160
ii) For those who maintain scooter/motor cycle	360	1080	80
iii) For those who do not maintain either car or motor cycle/scooter	300	900	60

3.6.10 **These rates should be linked to the Consumer Price Index and be revised every year equal to the change in the percentage of DA payable for the year vis-à-vis the immediate preceding year.**

Junior and Senior Resident Doctors

3.6.11 Junior and Senior Resident Doctors presently are placed in the pay scales of Rs.9000 fixed; Rs.9000-9550 and Rs.10325-10975. As a part of restructuring, the Commission has recommended merger of these pay scales. Accordingly, **the posts will now be placed in pay scale of Rs.8000-13500 corresponding to the revised pay band PB-3 of Rs.15600-39100 carrying grade pay of Rs.5400 (for Junior Resident Doctors in the scale of Rs.9000 fixed or Rs.9000-9550) and the pay scale of Rs.10000-15200 corresponding to the revised pay band PB-3 of Rs.15600-39100 along with a grade pay of Rs.6100 (for Senior Resident Doctors in the scale of Rs.10325-10975).**

Doctors of other streams

3.6.12 **The recommendations made in respect of doctors shall equally apply in respect of the cadre of dental surgeons as well.**

Physicians in other streams

3.6.13 Presently, Government Physicians exist in various streams of Indian Medicine like Ayurveda, Yoga, Sidha, Unani and Homoeopathy. The Fifth Central Pay Commission had recommended a general parity with General Duty Medical Officers (GDMOs) for these streams. The Fifth CPC had also recommended creation of an organized service called Central Indigenous & Homoeo Medical Service for these streams. While creation of a separate organized service may not be necessary, however, **the scheme of DACP recommended by the Commission for Allopathy doctors should be extended, mutatis-mutandis, to the doctors of various streams of Indian Medicine like Ayurveda, Yoga, Sidha, Unani and Homoeopathy.** This will ensure that the general parity of these streams is attained vis-à-vis the general medical officers belonging to Allopathy streams in Central Government Hospitals etc.

Para medical staff

3.6.14 Para medical staff categories include nursing staff, dieticians, medical laboratory staff and technicians, operation theatre staff and technicians, para-dental staff, physiotherapists and occupational therapists, pharmacists, radiographers, etc. The pay scales of various categories of para medical staff have been discussed in Chapter 3.8 relating to common categories. No recommendation in respect of pay scales of these categories is, therefore, being made in this Chapter. The issue of disparity between para medical staff in different organisations has been taken up later in this Chapter.

Extension of NPA to para medical staff

3.6.15 Many categories of para medical staff including nursing staff, pharmacists, physiotherapists, dental technicians, dieticians have demanded non-practicing allowance as well as risk allowance on the ground that they can practice their skills outside the office and they also face risk to their health while dealing with contagious diseases, viruses, etc. The Commission has considered this issue in detail in Chapter 4.2. In consonance with the recommendations made in that Chapter, **the Commission does not recommend extension of NPA to any of the categories of para medical staff. A separate risk allowance shall also not be given to any of these categories. However, the Government shall provide appropriate insurance cover to such of those categories of para medical staff as are exposed to risk of infection etc. in their regular course of duties. Assured Career Progression Scheme, as modified by the Commission, shall apply in respect of all the categories of para medical staff.**

Nursing allowance

3.6.16 Nurses are presently given nursing allowance at the rate of Rs.1600 p.m. In consonance with the general factor used for revising the rates of various allowances, the Commission

recommends doubling of the rate of this allowance to Rs.3200 p.m. The rate of this allowance shall be increased by 25% whenever DA payable on revised pay scales crosses 50%. This allowance should be paid to all the nurses whether working in dispensaries or in hospitals. This is necessary because nurses in CHS are already paid nursing allowance irrespective of whether they are deployed in hospitals or dispensaries. A similar dispensation, therefore, needs to be extended to the nursing staff working in other organisations as well.

Uniform & washing allowance

3.6.17 The Commission has already covered issues relating to uniform and washing allowance in Chapter 4.2. No separate recommendations are, therefore, being made on this issue in this Chapter.

*Hospital Patient Care Allowance/
Patient Care Allowance*

3.6.18 Presently, Patient Care Allowance (PCA) is admissible to Group 'C' & 'D' (non-Ministerial) employees excluding nursing personnel at the rate of Rs.690 per month working in the health care delivery institutions/establishments (other than hospitals) with less than 30 beds subject to the condition that no Night Weightage Allowance and Risk Allowance, if sanctioned by the Central Government, will be admissible to these employees. Similarly placed employees working in hospitals are eligible for Hospital Patient Care Allowance (HPCA). This allowance is not admissible to Group C & D (Non-Ministerial) employees working in the Headquarters. The rules provide that only Group C & D, Non-Ministerial employees whose regular duties involve continuous and routine contact with patients infected with communicable diseases or those who have to routinely handle infected materials, instruments and equipments, which can spread infection, as their primary duty can be considered for grant of Hospital Patient Care Allowance. It is further provided that HPCA shall not be allowed to any of those categories of employees whose contact with patients or exposure to infected materials is of an occasional nature. The Commission has separately recommended upgradation of all Group D categories. Consequently, the existing Group D para medical staff will need to be retrained and redeployed in the Group C posts along with a grade pay of Rs.1800. The PCA/HPCA will, therefore, be limited to Group C non-ministerial employees. **The Commission has separately recommended extension of adequate insurance cover to all such categories of employees who face an element of risk in discharge of their official functions. This insurance cover should be extended to all the categories that are presently in receipt of HPCA/PCA. Simultaneously, HPCA/PCA should be withdrawn as no rationale would exist for these allowances once the element of risk is covered by grant of an appropriate insurance cover.** The Commission is aware that this would still result in some pecuniary loss for these employees. The loss, however, would be

more than compensated in respect of existing Group D employees who will be upgraded to Group C. This loss, for Group C employees, should be compensated in form of Performance Related Incentive Scheme (PRIS).

Inter-organizational disparities amongst various categories of Para Medical Staff

3.6.19 Speech Therapists in Safdarjung Hospital are in the higher pay scale of Rs.6500-10500. Speech Therapists in other institute including Lok Nayak Jaya Prakash Hospital (LNJP)Hospital, various Railway Hospitals, etc. are in the lower pay scales of Rs.4500-7000. Qualifications prescribed in both the places are similar. **The Commission recommends that all post of Speech Therapists carrying an identical qualification(s) should be upgraded, including the LNJP Hospital and Railway Hospitals, to the scale of Rs.6500-10500 corresponding to the revised band PB-2 of Rs.8700-34800 along with a grade pay of Rs.4200.**

3.6.20 In Railways, the entry level of Radiographers is Rs.4000-6000 whereas in all other organisations it is Rs.4500-7000/Rs.5000-8000. The qualifications and the job profile in all the organisations is similar. In their official memorandum, Ministry of Railways have recommended parity between Radiographers inside and outside Railways. **This parity is justified and the post of Radiographer in Railways should also be placed in the scale of Rs.4500-7000 corresponding to the revised pay band PB-1 of Rs.4860-20200 along with grade pay of Rs.2800.**

3.6.21 Dieticians in Railways have demanded higher pay scales of Rs.8000-13500 and Rs.10000-15200 as is existing for Dieticians in Central Government hospitals. The Fifth CPC had recommended the entry pay scale of Rs.5500-9000 for this post. In Railways, the entry pay scale is Rs.5500-9000. However, in some of the Central Government hospitals like Ram Manohar Lohia Hospital (RMLH) the entry scale is Rs.6500-10500. **The post will automatically be placed in the higher scale of Rs.6500-10500 on account of restructuring of pay scales being recommended by the Commission. No further upgradation is necessary.**

3.6.22 The post of Medical Supervisor/Health Visitor is presently in the same pay scale of Rs.4000-6000 as the feeder post of Para Medical Worker. This is not justified. However, for the Common Category of para medical staff, the scale of Rs.4000-6000 has been prescribed for the post of Lady Health Visitor. An exception cannot be made in this case. It is, accordingly, recommended that the post of Medical Supervisor/Health Visitor and the Para Medical Worker should be merged **in the revised pay band PB-1 of Rs.4860-20200 along with grade pay of Rs.2400 which corresponds to the pre-revised pay scale of Rs.4000-6000.**

3.6.23 Dental Hygienists having minimum qualification of 10+2 plus 2 years diploma were recently upgraded from the pay scale of Rs.4500-7000 to that of Rs.5000-8000. Other categories of Para Medical Staff like Pharmacists which also carry 10+2 plus 2 years diploma and Dental Mechanics who also carry identical qualifications are in the lower pay scale of Rs.4500-7000 and Rs.4000-6000 respectively. The categories have demanded parity with Dental Hygienists. It is observed that Dental Hygienist were given higher pay scale on account of onerous duties attached to the post. Ministry of Health & Family Welfare in fact has proposed a still higher pay scale of Rs.5500-9000 for them. As duties performed by various categories are different, no equation can be drawn. **All these posts shall, therefore, be extended only the normal replacement pay band and grade pay.**

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Medicine &
Rehabilitation*

3.6.24 Presently, Additional Lecturers in the PT/OT stream in AIIPM&R are in the pay scale of Rs.5500-9000 which is identical to that of the feeder post of Physiotherapist. The next higher post of Lecturer is in the pay scale of Rs.6500-10500. With the proposed merger of the pay scales of Rs.5000-8000, Rs.5500-9000 and Rs.6500-10500, all these three hierarchical grades will be placed in one scale. To rectify this anomaly, **the posts of Lecturer and Additional Lecturer should be merged and placed in the higher pay scale of Rs.7450-11500 corresponding to the revised pay band PB-2 of Rs.8700-34800 along with grade pay of Rs.4600. Physiotherapists will continue in their existing pay scale and be extended only the normal replacement pay band and grade pay.**

Group D Staff

Introduction

3.7.1 Presently, 4 Group D pay scales exist in Government namely:-

S-1	Rs.2550-55-2660-60-3200
S-2	Rs.2610-60-3150-65-3540
S-2A	Rs.2610-60-2910-65-3300-70-4000
S-3	Rs.2650-65-3300-70-4000

The Fifth CPC had recommended only 3 Group D pay scales. The Fifth CPC had de-merged the erstwhile pre-revised pay scale of Rs.775-12-871-14-955-15-1030-20-1150 into the S-2 and S-3 pay scales. This, however, created certain problems. Consequently, the Government introduced the S-2A pay scale as a corresponding replacement pay scale for the erstwhile scale of Rs.775-12-871-14-955-15-1030-20-1150.

Existing position

3.7.2 Group D posts exist both in workshop and the non-workshop categories. In the workshop staff, the Group D pay scale is available to unskilled (Rs.2550-3200) and semi-skilled (Rs.2650-4000) categories designated as Shramik and Skilled-II respectively by the Fifth CPC. Amongst the non-workshop staff, the Group D posts consist of various posts like Peon, Daftary, Safaiwala, Farash, Record Sorter, Chowkidar, Watchman, Malli, Packer, etc.

3.7.3 Prior to Fifth CPC, minimum educational qualification were not prescribed for posts like Safaiwala, Farash and Chowkidar. For other Group D posts, minimum qualification of 8th pass was prescribed. The Fifth CPC recommended that all Group D posts should be merged in four occupational groups namely, Office Attendants comprising Peons etc., Cosmetic Attendants comprising Safaiwalas, etc., Security Attendants consisting of Watchmen, etc. and Malis. The essential qualifications recommended for appointment as Office Attendant and Security Attendant was 8th standard and elementary education upto 5th standard was proposed for Cosmetic Attendants and Malis. The latter also had to possess two years experience in gardening. Insofar as Group D workshop staff is concerned, the Fifth CPC had recommended minimum

educational qualifications of 8th pass for this category. The Fifth CPC recommended a four tier structure for Group D staff comprising the S-1, S-2, S-3 and S-4 pay scales. The first three pay scales viz. S-1, S-2 & S-3 were in Group D whereas the fourth (S-4) pay scale was the Group C pay scale of Rs.2750-70-3800-75-4400.

Strength of Group D staff

3.7.4 Presently, approximately 9.7 lakh sanctioned Group D posts exist in the Central Government out of which nearly 8.6 lakhs are filled at present. The largest number of Group D posts exists in Ministry of Railways where more than 5.75 lakh Group D posts exist. Thus, more than 59% of the total sanctioned Group D posts are in Ministry of Railways. Other departments having a sizeable number of Group D employees include Ministry of Defence (civilian) which has strength of more than 1.8 lakh (18.5%) employees in this group. Ministry of Home Affairs and Department of Posts have approximately 55000 and 39000 Group D employees respectively.

Group D in Railways & Defence

3.7.5 The large concentration of Group D employees in Ministries of Railways & Defence is on account of the workshop staff categories in these organisations. In Ministry of Railways, Group D staff comprises following different categories:-

Rs.2550-3200	Rs.2610-3540	Rs.2650-4000
Station Porter	Station Porter	-
Token Porter	Token Porter	-
Call Porter	Call Porter	-
Box Boy	Box Boy	-
Waterman	Waterman	-
Helper I/Helper II	Helper I	Helper II
Safaiwala	Safaiwala	Safaiwala
Lab. Khalasi	-	-
Bearer	Senior Bearer	Head Bearer
Hospital Attendant	Hospital Attendant	Hospital Attendant
Cleaner	-	-
Wash boy/Tea/Coffee Maker	-	-
Watchman	-	-
-	Lab Attendant Gr. III	Lab. Attendant/Lab. Attendant Gr. II
Vendor-III	Vendor II	-
-	Trackmen	Senior Trackman
Cook Mate Gr. II	Cook Gr. I	Asst. Cook/ Kitchen Assistant

Rs.2550-3200	Rs.2610-3540	Rs.2650-4000
Cleaner/ Ambulance Cleaner	-	Cleaner
-	Chowkidar	-
-	Salesman II	-
-	-	Leverman II
-	-	X-Ray Attendant
-	-	Pointsman II
-	-	Shunterman II
-	-	Artisan Helper

3.7.6 In Ministry of Defence, the Group D staff categories chiefly comprise Shramiks and Skilled-II workshop staff.

3.7.7 Trends in the past have shown that, increasingly, basic work relating to cleaning, security, maintenance, etc. is being outsourced. This is a welcome trend that needs to be encouraged and supported by bringing about systemic changes in the existing scheme so that the employees in Government are only utilized for activities requiring a certain level of skill. A majority of the staff associations from Ministry of Railways, that has the largest concentration of Group D employees, contended before the Commission that the work done by the various categories of Group D staff was of a skilled nature and consequently the posts needed to be upgraded. A somewhat similar argument was also adopted by the various categories of workshop staff in ordnance factories under Ministry of Defence. Most of the associations pleaded against the retention of the unskilled category of workshop staff on the ground that every trade required application of skills.

Analysis

3.7.8 There is considerable merit in the arguments propounded by various associations. Most of the jobs in the Government are skilled and that skill has to manifest in the pay scales and the minimum qualifications prescribed for these jobs. The few jobs which are not actually of a skilled nature are either infructuous or can be outsourced or can be easily performed by skilled workers in addition to their existing duties. In fact, restricting the employment in Government to skilled workers would go a long way in improving the efficiency of the Government. At the same time, it will not prove to be much of a constraint in joining the Government because rising educational levels have ensured availability of a large work force whose services can be utilized at appropriate levels in the Government. In any case, Commission has suggested an opening for unskilled persons whereby they shall be trained before being absorbed in the Government. The scheme is discussed in Chapter 2.2 of the Report.

3.7.9 Functioning of the Government has become more complex. It, therefore, needs people with greater skills. The Government need not employ fifth or eighth class pass people when the need of the hour is to have multi-skilled employees who can perform a variety of jobs. Maximum number of employees in Group D are employed in Ministry of Railways. In a study conducted by the Ministry of Railways (Ansari Report), it has been pointed out that most of the jobs being done by Group D staff have actually become skilled. The Report, therefore, recommends upgrading these jobs by way of employing lesser number of more skilled workers without any additional financial repercussions. These recommendations are justified and need to be acted upon. The Commission has, in chapter 2.2, recommended that all Group D pay scales in the Government will stand upgraded to Group C along with the incumbents (after suitable retraining, wherever required) with no further recruitment taking place in any of the existing Group D posts. The minimum grade in which all future recruitments takes place will be the PB-1 (Group C) pay band of Rs.4860-20200 with the grade pay of Rs.1800. The recruitment in this grade will be from amongst candidates possessing minimum qualifications of either 10 or ITI or equivalent. **Insofar as the present incumbents in the 4 existing Group D pay scales are concerned, their salaries will be fixed as under:-**

- i) **Initially, all Group D employees shall be placed in the -1S pay scale with appropriate grade pay. The Commission would like to reiterate that -1S pay scale is not a regular pay scale. This pay scale has been devised mainly for the purpose of initial fixation of pay of the Group D employees who had already been recruited on a regular basis as on the date of implementation of this recommendation by the Government.**
- ii) **Thereafter, such of those Group D employees as already possess the revised minimum qualifications prescribed for entry into the Group C pay band along with a grade pay of Rs.1800 would be placed in that grade (i.e. pay band of Rs.4860-20200 along with a grade pay of Rs.1800) with effect from 1.1.2006. No fitment benefit would be given again for this fixation. The Commission has devised a fitment table (Table 3.7.1) for this fixation. All fixations should be done accordingly.**
- iii) **Such of those existing Group D employees who do not possess the minimum qualifications prescribed would need to be retrained. The training package would need to be evolved separately for each of the individual Ministry/Department/Organisation keeping in view their specific needs. Job description of the Group D posts so**

upgraded and placed in Group C shall also be revised and re-defined with emphasis on multi skilling so that a single employee is able to perform various jobs. After re-training with emphasis on multi-skilling, the Group D staff will be placed in the Pay Band PB-1 of Rs.4860-20200 with the grade pay of Rs.1800. Once placed in the PB-1 Pay Band, this category of Group D staff will regain their seniority vis-à-vis the other category of Group D staff that already possessed the minimum prescribed qualifications and were, therefore, placed in the PB-1 Pay Band immediately.

- iv) Inter-se seniority of all the employees in erstwhile Group D will be fully maintained with Group D employee in a higher Fifth CPC pay scale being placed higher vis-à-vis an employee in a lower pay scale. Within the same pre-revised pay scale, the seniority will be fixed on the basis of date on which the person came to be placed in that pay scale.
- v) Appropriate designations can be devised by individual departments for the erstwhile Group D posts placed in the PB-1 Pay Band. Alternatively, a common designation of Skilled Work Assistant can be extended to this category.

Benefits envisaged

3.7.10 The aforesaid will meet the demands raised by various associations seeking higher pay scales for various Group D posts. It will herald multi-skilling in the Government with one employee performing the jobs hitherto performed by many Group D employees. The Government will be able to pay a better package to the employees without placing an unduly heavy burden on itself as the requirement of additional hands will go down. This is also in accordance with the recommendations made in the Ansari Committee constituted by the Ministry of Railways to restructure the Group D posts. The Ansari Committee has recommended upgradation of various Group D posts that require a higher level of skills along with restructuring of the work force so that the work is performed by lesser number of employees which would ensure that no additional expenditure accrued on account of the upgradation of Group D posts. The scheme will also not harm the interests of any of the existing Group D employees as all of them will be placed in the higher PB-1 Pay Band along with a grade pay of Rs.1800. The Group D employees not possessing the requisite qualifications will also not lose out as they will be placed in the PB-1 Pay Band immediately and without any loss of seniority once they are retrained. The Government will benefit by having a skilled workforce that will be more capable of performing multiple tasks thereby increasing efficiency and the output.

Table 3.7.1

Fitment of existing Group D employees on upgradation to Group C

Pre-revised scale (S - 1)
Rs.2550-55-2660-60-3200

Revised Pay Band PB-1 + Grade Pay
Rs.4860-20200 + Rs.1800

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
2550	4,860	1,800	6,660
2605	4,860	1,800	6,660
2660	4,990	1,800	6,790
2720	4,990	1,800	6,790
2780	5,120	1,800	6,920
2840	5,120	1,800	6,920
2900	5,250	1,800	7,050
2960	5,250	1,800	7,050
3020	5,260	1,800	7,060
3080	5,360	1,800	7,160
3140	5,470	1,800	7,270
3200	5,570	1,800	7,370

Pre-revised scale (S - 2)
Rs.2610-60-3150-65-3540

Revised Pay Band PB-1 + Grade Pay
Rs.4860-20200 + Rs.1800

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
2610	4,860	1,800	6,660
2670	4,990	1,800	6,790
2730	4,990	1,800	6,790
2790	5,120	1,800	6,920
2850	5,120	1,800	6,920
2910	5,250	1,800	7,050
2970	5,250	1,800	7,050
3030	5,280	1,800	7,080
3090	5,380	1,800	7,180
3150	5,490	1,800	7,290
3215	5,600	1,800	7,400
3280	5,710	1,800	7,510
3345	5,820	1,800	7,620
3410	5,940	1,800	7,740
3475	6,050	1,800	7,850
3540	6,160	1,800	7,960

Pre-revised scale (S - 2A)
Rs.2610-60-2910-65-3300-70-4000

Revised Pay Band PB-1 + Grade Pay
Rs.4860-20200 + Rs.1800

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
2610	4,860	1,800	6,660
2670	4,990	1,800	6,790
2730	4,990	1,800	6,790
2790	5,120	1,800	6,920
2850	5,120	1,800	6,920
2910	5,250	1,800	7,050
2975	5,250	1,800	7,050
3040	5,290	1,800	7,090
3105	5,410	1,800	7,210
3170	5,520	1,800	7,320
3235	5,630	1,800	7,430
3300	5,750	1,800	7,550
3370	5,870	1,800	7,670
3440	5,990	1,800	7,790
3510	6,110	1,800	7,910
3580	6,230	1,800	8,030
3650	6,360	1,800	8,160
3720	6,480	1,800	8,280
3790	6,600	1,800	8,400
3860	6,720	1,800	8,520
3930	6,840	1,800	8,640
4000	6,960	1,800	8,760

Pre-revised scale (S - 3)
Rs.2650-65-3300-70-4000

Revised Pay Band PB-1 + Grade Pay
Rs.4860-20200 + Rs.1800

Basic Pay in the pre-revised scale	Revised pay in the running pay band	Grade Pay	Total Pay
2650	4,860	1,800	6,660
2715	4,990	1,800	6,790
2780	5,120	1,800	6,920
2845	5,120	1,800	6,920
2910	5,250	1,800	7,050
2975	5,250	1,800	7,050
3040	5,290	1,800	7,090
3105	5,410	1,800	7,210
3170	5,520	1,800	7,320
3235	5,630	1,800	7,430
3300	5,750	1,800	7,550

3370	5,870	1,800	7,670
3440	5,990	1,800	7,790
3510	6,110	1,800	7,910
3580	6,230	1,800	8,030
3650	6,360	1,800	8,160
3720	6,480	1,800	8,280
3790	6,600	1,800	8,400
3860	6,720	1,800	8,520
3930	6,840	1,800	8,640
4000	6,960	1,800	8,760

Common Categories

- Introduction** 3.8.1 Common categories of staff are those categories that are engaged in similar functions spread across various ministries/departments /organizations of the Central Government. These categories are not limited to any specific ministry or department and, therefore, any decision taken for them impacts more than one ministry /department/organisation.
- Categories under consideration** 3.8.2 In this chapter, the following common categories are being considered:-
- Accounts Staff belonging to un-organized accounts cadres
 - Artists
 - Canteen Staff
 - Caretaker staff
 - Drawing Office Staff
 - Drivers
 - EDP staff.
 - Fire fighting staff
 - Library staff
 - Laboratory staff
 - Para medical staff
 - Photographers
 - Police personnel
 - Printing Staff
 - Receptionists
 - Store keeping staff
 - Teachers
 - Veterinarians
 - Workshop staff
- General Principles** 3.8.3 While dealing with these common categories, the Commission has been guided by the following principles :-
- a) In future, all recruitments in the Central Government would only be in the posts belonging to Group 'C' or higher categories carrying minimum qualifications of matriculation or III.

- b) The Commission has recommended running pay bands and many of the existing pay scales have been merged with a view to de-layer the Government by cutting down the number of hierarchical levels. This would necessitate merger of posts which hitherto were in different pay scales and which, in a few cases, also constituted feeder and promotion posts.
- c) Existing relativities between posts in various categories have, as far as possible, also been kept in view while evolving the new structure for various common categories. Elsewhere, the Commission has upgraded the pay scales for constables in Delhi Police, CPMFs and other police organisations. This has been done to improve the delivery mechanism. While due care has been taken to ensure that this upgradation does not disturb the existing relativities, however, some of the relativities in terms of pay scales will get disturbed. The Commission wants to make it clear that disturbance of any of the existing relativities on this account is a conscious decision. This is more so because posts in identical pay scales can not, in most cases, be held analogous, especially if their functions are totally diverse.
- d) The Commission has also taken a conscious decision to upgrade the pay scales of teachers, especially the primary school teachers. This, again, is a conscious decision because in the opinion of the Commission, the role of teachers is very important and a higher incentive needs to be extended to this category.
- e) Similarly, higher scales have been recommended for the nursing cadre keeping in view the arduous nature of their duties.
- f) It is emphasized that the focus of the report is to ensure better delivery mechanisms for the citizens of this country. The most frequent inter-face of the common man with the Government is at the level of beat constable and nurses in hospitals and health care. Teachers are critical as they are an investment for the future of the country. To ensure that best available talent enters the Government in these fields and continues to feel motivated to give their best after joining, the Commission has consciously recommended higher entry level pay scales for constables, teachers and nurses. The Commission is fully aware that these upgradations may upset some relativities, real or perceived, but the recommendations for these upgradations have been made as the same were considered necessary to ensure a better delivery system at the focal points of good governance. As

stated earlier, disturbance of any of the existing relativity on this account can not be taken as an anomaly merely on the ground that posts hitherto placed in an identical pay scale have come to lie in different pay scales pursuant to recommendations of this Commission.

- g) As a measure of delayering, the Commission has recommended merger of the pay scales of Rs.5000-8000, Rs.5500-9000 and Rs.6500-10500. In a large number of cases, posts in these pay scales have existed as feeder and promotion posts. While the Commission has tried to ensure that the promotion post is normally placed in a higher pay scale, however, in many cases, the same has not been done. Consequently, for a few categories, the erstwhile feeder and promotion posts have been merged. This is a conscious decision of the Commission and has been resorted to in cases where functional justification for maintaining two distinct levels as feeder and promotion post did not exist or where the operational efficiency was not impacted or is likely to actually improve by the merger. In all such cases, the interests of personnel in the erstwhile promotion grade have been protected by ensuring that their seniority as well as higher pay is kept intact in the revised running pay bands being recommended by the Commission.

Specific categories 3.8.4 Keeping in view the above broad principles, the specific common categories of staff referred to in para 3.8.2 are discussed in the succeeding paragraphs.

Accounts Staff 3.8.5 All the posts belonging to the organized accounts cadres are covered in the recommendations contained in Chapter 7.56 relating to Indian Audit & Accounts Department. Apart from the posts in the organized accounts cadres, isolated posts of accounts staff in Group 'B' & 'C' exist across various ministries and departments of Central Government. The Accountants belonging to unorganized cadres have always sought parity with the posts in the organized accounts cadres. Personnel belonging to the organized accounts cadres not only have different duties but their skill requirement is also higher. The personnel belonging to organized accounts cadres have to compulsorily pass departmental examinations like SAS for promotion. Such is not the case for posts relating to accounts work outside the organized accounts cadres. It is, therefore, not possible to draw any comparison between the posts in organized accounts cadres and those outside it. **The Commission is, consequently, unable to concede any parity between various posts in organized and unorganized accounts cadres.** The various posts in unorganized accounts cadres, however, have parity with the ministerial posts and this parity will need to be maintained. **The**

Commission, accordingly, recommends that the existing relativity between the accounts related posts outside organized accounts cadres and ministerial posts shall be maintained.

Artists

3.8.6 Post of Artists exists in Ministries of Defence, Agriculture, Human Resource, etc. The Fifth CPC had given a model structure for this category. The structure given by Fifth CPC is appropriate. However, some modifications will need to be effected keeping in view the restructuring of pay scales being recommended in this Report. Accordingly, the following structure is recommended for the category of Artists:-

(in Rs.)

Designation	Present pay scale	Recommended pay scale	Corresponding Pay Band & Grade Pay	
			Pay Band	Grade Pay
Senior Artist	6500-10500	7450-11500	PB-2	4600
Artist Gr. I	5500-9000	6500-10500	PB-2	4200
Artist Gr. II*	5000-8000	6500-10500	PB-2	4200
Junior Artist Gr. I	4500-7000	4500-7000	PB-1	2800
Junior Artist Gr. II	4000-6000	4000-6000	PB-1	2400
Junior Artist Gr. III	3050-4590	3050-4590	PB-1	1900

* Subsequent to merger of the pre-revised pay scales of Rs.5000-8000 & Rs.5500-9000, categories of Artist Gr. II and Artist Gr. I shall stand merged.

Canteen Staff

3.8.7 Canteen staff comprises staff of both non-statutory canteens as well as statutory canteens in ministries like Railways and Defence. Employees of both statutory as well as non-statutory canteens are treated as Government employees. The Fifth CPC had recommended a specific structure for the various posts existing in different canteens in Central Government. Many of the posts of the canteen staff are presently in Group 'D' scales of pay. As a result of the general recommendations made by the Commission for Group 'D' posts, all the posts of canteen staff in Group 'D' shall now be placed in the revised pay band PB-1 of Rs.4860-20200 along with grade pay of Rs.1800 once the staff occupying these posts is suitably retrained and made multi-skilled. Other posts of canteen staff in the pay scales of Rs.3050-4590, Rs.3200-4900, Rs.4000-6000 and Rs.4500-7000 shall be extended the corresponding replacement pay bands and grade pay. The posts of canteen staff in the pre-revised pay scales of Rs.5000-8000 and Rs.5500-9000 shall stand merged in the pay band PB-2 of Rs.8700-34800 along with grade pay of Rs.4200.

Caretaker Staff

3.8.8 The Fifth CPC had recommended that the Group 'C' and 'D' staff borne on the regular establishment, on deployment for caretaking duties, would be paid a caretaking allowance of Rs.100 (for Group 'D') and Rs.200 (for Group 'C') per month. It was further recommended that separate posts of caretakers, if any, shall be merged with the general ministerial posts in the corresponding scales of pay. **The recommendations of the Fifth CPC for common category of Caretaker Staff are appropriate and the merger of posts in this cadre with the ministerial posts in corresponding pay scales should be carried out in every organization where it has already not been implemented. However, the amount of caretaking allowance may henceforth be paid at the rate of 10% of the aggregate of pay in the pay band and grade pay thereon.**

Drawing Office Staff

3.8.9 The category of drawing office staff includes Draughtsmen, Design Assistants etc. The Fifth CPC had recommended a specific structure for the cadre of Draughtsman and had also recommended phasing out of the posts of Tracers/Ferro Printers on the ground that these were no longer required functionally. The recommendations of the Fifth CPC for the posts of Tracers/Ferro Printers/other posts similarly placed are all the more justified now. Accordingly, **the Commission recommends that the posts of Tracers/Ferro Printers/other posts similarly placed should be phased out wherever these still exist, with the existing employees being redeployed elsewhere suitably and no further recruitment made to all such posts.** Insofar as the cadre of Draughtsmen is concerned, the recommendations made by the Fifth CPC would need to be revisited in light of the restructuring of pay scales being recommended by the Commission. The relativities of Senior Draughtsman with the post of Junior Engineer (both the posts require a diploma in engineering or equivalent) and that of Chief Draughtsman with direct recruit engineering graduate would also need to be maintained. **Accordingly, the following revised cadre structure is being recommended for the common category of Draughtsmen: -**

(in Rs.)

Designation	Present pay scale	Recommended pay scale	Corresponding Pay Band & Grade Pay	
			Pay Band	Grade Pay
Draughtsmen Gr.III	4000-6000	4000-6000	PB-1	2400
Draughtsman Gr.II/ Sr. Draughtsman#	5000-8000	6500-10500	PB-2	4200
Head Draughtsman	5500-9000		PB-2	4200
Chief Draughtsman	6500-10500	7450-11500	PB-2	4600

This grade stands merged with that of Head Draughtsman.

Drivers

3.8.10 Staff Car Drivers in Central Government presently exist in 3 grades of Rs.3050-4590, Rs.4000-6000 and Rs.4500-7000. Additionally, a selection grade of Rs.5000-8000 also exists. The existing structure provides sufficient opportunities of career advancement and will be further improved on account of the proposed merger of the pay scales of Rs.5000-8000, Rs.5500-9000 and Rs.6500-10500 due to which a Driver in the pre-revised pay scale of Rs.5000-8000 shall start drawing the grade pay attached to the revised pay band corresponding to the pre-revised pay scale of Rs.6500-10500. **Various posts belonging to the common category of Drivers in Central Government shall, therefore, be extended the corresponding replacement Pay Band and grade pay.** It is observed that Government has placed a ban on purchase of motor vehicles. The existing instructions not only forbid purchase of new cars but also direct that only hired cars should be used in lieu of the existing cars once these are condemned. In such a scenario, **a need exists to make the cadre of Drivers multi-skilled which will not only enable them to utilize the office hours in performing some useful work during the time they are not actually driving the vehicle but will also help their seamless integration in other streams once their services as Driver are no longer required besides enhancing their chances of further career progression.** The Commission recommends accordingly.

Electronic Data Processing (EDP) Staff

3.8.11 The Fifth CPC had recommended standard pay scales and qualifications for various grades of EDP staff. No further changes would, ordinarily, have been necessary in the extant structure of the EDP staff. However, some restructuring has become necessary pursuant to the reorganization of the pay scales being recommended by this Commission. **The following revised pay structure is, therefore, recommended for the various categories of EDP staff:-**

(in Rs.)

Designation	Present pay scale	Recommended pay scale	Corresponding Pay Band & Grade Pay	
			Pay Band	Grade Pay
Data Entry Operator Gr.A	4000-6000	4000-6000	PB-1	2400
Data Entry Operator Gr.B	4500-7000	4500-7000	PB-1	2800
Data Entry Operator Gr.C#	5000-8000	6500-10500	PB-2	4200
Data Entry Operator Gr.D#	5500-9000	6500-10500	PB-2	4200
Data Processing Assistant*	6500-10500	7450-11500	PB-2	4600

Designation	Present pay scale	Recommended pay scale	Corresponding Pay Band & Grade Pay	
			Pay Band	Grade Pay
System* Programmer/ equivalent	7450-11500	7450-11500	PB-2	4600
Programmer/ System Analyst	7500-12000	7500-12000	PB-2	4800

Data Entry Operator Grade C shall stand merged with Data Entry Operator Grade D.

* Data Processing Assistant shall stand merged with System Programmer.

All Group 'A' posts of EDP staff shall be accorded the corresponding replacement Pay Band and grade pay.

Fire fighting staff

3.8.12 Fire fighting staff exists in various Union Territories as well as different Government organizations. Their job requirements and duties necessitate that the various posts of fire fighting staff should be afforded pay scales on par with those being recommended for the posts of Constable and Head Constable in CPMFs, Delhi Police, IB and CBI. Accordingly, the pay scales of the fire fighting personnel in various UTs and departments/ministries of Central Government shall be revised as under:-

(in Rs.)

Designation	Present pay scale	Recommended pay scale	Corresponding Pay Band & Grade Pay	
			Pay Band	Grade Pay
Firemen	2610-3540	3050-4590	PB-1	1900
Leading Fireman	3050-4590	3200-4900	PB-1	2000
Station Officer	4000-6000	4500-7000	PB-1	2800
Asst. Divisional Fire Officer	5000-8000	6500-10500	PB-2	4200
Deputy Divisional Fire Officer	6500-10500	7450-11500	PB-2	4200
Divisional Fire Officer	8000-13500	8000-13500	PB-3	5400

Library staff

3.8.13 The Fifth CPC had recommended distinct cadre structure for Librarians. Consequent to upgradation of all Group 'D' posts being recommended by the Commission, the posts of Library Attendant Grade II and I shall stand merged and placed in the

revised pay scale PB-1 of Rs.4860-20200 along with grade pay of Rs.1800 after their skills are suitably enhanced. The posts of Library and Information Assistant (present scale Rs.5500-9000) will come to lie in the revised Pay Band of PB-2 of Rs.8700-34800 along with grade pay of Rs.4200. The next higher post of Assistant Library Information Officer (present scale Rs.6500-10500) will be upgraded and placed in the revised Pay Band of PB-2 along with grade pay of Rs.4600 corresponding to the pre-revised pay scale of Rs.7450-11500. All other posts belonging to this category shall be extended the corresponding replacement pay band and grade pay.

Laboratory Staff

3.8.14 Laboratory staff exists in Groups 'B', 'C' and 'D' pay scales. All the posts of Laboratory staff presently in Group 'D' (commonly designated as Laboratory Attendants Grade I, II & III) shall now be placed in the revised pay band PB-1 of Rs.4860-20200 along with grade pay of Rs.1800 after their skills are suitably enhanced. The post of Laboratory Assistant exists in different scales of Rs.3050-4590, Rs.4000-6000 and Rs.4500-7000. All these posts shall be extended the corresponding replacement pay band and grade pay. Laboratory Technicians exist in different scales of Rs.5000-8000, Rs.5500-9000 and Rs.6500-10500. The posts of Laboratory Technician Gr. II and III in the existing scales of Rs.5500-9000 and Rs.5000-8000 respectively shall stand merged in the revised pay band PB2 of Rs.8700-34800 along with grade pay of Rs.4200. The post of Laboratory Technician Gr. I in the existing pay scale of Rs.6500-10500 shall be upgraded and placed in running Pay Band PB-2 along with grade pay of Rs.4600 corresponding to the pre-revised pay scale of rs.7450-11500.

Para Medical Staff

3.8.15 As mentioned in para 3.8.3, the Commission is recommending higher pay scales for the cadre of Nurses. This will affect some of the existing relativities of nursing cadres vis-à-vis other para medical staff. This, however, is a conscious decision of the Commission for giving a better deal to the Nurses in recognition of the duties being performed by them. Apart from the cadre of Nurses, the Commission has made a conscious effort not to disturb any of the established relativities between the other cadres of para medical staff. In any case, the different categories of para medical staff will benefit from the re-organization of pay scales being recommended by the Commission. **Accordingly, the following pay structure is being recommended for different categories of para medical staff including Nurses: -**

(in Rs.)

Designation	Present pay scale	Recommended pay scale	Corresponding Pay Band & Grade Pay	
			Pay Band	Grade Pay
Operation Theater (OT) Asstt./ Asstt. Radiographer III	3050-4590	3050-4590	PB-1	1900
Dental Tech.III/Asstt. Radiographer II /Lady Health Visitor	4000-6000	4000-6000	PB-1	2400
OT Tech./Dental Tech.I/Pharmacist II/ Radiographer III	5000-8000	6500-10500	PB-2	4200
Staff Nurse	5000-8000	7450-11500	PB-2	4600
Dietician Gr.III/ Pharmacist I/ Physiotherapist/ Occupational-therapist/ Radiographer II	5500-9000	6500-10500	PB-2	4200
Nursing Sister	5500-9000	7500-12000	PB-2	4800
Dietician Gr. II/ Lecturer in PT/OT/ Radiographer	6500-10500	7450-11500	PB-2	4600
Asstt. Nursing Superintendent	6500-10500	8000-13500	PB-3	5400
Deputy Nursing Superintendent	7500-12000	8000-13500	PB-3	5400
Nursing Superintendent	8000-13500	10000-15200	PB-3	6100
Chief Nursing Officer	10000-15200	12000-16500	PB-3	6600

Posts of other para-medical technicians/personnel not mentioned above shall be extended the corresponding revised pay bands and grade pay. The posts which were in different pay scales earlier but have come to lie in an identical pay band and grade pay shall stand merged.

Rates of existing allowances for all the categories of para-medical staff, except those specifically considered in the Report (like HPCA/PCA), shall stand doubled.

- Photographers* 3.8.16 Pursuant to upgradation of all Group 'D' posts, the post of Photography Attendant Gr. II in the scale of Rs.2650-4000 / any other lower scale shall stand upgraded to the revised Pay Band PB-1 with grade pay of Rs.1800. **The posts of Cinematographer Gr. II and Gr. I/equivalent in the existing pay scales of Rs.5000-8000 and Rs.5500-9000 respectively shall be merged and placed in the revised Pay Band PB-2 of Rs.8700-34800 along with grade pay of Rs.4200. The post of Chief Cinematographer/equivalent in the extant pay scale of Rs.6500-10500 shall be upgraded and placed in the revised Pay Band PB-2 along with grade pay of Rs.4600 corresponding to the pre-revised pay scale of Rs.7450-11500. All other posts belonging to this common category shall be extended the corresponding revised pay bands and grade pay.**
- Police personnel* 3.8.17 Categories of Police personnel are discussed in the Chapters 7.19 & 7.57 relating to Ministry of Home Affairs and Union Territories, respectively. Police personnel belonging to the Railway Protection Force are covered in Chapter 7.36 relating to Ministry of Railways.
- Printing Staff* 3.8.18 Printing staff had traditionally been considered as a category similar to that of Workshop staff. Fifth CPC had made detailed recommendations about this common category spread across various ministries/departments and establishments. Subsequently, the Government effected changes in the pay scales of some categories of printing staff. Many of the Government printing presses have now been corporatised or are in the process of being corporatised. In such a scenario, recommending any large scale changes in the extant pay structure of this common category may not be justified. However, some restructuring will be necessary on account of the proposed changes in the general structure of running pay bands. **It is, accordingly, recommended that posts of printing staff in the pre-revised pay scales of Rs.5000-8000 and Rs.5500-9000 shall be merged and placed in the revised pay band PB-2 of Rs.8700-34800 along with grade pay of Rs.4200. The posts of printing staff in the pre-revised pay scale of Rs.6500-10500 shall be upgraded and placed in the revised pay band PB-2 of Rs.8700-34800 along with grade pay of Rs.4600 that corresponds to the pre-revised pay scale of Rs.7450-11500. The posts of printing staff presently in the pay scales of Rs.6500-10500 and Rs.7450-11500 will, therefore, stand merged.**
- Receptionists* 3.8.19 Insofar as the cadre of Receptionists is concerned, it is observed that the Fourth CPC had recommended merger of these posts with the clerical cadres of the respective ministries. These recommendations are appropriate and in consonance with the general philosophy of this Commission which emphasizes on multi-skilling of all categories of the existing employees so that they are

able to perform multiple roles as may be required in discharge of their official duties. **The Commission recommends merger of the various posts of Receptionists with the clerical cadre in the corresponding pay band and grade pay. In case no corresponding grade pay exists in the clerical cadre, the merger should be made in the immediate higher grade pay available in the clerical cadre.**

Storekeeping Staff

3.8.20 Store Keeper Grade I, Senior Store Keeper Grade III and Senior Store Keeper Grade II presently existing in the respective pay scales of Rs.5000-8000, Rs.5500-9000 and Rs.6500-10500 will come to lie in an identical pay scale on account of the restructuring of pay scales being recommended by the Commission. **Consequently, the posts of Store Keeper Grade I and Senior Store Keeper Grade III shall be merged and placed in the Pay Band PB 2 along with grade pay of Rs.4200. The post of Senior Store Keeper Grade II presently in the scale of Rs.6500-10500 shall be upgraded and merged with the post of Senior Store Keeper Grade I in the revised pay band PB-2 of Rs.8700-34800 along with grade pay of Rs.4600 corresponding to the pre-revised pay scale of Rs.7450-11500. This dispensation shall be extended to all the analogous posts of storekeeping staff, irrespective of the designation. All other posts shall be given the corresponding replacement pay bands and grade pay.**

Teachers

3.8.21 Presently, three different grades of Teachers exist i.e. Primary School Teachers (PSTs), Trained Graduate Teachers (TGTs) and Post Graduate Teachers (PGTs). Their existing pay structure is as under:-

(in Rs.)

Designation	Grade III	Grade II	Grade I
PST	4500-7000	5500-9000	6500-10500
TGT	5500-9000	6500-10500	7500-12000
PGT	6500-10500	7500-12000	8000-13500
Vice Principal	-	7500-12000	8000-13500
Principal	-	-	10000-15200

3.8.22 In order to attract better Teachers and to retain them in the Government, the Commission is inclined to recommend a higher start for Primary School Teachers. This, along with the restructuring of pay scales being recommended by the Commission, will necessitate restructuring of the existing pay scales of Teachers. **Accordingly, the following pay bands and grade pay are recommended for the category of Teachers:-**

(in Rs.)

Designation	Grade III	Grade II	Grade I
Primary School Teacher	PB-2 of 8700-34800 along with grade pay of 4200 (Rs.6500-10500)	PB-2 of 8700-34800 along with grade pay of 4600 (Rs.7450-11500)	PB-2 of 8700-34800 along with grade pay of 4800 (7500-12000)
Trained Graduate Teacher	PB-2 of 8700-34800 along with grade pay of 4600 (7450-11500)	PB-2 of 8700-34800 along with grade pay of 4800 (7500-12000)	PB-3 of 15600-39100 along with grade pay of 5400 (8000-13500)
Post-Graduate Teacher	PB-2 of 8700-34800 along with grade pay of 4800 (7500-12000)	PB-3 of 15600-39100 along with grade pay of 5400 (8000-13500)	PB-3 of Rs.15600-39100 along with grade pay of 6100 (10000-15200)
Vice Principal	-	PB-3 of Rs.15600-39100 along with grade pay of 5400 (8000-13500)	PB-3 of 15600-39100 along with grade pay of 6100 (10000-15200)
Principal	-	-	PB-3 of 15600-39100 along with grade pay of 6600 (12000-16500)

(Pay scales in bracket denote the corresponding pre-revised pay scales)

Residency period for promotion from one grade to another grade shall remain unchanged.

3.8.23 The Commission has, elsewhere in the Report, recommended grant of half pay leave to the Teachers. A special allowance for Teachers in residential schools in the Ministry of Railways and Ministry of Defence has also been recommended.

3.8.24 As a consequence of upgradation of the post of Principal, the posts of Education Officer/Assistant Director of Education shall also be upgraded to Pay Band PB-3 of Rs.15600-39100 along with grade pay of Rs.6600 corresponding to the pre-revised scale

of Rs.12000-16500, and be merged with the post of Deputy Director of Education.

Veterinarians

3.8.25 The Fifth CPC had extended parity with General Duty Medical Officers and Dental Doctors to the posts of Veterinary Officers requiring a degree of B.V.Sc. & AH along with registration in the Veterinary Council of India. This parity is justified and may need to be continued. Insofar as the posts of para veterinary staff are concerned, all the Group 'D' posts of Para Veterinary Attendants shall be placed in the revised pay band PB-1 along with the grade pay of Rs.1800 after they are retrained suitably. The posts of Para Veterinary Attendant/Compounder shall be extended the corresponding replacement pay band and grade pay. All the three grades in the category of Animal House Supervisor/ Assistant Veterinarians/ Biological Assistants/ Zoological Assistants shall now be placed in the PB-2 pay band of Rs.8700-34800 along with grade pay of Rs.4200. Posts of Para Veterinary staff in the erstwhile scales of Rs.5000-8000 and Rs.5500-9000 will stand merged. The posts of Para Veterinary staff in the pre-revised scale of Rs.6500-10500 shall be upgraded and placed in the higher Pay Band PB-2 of Rs.8700-34800 along with grade pay of Rs.4600 corresponding to the pre-revised pay scale of Rs.7450-11500. These posts shall, therefore, stand merged with posts already existing in the pre-revised scale of Rs.7450-11500, if any.

Workshop Staff

3.8.26 Workshop Staff comprises Artisans and personnel working in Railway Workshop premises such as loco running establishments, etc. and personnel employed in Central Government workshops, production units and departmentally run establishments. Most of the workshop staff is employed under the Ministry of Railways, Ministry of Defence and Printing Presses. Workshop staff is classified as unskilled, semi-skilled, skilled, highly skilled and master craftsman. The Fifth CPC had recommended that the nomenclature of unskilled should be replaced by 'Shramik'. The minimum qualifications and the pay scale attached to the post of unskilled worker were, however, not changed. This Commission is of the view that all Government jobs require some level of skill and has, accordingly, recommended upgradation of all existing Group 'D' posts to Group 'C' with no future recruitment to take place in Group 'D'. Accordingly, the category of unskilled workers would cease to exist in workshop staff with all the existing unskilled workers being upgraded as Group 'C' employees in the pay band PB-1 along with grade pay of Rs.1800 corresponding to the pre-revised pay scale of Rs.2750-4400. The skilled workers are presently in the scale of Rs.3050-4590. The next higher grade of highly skilled workers is in the scale of Rs.4000-6000. **The posts of skilled and highly skilled workers have an established relativity with the**

posts of LDCs and UDCs respectively. The Commission proposes to retain this relativity. The next higher post of Master Craftsman is in the scale of Rs.4500-7000 in all workshops other than those in the Railways. The Railways have upgraded the post of Master Craftsman and placed it in the scale of Rs.5000-8000 even through its promotion post – that of Chargeman ‘B’ – is also in an identical scale. The post of Master Craftsman is proposed to be kept in the pay band corresponding to the existing pay scale of Rs.4500-7000 in future. This is essential because pursuant to the merger of the pre-revised scales of Rs.5000-8000, Rs.5500-9000 and Rs.6500-10500, the next higher scale in the hierarchy would be that of Chargeman ‘A’. In the existing hierarchy, Chargeman ‘B’, apart from being the feeder cadre for promotion to the post of Chargeman ‘A’, is also the promotion post for Master Craftsman. As such, it has not been possible to place the post of Master Craftsman in the pay band corresponding to the pre-revised pay scale of Rs.5000-8000. Besides, no functional justification also exists for such upgradation.

3.8.27 Keeping the above discussion in view, the Commission recommends the following structure of pay scales for the workshop staff other than the supervisory categories: -

(in Rs.)

Designation	Present pay scale	Recommended pay scale	Corresponding Pay Band & Grade Pay	
			Pay Band	Grade Pay
Unskilled	2550-3200	2750-4400	PB-1	1800
Semi Skilled	2650-4000	2750-4400	PB-1	1800*
Skilled	3050-4590	3050-4590	PB-1	1900
Highly Skilled	4000-6000	4000-6000	PB-1	2400
Master Craftsman	4500-7000	4500-7000	PB-1	2800#

* The existing grades of unskilled workers and semi skilled workers shall stand merged in the revised pay band PB-1 along with grade pay of Rs.1800.

Master Craftsmen presently in the scale of Rs.5000-8000 shall be merged in the cadre of Chargeman ‘B’. In future, the post of Master Craftsman shall be operated only in pay band PB-1 of Rs.4860-20200 along with grade pay of Rs.2800 (4500-7000).

3.8.28 Insofar as supervisory staff of workshop staff is concerned, the following structure exists at present:-

Designation	Pay scale
Chargeman ‘B’/Chargeman	Rs.5000-8000

Chargeman 'A'	Rs.5500-9000
Asstt. Shop Superintendent/Dy. Shop Superintendent/ Asstt. Foreman	Rs.6500-10500
Shop Superintendent/Foreman	Rs.7450-11500

3.8.29 Consequent to restructuring of the pay scales recommended by the Commission, the pay scales of Rs.5000-8000, Rs.5500-9000 and Rs.6500-10500 stand merged. Some restructuring will, therefore, need to be effected in the supervisory cadre of the workshop staff. This is necessary even on functional grounds as, in a delayed organization, no justification would exist for retaining more than two levels of technical supervisors. **The Commission, accordingly, recommends following revised pay structure for the cadre of supervisory/technical supervisory staff in the workshops: -**

(in Rs.)

Designation	Present pay scale	Recommended pay scale	Corresponding Pay Band & Grade Pay	
			Pay Band	Grade Pay
Chargeman 'B'/Chargeman 'A'	5000-8000/ 5500-9000	6500-10500	PB-2	4200
Asstt. Shop Superintendent*/ Dy. Shop Superintendent/ Asstt. Foreman	6500-10500	7450-11500	PB-2	4600
Shop Superintendent*/ Foreman	7450-11500	7450-11500	PB-2	4600

* The grades of Asstt. Shop Superintendent/equivalent and Shop Superintendent/equivalent stand merged.

Dearness Allowance

- Introduction* 4.1.1 The payment of dearness allowance stems from the need to protect the erosion in the real value of basic salary on account of inflation. Consequently, the DA admissible is positively correlated to the level of inflation.
- Views of earlier Pay Commissions* 4.1.2 Successive Pay Commissions have made changes to the DA formula, suggesting their own methodology for determining the quantum and frequency.
- Fifth CPC recommendations* 4.1.3 The Fifth Central Pay Commission recommended uniform neutralization of DA at 100% to employees at all levels; conversion of DA into Dearness Pay each time the CPI increases by 50% over the base index with Dearness Pay counting for all purposes including retirement benefits; and Dearness Allowance including Dearness Pay being paid net of tax. The Commission did not favor the option of employing separate indices for each category of employee because of the sheer impracticality of the task and, therefore, recommended using the 12 monthly average of All India CPI (IW) with base 1982 for calculating DA.
- Existing position* 4.1.4 The Government of India presently calculates the level of inflation for purposes of grant of dearness allowance to Central Government Employees on the basis of the All India Consumer Price index Number for Industrial Workers (1982=100) (AICPI). The twelve monthly average of the AICPI (1982 base) as on 1st January and 1st July of each year is used for calculating the Dearness Allowance (DA). Increase in DA is calculated with reference to the AICPI (IW) average (base 1982=100), as on 1st January 1996 of 306.33. The compensation for price rise is admissible twice a year i.e. on 1st January and 1st July of each year. Only the whole number component of the percentage increase in prices is adopted for estimation of DA. The rates of DA paid by the Central Government during the period 1.1.96 to 1.1.04 are as follows:

As on	Rates of DA (%)
1.1.96	0
1.7.96	4
1.1.97	8
1.7.97	13
1.1.98	16
1.7.98	22
1.1.99	32
1.7.99	37
1.1.2000	38
1.7.00	41
1.1.01	43
1.7.01	45
1.1.02	49
1.7.02	52
1.1.03	55
1.7.03	59
1.1.04	61

4.1.5 The Government merged 50% of the DA with basic pay w.e.f. 1.4.04 and the dearness allowance continued to be calculated with reference to the AICPI (IW) average as on 1st January 1996 of 306.33 without changing the base consequent to the merger. Accordingly, DA at following rates was sanctioned by the Government from 1.7.04 till 1.7.07:-

As on	Rates of DA (%)
1.7.04	14
1.1.05	17
1.7.05	21
1.1.06	24
1.7.06	29
1.1.07	35
1.7.07	41

As a consequence, salaries of Government employees are being neutralized more than hundred per cent.

Demands made

4.1.6 In the demands made before the Commission, it has been suggested that the existing DA formula continue with the following modifications:-

- Instead of revising the DA once in six months, it should be revised once in three months.
- The principle laid down by the 5th CPC for merger of 50% of DA with the Pay as DP should be modified to 25% to remove distortions in the pay structures.

- DA should be paid net of taxes on the same line as recommended by the 5th CPC to make the concept of 100% neutralization somewhat meaningful.

Determining the level of inflation-methodology

4.1.7 While considering the issue of the quantum of DA admissible, the Commission considered at length the procedure for estimation of inflation. Presently, inflation as determined by the AICPI (IW), is estimated using the Laspeyere's Fixed base methodology. The inflation index using this methodology captures the cost of buying a basket of goods (fixed in the base year) at current prices relative to the cost of buying the same basket of goods at base year prices.

4.1.8 Economic theory postulates that, generally, if the price of a commodity rises vis-à-vis other goods, the consumer adjusts his consumption basket to buy less of the goods the prices of which have increased relatively and more of those goods the prices of which have fallen relatively. This envisaged shift in consumption pattern should be considered for calculating inflation. A 'chain-base index' captures the inflation taking into account the changes in quantities purchased consequent upon changes in the relative prices. Moreover, it also considers new products in the consumers' basket as well as quality of the existing products improving every year. Therefore, inflation captured using 'Chain-base' technique would generally tend to be lower than the 'Laspeyere's price index'. [Under certain circumstances, however, the chain-base index could be higher than the Laspeyere's index, i.e. if there is an increase in the price of basic items, which are necessities, having low substitutability and which form a sizeable chunk of the consumption basket. The increase in prices of such goods would result in less than proportionate reduction in quantity, thereby translating into higher expenditure in value terms. Therefore, the weightage (calculated in terms of percentage value of total consumption expenditure) attributed to these items in the construction of the composite price index would increase. This would result in the chain base price index being higher than the price index estimated using the fixed base technique.]

Analysis

4.1.9 India is on the growth path. Growth leads to wider choice with enlarged availability of substitutes. Such availability of substitutes would impact the price-demand relationship. Given this backdrop, the feasibility of developing chain base index was explored by the Commission. It was observed from the Reports of the National Sample Survey Organization on Consumer Expenditure Survey, that while expenditure data in value terms was generated through the survey, its breakup in terms of quantity and price was available only for a few items under food,

clothing, bedding, etc. Data on durables consumed poses a problem as consumption of individual items is very infrequent and reporting irregular. This issue gets compounded when aggregation is attempted at the All India level.

*Recommendation
on chain base
index*

4.1.10 The feasibility of developing a Chain based index is dependent on the availability of time series data on both prices and the corresponding quantities demanded of each item. While there is merit in developing a chain based index for capturing inflation, this would be feasible only if the Consumer Expenditure Survey generates time series data, on both quantity consumed as well as value of expenditure for fairly large list of items in the consumption basket providing the possibility of substitution over short time span. The Government may explore this possibility. **In the meantime, the Government should keep revising the base year in the existing fixed base index method as frequently as feasible.**

*Use of AICPI (IW)
for estimation of
DA*

4.1.11 Presently, the estimation of DA for Central Government Employees is based on the movements in the AICPI (IW) (1982=100). The Fourth Central Pay Commission, while considering the issue of suitability of the AICPI, opined that the Government should examine whether a more suitable index could be prepared for Government employees taking into account their consumption pattern and other relevant factors. This recommendation was based on the view that the AICPI does not truly represent the consumption pattern of all central Government employees. On the other hand, the Fifth Central Pay Commission took the view that consumption patterns of Group A,B,C,D employees within Government are bound to be different due to different income levels and hence a suitable index based on consumption pattern for Government employees as recommended by the Fourth Central Pay Commission is likely to suffer from the same set of problems which the AICPI(IW) suffers. The Fifth Central Pay Commission opined that even though the option of employing separate indices for each category of employees did exist, it was devoid of merit because of the sheer impracticality of the task as well as needless suspicion such an arrangement was likely to arouse between various groups. Therefore, they recommended that the AICPI (IW) should continue to be the index used for calculating DA for Government employees.

4.1.12 The Fifth Central Pay Commission, observed that for the purpose of estimation of AICPI (IW) by Labour Bureau, the coverage of 'Industrial Workers' extended to 70 selected centres in

seven sectors namely Factories, Mines, Plantations, Railways, Public Motor Transport Undertakings, Electricity Generation and Distribution Establishments, and Ports and Docks. A Working Class family was defined as one where one of the members worked as a manual worker in any of the seven sectors and which derived one half or more of its income through manual work defined on the basis of classification of occupations and jobs involving sufficient physical labour but at the same time not requiring much of educational background in the field of general, scientific, technical and other areas. The Fifth Central Pay Commission also observed that in the Family Living Survey, which is the basis for estimation of the AICPI (IW), the design of the monthly family income classes is open ended, ranging from 'less than Rs.750' to 'Rs.5000 and above'. The Working Class family Income and Expenditure Survey (1999-2000) for Delhi points to the fact that 53% of the families fall in the income class 'less than Rs.5000 per month', which is less than the minimum earning of a Government employee in Delhi. This implies that a composite price index generated from this survey may not adequately represent the price index for Government employees. This is because consumption pattern of the Government employees vis-à-vis the 'Working Class Family' sample selected in the Family Living Survey would be considerably different.

Recommendation 4.1.13 The Government of India has set up the National Statistical Commission to serve as a nodal and empowered body for all statistical activities of the country; to evolve, monitor and enforce statistical priorities and standards and to ensure statistical coordination among different agencies involved. The Commission is mandated to evolve standard statistical concepts, definitions, classification and methodologies in different areas of statistics and lay down national quality standards on those statistics. **The Commission is of the view that the National Statistical Commission may be asked to explore the possibility of a specific survey covering Government employees exclusively, so as to construct a consumption basket representative of Government employees and formulate a separate index. Meanwhile, the Government may continue to use the AICPI (IW) for estimating the DA, subject to the modifications proposed in the subsequent paras.**

Revision of Base of AICPI (IW) for calculation of DA 4.1.14 The Fifth CPC had adopted the AICPI (IW) using the 1982 series for estimation of DA. The Government has developed a new series with base 2001, with effect from January 2006. It is possible to generate the back data series with base 2001, with the help of the stipulated linking factor of 4.63. The 2001 series has an extended coverage of 78 centers compared to the 70 centers in the 1982 series. The weightage emerging from the series with 2001

base, being recent, is more representative of the current consumption basket. **The Commission, therefore, recommends that the AICPI (IW) with base 2001 may, henceforth, be used for the purpose of calculating DA till it gets revised. As mentioned earlier, the base year should be revised as frequently as feasible.** The Commission also looked into the weightages assigned to various components of consumption and the manner in which the Labour Bureau conducts the survey. **The examination has revealed a direct correlation in the movement of the price index for housing and the movement of the HRA rates of Government employees. If a representative sample is used for construction of the price index for housing, there should not be such a direct correlation keeping in view the fact that for industrial workers, the escalation in rental should not be so steep for various obvious reasons. Since housing has a large weightage in AICPI (IW), there is a possibility of substantial distortion in DA calculations. The Commission recommends that the Government take expeditious steps to rectify these noticed distortions in the construction of the current AICPI (IW) series. The National Statistical Commission may also take these factors into consideration while evolving a separate index for Government employees.**

Formula for calculation of DA

4.1.15 The rate of dearness allowance is calculated in terms of the percentage increase in 12 monthly average of AICPI (base 1982) over the average index of 306.33, which was the reference base for the existing scales of pay recommended by the Fifth Central Pay Commission.

4.1.16 The extant formula for calculation of DA till 1-1-2004 was:

$$\frac{12 \text{ Monthly Average}-306.33}{306.33} \times 100 = \text{percentage increase in prices (ignoring fractions) and inflation neutralization at 100\% at all levels)}$$

4.1.17 The Fifth Pay Commission had recommended that DA should be converted into DP each time the CPI increased by 50% over the base index. The Government merged 50% of DA with the basic pay w.e.f. 1-4-2004. The formula for calculation of DA for the period from 1-7-2004 is:

$$\left\{ \frac{12 \text{ Monthly Average}-306.33}{306.33} \times 100 \right\} - 50 = \text{percentage increase in prices (ignoring fractions and inflation neutralization at 100\% at all levels)}$$

4.1.18 The corollary to this merger should necessarily have been a revision in the existing reference base of price index of 306.33. The new reference base, therefore, should have been the 12 monthly average index when the index increased by 50 percent. The reference base index would have, therefore, been higher than 306.33, given the uptrend in price levels, which would translate to a lower DA rate compared to the extant rates. **Logically, therefore, conversion of dearness allowance as dearness pay should invariably be accompanied with simultaneous revision of the base index. This conversion, however, is not necessary in the revised structure being recommended where increments are payable as a percentage of the pay in the pay band and grade pay thereon and provision has been made for all allowances/benefits to be revised periodically linked to the increase in the price index. The Commission is, therefore, not recommending merger of dearness allowance with basic pay at any stage.**

4.1.19 No real justification exists for revising DA once in 3 months. **Accordingly, DA may continue to be sanctioned twice a year as on 1st January and 1st July payable with the salary of March and September respectively for administrative convenience with inflation neutralization being maintained at 100% at all levels.**

Allowances other than Dearness Allowance

Introduction

4.2.1 Compensation for price rise is given in the form of Dearness Allowance. This allowance has been dealt with separately as it compensates the variation in the purchasing power of the salary. Apart from Dearness Allowance, a variety of allowances are payable to the Central Government employees. Following allowances of this nature have been considered in this Chapter:

- (i) Compensatory allowances.
- (ii) Traveling Allowance & T.A. on Transfer.
- (iii) Transport Allowance.
- (iv) Non-practicing Allowance.
- (v) House Rent Allowance.
- (vi) Education Allowance.
- (vii) Risk Allowance.
- (viii) Uniform related Allowances.
- (ix) Deputation Allowance.
- (x) Miscellaneous Allowances.

General principles followed for revising allowances

4.2.2 A plethora of Compensatory and other allowances presently exists in the Government. The rates of some of these allowances have now become insignificant. Further, continued grant of a few of these allowances may not be justified in the present situation. Another factor that had to be taken into account by the Commission is that many allowances will now be payable on the basis of the grade pay since in the revised scheme of pay scales (pay bands), entitlements are to be governed on the basis of the grade pay. This required some adjustment in the existing scheme of allowances particularly to ensure that the existing entitlements are not lowered in the case of any employee. The Commission has made necessary adjustments in the existing scheme of allowances for the Government employees.

Compensatory allowances

4.2.3 Compensatory allowances are paid on account of peculiar local difficulties or to compensate for the high cost of living in bigger cities. These allowances can broadly be divided into City Compensatory Allowance and Other Compensatory Allowances.

4.2.4 City Compensatory Allowance (CCA) is granted to Central Government employees to adjust the high cost of living in certain specified localities.

Demands

4.2.5 The Commission has received many memoranda seeking increase in the rates of CCA. Revised classification for payment of this allowance has also been demanded.

Analysis

4.2.6 The existing rates of City Compensatory Allowance are as under :

BP + SI + DP + NPA#	Amount of CCA p.m.				
	Rs.	`A-1' Rs.	`A' Rs.	`B-1' Rs.	`B-2' Rs.
Below 3,000		90	65	45	25
3,000 - 4,499		125	95	65	35
4,500 - 5,999		200	150	100	65
6,000 and above		300	240	180	120

Basic Pay + Stagnation Increment(s) + Dearness Pay + Non-Practicing Allowance

4.2.7 The present rates of CCA work out to approximately 1% to 5% of the Basic Pay. For most of the employees, the rates vary between 1 to 2% of the Basic Pay. Big cities usually have problems of accommodation and transportation. Specific allowances in form of House Rent Allowance (HRA) and Transport Allowance already exist to address these problems. The classification of regions for the purposes of CCA is mainly based on the size of the population. It has been contended that size of the population cannot be an adequate index of the expensiveness of the localities. The Commission also notes that the Consumer Price Index numbers measure the changes in the price level over a period of time at a given place and do not indicate variations in the price levels from place to place at one time. The index, therefore, does not provide any criteria for classifying cities on the basis of relative expensiveness.

Recommendations

4.2.8 Facts discussed in preceding paragraphs may reveal that CCA does not really address the problem of providing proper compensation for relative expensiveness of a particular region/city. The Commission also notes that, apart from the problems of Housing and Transportation, larger cities and towns have much better facilities than smaller places. As such, no rationale may now exist for compensating any other factor other than accommodation and transportation in order to meet the high cost of living in large cities designated as A1/A/B1/B2 localities. The Commission is recommending adequate revised rates of HRA and Transport Allowance separately. Consequently, no rationale exists for

continued payment of City Compensatory Allowance. Rates of Transport Allowance are being increased substantially and will subsume the element of CCA. **Accordingly, the Commission recommends abolition of City Compensatory Allowance.** The Commission is aware that as per the extant rules, not all employees are eligible for Transport Allowance. The Commission has recommended certain liberalization in the rules relating to payment of Transport Allowance. This may not, however, benefit all the employees and there could still be some isolated cases where the employee remains ineligible for Transport Allowance. This category of employees will face a loss in terms of withdrawal of CCA. Such loss, however, cannot be termed iniquitous as these employees are already well-placed and most of these will already be enjoying the facility of Government transport. Further, the loss will be notional as the adequate increase being recommended by the Commission in salaries and other allowances will more than make up the loss on account of withdrawal of CCA in respect of this category of employees.

*Other
Compensatory
allowances*

4.2.9 Special Compensatory Allowance (Hill Areas/Remote Locality/Border Area/Gandhinagar) - Special Compensatory Allowances are paid on account of exceptionally difficult local conditions in various places.

4.2.10 Hill Area allowance - It is granted to Central Government employees posted at Hill stations located at an altitude of 1000 Mtrs. or more above sea level. The rates of Special Compensatory (Hill Area) Allowance vary between Rs.40 to Rs.300 per month.

4.2.11 Special Compensatory (Remote Locality) Allowance - It is payable to the employees serving in specified remote localities at rates varying between Rs.40 to Rs.1300 per month.

4.2.12 Special Compensatory Allowance to Gandhinagar - It is paid at the rate of 2.5% of the Basic Pay. Group C & D employees and Group B non-Gazetted employees drawing salary in scales corresponding to the scales of Group C employees are eligible for this allowance while posted at Gandhinagar.

4.2.13 Special Compensatory (Border Area) Allowance - It is paid at rates varying between Rs.40 to Rs.200 per month. This is payable to Central Government employees during the period of their posting within 16 Kms. of the international border in Punjab or within 30 miles of the international border in Rajasthan. No other Special Compensatory allowance can be paid along with this allowance. Members of Security forces and Central Government employees whose conditions of recruitment primarily include service in border areas are not eligible for Border Area allowance.

4.2.14 **Special (Duty) Allowance** - It is given at the rate of 12.5% of the Basic Pay to offset the security environment and the difficult working and living conditions prevailing in North Eastern Region. The allowance is payable to AIS officers and Central Government employees having all India transfer liability on their posting to any station in the North Eastern Region from outside the region.

4.2.15 **Island Special (Duty) Allowance** - It is given at rates varying between 12.5% to 25% of the Basic Pay to Central Government employees on their posting to the Andaman & Nicobar Islands and Lakshadweep. This is paid in lieu of Special (Duty) Allowance.

4.2.16 **Project Allowance** - It is granted to employees to compensate for lack of amenities like Schools, Markets, proper Housing and Medical facilities at the places of construction of major projects. This is mainly paid to Railway employees whose offices are located in project area and who have to reside within a nearby locality. It is payable at fixed rates varying between Rs.150 to Rs.750 per month.

4.2.17 **Tribal Area Allowance** - It is paid in certain Tribal Talukas and pockets in certain States and is payable at rates varying between Rs.40 to Rs.200 per month.

4.2.18 **Sunderban Allowance** - It is paid to the Central Government employees during the course of their postings in the Sunderban area of West Bengal. The allowance is payable on slab basis at rates varying between Rs.30 to Rs.120 per month.

4.2.19 **Hard Area Allowance** - It was granted w.e.f. 1/4/2004 to the Central Government employees posted in the Nicobar Group of Islands. This allowance is payable at the rate of 25% of the Basic Pay.

4.2.20 **Bad Climate Allowance** - It is paid to the employees serving in areas designated as Bad Climate Area/Unhealthy Locality by the Government. It is paid at rates varying between Rs.40 to Rs.200 per month. The rates are identical to those attached to the Tribal Area Allowance.

Demands

4.2.21 A large number of employees & their service associations have desired that Special (Duty) Allowance should also be paid to Group B, C & D Central Government employees during their posting in the North East in case they are transferred from one area in the North East to another irrespective of whether they have all India transfer liability or not. These employees and their service

associations have contended that appointment letters in their cases also mention that they are liable to be posted anywhere in India and as such the clause of all India transfer liability applies equally in their cases as well. Substantial increase in the existing rates of the allowances which are currently paid as fixed amount and not as a percentage of pay (viz. Special Compensatory Allowance, Project Allowance, Risk Allowance, etc.) has also been sought.

Analysis

4.2.22 Presently, many allowances exist to compensate for the hardship of service in certain areas or where the employee, because of special conditions of living, is unable to keep his family. In many cases, the employee fulfills the condition for grant of more than one such compensatory allowance. Ministry of Finance Order (O.M. dated 18/7/1990) stipulates that in cases where CCA, Composite Hill Compensatory Allowance [now redesignated Special (Hill Areas) Allowance] and Special Compensatory Allowance are admissible, an employee can draw only one of these allowances most beneficial to him. Some of the allowances also appear to have outlived their utility and may need to be abolished\merged.

4.2.23 Special Duty Allowance (SDA) is presently payable to only such of those employees as have All India transfer liability and are posted to North East area from outside the region. All India transfer liability exists when a person is recruited through an All India examination and belongs to a cadre which has inter-se seniority on All India basis and whose members are liable to be posted anywhere in India. Group C & D employees do not fulfill these criteria and are, therefore, ineligible for SDA. This issue has led to a lot of controversy because All India Services/Group A officers who have All India transfer liability get this allowance even though they may be original inhabitants of North East region. Further, North East region comprises seven States and an employee on his/her transfer from one North East State to another will not be entitled for SDA even though he/she has to move the entire establishment to a new State. The situation has become even more complex due to a large number of court cases due to which Group C & D employees of certain Departments are in receipt of this allowance on account of orders of the Courts/Tribunals. Some modifications in the scheme of this allowance are, therefore, necessary.

Recommendations

4.2.24 The rates of various Compensatory allowances that are paid as a fixed amount were revised in the second half of 1998 when DA was payable at 22%. Since then the inflation has increased by more than 50% (it was 74% as on 1/1/2006 and 91% as on 1/7/2007). A case, therefore, exists for doubling the rates of these allowances. **The Commission, accordingly, recommends revision of the rates of Special Compensatory (Hill Area/Remote Locality), Tribal Area**

Allowance, Project Allowance and Bad Climate Allowance as follows :

4.2.24.1 Special Compensatory (Hill Area) Allowance/Bad Climate Allowance/Tribal Area Allowance

Category	Bad climate/Tribal Area allowance	Special Compensatory (Hill Area) Allowance
For posts in the grade pay of Rs.5400 and above	Rs.400 p.m.	Rs.600 p.m.
For other posts	Rs.240 p.m.	Rs.480 p.m.

4.2.24.2 Special Compensatory (Remote Locality) Allowance

Category	Part A (Rs. p.m.)	Part B (Rs. p.m.)	Part C (Rs. p.m.)	Part D (Rs. p.m.)
For posts in the grade pay of Rs.5400 and above	2600	2100	1500	400
For posts in the grade pay of less than Rs.5400	2000	1600	1200	320

4.2.24.3 Project Allowance

Category	Project allowance
For posts in the grade pay of Rs.5400 and above	Rs.1500 p.m.
For posts in the grade pay of less than Rs.5400	Rs.1000 p.m.

4.2.24.4 The rates of all the above allowances shall automatically increase by 25% whenever the Dearness Allowance payable on the revised pay bands goes up by 50%.

4.2.24.5 The Commission is unable to find any rationale for continued payment of Special Allowance in Gandhinagar. Similarly, no justification exists for continuing border area allowance unless of course the area qualifies for the Special Compensatory Allowance on account of its remoteness or hilly terrain. The present rates of these allowances is also very low. The impact of withdrawing these allowances will be negligible, especially in light of substantial increase in the pay and other allowances being recommended in the Report. **The Commission recommends abolition of Special**

Compensatory Allowance for Gandhinagar and Special Compensatory (Border Area) Allowance.

4.2.25 As regards **Special (Duty) Allowance for postings to North East Regions**, the allowance at the existing rates should be paid to all Central Government employees on their posting on transfer to any North East Region irrespective of whether the transfer is from outside the North East Region or from another area of that region. **The condition that the employees have all India transfer liability should also be dispensed with.** This will ensure that all employees, irrespective of their group, get the benefit of this allowance on their posting to a new city in North East on transfer. This will also benefit autonomous institutions like IIT that are located in North East and which follow Central Government pattern of allowances. Currently, no SDA is payable in these institutions because no all India transfer liability exists. Consequently, very few candidates from outside the region like to work in these institutes. The problem will be resolved as SDA can then be paid in these institutes also. No increase in the rate of this allowance is being recommended as the allowance is paid as a percentage of the pay, which will ensure a suitable increase in the actual amount of this allowance in the revised pay bands even if the existing percentages are retained. The employees posted in Ladakh also face similar difficulties as being faced by the employees posted to North East region. In the Commission's opinion, these employees also need to be treated similarly. The Commission recommends that the **Special (Duty) Allowance as well as other concessions allowed to the Government employees in North East region should also be extended to the Government employees posted in Ladakh.**

4.2.26 **Island Special (Duty) allowance is presently payable at rates varying from 12.5% to 25% of pay. No change is recommended in respect of this allowance. However, this allowance should, henceforth, also be paid to all Central Government employees on their posting on transfer to any place in these Islands without insisting on an all India transfer liability.** The Commission notes that Hard Area allowance was introduced in 2004 for Central Government employees posted in the Nicobar group of Islands at the rate of 25% of pay. The orders granting this allowance, however, specify that either Island Special (Duty) Allowance or Hard Area Allowance can be drawn by an employee. This condition makes the grant of Hard Area Allowance, which was given keeping in view the very harsh living conditions in Nicobar group of Islands, meaningless as Island Special (Duty) Allowance, in any case, is also payable in Nicobar group of Islands at the rate of 25% of pay. Obviously, the intention behind orders dated 1/3/2004 issued by Department of Expenditure for sanctioning Hard Area Allowance would have been to pay this allowance over and above

the Island Special (Duty) Allowance. **The Commission, accordingly, recommends that Hard Area Allowance to the employees posted in the Nicobar group of Islands should be paid separately along with Island Special (Duty) Allowance. Further, this allowance should also be extended to the Lakshadweep group of islands.**

Traveling Allowance

4.2.27 Traveling Allowance on tour comprises fares for journey by rail/road/air/sea; road mileage for road journeys otherwise than by bus and Daily Allowance for the period of absence from Headquarters.

Travel entitlements

4.2.28 Presently, Government employees drawing basic pay + NPA + Stagnation Increment of Rs.16400 and above are allowed travel by First Class AC in train; those drawing salary between Rs.8000 to Rs.16399 can travel by AC II Tier; employees in the pay range of Rs.7999 to Rs.4100 are entitled to travel by AC III Tier/First Class while those drawing below Rs.4100 are allowed travel by Sleeper Class. Air travel is allowed to officers in receipt of pay of Rs.16400 and above. Officers drawing pay between Rs.12300 and 16400 can, at their option, travel by air in case the distance is more than 500 Kms. and the journey cannot be performed overnight. Some concessions are also available for air travel to Port Blair and Lakshadweep.

4.2.29 The Fifth Central Pay Commission recommended that all Group A officers should be allowed air travel with Group B, C & D employees being allowed to travel by AC II Tier train, First Class/AC III Tier Train and Sleeper Class Train respectively. This was recommended on the ground that since Government officials have to undertake tours specifically in public interest, it is necessary to allow appropriate entitlements to travel by rail/air.

4.2.30 These recommendations of Fifth Pay Commission were not accepted by the Government. The conditions today have changed. With the opening up of skies to private airlines, cheap air-tickets are now available. Accordingly, air-travel in the lowest (economy) class may need to be allowed for many more grades of employees. This will improve productivity of the employee as the time spent on travel would be considerably reduced. The travel entitlements of all employees will, in any case, increase and no employee's travel entitlement will be restricted to sleeper class due to various steps like upgradation of all Group D posts; proposed introduction of the new scheme of pay scales (pay bands) where all entitlements will be governed by the corresponding grade pay, etc. **The Commission, therefore, recommends that the travel entitlements while on tour and transfer should be revised as under :**

Pay Range	Travel entitlements
For posts in the grade pay of Rs.9000 and above	J Class by air/AC First Class by train
For posts carrying grade pay from Rs.6600 to Rs.8400	Y Class by air/AC First Class by train
For posts carrying grade pay from Rs.5400 to Rs.6500	Y Class by air/AC II Tier Class by train
For posts carrying grade pay from Rs.4200 to Rs.4800	AC II Tier Class by train
For posts carrying grade pay of less than Rs.4200	First Class/AC III Tier/AC Chair Car by train

4.2.31 No change is recommended in the travel entitlement for travel outside India. In case of road travel between places connected by rail, travel by any means of public transport may be allowed provided the total fare does not exceed the train fare by the entitled class. In case of places not connected by train, travel by AC bus for all those entitled to travel by AC II Tier and above in train and by Deluxe/Ordinary bus for those who are entitled to travel by First Class/AC III Tier/AC Chair Car/Sleeper Class in train is recommended. The Commission has also observed that there is an increasing tendency on part of Government officers to travel by air in order to gain mileage points which are then used by them for private travel. The Commission is strongly of the view that official tours cannot be made a source of any profit. Accordingly, the Commission recommends that henceforth all mileage points earned by Government employees on tickets purchased for official travel should be utilized by the concerned department for other official travel by their respective officers. Any usage of these mileage points for purposes of private travel by an officer should be viewed seriously and appropriate departmental action initiated.

Daily Allowance

4.2.32 The present entitlements of Daily Allowance are as under :

Pay Range	`A-1' Class cities		`A'-Class cities and specially expensive localities		`B'-Class cities and specially expensive localities		Other localities	
	Ordy.	Hotel	Ordy.	Hotel	Ordy.	Hotel	Ordy.	Hotel
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Rs.16,000 and above	260	650	210	525	170	425	135	335
Rs.8,000 to Rs.16,399	230	505	185	405	150	330	120	225
Rs.6,500 to Rs.7,999	200	380	160	305	130	250	105	200
Rs.4,100 to Rs.6,499	170	245	135	195	110	160	90	130
Below Rs.4,100	105	125	85	100	70	85	55	65

4.2.33 These rates are grossly inadequate. Most of the employees and their service associations have requested rationalization of the present entitlements of Daily Allowance for stay in hotels. The Fifth CPC had also observed that considerable difficulties were being faced by officials in securing decent accommodation while on official tour and had recommended accommodation entitlements ranging from reimbursement of actual expenditure incurred towards normal single room rent in a hotel of a category not above 5 star in case of Top Executives (corresponding to Senior Administrative Grade (SAG)/equivalent) to any hotel upto a specified amount for auxiliary staff (corresponding to Group D) while on official tour. These recommendations were not accepted. The situation today is, therefore, that the existing rates are totally unrealistic and Government employees, while on official tour, are unable to find any decent accommodation at the prevailing commercial rates. Accordingly, the rates of Daily Allowance have to be modified appropriately. **The Commission, therefore, recommends following entitlements of accommodation while on official tour :**

Grade Pay	Daily Allowance
Rs.9000 and above	Reimbursement for Hotel accommodation of up-to Rs.5000 per day; reimbursement of AC taxi charges of up-to 50 Kms. for travel within the city and reimbursement of food bills not exceeding Rs.500 per day.
Rs.6600 to Rs.8400	Reimbursement for Hotel accommodation of up-to Rs.3000 per day; reimbursement of non-AC taxi charges of up-to 50 Kms. per diem for travel within the city and reimbursement of food bills not exceeding Rs.300 per day.
Rs.5400 to Rs.6500	Reimbursement for Hotel accommodation of up-to Rs.1500 per day; reimbursement of taxi charges of up-to Rs.150 per diem for travel within the city and reimbursement of food bills not exceeding Rs.200 per day.
Rs.4200 to 4800	Reimbursement for Hotel accommodation of up-to Rs.500 per day; reimbursement of travel charges of up-to Rs.100 per diem for travel within the city and reimbursement of food bills not exceeding Rs.150 per day.
Below Rs.4200	Reimbursement for Hotel accommodation of up-to Rs.300 per day; reimbursement of travel charges of up-to Rs.50 per diem for travel within the city and reimbursement of food bills not exceeding Rs.100 per day.

The rates of all the components of Daily Allowance shall automatically increase by 25% whenever the Dearness Allowance payable on the revised pay bands goes up by 50%.

4.2.34 The above rates do away with all distinction between hotel and ordinary rates because all reasonable expenditure incurred by an employee while on official tour has been made reimbursable. In order to keep the expenditure on this account in check, the Commission recommends that budget for travel should be sanctioned stringently, which would allow official travel only for very important official business.

4.2.35 In case of stay or journey on Government ships, boats etc. or journey to remote places on foot/mules etc. for scientific/data collection purposes in organisations like FSI, Survey of India, GSI etc., daily allowance will be paid at rate equivalent to that provided for reimbursement of food bill. However, in this case the amount will be sanctioned irrespective of the actual expenditure incurred on this account with the approval of the Head of Department/Controlling Officer. For journey on foot, an allowance of Rs.5 per kilometer traveled on foot shall be payable additionally. This rate will also be increased by 25% whenever DA payable on revised pay scales goes up by 50%.

T.A. on Transfer

4.2.36 Presently, T.A. on transfer comprises a Composite Transfer Grant equal to one month's Basic Pay + Dearness Pay along with actual fares for self & family as per the entitled class and cost of transportation of personal effects and conveyance possessed by the employee. No T.A. on transfer is payable in case no change of residence is involved or if the transfer is made at one's own request. While the rates of Composite Transfer Grant are adequate and would, in any case, increase once the revised pay bands and grade pay are introduced, problems exist for transportation of personal effects. This is because the transportation of personal effects is governed by the existing rates of Transport by train and in case of employees drawing pay range of Rs.8000 and above the same is full-four wheeler wagon or 6000 Kgs. by goods train or one double container. Double container is usually unavailable and transportation by goods train is very cumbersome. The employees, therefore, have to carry their personal effects by road while on transfer. In such cases, however, the entitlement is limited to 1.25 times the fare payable for transportation of similar quantity of goods by goods train. This results in pecuniary loss to the employee because the rates of transportation by road are much higher. The Commission observes that extant rules provide for transport by road in case of places not connected by train. The rates of transport by road in this case are as follows:-

Basic pay + NPA + Stagnation Increment	By Train/Steamer	Rate per Km for transport by road	
		A-1, A and B-1 cities (Rs.P.)	Other places (Rs.P.)
Rs.16,400 and above	6000 Kgs. by Goods Train/ 4 wheeler wagon/1 double container	30.00 (Rs.0.5 per kg. per km.)	18.00 (Rs.0.3per kg. per km.)
Rs.8,000 to 16,399	6000 Kgs. by Goods Train/ 4 wheeler wagon/1 single container	30.00 (Rs.0.5 per kg. per km.)	18.00 (Rs.0.3per kg. per km.)
Rs.6,500 to 7,999	3000 Kgs.	15.00 (Rs.0.5 per kg. per km.)	9.00 (Rs.0.31 per kg. per km.)
Rs.4,100 to 6,499	1500 Kgs.	7.60 (Rs.0.51 per kg. per km.)	4.60 (Rs.0.31 per kg. per km.)
Rs.3,350 to 4,099	1500 Kgs.	7.60 (Rs.0.51 per kg. per km.)	4.60 (Rs.0.31 per kg. per km.)
Below Rs.3,350	1000 Kgs.	6.00 (Rs.0.60 per kg. per km.)	4.00 (Rs.0.4 per kg. per km.)

4.2.37 No justification exists for prescribing different rates in case of places connected by train and places not connected by train especially when the facility of transporting personal effects at Government cost is only available in case of transfer on public interest. Further, the employee has to be allowed the discretion of choosing the mode of transporting the household effects while on transfer as per his/her own convenience. **The Commission recommends that transportation of personal effects by road at the rates prescribed for 'other places' should be allowed in respect of places connected by train as well without subjecting it to the extant restriction that these can not exceed 1.25 times of the eligible train fare. The revised entitlements of transport while on transfer shall, therefore, be as follows :-**

Grade Pay	By Train/Steamer	Rate per Km for transport by road (Rs. Per. Km.)
Rs.6600 and above	6000 Kgs. by Goods Train/4 wheeler wagon/1 double container	18.00 (Rs.0.3per kg. per km.)
Rs.4200 to Rs.6500	6000 Kgs. by Goods Train/4 wheeler wagon/1 single container	18.00 (Rs.0.3per kg. per km.)
Rs.2800	3000 Kgs.	9.00 (Rs.0.31 per kg. per km.)
Below Rs.2800	1500 Kgs.	4.60 (Rs.0.31 per kg. per km.)

These rates shall automatically increase by 25% whenever the Dearness Allowance payable on the revised pay bands goes up by 50%. This will ensure that Government employees are not put to a financial loss while transporting their personal effects on transfer at any point in future.

4.2.38 Another problem stated to exist on this account is in case of transfer to Andaman & Nicobar Islands and Lakshadweep Islands. It has been mentioned that the existing rates for transporting personal effects by Steamer on transfer to these Islands are inadequate and a Government employee has to shell out a large amount of money from the pocket in order to transport the personal effects while being transferred to these Islands. The Commission, however, notes that special provisions exist in case of transfer to Andaman & Nicobar Islands and Lakshadweep and the extant rules provide that entitlements for transporting personal effects on sea by Steamer would be on the basis of the maximum admissible weight of personal effects according to the grade to which the officer belongs, irrespective of the weight of the baggage actually carried. The Commission finds the existing provisions to be appropriate. However, **the Commission recommends that the rates for transporting the entitled weight by Steamer should always be kept equal to the prevailing rates prescribed for such transport in ships operated by Shipping Corporation of India.**

Transport Allowance

4.2.39 Presently, Government employees are entitled to Transport Allowance at the following rates :

Employees drawing pay in the scale of (Rs.)	Rate of Transport Allowance per month	
	A-1/A Class City (Rs.)	Other Places (Rs.)
8000-13500 & above	800	400
6500-6900 & above but below 8000-13500	400	200
Below the scale of 6500- 6900	100	75

4.2.40 Transport Allowance was recommended by the Fifth CPC to defray the cost of travel between office and residence. This allowance was introduced w.e.f. 1/8/1997. This allowance is one of the very few allowances that are payable on the basis of pay scale rather than pay range. All Central Government employees who are not living in Government accommodation within the same campus or within one Kilometer of the office and have not been provided with official transport are entitled to this allowance.

4.2.41 The Commission has received many demands for increasing the rate of this allowance keeping in view the rising cost of transportation. Many employees and their service associations have demanded that this allowance should also be paid on the basis of pay range. It has also been contended that the huge gap between A-1/A Class cities and other places needs to be bridged as the distances may be shorter in other places but the means of public transport are also woeful, therefore, the employees in these areas have to per-force travel by private vehicles or by personal vehicles which is considerably costlier than the public transport. It has been suggested that rates of this allowance in other places needs to be adjusted suitably.

4.2.42 Insofar as the issue of paying this allowance on the basis of pay range is concerned, the demand is solely based on the argument that since all other allowances are based on pay range, same principle needs to be followed in respect of this allowance as well. This, however, is not a cogent reason because Transport Allowance is a new allowance proposed by the Fifth CPC for the first time and they had specifically recommended that this allowance shall be based on the classification based on pay scales. **In any case, in the revised scheme of pay scales, all the allowances and facilities will be governed by Grade Pay.**

4.2.43 As regards increasing the rates of this allowance and reducing the difference between at the rates existing in A-1/A class

cities and other places, the demands made have considerable force. The rates of petrol have risen continuously in the recent past and an employee will have to spend considerably higher amount on traveling to and fro to office from his residence. Not only the existing rates of this allowance need to be increased but the allowance has to be made inflation proof so as to ensure that any future increase in petrol prices and/or in price of transport does not affect the real value of this allowance. **The Commission recommends following rates for Transport Allowance :**

Employees drawing grade pay of (Rs.)	Rate of Transport Allowance per month	
	A-1/A Class City (Rs.)	Other Places (Rs.)
5400 & above and posts in the apex scale and Cabinet Secy./equivalent	Rs.3200 + DA thereon	Rs.1600 + DA thereon
4200 to 4800	Rs.1600 + DA thereon	Rs.800 + DA thereon
Below 4200	Rs.400 + DA thereon	Rs.300 + DA thereon

4.2.44 Simultaneously, the existing condition which prohibits grant of Transport Allowance to the employees who have been provided with official accommodation within one Kilometer of the office should also be removed because this creates an artificial distinction between the employees living in private accommodation within one Kilometer of the office vis-à-vis those living within one Kilometer of the office in Government accommodation. Other conditions regulating the grant of this allowance shall remain unchanged. Physically disabled employees shall continue to draw this allowance at double the normal rates. This, however, will be further subject to the condition that Transport Allowance in the case of physically disabled employees shall, in no case, be less than Rs.1000 per month plus the applicable rate of dearness allowance. Employees in pay band PB-4 who are entitled to the use of official car for travel between residence and office may be given the option to draw transport allowance at a higher rate of Rs.7000 p.m. plus dearness allowance provided they give up the use of official car for travel between residence and office.

Non-Practicing Allowance (NPA)

4.2.45 Presently, Doctors are given Non-Practicing Allowance (NPA) at the rate of 25% of the basic pay subject to the condition that NPA + basic pay + dearness pay does not exceed Rs.44,250. NPA is counted as pay for all service and pensionary benefits.

History

4.2.46 Earlier, Doctors in the Government were allowed private practice. The Ministry of Railways was the biggest employer of the medical staff under the Central Government. In Railways, the private practice was allowed for all medical officers barring the Chief Medical Officer subject to the condition that it did not interfere with other official duties. Outside Railways, medical officers were generally debarred from private practice and were consequently granted a Non-Practicing Allowance. At the time of the constitution of the Commission of Enquiry on emoluments and conditions of service of Central Government employees (1957-59), medical officers working under the Contributory Health Service Scheme in Delhi were given an NPA at the rate of 50% of pay subject to a maximum of Rs.400. Doctors working in Willingdon (now renamed Dr. Ram Manohar Lohia Hospital) and Safdarjung Hospitals were given NPA at the rate of 25% of pay. Outside Delhi, Doctors were given NPA at varying rates. The allowance was not allowed to the Doctors holding purely administrative posts such as DG, Health Service etc.

4.2.47 The Commission of Enquiry recommended stoppage of private practice with all Doctors in Central Government being paid NPA at the rates approved for the Central Health Service which was 25% of pay subject to a minimum of Rs.150 and maximum of Rs.400.

4.2.48 The issue was thereafter considered by the Third Pay Commission. Most of the associations representing non-medical service had contended that it was discriminatory to grant NPA only to the Doctors while denying it to others. The Third Pay Commission, however, did not agree to extend NPA to other categories. At the time of Third Pay Commission, the rate of NPA in Central Health Service was 50% subject to a maximum of Rs.600 per month for all Doctors except General Duty Medical Officer (GDMO) Grade II who were paid the NPA at the rate of 33.33% subject to a minimum of Rs.150 per month. In Railways, the Doctors were paid NPA at the rate of 35% subject to a maximum of Rs.500 per month. Assistant Medical Officers were paid NPA at the rate of 33.33% subject to a minimum of Rs.150 per month. Third Pay Commission recommended payment of NPA on slab basis with Doctors in various grades being paid NPA at fixed rates varying between Rs.150 to Rs.600 per month. Significantly, NPA at the rate of Rs.600 per month was payable to Doctors in the Super Time/Specialized grade of Rs.1800-2250. Thus, the rate of NPA for them at that time varied from 33.33% to 26.66% of the basic pay.

4.2.49 The Fourth CPC also considered the demand for extension of NPA to other categories of employees but did not recommend it. Fourth CPC changed the rates of NPA from Rs.125 to Rs.250 per month. The rates of NPA recommended by the Fourth CPC signified

a decrease in percentage terms because the NPA recommended by Fourth CPC for Doctors worked out to approximately 12% to 18% of the basic pay.

4.2.50 The Fifth CPC considered the issued of NPA in light of the submissions made by the Doctors that its rate had gone down from 25% - 40% of the basic pay earlier to 12.5% - 16% and recommended that NPA should be paid at the rate of 25% of the basic pay subject to the condition that NPA + basic pay does not exceed Rs.29,500. The Fifth CPC also did not recommend extension of NPA to any other category. It was also recommended that the NPA shall continue to count towards all service and pensionary benefits without any change. These recommendations of Fifth CPC have been accepted. Consequently, the situation today is that Doctors are getting NPA at the rate of 25% of the Basic Pay + Dearness Pay + Stagnation Increment.

Demands

4.2.51 Most of the employees & their service associations before the Sixth Central Pay Commission have demanded NPA at par with that payable to medical Doctors. The class of employees who have sought this benefit does not only include the para-medical staff like nurses, pharmacists, physiotherapists, technicians (like OT technicians, dental hygienists etc.) but also technical categories like engineers as well as other services/organizations. The common refrain of all the employees and their service associations is that they can also utilize their expertise for private practice outside the Government. Since private practice is not allowed, the employees and their service associations have sought NPA on par with Doctors.

Analysis

4.2.52 Doctors have been given NPA on some specific grounds which can briefly be enumerated as under :

- (i) Earlier, Doctors in Government service were allowed the privilege of private practice or non-practicing allowance in lieu thereof. At such time, the emoluments of Doctors were deliberately kept low with the presumption that they will make good the loss by private practice.
- (ii) The basic medical course is of a longer duration (4 ½ + 1 year internship). Due to this, the Doctors are able to enter Government service at a late stage. Whereas in other services the average age of entry of a graduate direct recruit is about 23 years, in the medical branch it is about 27 years. Due to this they have shorter effective service.
- (iii) The entry level posts in the cadre of Doctors have to be filled by direct recruitment. Accordingly, promotion prospects for them are lesser vis-à-vis officers in other organized services.

- (iv) The nature of duties and condition of work of Doctors involve certain uncommon deprivations. They have to often work at odd hours. Beyond the prescribed working hours, often they have to attend to urgent cases.

Recommendations 4.2.53 It is noted that the demand for extension of NPA to categories other than Doctors had consistently been made before all the earlier Pay Commissions (barring First CPC) and none of the Commissions had recommended extension of NPA to the other categories. The Commission is of the view that a case exists for treating the Doctors as a distinct category in so far as payment of NPA is concerned. **Accordingly, the Commissions recommends that Doctors should continue to be paid NPA at the existing rate of 25% of the aggregate of the band pay and grade pay subject to the condition that the Basic Pay + NPA does not exceed Rs.85,000.** While recommending this, the Commission would like to emphasize the fact that NPA to Doctors is paid not only for the loss of private practice but also to compensate for longer duration of studies, longer working hours/nature of duties and to compensate for the relatively lesser promotional prospects that exist on account of entry level posts of Doctors necessarily having to be filled by direct recruitment without any posts in the entry level being filled by promotion. **The facility of NPA cannot, therefore, be extended to any other category. NPA should be restricted only to the medical Doctors occupying posts for which minimum qualifications of a medical degree is prescribed.**

House Rent Allowance

4.2.54 House Rent Allowance is presently payable at the following rates :

Classification of Cities/Towns	Population	Rates of HRA as a percentage of Basic Pay + SI + DP + NPA
A-1	50 lakh & above	30
A, B-1 & B-2	A 20-50 lakh B-1 10-20 lakh B-2 5-10 lakh	15
C	C 50,000 to 5 lakh	7.5
Unclassified	Below 50,000	5

4.2.55 The Fifth CPC had recommended a high increase in the HRA of Metropolitan towns like Delhi & Mumbai in view of the inordinate increase in monthly rents for residential accommodation in the period upto 1995 in these cities. The Fifth CPC also persisted with the population criteria for classification of cities and towns and recommended creation of a new category of A-1 cities for cities having a population of 50 lakh and above.

Demands

4.2.56 The Commission has received many demands relating to payment of HRA. Most of the demands seek an increase in the rates of HRA especially in cities other than A-1. Demands have also been received for granting A-1 status to the cities of Bengaluru and Hyderabad. This demand was, however, conceded by the Government during the term of the Commission and Bengaluru and Hyderabad already stand classified as A-1 cities.

Analysis

4.2.57 The situation after implementation of recommendations (in a modified manner) of Fifth CPC is that in A-1 Cities, the percentage of pay for meeting the House Rent is 30% + 8.67% of the Dearness Allowance because the weightage of housing in the Consumer Price Index 1982 (being 8.67%) gets subsumed in the pay. The percentage of pay for meeting the expenditure on house rent in other classes of cities is as under :-

Classification of Cities/Towns	Percentage of salary available for meeting expenditure on House Rent
A, B-1 & B-2	15 + 8.67% of DA
C	7.5 + 8.67% of DA
Unclassified	5 + 8.67% of DA

4.2.58 This is not adequate for meeting the expenditure towards House Rent in these Cities/Towns. The present situation is that while housing remains costly in Metro cities, the house rents in smaller cities and towns have galloped on account of economic development as well as a dearth of residential accommodation in such cities/towns. Accordingly, Government employees posted to smaller towns and cities face problems in getting appropriate accommodation. The problem is further compounded because the Consumer Price Index gives lesser weightage (Central Weightage in All India) to the smaller regions. For example, while Mumbai, Kolkata and Chennai carry weightages of 7.87, 4.24 and 3.47 respectively, the weightages allotted to relatively smaller towns like Guwahati (0.66), Surat (0.86), Haldia (0.83), Solapur (1.24), Jaipur (1.25) is much lower. Accordingly, the increase in House Rent in these regions is not appropriately neutralized by grant of Dearness Allowance. The problem is more acute in very small towns having population of below 50,000 that presently carry the classification of

'Unclassified Towns' where very little residential accommodation is available on rent. A strong case, therefore, exists for increasing the rates of HRA in regions other than A-1 Class Cities.

Recommendations 4.2.59 Keeping the various factors in view, the Commission recommends merger of C Class Cities (having population of 50,000 to 5 lakh) with 'Unclassified Towns' (having population of less than 50,000). The existing population criterion for classifying towns and cities for purposes of HRA is being retained. It is, however, recommended that population in the urban agglomeration should be taken into account for classifying a city for purposes of HRA. The Commission recommends retention of the existing rate of HRA in A-1 cities which will, therefore, now be paid at the rate of 30% of the total of revised pay in the running pay band and grade pay thereon. Despite the same percentage, the HRA in real terms will increase substantially for A1 cities as the revised pay band and grade pay are substantially higher than the total of corresponding basic pay and dearness pay on which the HRA is payable presently. The rates of HRA in other cities are proposed to be adjusted suitably so as to meet the increased cost of housing in these regions. Erstwhile A, B-1 and B-2 categories are being merged. Similarly C & Unclassified categories are also being merged. These mergers are recommended so as to give a better deal to the employees posted in smaller towns in so far as their housing requirement is concerned. Keeping these factors in view, the Commission recommends the following rates of House Rent Allowance:

Revised classification of Cities and Towns on Population Criteria	Revised Classification of Cities/Towns	Rates of HRA as a percentage of Pay in the pay band + Grade Pay + MSP* + NPA*
50 lakhs & above	X (Earlier classified as A-1)	30
50 - 5 lakhs	Y (Earlier classified as A, B-1 & B-2)	20
Below 5 lakhs	Z (Earlier classified as C and Unclassified)	10

* where applicable

Thus, the rate of HRA for cities presently classified as A, B-1 and B-2 will go up from 15% at present to 20%, for cities presently classified

as C - from 7.5% to 10% and for cities presently classified as unclassified - from 5% at present to 10%.

Education Allowance

4.2.60 Presently, assistance for education of children is available to all Central Government employees without any pay limit. The assistance is in the form of :-

- i) Reimbursement of Tuition Fee of upto Rs.40 per month for students in Class I to X and Rs.50 per month for students in Class XI & XII. In case of physically handicapped and mentally retarded children, the maximum limit is Rs.100 per month.
- ii) Children's Education Allowance is payable at the rate of Rs.100 per month in case the Government employee is compelled to send his child to a school away from the Station of his posting.
- iii) Hostel subsidy at the rate of Rs.300 per month is paid in case the employee is obliged to keep his children in a hostel away from the Station of his posting and residence on account of transfer.

4.2.61 In all these cases, the benefit is available up-to 3 children in respect of children born upto 31/12/1987 and 2 children born thereafter.

Demands

4.2.62 The Commission has received numerous demands seeking an appropriate increase in the rate of education assistance available to Central Government employees so that the same has some relevance to the school fees actually being charged by most of the schools. Department of Personnel & Training had also forwarded demand of the Staff Side for revision of rates of Children Education Allowance, Reimbursement of Tuition Fee and Hostel Subsidy to Rs.200 per month, Rs.100-300 per month and Rs.750 per month respectively. This demand was raised by the Staff Side in the National Council of JCM and a disagreement recorded thereon. Subsequently, the demand was discussed again wherein it was decided to remit the matter for consideration of this Commission.

Analysis

4.2.63 The rates of school fees were last increased following the recommendations of the Fifth Central Pay Commission. No change in the rates has been made since then even though nearly a decade has elapsed. It is also noted that rates of school fees went up considerably after the implementation of the Fifth CPC Report which recommended a substantial increase in the salary structure of Teachers. Since most of the reputed private schools also follow salary structure of Government schools, the salaries of Teachers in these schools were also increased and the burden passed on to the parents of students in form of increased fees. The present rates of education assistance are inadequate. The demands made by the Staff Side for increasing the rates of these allowances are, therefore,

justified. The Commission also observes that Government has increased the budget on Sarva Shiksha Abhiyan Scheme to Rs.6993 crores for the year 2007-08. The total budget on elementary education stands at Rs.16934.16 crores for the year 2007-08. This clearly shows the increased emphasis of the Government in the field of education. Accordingly, the existing rates of education assistance need to be overhauled so that these are in conformity with the fee structure prevailing in most of the schools.

Recommendations 4.2.64 Keeping the various factors in view, the Commission recommends merger of Children Education Allowance and Reimbursement of Tuition Fee which will henceforth be reimbursement upto the maximum of Rs.1000 per child per month subject to a maximum of 2 children. Hostel subsidy may be reimbursed upto the maximum limit of Rs.3000 per month per child. The limits would be automatically raised by 25% every time the Dearness Allowance on the revised pay bands goes up by 50%.

Risk Allowance 4.2.65 Risk Allowance is presently given to employees engaged in hazardous duties or whose work will have deleterious effect on health over a period of time. Risk Allowance is also paid to Sweepers and Safaiwalas engaged in cleaning of underground drains, sewer lines as well as to the employees working in trenching grounds and infectious diseases hospitals. The Risk Allowance is being paid at following rates :

Class	Rate (Rs.) p.m.
Unskilled workers	20
Semi-skilled workers	30
Skilled workers	40
Supervisors	50
Gazetted officers engaged in Nitro Glycerin preparations	150
Non-Gazetted officers engaged in Nitro Glycerin preparations	90
Dangerous Buildings Officers	200

Demands 4.2.66 Many Government employees and their service associations, presently not in receipt of this allowance have demanded extension of the allowance in their case on the ground that their job also involves various degrees of risk. Enhancement in the rate of this allowance has also been sought.

Analysis 4.2.67 The Fifth CPC had recommended that risk allowance should be restricted only for jobs where the element of risk was inherent

and continuous with adverse effect on health. The Fifth CPC had specifically recommended withdrawal of this allowance in jobs which involved only contingent risks relating to one time events where the event itself was uncertain. The Fifth CPC had also identified a few categories from which the allowance was to be withdrawn. Simultaneously, the Commission had recommended that each Ministry should set up a Committee to review the categories of employees in receipt of Risk Allowance in line with the revised guidelines. **The Commission is in partial agreement with the recommendations of the Fifth CPC to the extent that Risk Allowance is only justified for jobs which are inherently risky with adverse effect on health. However, the Commission is of the view that any pecuniary allowance cannot suitably compensate the element of risk.** What the Government as an employer has to ensure is that the risk element in these jobs is reduced to the maximum extent and an employee is fully covered in case any mishap takes place even after observing the maximum level of care and precaution. Appropriate insurance cover, therefore, needs to be provided free of cost to compensate for the risk of any immediate injury and suitable medical and other appropriate facilities like longer leave entitlement provided to ward off any long term deleterious effect on health due to these jobs. This has to be coupled with the use of latest technology and utmost care to ensure that the risk element inherent in the job is minimized.

Recommendations 4.2.68 **The Commission, accordingly, recommends withdrawal of Risk Allowance. All categories of jobs that involve inherent element of risk with deleterious effect on health over a period of time should instead be provided with free medical and life insurance of Rs.5 lakhs for employees in PB-1 pay band; Rs.7 lakhs for employees in PB-2 pay band; Rs.10 lakhs for employees in PB-3 pay band/higher pay bands/scales. To offset the effect of inflation, amount of the insurance should automatically be increased by 50% every time the DA payable on the revised pay goes up by 50%. The entire expenditure on paying premium for this insurance will be borne by the Government. The amount insured will be paid in case of any serious injury/death sustained in the course of employment and will be over and above the other benefits available to all categories of Government employees. These employees should also be provided with additional health benefits with mandatory health check-ups every quarter and enhanced leave, wherever the same is necessary for proper recuperation. Further, the Government should ensure that latest technology and greatest level of care is observed in these jobs so that the element of risk involved therein is minimized.**

Uniform related Allowances 4.2.69 Uniform Allowance is admissible to IPS officers, personnel of Central Para Military Forces, Central Police Organizations,

Railway Protection Force, National Cadet Corps, Border Roads Organization and Nursing staff. Nurses are paid Uniform Allowance at the rate of Rs.250 per month. Police personnel belonging to IPS, CPMFs, RPF etc. are paid this allowance at the following rates :

Grant	Rate
Initial grant	Rs.6500
Renewal grant	Rs.3000 (payable after every seven years)

4.2.70 Uniform Allowance is also paid to certain categories of officers in Customs & Central Excise as well as the officers belonging to Coast Guard organization. The later category is also paid Kit Maintenance Allowance in addition to the Uniform Allowance.

Demands

4.2.71 A substantial raise in the existing rates of this allowance has been demanded on the ground that existing limits are totally inadequate to meet the expenditure on purchase of uniforms.

Analysis

4.2.72 The Fifth CPC had considered the issue of Uniform Allowance and recommended different amounts for various categories of employees. The approach adopted by the Fifth CPC appears to be appropriate as different organizations perform different functions and have to maintain different sets of uniform for this purpose.

Recommendations

4.2.73 **Keeping in view the functions performed by various uniformed personnel, the Commission recommends the following rates of Uniform Allowance for different categories of such personnel :**

4.2.74 **For CPMFs/CPOs/RPF/IPS**

Grant	Rate
Initial grant	Rs.14000
Renewal grant	Rs.3000 (payable after every three years)

4.2.75 Higher rates of uniform allowance are warranted for Coast Guard officers as they face bigger problem in maintaining their white uniforms during sea duties. **The Commission, accordingly, recommends following rates of uniform allowance for Coast Guard officers:-**

Grant	Amount
Initial grant	Rs.16000
Renewal grant	Rs.5000 (payable after every three years)

4.2.76 Existing rates of Kit Maintenance Allowance should be doubled for all categories of employees presently in receipt of this allowance. Uniform Allowance for nurses should also be increased to Rs.500 per month.

4.2.77 The rates of Uniform Allowance and Kit Maintenance Allowance for all the above categories shall be increased by 25% every time the Dearness Allowance on revised pay bands goes up by 50%.

Deputation Allowance

4.2.78 Deputation (Duty) Allowance is presently payable in case of appointments made in public interest outside the normal field of deployment. In case of deputation within the same station the allowance is paid at the rate of 5% of basic pay plus dearness pay thereon subject to a maximum of Rs.500 p.m. In other cases, Deputation (Duty) Allowance is payable at the rate of 10% of basic pay plus dearness pay subject to a maximum of Rs.1000 p.m. Payment of Deputation (Duty) Allowance is further subject to the condition that the sum of basic pay and Deputation (Duty) Allowance should not exceed Rs.22400 p.m. or the maximum of the scale of the post held on deputation. Officers belonging to All India Services and other Group A Central Services on their appointment to posts below Joint Secretary under the Central Staffing Scheme are eligible for Central (Deputation on Tenure) Allowance that is payable at the rate of 15% of basic pay and dearness pay subject to a maximum of Rs.800 for Under Secretaries and Rs.1000 p.m. for Deputy Secretaries and Directors. The Fifth CPC had recommended that the ceilings on Deputation (Duty) Allowance should be removed. As regards Central (Deputation on Tenure) Allowance, the Fifth CPC had recommended that the monetary ceilings should be removed subject to the condition that the aggregate of the pay drawn and the allowance did not exceed the maximum of the scale of pay of the deputation post in case of appointments as Under Secretary and the aggregate was less than the minimum of the scale of pay of Joint Secretary by Rs.50 in case of appointments to the posts of Deputy Secretary/Director. The Commission is in agreement with the recommendations given by the Fifth CPC to the extent that no pecuniary limits should be prescribed for grant of Deputation (Duty) Allowance or Central (Deputation on Tenure) Allowance as the same operates harshly against senior persons deputed to these posts. The only limit that may need to be prescribed would be to ensure that the aggregate of pay and deputation allowance does not exceed the minimum pay attached to the posts for which no such allowance is prescribed. **The Commission, accordingly, recommends that the rates of Deputation (Duty) Allowance and Central (Deputation on Tenure) Allowance may continue to be paid at the rate of 5%, 10% and 15% of the aggregate of pay in the pay band and grade pay without any**

pecuniary limit. This will, however, be subject to the limit that the aggregate of pay in the pay band and Deputation (Duty) Allowance/Central (Deputation on Tenure) Allowance does not exceed Rs.39,200 being the minimum pay in the pay band PB-4. As at present, Central (Deputation on Tenure) will continue to be paid only to the posts upto the level of Director.

Miscellaneous Allowances

4.2.79 These allowances include :

- i) Cycle Allowance admissible where the duties attached to the post require extensive traveling on bicycle. The allowance is paid at the rate of Rs.30 per month and the official concerned has to maintain and use his own cycle for official journeys.
- ii) Washing Allowance which is paid at the rate of Rs.30 per month to all categories of Group C & D employees who have been supplied with uniforms.
- iii) Cash Handling Allowance paid at rates varying between Rs.75 to Rs.300 per month to LDCs/UDCs/Assistants appointed to perform the duty of Cashier. Group D staff assisting Cashier in depositing or bringing cash from bank is paid special allowance at the rate of Rs.30 per month.
- iv) Machine allowance payable at the rate of Rs.100 per month to the staff working on Multi-purpose counter machine in post offices.
- v) Care Taking Allowance payable at the rate of Rs.100 to Rs.200 per month to Group C & D employees deployed on caretaking duties.
- vi) Night Duty Allowance payable at the rate of Rs.25 to Rs.34 to Cipher Assistants in MEA.
- vii) Split Duty Allowance payable at the rate of Rs.100 per month to Sweepers and Farashes in the Central Secretariat/allied offices performing split duties where the break in between the shift is at least 2 hours and who have not been provided residential accommodation within 1 Km. of the office premises.

Analysis

4.2.80 Continued grant of Cycle Allowance, Washing Allowance, Cash Handling Allowance, Special Allowance, Care Taking Allowance, Night Duty Allowance and Split Duty Allowance appears justified on functional considerations. The rates of these allowances may, therefore, need to be enhanced appropriately. No rationale, however, appears for continued grant of Machine Allowance in post offices. This allowance, therefore, may need to be withdrawn.

Recommendations

4.2.81 The Commission recommends doubling of the extant rates of Cycle Allowance, Washing Allowance, Cash Handling Allowance, Special Allowance, Night Duty Allowance and Split Duty Allowance. Similarly, rates of allowances specific to

different Ministries/Departments/Organisations not covered in this Report will also be doubled. The rates of these allowances will be increased by 25% every time the Dearness Allowance payable on revised pay scales goes up by 50%. Simultaneously, Machine Allowance should henceforth be withdrawn. Caretaking allowance is discussed in Chapter 3.8 on Common Categories.

LTC & other benefits

Introduction

4.3.1 Leave Travel Concession (LTC) is presently available to all persons appointed to Civil Services and posts including civilians in the defence services and members of All India Services serving in Central Government. Employees with one year of continuous service on the date of journey performed by them/their family are eligible. Railway employees and Government employees whose spouse is working in Indian Railways/National airlines are not eligible for LTC as they are entitled for free rail/air passes from their respective organisations. Under the LTC scheme, a Government employee and his/her family can travel to the declared home town once in a period of two calendar years. Journey on LTC can also be performed to any place in India in lieu of one of the two journeys to Home Town in a block of 4 years. The employees have the option of availing LTC to home town once every year. In that case they are not entitled to LTC to anywhere in India.

Demands

4.3.2 The Commission has received a large number of demands relating to LTC. Most of these demands seek an increase in the frequency of LTC or facility of travel anywhere in the world at least once in the entire career under the scheme or encashment of LTC.

Analysis of demands

4.3.3 The scheme of LTC was introduced to enable Central Government employees to discharge their social obligations at their home town as well as to acquaint themselves with different regions and cultures in the country. The facility was never intended as a supplement to the pay. The issue of encashment of LTC was also considered by the Fifth CPC who negated the demand for giving cash compensation in lieu of LTC. This Commission endorses the view of the Fifth Central Pay Commission. **Accordingly, the demand for paying cash compensation in lieu of LTC cannot be accepted.**

4.3.4 The demand for allowing travel abroad at least once in the entire career under the scheme is not in consonance with the basic objective of the scheme. The Government employee cannot gain

any perspective of the Indian culture by traveling abroad. Besides, the attendant cost in foreign travel would also make the expenditure under this scheme much higher. **The Commission is, therefore, not inclined to concede the demand to allow foreign travel under LTC.**

4.3.5 As regards the frequency of travel allowed under LTC, it is noted that an employee having his/her family at home town can avail of this concession for self alone every year instead of availing it for both himself/herself and family once in two years. The benefit of LTC to any place in India is also not available in this case. While this provision allows the employee to travel to meet the family every year, it curtails the facility for the family members who cannot make use of this benefit at all. The Fifth CPC had recommended that Government employees who are posted outside their home town should be given an option to avail of the concession to travel to their home town on three occasions in a block of four years by surrendering their claim to the all India LTC. The Government, however, has not implemented this recommendation. The Commission is of the view that the problem of traveling to home town is more acute for young officials as at that time the requirement to visit home town is higher and also the salaries are not sufficiently high to permit even annual travel on their own cost to their home town. Clearly, a more liberal LTC package needs to be given to the officers during their early career in the Government. **The Commission, accordingly, recommends that Central Government employees should be allowed to travel to their home town along with their families on three occasions in a block of four years and to any place in India on the fourth occasion. This facility shall be available to the Government officers only for the first two blocks of four years applicable after joining the Government for the first time. The blocs of 4 years shall apply with reference to the initial date of joining the Government even though the employee changes the job within Government subsequently. The existing blocks will remain the same but the entitlements of the new recruit will be different in the first eight years of service. All other provisions concerning frequency of travel under LTC are proposed to be retained.**

Recommendations 4.3.6 Presently, entitlements for class travel under LTC are slightly more strict vis-à-vis the travel entitlements during official tours and transfer. The Commission is of the view that travel entitlements under LTC should also be same as those on official tour and transfer. **It is, therefore, recommended that travel entitlements, whether for the purpose of official tour/transfer or LTC, should be same but no daily allowance shall be payable for travel on LTC. Further, the facility shall be admissible only in respect of journeys performed in vehicles operated by the**

Government or any Corporation in the public sector run by the Central or State Government or a local body.

4.3.7 Presently, the definition of family for the purposes of LTC includes parents and/or stepmother residing with and wholly dependent on the Government employee. Stepfathers residing with and wholly dependent on the Government employee are denied the benefit available to similarly placed stepmothers. The definition also places an unreasonable restriction in such of those cases where parents, despite not having any source of income and being totally dependent on the Government employees, continue to live in the native place. The parents in such cases are denied the option to travel to the place of posting of the Government official under LTC. **The Commission, therefore, recommends that parents and/or step parents (stepmother and stepfather) who are wholly dependent on the Government employee shall be included in the definition of family for the purpose of LTC irrespective of whether they are residing with the Government employee or not. The definition of dependency is being linked to the minimum family pension for all purposes. Accordingly, all parents and/or step parents whose total income from all sources is less than the minimum family pension prescribed in Central Government and dearness relief thereon would be included in the definition of family for this purpose. The extant conditions in respect of other relations included in the family including married /divorced /abandoned /separated /widowed daughters shall continue without any change.**

***Recommendations
for defraying
incidentals***

4.3.8 Another demand frequently made concerns defraying the incidental expenses during LTC. The Fifth CPC had considered the issue and recommended encashment of Earned Leave of 10 days along with LTC subject to a maximum of 60 days in the entire career. The Earned Leave so encashed during LTC was, however, deductible from the maximum limit of Earned Leave encashable at the time of retirement. The recommendation was accepted by the Government but has not been of much use to the Government employees as any prudent employee would like to preserve the maximum available encashment for their retirement. Many employees, especially those belonging to Group C and D, are loath to utilize the benefit of LTC because they are unable to bear the incidental expenses involved on travel. This is not justified. The Commission would like to rectify this situation. It is, accordingly, recommended that **while encashment of Earned Leave upto 10 days along with LTC to the extent of total of 60 days may be continued, the leave encashed at the time of availing LTC should not be deducted from the maximum amount of Earned Leave encashable at the time of retirement. Consequently, the employees would be eligible to encash 300 days of Earned Leave**

at the time of their retirement, even though they may have encashed Earned Leave of upto 60 days during their career while availing LTC, whether to their home town or to any place in India. Insofar as Railways is concerned, the employees shall be allowed to avail of this encashment at the time of availing of passes for a maximum of 60 days in the entire career subject to the condition that successive encashment cannot be made before a minimum period of two years has elapsed.

Over Time Allowance and Bonus

Over Time Allowance

4.4.1 Prior to Fifth Central Pay Commission, all non-gazetted employees in receipt of monthly basic pay of upto Rs.2200 were entitled to Over Time Allowance for performing duties beyond the designated working hours. The Fifth Pay Commission had recommended abolition of Over Time Allowance for all categories except the Staff Car Driver, operational staff and industrial employees. The Pay Commission had also recommended that the staff deployed on weekly off days should be given a compensatory leave rather than any cash compensation in the form of OTA or otherwise. The recommendations of the Fifth CPC were, however, not accepted and status-quo was maintained with notional pay admissible in pre-revised (Fourth Central Pay Commission) pay scales being taken into account for this purpose.

Recommendations

4.4.2 The emphasis of this Report is to herald a proper work culture and result orientation in all the Government offices with increased productivity and efficiency being rewarded in the form of Performance Related Incentive Scheme (PRIS) that will be payable as an extra component over and above the salary. In such a scenario, continued payment of Over Time Allowance will be totally without any justification. **The Commission, accordingly, recommends abolition of compensation in the form of Over Time Allowance or any other similar allowance to any of the Central Government employees except those belonging to the categories of operational staff and industrial employees governed by statute. The categories of operational staff and industrial employees who are governed by statutory provisions will need to be paid this allowance in accordance with the extant rules and instructions because payment of this allowance in their case is a statutory requirement.**

4.4.3 In regard to bonus, the Terms of Reference of the Commission are as follows:-

“F.To make recommendations with respect to the general principles, financial parameters and conditions which should

govern payment of bonus and the desirability and feasibility of introducing Productivity Linked Incentive Scheme in place of the existing ad hoc bonus scheme in various Departments and to recommend specific formulae for determining the productivity index and other related parameters.”

4.4.5 Presently, Productivity Linked Bonus (PLB) schemes exist in industries run departmentally like Railways, Post & Telegraphs, etc. In other departments where, in view of the Government, the nature of the work placed limitations on measuring productivity of the employees, non-PLB bonus is paid. The amount of non-PLB bonus is determined by Department of Expenditure and announced every year. In accordance with the terms of reference, the Commission has, after analyzing the existing PLB schemes, made recommendations regarding the general principles and financial parameters which should govern these schemes. As far as the ad-hoc bonus scheme is concerned, the question of its replacement by productivity linked scheme and the specific formulae to be followed has been considered.

***Background of
PLB***

4.4.4 Workers employed in industrial establishments are entitled for bonus under the Payment of Bonus Act, 1965. The Act originally provided for a minimum bonus of 4% of pay including dearness allowance. The minimum limit of 4% was raised to 8.33% from 1971-72 onwards. In 1966, the Government decided that the benefits available under the Bonus Act will also be extended to other industries that were hitherto outside the purview of the Act. Subsequently, the employees of Government industries run departmentally like Railways etc. started demanding bonus as well. The Railway employees also went on strike on this issue in 1974. The PLB scheme was implemented for the first time in Railways in 1979 and the functioning of the scheme was reviewed in 1982-83 by the Bazle Karim Committee. This Committee recommended the evolution of PLB for all the Government employees as a whole. However, evolving a formula under which such PLB could be extended to all the employees was not found feasible and presently, the Government employees not covered by the PLB are paid bonus as per the Ad-Hoc Bonus Scheme.

Recommendations

4.4.5 PLB, as the name suggests, has to have a linkage with the increase in profitability and productivity of an organization. It is based on the assumption that the increased profitability/productivity is primarily due to the endeavor and efforts of the employees who should, therefore, be rewarded for such increase. If bonus scheme is to meet its objectives, the nexus between payment of bonus and the increase in productivity/profitability has to be drawn clearly in discernable

and quantifiable financial parameters. The Commission has separately recommended introduction of Performance Related Incentive Scheme (PRIS) in various Government organisations. PRIS will be payable over and above the salary and will be based on the productivity and the attendant savings made to the Government on this account. A portion of these savings would then be paid to the concerned employee/group of employees. The full contours of the scheme are discussed in Chapter 2.2. Ultimately, PRIS should replace the existing schemes of bonus, whether productivity linked or ad-hoc. **The Commission, accordingly, recommends that all Departments should ultimately replace the existing productivity linked bonus schemes with Performance Related Incentive Scheme. The ad-hoc bonus schemes should cease immediately and be replaced with PRIS. In places where PLB is applicable and it is not found feasible to implement PRIS immediately, the existing productivity linked bonus schemes may be continued in a modified manner where the formula for computing the bonus has a direct nexus with the increased profitability/productivity under well-defined financial parameters and in the meantime, PRIS can be tried out on pilot basis for some selected areas of work.**

PLB Schemes in specific organisations

4.4.6 Although the Commission recommends that all PLB schemes should also be replaced by PRIS, the existing PLB schemes in 3 of the largest departments/ministries in Government of India were examined to analyze critically the extant formulae and the nexus between the increased profitability/productivity and payment of bonus under these formulae so as to correct any infirmities till such time PRIS is implemented. These 3 departments/ministries are: -

Department of Posts
Ministry of Railways
Ministry of Defence (Ordnance Factories)

PLB scheme in Department of Posts

4.4.7 In Department of Posts, formula for computing PLB was based on the performance of the year 1976-77 for which 25 days wages as bonus is payable. The productivity for the base year i.e. 1976-77 is taken as 100. For each point increase beyond the base figure of 100, 1 day's additional bonus is payable over and above the 25 days wages. Similarly, for every 0.75 decrease below the base figure, the bonus is to be reduced by 1 day. The point increase/decrease called Productivity Index (PI) is computed by the following formula :-

$$PI = \frac{\text{Total workload in equivalent units}}{\text{Total staff [All Departmental staff + 18.7\% of GDS (BPM*) and 50\% of other categories of GDS]}}$$

*Branch Post Master of GDS.

The above formula had resulted in payment of bonus of 65 days in 2002-03. In 2003-04, the formula would have resulted in payment of PLB equal to 74 days wages. However, Department of Expenditure (whose approval is essential before any PLB can be declared by any individual department) had allowed payment of ad hoc bonus equal to 60 days wages for the said year. Earlier, a ceiling of 40 days existed in so far as payment of PLB to Department of Posts employees was concerned. In 1998, the Government approved removal of this ceiling of 40 days and also approved the revised formula presently in vogue for calculating the PLB as a transitional arrangement till arrangements for Multi Stage Stratified Random Sample Survey were operationalised. The transitional arrangements for computing the PLB was to be used only till 2002-2003 with a revised formula being operationalised in the year 2003-04. This could not be done as the requisite survey had not been completed. Accordingly, for the year 2003-04, the Department of Posts gave PLB to its employees on ad-hoc basis. The position has not changed much as a formula based on Multi Stage Stratified Random Sample Survey has not been finalized till date. Department of Posts, instead, has favored continuing the interim formula for payment of PLB on a permanent basis with the only modifications that:-

- (i) the weightage given to Gramin Dak Sevaks (GDSs) is changed from existing 18.75% to 50% of the actual strength of permanent staff; and
- (ii) the volume of the unregistered traffic is estimated on the basis of the revenue accruing from unregistered articles (excluding revenue generated from Money Order commission) with reference to the base year 1995-96.

Analysis of the extant formula

4.4.8 The formula of Department of Posts for computing PLB is not satisfactory as it does not operationalise the Multi Stage Stratified Random Sample Survey as a permanent method of computing PLB for its employees. Further, it also suffers from an apparent infirmity in the computation of the total workload in equivalent units, as under the existing formula, computation of the total workload in equivalent units for the entire year is done by counting all articles at the delivery point twice in a year for a

period of 2 weeks each. The volume of annual traffic is then computed on the basis of the enumerated traffic during these 4 weeks. The revenue from such annual traffic is thereafter calculated by multiplying it with figures of 'average revenue' derived on the basis of a separate annual survey. The estimated total revenue based on this exercise is compared with the accounted revenue from the sale of stamps and stationary minus the revenue generated through registered posts. A correction factor is thereafter applied. Past trends have invariably showed that the estimated total revenue worked out as per the above exercise is invariably higher than the actual revenue generated. In fact, in the past, the administrative department itself has applied a correction factor of as high as 70% to rectify this mismatch. This method of computing the estimated total revenue cannot, therefore, be held as correct. Further, the formula is broadly based on the increase in physical parameters without any reference to the increase in profit in real terms. It also does not take into account the natural increase in output that would be there in any case on account of modern technology that are also being applied in the department. The investments made on modern tools and technologies and which result in an increased output per employee should justifiably be set off against any increase in the revenue so as to arrive at a fair estimate of the increase in productivity on account of the endeavor of the employees alone.

Recommendations 4.4.9 The extant formula for computing PLB in Department of Posts, therefore, does not give the correct picture about the actual productivity of the employees of the department. The formula, therefore, needs to be completely overhauled. As an illustration, far better and accurate way to compute the total revenue would be by taking the actual net revenue generated from sale of stamps/stationary/other items. The base figure could then be drawn with reference to the average net revenue generated in the last 3 years. The ratio of these figures as adjusted to neutralize the effect of increase in the prices of various products and infusion of new technology would give a very good indication of the increase in productivity and be utilized to give PLB to the employees concerned. **The Commission recommends that the extant formula for computing PLB in Department of Posts be examined and revised to incorporate the above aspects till the scheme of PRIS is introduced.**

PLB scheme in Ministry of Railways 4.4.10 PLB Scheme for Railways employees was introduced in 1979 and is reviewed every three years. The principles of Payment of Bonus Act were kept in view while evolving this scheme. Productivity Linked Bonus in Ministry of Railways is payable to all non-gazetted Group 'B', 'C' and 'D' employees (excluding

RPF/RPSF personnel) in the Railways. Where wages of the employees exceed Rs.2500 per month, PLB payable is calculated assuming their wages to be Rs.2500 per month. The limit of Rs.2500 was revised in 1993-94 and has remained unchanged since then. The Fifth CPC had recommended that the existing calculation ceiling of Rs.2500 per month should be retained.

Analysis of the formula

4.4.11 The existing formula for computing PLB in the Railways is rather complex and based on the ratio between the productivity index in the year under consideration and the base year productivity index. The result and figure is multiplied by the actual PLB paid during the last 3 years to arrive at the PLB for the year. The base year productivity index is the ratio of average Equated Net Tonne Kilometers (ENTK) to the average total number of non-gazetted employees for the years. This details of the PLB formula are as under:-

$$\text{PLB} = \frac{\text{Productivity Index X Average Number of PLB days paid during the base index years}}{\text{Base year productivity index}}$$

In this formula

$$\begin{array}{l}
 \text{Average Number of PLB Days Paid} \\
 \text{During the Base Index Years}
 \end{array}
 = \begin{array}{l}
 \text{Ratio of average PLB paid} \\
 \text{during the last 3 years.}
 \end{array}$$

Base Year Productivity Index denotes the ratio of Average ENTK to the Average of Non-Gazetted Group 'B', 'C' and 'D' staff for the last 3 years.

$$\text{Productivity Index} = \frac{\text{Output}}{\text{Input}}$$

Where

$$\begin{aligned}
 \text{Output} = & \text{Equated Net Tonne Km. (ENTK)} \\
 & [\text{i.e. Total Goods Revenue Net Tonne Kms. +} \\
 & (\text{Non-Suburban Passenger Kms. X 0.076}) + \\
 & (\text{Suburban Passenger Kms. X 0.053})].
 \end{aligned}$$

And

$$\begin{aligned}
 \text{Input} = & \text{Total strength of Non-Gazetted staff +} \\
 & (\text{Total strength of Non-Gazetted Group 'B', 'C'} \\
 & \text{and 'D' Staff X Percentage increase in the} \\
 & \text{incremental capital})
 \end{aligned}$$

**Percentage Increase
in Incremental Capital =** (Increase in Traction Effort X 0.5) +
(Increase in Wagon Capacity X 0.2) +
(increase in Coach Capacity X 0.3).

Recommendations 4.4.12 The existing formula is, therefore, based purely on physical parameters without any reference to the financial viability and does not take into account the capital investments made by the Railways in areas other than the Rolling Stock. This means that capital investments made by Ministry of Railways in various staff welfare measures like providing for housing, medical facilities, subsidized catering etc. are not taken into account for purposes of computing the PLB. Other factors like quality of service, customer satisfaction, punctuality etc. also are not given any weightage. **A new formula for computing PLB that is based on financial parameters and where profit is computed as per the established principles of commercial accounting, wages with appropriate adjustments for increases, the impact of capital investment; element of subsidy, etc. would, therefore, need to be devised in case the PRIS is not implemented immediately in Ministry of Railways. The Commission recommends accordingly.** As an illustration, keeping in view the existing methods of accounting, a formula for computing PLB in Railways is given in Annex 4.4.1 of the Report for reference of the administrative ministry.

PLB scheme in Ordnance factories 4.4.13 The PLB scheme in various production units under Ministry of Defence was originally implemented in August, 1980. The scheme covers only the civilian employees and Defence Forces personnel are not covered under it. The PLB in the initial years varied between 25 days in 1980-81 to 36 days in 1985-86. The PLB scheme in Ordnance Factories was last revised in 2000. Average Piece Work Profit of the Ordnance Factories forms the basis to determine PLB payable in a year. The revised PLB formula has a base of 30 days for 25% Piece Work Profit and for every 2% increase in Piece Work Profit, one additional day of PLB will be payable provided that this payment for more than 30 days will be due only when Piece Work Profit exceeds the index of 25% by 4% i.e. in other words for 29% PW profit, the PLB payable will be 31 days. Thereafter, for every 2% increase, PLB will increase by one day. If the average Piece Work Profit exceeds 30% in any year, it is restricted to 50% for purposes of PLB. PLB is thus not paid in excess of 41 days in any year. In case average Piece Work Profit percentages fall below 25%, the PLB is to be reduced, i.e. if the Piece Work Profit falls by 4% below 25%, PLB will be reduced by one day (if Piece Work Profit is 21% PLB will be paid for 29 days). Then for each subsequent reduction of 2%, PLB will be reduced by one day. Under the existing scheme, Ordnance Factory Board is

required to review the standard man-hours for jobs whenever there is a change in production processes or when new labour saving machines are introduced. While the present formula for payment of PLB in Ordnance Factories takes into account the piece work profits and aspects related to changes in technology, care must be taken to ensure that proper discounting is done when revision in salary are carried out so that the mere impact of increase in salary does not entitle the employees to higher PLB.

Concluding remarks

4.4.14 The Commission would like to observe that the extant formulae of paying PLB in none of the 3 major ministries/departments are geared towards rewarding an actual increase in productivity/efficiency. The introduction of PRIS will ensure that actual performance of each employee or group of employees is measured using objective criteria and incentive given based on performance rather than uniformly across the organisation. The concerned Ministries should, therefore, seriously consider devising an appropriate PRIS. The Government, as a policy, should also consider replacing all form of bonus schemes by that of PRIS. **It is also clarified that in the revised scheme of emoluments being recommended by the Commission, all increase in productivity/profitability should reflect in form of PRIS. The ad-hoc bonus schemes should cease immediately and be replaced with PRIS. Payment of Bonus with the modified formula in PLB schemes shall be continued only till the time a scheme for implementing PRIS is formulated. This should be done within the time period of three years, after which all incentives presently being paid in form of bonus, etc. shall be allowed only in form of PRIS. The Government may also implement the scheme of variable increments for all groups of employees to reward individual performances.**

Holidays and leave facilities

Introduction

4.5.1 Various offices of the Central Government are allowed 17 closed days in a year including the three National Holidays and 14 Gazetted Holidays. Additionally, Central Government employees are also entitled to avail of 2 Restricted Holidays in a year. Over and above this, civilian Government employees are allowed 8 days Casual Leave, 20 days' Half Pay Leave (which can be commuted to Medical Leave) and Earned Leave of 30 days. Government employees are also entitled to Study Leave and Extraordinary Leave separately.

Present position and the view of earlier Pay Commissions

4.5.2 The issue of the large number of holidays has to be examined in the light of the fact that the Government offices observe five day week which result in over 104 Saturdays and Sundays as off days every year. The Fifth Central Pay Commission had strongly recommended keeping the Central Government Offices closed only on the three National Holidays with the individual employees being permitted to avail of a larger number of Restricted Holidays annually to enable them to celebrate their festivals and other occasions of special significance and interest. The Fifth CPC had also recommended revival of the six day week along with second Saturday of the month being declared as a closed holiday. This was the position that existed prior to the introduction of the five day week.

Analysis

4.5.3 As far as Gazetted Holidays are concerned, the position, as rightly elucidated by the Fifth Central Pay Commission, is that the proliferation of these holidays is primarily due to festivals. In a culturally diverse nation like India, once the principle of declaring holidays on festivals is allowed, the number of holidays cannot but increase to a very high figure in order to accommodate the sentiments of the different communities and segments within the society. The Fifth CPC had observed that in order to promote a sense of true secularism, festivals should be treated as personal to individual employee. These observations are justified and the principle has to be accepted unreservedly to curtail closure of Government offices on different occasions which inconveniences the public at large. It has to be understood that uniform closure of

all governmental organizations, which incidentally also includes Banks especially Nationalized Banks, commercial establishments, educational institutions, etc. not only hinders production activity, trade and commerce but also causes inconvenience to the public and a great deal of misery to the various daily wage earners whose existence depends on their daily earnings.

Declaration of holidays on demise of leaders

4.5.4 Apart from the recommendations relating to closure of Government offices on various festivals, the Fifth Central Pay Commission had also made recommendations regarding declaration of holidays on demise of leaders. The recommendation of Fifth CPC relating to declaration of holidays on demise of leaders has been accepted by the Government but the recommendations on revival of the six day week and declaration of holidays on festivals have not been accepted.

Six day week

4.5.5 Insofar as the issue of revival of the six days week is concerned, it is seen that most of the States are now following the five day week pattern. It is observed that the major factor for the introduction of five day week, apart from conserving electricity etc., was that the same would provide more time to the employees for rest and recreation and also enable them to fulfill their domestic and social obligations. This premise holds true even now and actually contributes to their physical and mental well-being and consequently to increase of efficiency. As more and more women are now joining the Government, the five day week facilitates them to look after their dual responsibilities in a better manner. It is also noteworthy that loss of one working day in a week was compensated by a corresponding increase in the daily working hours which continue to be 40 hours per week. In all the developed countries with high level of productivity and better work ethics, five day week is almost universally in vogue. The five day week is now well entrenched and accepted by all the Government employees and reverting to the six day week at this stage would lead to discontent amongst Government employees without any commensurate benefits accruing in terms of productivity and efficiency. **The Commission, therefore, recommends continuation of the five day week in the offices of the Central Government.**

Holiday policy

4.5.6 As regards the issue of holidays, there can be no rationale for observing a large number of closed holidays in the Government along with a five day week. It is also very true that in a secular nation, religious festivals should be treated as personal to each individual employee without the Government offices having to be closed on that account. Keeping in view the recommendations of the Fifth Central Pay Commission in this regard, **the Commission**

recommends that, henceforth, the Government offices should remain closed only on the 3 National holidays. No other closed holidays should be allowed. To enable the Government employees the freedom to celebrate their festivals and other occasions of special significance to them, the number of Restricted Holidays available to an employee shall be increased to 8 with the list of Restricted Holidays being suitably enlarged to include all the erstwhile Gazetted Holidays therein. The Commission is aware that on few occasions, it may not be possible to open the office due to local considerations like lack of availability of adequate transport facilities on that day or some other practical problem. Every Head of Department (HoD) should, therefore, be allowed the option of declaring the office closed for a maximum of two Restricted Holidays in a year based on local considerations. These days should be decided by the HoD at the beginning of the year in consultation with the Staff Side of the organization and be prominently displayed in the office premises. All employees of the office will be deemed to have availed Restricted Holiday on those two days. This will not only ensure that Government offices remain open for a larger number of days even though a few employees may be absent on certain specific occasions but will also allow sufficient leeway to the individual organizations to keep the office closed on upto 2 specific occasions in a year when it is not practical to run the office. The number of Casual Leave, Half Pay Leave and Earned Leave available to Government employees shall remain unchanged. In Chapter 4.8, the Commission has recommended 12 days casual leave for physically disabled employees. The number of casual leave for this category of employees, therefore, will stand increased to 12 days. From 1/9/1981, Teachers, Principals and Head Masters working in schools and from 28/7/1984, Librarians, Laboratory Assistants and Watermen working in schools have not been allowed the facility of half pay leave. This facility needs to be restored for these categories as the present rules place them in difficulties in times of sickness, etc. These categories should be made eligible for half pay leave on par with other Central Government employees.

Advances

Introduction

4.6.1 Two types of advances are available to the Government employees. These are:-

- (1) Interest free advances; and
- (2) Interest-bearing advances

4.6.2 The details of these advances are as follows:-

Interest free advances

Name of advance	Amount (Rs.)	Eligibility
1. Advance of Pay on transfer	1 months pay. 2 months pay in case of transfer due to shift of headquarters as a result of Government policy.	Available to all officers transferred to another station in public interest
2. Advance of T.A. on tour/ transfer/ retirement	An amount sufficient to cover the officials' personal traveling expenses for a month or six weeks in case of prolonged tours	All cases where TA is admissible.
3. Advance of T.A. to the family of a deceased Government employee	Limited to 3/4 th of the probable expenses admissible under the rules	Same as for retirement/transfer
4. Advance of LTC	Upto 90% of the fare.	All eligible Central Government employees

Name of advance	Amount (Rs.)	Eligibility
5. Leave Salary Advance	An amount not exceeding the leave salary including the allowances for the first 30 days of leave after making due deductions.	All officials provided the leave taken is not less than 30 days.
6. Advance in connection with medical treatment	90% of the package deal for specific major illnesses. Rs.10,000 for indoor treatment or outdoor treatment of 3 months or less for cancer. Rs.36000 for treatment of TB where duration is more than 3 months.	Admissible to all Central Government employees.
7. Festival Advance	1500	Non-gazetted employees whose basic pay plus DP plus stagnation increment does not exceed Rs.12,450 p.m.
8. Advance in the event of natural calamity like flood, drought, cyclone, etc.	2500	Only non-gazetted employees
9. Advance for training in Hindi through Correspondence Course.	150	For those Central Government employees who undergo training through Correspondence Course conducted by the Central Hindi Directorate

Interest-bearing advances

Name of advance	Amount (Rs.)	Eligibility
1. Advance for purchase of warm clothing.	1500	All Group C & D employees posted at a hill station either on first appointment or on transfer, for a period of not less than one year
2. Advance for purchase of table fan.	1000 or actual whichever is less	Group D employees
3. Advance to Postal and RMS Inspectors for purchase of typewriter.	1500 or actual, whichever is less	Inspector of Post Offices/Inspector of RMS
4. Advance for purchase of conveyance, i.e.		
motor car,	1,80,000 for first time 1,60,000 subsequently	Officials drawing pay of Rs.15,750 p.m. or more.
motor cycle/ scooter	30,000 for first time 24,000 subsequently	Officials drawing pay of Rs.6900 p.m. or more.
bicycle	1500	Non-gazetted Government employee with pay not exceeding Rs.7500 p.m.
5. Advance for purchase of Personal Computer	80,000 for first time 75,000 subsequently	Same as for Motor Car Advance
6. Advance for construction/ purchase of house/flat/ enlargement of living accommodation	7,50,000	All permanent officials or officials with at least 10 years of continuous service

4.6.3 Apart from above, two more interest free advances are also available to Government employees. These are advance on first appointment/deputation and leave ex-India and advance in connection with legal proceedings.

*Interest Free
Advances*

4.6.4 It is observed that the interest free advances are usually given to defray the cost of purchasing tickets etc. on tour, transfer, travel, retirement or in connection with medical treatment, legal proceedings or for taking training in certain specified courses. Apart from this, interest free advances of small amounts are also given to some categories of non-gazetted employees in specific circumstances like festivals and in calamities. These advances are recovered from the employees within a short period. The interest free advances may, therefore, need to be continued. **The Commission, accordingly, recommends that the existing amount of following interest free advances should be doubled:-**

- Festival Advance
- Advance in the event of natural calamity like flood, drought, cyclone, etc.
- Advance for training in Hindi through Correspondence Course.

The rates of these allowances shall be increased by 25% every time dearness allowance on revised pay bands increases by 50%.

4.6.5 **All other existing conditions in respect of various interest free advances shall be maintained without any change.**

*Interest Bearing
Advances*

4.6.6 Insofar as interest bearing advances are concerned, the Commission is of the view that the loan for purchase of typewriters should be dispensed with as these are no longer relevant after introduction of computers. Advance for purchase of table fan is available only to Group D employees who are, in any case, being upgraded to Group C. Consequently, no need exists to retain this advance. Other advances include some advances for Group C or non-gazetted employees like warm clothing advance and bicycle advance. Some advances are given for major items like purchase of houses, vehicles etc. These advances will, therefore, need to be continued so as to facilitate their purchase by the Government employee. Advances for purchase of warm clothing and bicycle are for small amounts and are mainly utilized by employees drawing lower salaries. It may, therefore, not be appropriate to charge interest on these two advances. **The Commission, accordingly, recommends that no interest should be charged on advances for purchase of warm clothing and bicycle. Like in the case of other interest free advances, the existing rates of advances for purchase of warm**

clothing and bicycle should also be doubled. Insofar as grant of advances for purchase of major items like motorcar, house, etc. is concerned, it is observed that the grant of these advances by the Government locks up Government funds for a long period that could otherwise be used for other welfare purposes. Further, as the amount available for being given as advances is specified, all Government employees wanting to avail these advances do not always get them despite being eligible as sufficient funds are not available under that head. Although the advances are interest-bearing, these incorporate an inherent interest subsidy since the interest is only paid after the principal has been fully repaid and simple interest is chargeable on the advance. The rates of interest payable by the employee, therefore, are somewhat lower than the existing market rates. The Commission is of the view that in order to spread the benefit in a more equitable manner, it is desirable to provide only for the element of interest subsidy and make available various interest bearing advances to Government employees through arrangements with public sector banks. This will not only give the Government employee the freedom to approach the specified bank for a loan but would also simplify the existing procedures saving a lot of administrative work which is presently being done in Government offices for grant of loans and servicing thereof. It will also enable every eligible Government employee to get the requisite loan/advance from the specified bank(s) as shortage of funds under that specific head will no longer be a constraint. Given the size of the Government machinery, the Government can also negotiate with leading PSU banks to offer loans to employees at reduced rates of interest. Banks, keeping in view the large volume, should be able to offer a competitive rate of interest. The deal would be made even more attractive for the Government employees because the Government will give interest subsidy (such subsidy is being given even at present), on the negotiated rate of interest being charged by the specified bank(s). **The Commission, accordingly, recommends that the Government should not give any interest bearing advances. Instead the Government should enter into agreement with leading PSU banks to extend this facility at pre-determined competitive rates to Government employees. While the employee shall take the loans/advances directly from the bank with the approval of the sanctioning authority in the Government and also repay the installments directly to the bank. The Government will give an interest subsidy equal to 2 percentage points in rate of interest being charged by the bank to the employee. The interest subsidy for employees with disabilities will be equal to four percentage points in the rate of interest being charged by the bank. Simultaneously, the existing limit of various interest bearing advances should also be doubled for the purpose of getting the subsidy. This limit should automatically be increased by 25%**

every time the dearness allowance payable on revised pay bands goes up by 50%. The eligibility for taking the advances should also be removed because the repaying capacity would, in any case, be considered by the concerned bank at the time of processing the loan application. This will also extend to the ceiling of Rs.18 lakhs presently prescribed on the cost of house for purposes of house building advance. Therefore, this ceiling should also be removed.

Women employees in Central Government

- Introduction* 4.7.1 As per the Census of Central Government employees, 2001, women constitute 7.53% (2.92 lakhs) of the total regular Central Government employees. The participation of women is the highest in the Communications and IT Ministries. Ministries of Defence and Railways also have a substantial number of women employees.
- Views of previous Pay Commissions and present scenario* 4.7.2 Keeping in view the dual responsibilities borne by working women and the increasing practical difficulties in balancing work and family responsibilities, previous Pay Commissions made recommendations for providing special facilities for women in terms of provision of residential accommodation for single women, provision of transport facilities, introduction of concepts such as flexi-time and flexi-place on trial basis, options for working half time during the period that children are young, etc. The provisions made by the Central Government for women employees include age relaxation for appointment in Group 'C' and 'D' posts, exemption from educational qualifications for compassionate appointments to widows of deceased Government employees, maternity and paternity leave benefits, guidelines for provision of crèche facilities as well as for posting of husband and wife at the same station.
- Demands of the Staff Side* 4.7.3 In the memoranda received by the Sixth Pay Commission, it has been suggested that earlier recommendations of flexi-time, flexi-place as well as half day working should be implemented and that the guidelines for posting of husband and wife at the same station made mandatory. Other suggestions in regard to women employees include provision of rest rooms and refreshment rooms at the work place, safe transport facilities, child care allowance at the rate of Rs.1000 per child till the child attains the age of 10, voluntary retirement for women after 15 years of service, etc.
- Position in other countries* 4.7.4 A number of countries have provided facilities to working women by either providing for longer maternity leave or day-care centers, staggered working hours to start and finish work early or late, restricting overtime and late night working, part time leave of up to two hours a day till the child is 3 years old, child-care leave which can be divided into periods for both parents to take care of the child alternately, spouse maternity leave, etc.

Recommendations 4.7.5 The Commission has studied the facilities provided in other countries and taken into account the demands made in this regard. It is the considered opinion of the Commission that adequate facilities need to be provided to ensure that more women take up public employment and to enable them to balance the dual responsibilities of looking after children and work. In pursuance of this, the Commission makes the following recommendations: -

- (i) The concept of staggered working hours needs to be introduced for women employees as it would give flexibility to employees to work either early or late depending on their requirements at the home front. Under this scheme, 11 AM to 4 PM will be core hours during which all women employees will necessarily need to be present in the office. They will, however, have the option of either coming upto one and a half hours earlier or leaving upto two hours late depending upon the actual time they have clocked in. The time may be adjusted in case the office follows different work hours. For this arrangement to succeed, biometric entry/exit would be required.
- (ii) The concept of child care leave exists in countries like Japan & Netherlands where women employees are allowed leave to look after the needs of their children. A similar facility needs to be extended in Central Government as it will facilitate women employees to take care of their children at the time of need. All women employees having minor children may, therefore, be allowed total leave of upto two years (i.e. 730 days) for taking care of upto 2 children whether for rearing the children or looking after any of their needs like examination, sickness, etc. Child care leave should also be allowed for the third year as leave not due. However, no child care leave shall be given for a child who is eighteen years of age or older.
- (iii) Although instructions exist in regard to setting up of day-care-centers/crèches in offices or major residential areas, most Departments have not created such facilities. The setting up of these crèches should be made mandatory in offices where the employees, male and female, have pre-school or primary school going children. This will enable male employees also to keep their children in such crèches. These crèches could also be run on contributory basis so that appropriate standard of facilities is maintained.
- (iv) Maternity leave of 135 days is presently permitted to women employees for two children. Further, leave up to a

period of one year can be availed of in continuation of maternity leave. Keeping in view the guidelines of Ministry of Health & FW which recommends nursing of children till the age of 6 months, the Commission recommends that maternity leave should be increased from 135 days at present to 180 days. Further, the period of leave which can be availed of in continuation of maternity leave should be increased to 2 years instead of one year at present.

- (v) One of the major problems faced by single working women is that of residential accommodation. The Commission recommends that Government should address this issue in all seriousness and either build or lease working women's hostels so that the initial years of service are smooth.
- (vi) Government has enacted several legislations for the protection of women such as the Domestic Violence Act. It is recommended that the provisions of these Acts may be incorporated in the CCS (Conduct) Rules and violations should call for disciplinary action. Government will, therefore, serve as an example by ensuring that provisions of these Acts are first implemented within.
- (vii) Insofar as Transfer TA is concerned, only one transfer grant is permitted if the transfer of husband and wife takes place within 6 months of each other from the same place to the same place. This condition places unreasonable difficulty because the transferred spouse has to take some essential household items even for periods less than six months. It is recommended that fifty percent of the transfer grant on transfer should be allowed to the spouse transferred later in case the transfer takes place within six months but after 60 days of the transfer of the spouse transferred earlier. No such transfer grant shall be admissible in case where both the transfers are ordered within 60 days. The existing provisions shall continue in case of transfers after a period of six months or more. Other rules precluding transfer grant in case of request transfer or transfer other than on public interest shall continue to apply unchanged in their case.

Persons with disabilities in Central Government

Introduction

4.8.1 Government of India has given various incentives for employing persons with disabilities. Three percent reservation is given to persons suffering from:-

Blindness or low vision;
Hearing impairment;
Locomotor Disability or cerebral palsy;

Persons with minimum disability of 40% or higher are eligible. The 3% reservation in Group C & D is with reference to total strength of the cadre and in Group A & B, it is with reference to identified posts in the cadre. Existing percentage of persons with disabilities in various grades in the Government is as under: -

Group A	3.07%
Group B	4.41%
Group C	3.76%
Group D	3.18%

Facilities currently available

4.8.2 Apart from reservation in the initial appointment, other facilities are also available for these employees. These facilities apply during in-service employment and are briefly enumerated as under:-

- (i) Relaxation in upper age limit of upto 10 years when recruitment is made through open competitive examinations and of 5 years when recruitment is made otherwise through competitive examination.
- (ii) As far as possible, they are to be posted near their native region.
- (iii) Exemption from typing test in case of clerical post.
- (iv) Transport allowance at double the normal rates.

- (v) An employee who acquires a disability during his service cannot be dispensed with or reduced in rank.
- (vi) Promotion cannot be denied to a person merely on the ground of his/her disability.
- (vii) Employees who are disabled or incapacitated on account of causes attributable to or aggravated by Government service are eligible for special benefits under the CCS (Extraordinary) Pension Rules. Similar provisions also exist for Defence Forces personnel.

Demands

4.8.3 Associations of employees with disabilities projected the following demands before the Commission:-

- (i) Provision of necessary facilities in place of work so as to enable them to discharge their functions efficiently.
- (ii) Making available the best prosthetics which would increase their efficiency.
- (iii) Grant of liberal conveyance loans as vehicles have to be specifically modified in their case and are, therefore, costlier.
- (iv) Better facilities for transportation.

Analysis

4.8.4 Proper facilities for employees with disabilities are essential. Vide Notification dated 1st January, 1996, the Government has also notified guidelines for equal opportunities to the persons with disabilities. National Policy for Persons with Disabilities (enunciated in February, 2006) lists out various measures to be taken by the Government for providing gainful employment to persons with disabilities. United Nation's Convention on the Rights of Persons with Disabilities (61st Session held in December, 2006) also stresses the protection of the rights of these persons to just and favorable conditions of work and safe and healthy working conditions. Provisions for the benefit of persons with disabilities are, therefore, not only justified but also mandatory.

Recommendations

4.8.5 A package of benefits over and above the facilities currently available is, therefore, desirable for persons with disabilities working in the Central Government/UTs. **The Commission has made recommendations giving special dispensation to this category in various Chapters of the Report.**

These recommendations are being recounted here. Additionally, some other benefits are also being recommended for persons with disabilities which should be implemented at the earliest :-

- (i) Number of Casual Leave available for employees with disabilities should be 12 days as against 8 days for other employees.**
- (ii) Aids and appliances like dictaphones, braille writing equipments, CD player/tape recorder, low vision aids and other learning equipments that will enable the employees with disabilities to discharge their official functions better should invariably be made available free of charge.**
- (iii) The office environment should be made user friendly for employees with disabilities. This is also in accordance with the guidelines prescribed in the National Policy for Persons with Disabilities which provide for modifications in the designs of machinery work station and work environment necessary for the persons with disabilities to operate without barriers in the office. Specifically, the guidelines direct the Government to ensure that industrial establishments and offices provide disabled friendly work place for their employees with adequate safety standards being developed and strictly enforced. All Government offices have to follow these guidelines. Article 9 of the UN Convention on the Rights of Persons with Disabilities also enjoins upon the States to ensure accessible work place for these persons. These guidelines are contained in paras 50 and 51 of the National Policy of persons with disabilities and have been reproduced in Annex 4.8.1 of the Report. These guidelines should invariably be observed in all Government offices.**
- (iv) A higher interest subsidy (4%) has been recommended for automobile loans for employees with disabilities in the relevant chapter.**
- (v) Liberal flexi hours should be allowed for these employees. Concept of flexi week should be introduced in their case wherein these employees will need to put in the stipulated hours of duty every week which can be calculated with reference to their time of arrival and departure in the office and the number of days they actually attend the office. This is necessary because these employees face difficulties in commuting and also are**

susceptible to higher medical problems necessitating frequent hospital visits. As such, maintaining regular working hours in their case poses many problems that can be alleviated by liberal flexi hours. This will not have any adverse effect on their output or productivity as they will still need to put in the stipulated weekly hours of duty prescribed.

- (vi) Women with disabilities have to face even higher problems while looking after their children. National Policy for Persons with Disabilities mandates the Government to take up a programme to provide financial support to women with disabilities so that they may hire services to look after their children. Article 6 of the UN Convention on the rights of Persons with Disabilities also recognizes the multiple discriminations faced by women and girls with disabilities and provides that all States shall take appropriate measures in this regard. The Government, as a model employer, therefore, has a duty to provide for extra benefits to the women employees with disabilities especially when they have young children. **In view of this, an extra allowance of Rs.1000 p.m. (to be called Special Allowance for Child Care) is recommended for women with disabilities. The allowance shall be payable from the time of child's birth till the child is two years old. It will be payable for a maximum of two children. This allowance will go up by 25% every time the DA crosses 50%. Education allowance for disabled children of Government employees shall be payable at double the normal rates prescribed.**
- (vii) **Higher Transport allowance at double the rates subject to a minimum of Rs.1000 p.m. for persons with disabilities employed in the Government has been proposed in the Chapter on Allowances other than Dearness Allowance.**
- (viii) Government of India has been assisting persons with disabilities in procuring modern prosthetic aids and appliances that reduce the effect of disabilities. National Policy for Persons with Disabilities provides for extension of the availability of these devices further with financial support being provided by the public sector banks for enterprises involved in the manufacture of high-tech assistive devices for persons with disabilities. Government has to ensure that all such employees are able to obtain the most modern devices available that will

enhance their productivity by reducing the effect of disability. Medical Rules may need to be amended so as to allow the best possible prosthetic aids to the physically handicapped employees. **Modification of the extant provisions to provide for Government bearing 50% of the cost exceeding the prescribed limit in case the employee with disabilities opts for a better quality prosthetic aid/appliances whose value exceeds the prescribed limit is, accordingly, being recommended.**

- (ix) **A proper grievance redressal machinery for looking into the interest and welfare of persons with disabilities employed in the Government should be put in place in every office where one or more such employees are posted.**

The aforesaid measures along with the extant provisions should go a long way in alleviating the problems faced by persons with disabilities employed in the Government.

Central Government Employees Group Insurance Scheme & General Provident Fund Scheme

Central Government Employees Group Insurance Scheme

4.9.1 The Central Government Employees Group Insurance Scheme (CGEGIS) was introduced in January, 1982 to provide insurance cover to the employees so as to enable their families to get a lump-sum amount in the event of employee's death. The scheme also envisages a lump-sum payment on cessation of employment. The scheme is wholly contributory and is run on self-financing basis. The rates of subscription and the insurance cover under this scheme vary for different groups. The present rates of subscription and insurance cover for the different categories of employees are as under :

Group	Rate of monthly subscription	Insurance cover
A	120	1,20,000
B	60	60,000
C	30	30,000
D	15	15,000

Subscription under the scheme is apportioned between the insurance fund and the savings fund in the ratio of 30:70. The rates of monthly subscription as well as the insurance cover are supposed to be revised periodically.

Demands & Analysis

4.9.2 The foremost demand from the Staff Side on this issue is for increasing the insurance cover under this scheme. In this context, it is observed that the rates of subscription and insurance cover were last revised in January, 1990. Thereafter, the Fifth CPC, taking in account the erosion in the real value of the rupee, recommended doubling of the rates of monthly subscription as well as the insurance cover available to various categories of employees under this scheme. The Government has not implemented this recommendation till date.

Present position

4.9.3 The rates of subscription and the amount of insurance cover not having been revised for almost 18 years, the insurance cover presently available under the scheme has become totally

inadequate and an amount of Rs.15,000 cannot provide financial support to the family of a deceased Group D employee. Clearly, a need exists to substantially increase the amount of insurance cover provided under the scheme. Since the scheme is self-financing, it will naturally entail an increase in the amount of monthly subscription as well. Another aspect that will have to be kept in view is that the Commission has recommended upgradation of Group D in the Government with all existing Group D employees being upgraded and placed in the entry grade of Group C. Accordingly, no separate slab for Group D would now be necessary. When the rates of subscription and the insurance cover under this scheme were last revised in 1990, the pay scales recommended by Fourth CPC were in vogue. The minimum salary in the Fourth CPC pay scales was Rs.750. As against this, the minimum salary recommended by this Commission for PB-1 pay band is Rs.6660 (Rs.4860 as pay band + Rs.1800 as grade pay). Another factor that will have to be kept in view is that DA equal to 38% of basic pay was payable as on 1/1/1990. The minimum salary as on 1/1/1990 was, therefore, Rs.1035. The increase in the minimum salary between 1/1/1990 and the date of implementation, viz. 1.1.2006, of the pay scales being recommended by this Commission, therefore, works out to more than six times. To restore the actual value of insurance cover provided under the scheme, the present amount for various categories will need to be enhanced by at least six times with a similar enhancement being done in respect of the monthly subscription as well.

Recommendations 4.9.4 **The Commission recommends that the rate of monthly subscription and the amount of insurance cover under the Central Government Employees Group Insurance Scheme should be enhanced as under:-**

Group	Rate of monthly subscription	Insurance cover
A	720	7,20,000
B	360	3,60,000
C	180	1,80,000

Such of those employees belonging to erstwhile Group D who are continuing in the -1S pay band till the time they are retrained will also be covered under the rates of subscription and the amount of insurance prescribed for Group C employees. No other changes are being recommended in the existing scheme. Government should, however, take a view on the apportionment of subscription from employees between the insurance fund and the saving fund keeping in view the changes in the average

mortality rates. This exercise should have no bearing on the rate of subscription and the amount of insurance cover recommended.

General Provident Fund

4.9.5 General Provident Fund (GPF) for Central Government employees has been in vogue since 1960. It covers all Government employees who have completed one year service as well as all re-employed pensioners who are not covered under the Contributory Provident Fund scheme.

Making GPF optional

4.9.6 The scheme was introduced to foster the habit of saving amongst Government employees and also to provide them some pecuniary help in times of need. The earlier Pay Commissions had considered the issue of making the fund optional. The demand to make the fund optional had arisen because of increased availability of other, more attractive, saving instruments and the growing tendency amongst employees to withdraw frequently from the fund using it like a savings account. The Fourth Central Pay Commission did not favour making the scheme optional on the ground that the fund provided relief to employees in times of genuine need and allowed more convenient withdrawals than that provided under other similar schemes like Public Provident Fund. The Fifth CPC endorsed the observations of the earlier Pay Commissions, adding that accretions to the fund also improved the Government's ways and means position. The Fifth CPC also considered that, in case the scheme was made optional, the State Governments would also be compelled to follow suit, which they could ill afford due to severe resource constraints. No change in the minimum subscription of 6% of emoluments was recommended by the Fifth CPC.

Analysis

4.9.7 The conditions today have changed. With the introduction of New Pension Scheme w.e.f. 1/1/2004, all the employees joining the Government on or after this date are not covered under the GPF scheme. Further, the New Pension Scheme is expected to have two tiers and while the Government is to make an equal contribution for employees covered under Tier I, no contribution will be made by the Government for Tier II and accretions will be generated only from investments made. Although the second tier under the New Pension Scheme is still to be operationalised, the said tier would be open to all employees irrespective of whether they have joined before or after 1/1/2004. Since the employees should be given a choice to decide the best scheme of investment for their future well-being, making GPF compulsory for all pre-1/1/2004 Central Government employees may not be the most justified course any longer.

Recommendations 4.9.8 The resource position of the Central Government is comfortable and the revenues are showing a steady growth. Similar is the position with State Governments which can now also raise the necessary resources for defined projects from the market. At present, employees have the option of a variety of market instruments to choose from for investment purposes. In any case, with the liberalization of rules for taking advances and withdrawals from the fund, the net accretions in the fund are not very significant especially due to the growing tendency among the employees to resort to frequent withdrawals. Another factor that needs to be taken into account is that the Commission has separately recommended a significant increase in the amount of monthly subscription and insurance cover under the Central Government Employees Group Insurance Scheme (CGEGIS). Since 70% of the subscription under CGEGIS is for saving purposes, the Government employees will, in any case, be making a much higher saving under this scheme. Their family would also be assured of a significant amount in case of death of the employee. In such a scenario, no further rationale exists for continuing the GPF scheme as a compulsory scheme for all Central Government employees. **The Commission, therefore, recommends that future investments in GPF should be allowed purely on voluntary basis with no minimum being prescribed for all Central Government employees covered under the CCS (Pension) Rules, 1972.** This will also provide ample choice for all Central Government employees to opt either for contributions under the second tier of the New Pension Scheme where the amount contributed by the employee will not be matched by the employer or under the GPF scheme or go in for suitable investment schemes available in the market. Another benefit will be that it will also make the Government prescribe a competitive rate of interest on investments made in GPF in order to ensure that the Government employees continue investing in the scheme.

Allowances & conditions of service of Defence Forces personnel

Introduction

4.10.1 Defence Forces personnel are in receipt of a variety of allowances, some identical to those granted to civilian employees and others granted exclusively to them taking into account their specific conditions of service. Among the allowances that are common to civilians and defence personnel are Dearness Allowance, City Compensatory Allowance, Deputation (Duty) Allowance, Transport Allowance, Non-Practicing Allowance, House Rent Allowance, special compensatory allowances etc.

Fifth Pay Commission and thereafter

4.10.2 The Fifth CPC had recommended doubling of the allowances of civilian as well as Defence Forces personnel in general with a few exceptions such as Flying Allowance for which a higher multiplication factor had been used in the case of fighter fliers, and field service concessions for which a lower factor was used as these concessions had last been revised in 1993. While implementing the recommendations of the Fifth CPC, Government revised the rates of the Flying Allowance, Submarine Allowance and the Siachen Allowance. Thereafter, a number of other allowances such as Field Area Concessions, Counter Insurgency Operations Allowance, Technical Allowance, MARCOS/Chariot Allowance, Para Allowance, Special Forces allowance, etc. were revised upward by the Government. The Government also extended the Island Special (Duty) Allowance and Special Compensatory Allowance to Defence Personnel and certain new allowances such as Instructional Allowance, Air Worthiness Certificate Allowance, Aeronautical Technical Allowance, Qualification Pay for Air Traffic Controllers and Fighter Controller Officers as well as a Highly Active Field Area Allowance were introduced. Such revision took place in a majority of cases with effect from 2000 or 2001.

Proposals in Defence Forces memoranda

4.10.3 In their memoranda to the Sixth Pay Commission, the Defence Forces have generally sought a four and a half times increase in the existing rates of allowances in line with their demand for a four and a half times increase in pay. For certain allowances, however, such as the highly active field area allowance, Counter Insurgency Operations allowance, Air Despatch Pay, Composite

Personal Maintenance Allowance, etc., a higher increase has been sought. Introduction of certain new allowances such as Skill Allowance, Boiler Watch Keeping Allowance, UAV Crew Skill Allowance, Hardship Allowance, Assessors allowance and a Service Incentive Allowance has also been sought. Specific demands in respect of individual allowances have been discussed in the forthcoming paragraphs of this chapter.

The Commission's approach

4.10.4 Elsewhere in the Report, the Commission has brought out the rationale governing the revision of allowances on the civilian side. While examining the demands made by the Defence Forces, the Commission has gone into the rationale for grant of individual allowances and has also considered the demand for a four and a half times revision in the context of the revision of allowances of other categories of employees including those in the CPMFs. Also, in spite of the fact that a number of allowances were revised in 2000/2001 and may not have called for the same multiplication factor, the Commission has decided not to disturb the existing relativities between the rates of allowances and has, therefore, in general, doubled the rates of allowances. It also has to be noted that recommended rates of allowances have been made inflation proof and are recommended to be increased automatically every time the dearness allowance payable on revised pay bands goes up by 50%.

Allowances common to Civilians and Defence Forces personnel

4.10.5 Insofar as the allowances common to civilian and Defence Forces personnel are concerned, the recommendations made by the Commission in Chapters 4.1 & 4.2 on Dearness Allowance, City Compensatory Allowance, Transport Allowance, Children's Education Allowance, Conveyance Allowance, Non-Practicing Allowance, will apply equally to Defence Forces personnel. These recommendations have been formulated after taking, among other factors, due note of the specific suggestions made by the Defence Forces personnel in respect of these allowances.

4.10.6 In addition to the allowances mentioned above, the following compensatory allowances are admissible to Defence Forces personnel on terms and conditions as are applicable to civilian employees. However, if field service concessions are admissible in such areas, the Defence Forces personnel have the option of receiving the higher of the two allowances.

- Special Compensatory (Hill Area) Allowance
- Special Compensatory (Remote Locality) Allowance
- Island Special Duty Allowance
- Project Allowance
- Hard Area Allowance
- Special Compensatory (Bad Climate) Allowance

4.10.7 The revised rates recommended in regard to the above allowances for civilian employees in the relevant chapter will also apply in the case of Defence Forces personnel. It has been brought out by the Defence Forces that in certain remote locations where there are no Central Government establishments other than defence organizations, these allowances are not paid. It has been suggested that the Ministry competent to declare areas as remote should consider even these locations so as to make them eligible for compensatory allowances as applicable. Further, areas in which Defence Forces have to provide relief and rescue during disasters and calamities should be declared hard areas automatically and Hard Area Allowance should be granted.

4.10.8 **The Commission is unable to agree to the demand related to declaration of areas affected by natural disasters and calamities as hard areas because of its repercussions on other Central Government and State Government employees.** As far as the areas eligible for grant of compensatory allowances are concerned, the existing system is to follow the State Government's classification for remote/difficult areas etc. Although the facilities available in cantonments are generally reasonably adequate, there may be some locations where grant of the allowance can be justified based on the existing criteria. **The Commission, therefore, recommends that the Central Government may issue instructions to State Governments to also consider the difficulties in areas where only Defence Forces establishments are situated for the purpose of determining whether such areas qualify for grant of compensatory allowances.**

*Deputation (Duty)
Allowance*

4.10.9 In the case of Defence Forces personnel, Deputation Allowance is restricted to 50% of the rates applicable to civilian personnel on account of service concessions that service officers continue to receive while on deputation. It has been demanded that Defence Forces personnel should be granted Deputation (Duty) Allowance at the same rates as for civilians and the allowance extended to service officers posted to DRDO and Assam Rifles. Further, Service Officers should be considered for deputation on the basis of equivalent pay rather than by rank.

4.10.10 The Commission is of the view that while lifting the restriction on Deputation Allowance completely will have repercussions on other deputationists, Defence Forces personnel could be given an option to draw 100% of the deputation allowance if they do not carry their service concessions on deputation. **Defence Forces personnel may, therefore, be given an option to either (a) draw 50% of deputation duty allowance along with service concessions or (b) draw 100% of deputation allowance but forego the service concessions.** However, no change is

recommended for officers posted to the DRDO and Assam Rifles as these postings are not out of the regular line of postings for Service Officers. As far as the demand for deputation to posts on the basis of equivalent pay rather than rank is concerned, the problem would automatically be resolved in the revised pay structure recommended by this Commission as **equivalent grade pay for analogous ranks of civilian and defence personnel has been recommended which should govern deputations to civilian organizations in future.**

Compensation in lieu of quarter (CILQ)

4.10.11 The service conditions of the Defence Forces personnel demand that personnel reside in cantonments close to their Units. The entitlement of accommodation, therefore, forms a part of service conditions. Keeping in view functional requirements, an authorization of married establishment has been decided by the Government. In the case of PBORs of the Defence Forces, the existing authorized married establishment is as follows: -

- (a) JCOs & equivalent 100%
- (b) Havaldars & equivalent 95%
- (c) Naik & equivalent 90%
- (d) Sepoy & equivalent 50%

4.10.12 PBORs who fall within this percentage and cannot be provided married accommodation are entitled to Compensation in lieu of quarters (CILQ). CILQ is a composite allowance, meant to compensate for hiring of house, furniture, electricity and water etc. The existing rates of CILQ are as under: -

	A1 class	A, B1 & B2 class	C class	Unclass. Cities
Sep/Nk	1800	900	600	450
Hav	2100	1050	750	510
JCOs	2700	1350	900	600
NCs(E)	900	450	300	150

4.10.13 The Defence Forces have demanded that HRA as admissible to Central Government employees be admissible to PBORs who should have the option to draw either HRA or CILQ, whichever is more beneficial. It has also been suggested that adequate compensation for furniture, electricity and water charges should be included in CILQ. It has further been demanded that authorized married establishments in respect of all PBORs be increased to 100% for CILQ and that age for marriage be brought down from existing 25 to 21 years. The authorized married establishment for DSC personnel is sought to be revised to 100% irrespective of rank and

Non Combatants (Enrolled) of the Air Force have been proposed to be granted CILQ at lowest rates as applicable to PBORs.

4.10.14 The Commission has observed that the rates of CILQ are expected to include compensation for hiring of house, furniture, electricity and water etc. The Commission has also observed that while the rates of HRA for civilians are percentage based, the rates of CILQ are slab rates which did not get revised when Government decided to merge 50% of dearness allowance with pay as Dearness Pay w.e.f. 1.4.2004. This has created an anomalous situation disturbing the relativity between the rates of CILQ and HRA. Keeping in view the fact that provision for periodic revision of all allowances, including HRA, has been made, a similar dispensation will need to be extended in respect of CILQ also. **The Commission recommends the following rates of CILQ which may be increased by 25% every time the dearness allowance payable on revised pay bands goes up by 50%:-**

Posts	City Classification		
	X	Y	Z
Sepoy/Nk.	3600	2400	1600
Hav.	4200	2800	2000
JCOs	5400	3600	2400
NC (E)	1800	1200	800

In addition, in order to iron out any inconsistencies, it is further recommended that PBORs may have the option to choose CILQ or HRA, whichever is more beneficial. In consonance with the dispensation recommended for CPMFs, introduction of Family Accommodation Allowance equal to minimum HRA payable in the Government to civilian employees is recommended for those PBORs who do not fall within the authorized married establishment in order to provide some compensation for housing of the families of these personnel. The rate of this allowance will increase by 25% each time the price index increases by 50%.

House Rent Allowance

4.10.15 Officers of the Defence Forces are entitled to HRA if they are within the authorized married establishment and are not provided Government owned or hired accommodation. **The Commission recommends that House Rent Allowance may be granted under the existing terms and conditions to Defence officers at the same rate as for civilians. For the purpose of computation of HRA, the existing basic pay plus grade pay and the military service pay shall be taken into account.** The Defence Forces have also proposed that the rates for hiring of

accommodation may be revised on an annual basis to bring them in line with market rents. **Ministry of Defence may take action to revise the rental ceilings from time to time keeping in view the market situation.**

***Bhutan
Compensatory
Allowance***

4.10.16 Bhutan Compensatory Allowance is admissible to Defence Forces personnel posted to IMTRAT (Bhutan) at a depression in the standard rates promulgated by the Ministry of External Affairs. This was done because certain service concessions such as mess and canteen facilities were provided to Defence Forces personnel while in Bhutan. It has been represented in the memorandum of the Defence Forces that the depression in the allowance is not justified since these facilities are extended to all defence personnel posted in Bhutan including those in the Indian Embassy in Bhutan for whom no depression is made. The Commission observes that after September, 2005, the depression in the allowance has been removed but charges at the rate of 6% of the allowance from officers and 4% from PBORs for the free facilities are recovered. **The existing position seems to be reasonable and the Commission is of the view that no further change is warranted.**

***Educational
concession to
children of missing
/disabled/killed in
action***

4.10.17 Apart from the normal educational concessions granted to civilian and defence personnel, special educational concessions are available to children of defence personnel who are killed or disabled in action. The existing provisions in this regard are:

Tuition Fees	Full Reimbursement
Hostel Charges	Full Reimbursement
Cost of Books/Stationery	Rs.250 p.a.
Cost of Uniform	Rs.850 (1 st year) Rs.350 p.a. (subsequent year)
Clothing	Rs.250 (1 st year) Rs.150 p.a. (subsequent year)

4.10.18 The Defence Forces have demanded substantial increases in the rates related to the reimbursement of cost of books, uniforms and clothing. **After an assessment of the cost of the concerned items, the Commission recommends the following revised rates:-**

Tuition Fees	Full Reimbursement
Hostel Charges	Full Reimbursement
Cost of Books/Stationery	Rs.1000 p.a.
Cost of Uniform	Rs.1700 (1st year) Rs.700 p.a. (subsequent year)
Clothing	Rs.500 (1st year) Rs.300 p.a. (subsequent year)

Instructional Allowance

4.10.19 Instructional Allowance, which is granted to Defence Forces personnel posted to field training establishments as Instructors, was introduced in February, 2000. The existing rates of Instructional Allowance are as follows: -

Officers	Rs.900 p.m.
JCOs & equivalent	Rs.500 p.m.
NCOs & equivalent	Rs.300 p.m.

4.10.20 The Defence Forces have proposed a four and a half times increase in the rates of the allowance on the ground that training is a vital aspect of the Defence Forces and Instructors are selected only from the best as not only must they be highly qualified but also have a flair, aptitude and dedication to become an Instructor. **In view of the fact that postings as Instructor are normally prestigious peace postings and a large hike in the allowance would disturb the relativity vis-à-vis the allowances granted in field areas, the Commission recommends that the rate of the allowance may be doubled.**

Army Medical Corps (AMC), Army Dental Corps (ADC) and Remount and Veterinary Corps (RVC) Officers

4.10.21 A Specialist Allowance at the following rates is paid to specialist medical officers when posted to fill vacancies of specialists in the medical establishment: -

(a)	Graded specialist	-	Rs 800 pm.
(b)	Classified specialist	-	Rs 1000 pm.
(c)	Consultant/Advisor/Professor	-	Rs 1200 pm.

4.10.22 **The Commission, in line with its general approach on allowances and keeping in view the fact that non-practicing allowance is also payable to Doctors, recommends that the rate of the existing allowance may be doubled.** A Post Graduate Allowance at the rate of Rs.500 p.m. for post graduate degree holders and Rs.300 for PG diploma holders is payable to specialist doctors for the duration that they are not eligible for grant of a Specialist Allowance. **The Commission recommends that the rate of this allowance may also be doubled.**

Language Award/Allowance

4.10.23 Service Officers and PBORs are granted Language Awards to encourage them to learn foreign languages and carry out instructional translations and interpretership duties as and when required. The Award for passing Diploma Part-II examination is granted to those achieving 65% and above marks and the quantum of award varies from Rs.500 to Rs.1000 for sponsored candidates and Rs.700 to Rs.1500 for non-sponsored candidates depending on the categorization of the language. Similarly, for passing Interpretership examination with 70% and above marks, for the first

3 positions in order of merit, an award ranging from Rs.1000 to Rs.2000 is admissible to the sponsored candidates while non-sponsored candidates get an award ranging from Rs.1500 to Rs.3000, depending on the categorization of the language. While the awards are one-time in nature, a monthly Language Allowance of Rs.300 p.m. for category I languages, Rs.250 p.m. for category II and Rs.200 p.m. for category III languages is granted to Defence personnel for the period they actually perform instructional/translation/interpretation duties. Continuance of the allowance is subject to the recipient passing the proficiency test conducted every year. The Defence Forces have proposed an increase of five and a half times for Language Allowances so as to attract quality volunteers for meeting their requirements related to technological documents as most technologies available with the Defence Forces at present are imported with documentation in the foreign language which is needed to be translated urgently. **Keeping in view the onerous nature of duties involved and the fact that continuance of this allowance is subject to the recipient clearing the proficiency test every year, a higher rate of increase is considered justified in their case. Accordingly, the rates of these awards and allowances may be increased three times.**

*Flying Allowance,
Submarine
Allowance,
Siachen
Allowance*

4.10.24 To compensate Defence Forces personnel for the risk and hardships to which they are exposed, a number of allowances are granted by the Government. These allowances include the Flying Allowance, Siachen Allowance and Submarine Allowance. Flying allowance is admissible to officers of the flying branch and Technical Officers and Airmen performing air crew duties in the Air Force and to corresponding aviation personnel of the Army and the Navy. Although the allowance, when initially introduced, was admissible only when the prescribed number of hours were flown annually, this was waived in pursuance of the recommendations of the Third Pay Commission and now, a monthly amount is granted. Submarine Allowance is granted to Naval Officers and Sailors appointed as crew for service on submarines keeping in view the additional risks and arduous conditions of service on-board submarines. Siachen Allowance is admissible to troops serving in the Siachen region keeping in view the extremely difficult conditions in the area. There is an established relativity in the rates of Flying Allowance, Submarine Allowance and Siachen Allowance. The existing rates of the allowances are as follows: -

FLYING ALLOWANCE		SUBMARINE ALLOWANCE	
Air Cmde & Equiv & above (Capt IN with > 3yrs seniority)	Rs 5250 p.m.	Capt (with >3 yrs service in the rank) and above	Rs 5250 pm
Sqn Ldr to Gp Capt & Equi (Capt IN with < 3yrs seniority)	Rs 7000 pm	Lt Cdr/Cdr/Capt (with < 3 years Service in the rank)	Rs 7000 pm
Flight Lt and Equivalent	Rs 5500pm	Lt	Rs 5500 pm
Flying Offr and Equivalent	Rs 4500 pm	Sub Lt	Rs 4500 pm
Warrant Ranks	Rs 4200 pm	MCPO II/I	Rs 4200 pm
Senior NCO	Rs 3500 pm	CPO & below	Rs 3500 pm

Siachen Allowance

- (a) Officers Rs.7000 p.m
(b) JCOs/equivalent Rs.4667 p.m.

4.10.25 The Defence Forces in their memorandum have suggested a four and a half times increase in the rates of these three allowances and have also made the following proposals in regard to the interpretation of eligibility: -

- The Chief Petty Officers in the Navy have been placed one below their entitlement compared to the Air Force counterparts resulting in an anomaly in the grant of Flying Allowance. Correction of this anomaly has been sought.
- At present, on promotion from Group Captain to Air Commodore, there is a reduction in Flying Allowance which is not compensated by the increase in basic pay and rank pay of the officer. Increasing the Flying Allowance admissible to Air Commodore and above and their equivalents has been proposed.
- Army Aviation Pilots are not granted Flying Allowance when they are posted to non-flying units while their Air

Force and Navy counterparts continue to draw the same. A similar position exists in respect of PBORs of MMG Units. It has been suggested that the allowance may be continued as long as these personnel continue to be borne in the Aviation Cadre.

- While Field Area Allowance and Siachen Allowance are exempt from income tax, Flying, Submarine, MARCOS and Chariot Allowance are not exempted. The Defence Forces have suggested that all these allowances should also be made exempt from income Tax.

4.10.26 As in the case of other allowances, it is recommended that the rates of these allowances may be doubled. This will also apply in the case of MARCOS and Chariot Allowance which is granted to marine commandos at rates equal to Submarine Allowance. Insofar as the other demands made by the Defence Forces are concerned, the following are recommended: -

- a) Flying Allowance may be granted to the Chief Petty Officer at the same rates as Junior Warrant Officer of the Air Force.**
- b) Extension of Navy and Indian Air Force eligibility conditions to the Army Aviation Pilots making them eligible for grant of the Flying Allowance as long as they continue to be borne in the Aviation Cadre may be done.**
- c) As regards exemption of risk related allowances from income tax, the Commission is of view that it is for the Government to consider the matter taking into account all relevant factors.**

Test Pilot Allowance

4.10.27 The Defence Forces have proposed that the existing Test Pilot Allowance of Rs.1000 and Rs.500 per month which is granted to Test Pilots and Flight Test Engineers while they are on the posted strength or on detachment to any units for Test Pilot duties may be enhanced to Rs.4500 per month and Rs.2250 per month respectively. Extension of the allowance to Air Crew posted to aerobatic teams is also demanded on the ground that the performance of these teams depicts the level of flying skills of the Defence Forces and conveys to the adversaries the might of Forces in the air. Further, members of aerobatic teams require very high professional skills. **The Commission recommends that the existing rates of Test Pilot Allowance may be doubled and it should be extended to the air crew of aerobatic teams.**

Submarine Duty Allowance

4.10.28 Submarine Duty Allowance is admissible to personnel who are not qualified Submariners but embark on a submarine for training, passage etc. The existing rates of this allowance are Rs.45 per day for officers and Rs.15 per day for PBORs. This has been sought to be increased by more than four times. Keeping in view the

discomforts inherent in sailing in submarines, the **Commission recommends that the existing rates may be enhanced to Rs.90 per day for officers and Rs.30 per day for PBORs.**

*Diving Allowance,
Dip Money and
Attendant
Allowance*

4.10.29 All naval personnel on the authorized diving cadre are entitled to Diving Allowance at monthly rates varying from Rs.200 to Rs.400 depending on whether they belong to the category of Ships Divers who dive to the depth of 35 meters, or Clearance Divers who are required to dive to a depth of 160 meters. In addition to Diving Allowance, Dip Money is also admissible depending on depth and time spent under water. An Attendant Allowance is also paid one-fifth of Dip Money to Divers' Attendants. As in the case of other allowances, the Defence Forces have proposed an enhancement of four and a half times for Diving Allowance and Dip Money. Further, extension of the allowance to qualified Divers of Army and Air Force on similar terms and conditions as admissible to Naval Divers has been proposed. **The Commission recommends that the existing rates of Diving Allowance and Dip Money may be doubled. The requirement for diving in the case of Army and Air Force personnel may be occasional and it would be unfair to compensate them continuously for their limited instances of diving. However, they should be paid Dip Money and Diving Allowance on pro rata basis as and when they are required to dive.**

*Special Forces
Allowance*

4.10.30 The Special Forces of the Army and Air Force are granted an allowance which ranges from Rs.1000 per month for Sepoys, Naiks and equivalent to Rs.2600 per month for Lt. Col and above. The Defence Forces have demanded grant of this allowance at rates admissible to MARCOS and Charioteers who are special forces of the Navy and are in receipt of a MARCOS allowance at rates similar to Submarine Allowance on the ground that Special Forces of Army and Air Force are also elite forces with comparable standards in regard to selection and training. The Commission observes that at present the rates of the Special Forces Allowance, the Field Area Allowance and Counter Insurgency (Ops) Allowance in peace areas are the same. Disturbance of this parity by granting a higher increase to Special Forces Allowance will generate demands for similar increase in the rates of these allowances. **The Commission, therefore, recommends that the rates of Special Forces Allowance may be doubled.**

*Para Jump
Instructor
Allowance and
Free Fall Jump
Instructor
Allowance*

4.10.31 Para Jump Instructor Allowance at the rate of Rs.1200 p.m. for officers and Rs.900 p.m. for PBORs is granted to Indian Air Force personnel who are Parachute Jumping Instructors. A Free Fall Jump Instructors Allowance at the rate of Rs.1000 p.m. for officers and Rs.600 p.m. for PBORs is payable to Free Fall Jump Instructors. **The Commission recommends that the existing rates be doubled without any change in the existing conditions of grant.**

**Para Allowance
and Para Reserve
Allowance**

4.10.32 Para Allowance is granted to officers and PBORs holding appointments of operational parachutists authorized in the war/peace establishments of their units. For continuance of grant of Para Pay, a Parachute Refresher course including a minimum of two jumps is required to be attended. The allowance ceases on shifting from operational Parachutist appointment and Para Reserve Allowance is granted thereafter subject to the condition that the individual has rendered a minimum of 3 years service in a para unit and is less than 35 years of age. The Para Refresher Course is required to be attended in this case also. The existing rates of Para Allowance and Para Reserve Allowance are as follows:-

Officers	Rs.600 p.m.
PBORs	Rs.400 p.m.
Para Reserves	Rs.100 p.m.

4.10.33 Apart from increase in the rates of these allowances, extension to naval and air force personnel has been sought by the Defence Forces. **The Commission, while recommending that the rates of these allowances may be doubled, does not find justification for extending the allowance to Naval and Air Force personnel as they are not similarly placed.**

**Highly Active
Field Area
Allowance and
Counter
Insurgency
Operations
Allowance**

4.10.34 Personnel of the Defence Forces while deployed in field areas and in counter-insurgency areas are granted Field Area Allowances and Counter Insurgency Operations Allowance respectively at the following rates: -

Field Area Allowance

Posts	Highly Active Field Areas	Field Areas	Modified Field Areas
Lt.Col.& above & equ.	4200	2600	1000
Maj.& Equ.	3880	2400	930
Capt & Equ.	3550	2200	860
Lt. & Equ.	3390	2100	800
JCOs & Equ.	2910	1800	600
Hav & Equ.	1940	1200	460
Sep/Nk & Equ.	1620	1000	400

Counter Insurgency Operations (CI Ops) Allowance

Posts	CI Ops in Fd Areas (Rs/p.m.)	CI Ops in Mod Fd Area (Rs/p.m.)	CI Ops in Peace Area (Rs/p.m.)
Lt.Col.& above & equ.	3900	3000	2600
Maj.& Equ.	3600	2770	2400
Capt & Equ.	3300	2540	2200
Lt. & Equ.	3150	2420	2100
JCOs & Equ.	2700	2080	1800
Hav & Equ.	1800	1380	1200
Sep/Nk & Equ.	1500	1150	1000

4.10.35 It has been demanded that the categories of Counter Insurgency Operations Allowance may be reduced to two from the existing three with Counter Insurgency (Intense) Allowance being given the same rates as for CI Ops in Field Areas and Counter Insurgency (Moderate) Allowance at the same rates as in CI Ops in modified field areas. Extension of the CI Ops Allowance to Naval personnel and removal of the applicability condition of 30 days for drawal of the Allowance for Naval personnel has been suggested. Enhancement of the rates to five and a half times the existing rates in the case of Highly Active Field Area Allowance and CI Ops Allowance has been sought and enhancement of 4 ½ times has been demanded for field area and modified field area allowance.

4.10.36 The Commission has observed that the existing categorization of these allowances has established an equation in the rates of CI Ops Allowance in peace areas with the field area allowance. **This equation appears to be quite rational and well thought out. In the circumstances, the Commission does not recommend any change in the categorization. The existing rates of the field area allowances and the CI Ops allowance may, however, be doubled. As far as the extension of CI Ops allowance to Naval personnel is concerned, the suggestion for grant of the allowance based on specific orders of the Government may be accepted with conditions for eligibility being same as for grant of Sea Going/Sea Duty Allowance.**

High Altitude Allowance

4.10.37 At present, High Altitude Allowance is granted to Defence Forces personnel deployed between 9000 to 15000 ft and above 15000 ft. at the following rates:

Posts	Cat I (9000 to 15000 ft) Rs	Cat II (Above 15000 ft.) Rs
Lt.Col.& above & equ.	1060	1600
Maj.& Equ.	930	1400
Capt & Equ.	660	1000
Lt. & Equ.	530	800
JCOs & Equ.	480	720
Hav & Equ.	370	560
Sep/Nk & Equ.	270	400

4.10.38 As in the case of other allowances, a four and a half times increase in the rates of these two allowances has been demanded and a new category has been sought in the list of High Altitude Areas to cover those areas where conditions similar to Siachen exist. An allowance equal to 80% of the Siachen Allowance has been proposed for these areas.

4.10.39 In line with its general approach on allowances, the Commission recommends doubling of the existing rates of High Altitude Allowance. As regards the demand for a High Altitude Allowance in certain areas at 80% of the rates of Siachen Allowance, the Commission observes that Government has already granted this allowance in July, 2007. Taking note of the rates recommended for this allowance, the Commission recommends that 80% of the revised Siachen Allowance shall be granted in these areas in future.

Sea Going/Sea Duty Allowance

4.10.40 Sea Going/Sea duty Allowance is granted to officers and PBORs of the Navy at rates equal to field area allowance of the Army on pro rata basis with the condition that the vessels should be deployed for a minimum of 12 hours a day. The Defence Forces have demanded that the 12 hours a day condition be removed and the allowance be made admissible on all sea going vessels which are deployed at sea for 120 hours or more in a month in the case of minor war vessels and 180 hours or more in the case of major war vessels. **The Commission recommends that retaining the relativity with the field area allowance, the existing rates of the Sea Going/Sea Duty Allowance may be doubled. The Commission has also noted that the genesis of the Sea Going/Sea Duty Allowance is separation from the family. As such, it is of the view that the condition of 12 hours a day is reasonable and does not warrant any change.**

Hardlying Money

4.10.41 Hardlying Money is paid to Naval personnel as compensation for extra discomforts on board the smaller ships and

submarines. In the smaller ships like minesweepers, ocean going tugs and submarines, it is paid at full rates and in relatively more comfortable vessels at half rates. The existing rates are:

Category	Existing rates	
	Full	Half
Officers including Midshipmen & Cadets	Rs.200 p.m.	Rs.100 p.m.
Sailors	Rs.140 p.m.	Rs.70 p.m.

4.10.42 **In line with its general approach, the Commission recommends that the existing rates shall be doubled.**

Official Hospitality Grant

4.10.43 Official Hospitality Grant is given to specified appointments in the Defence Forces at rates ranging from Rs.2000 per month to Rs.1000 per month. **The Commission recommends that the rates of the allowance shall be doubled without extension to any new category.**

Technical Allowance and Professional Allowance

4.10.44 Technical Allowance is admissible to Defence Forces officers belonging to the technical branches at the rate of Rs.1000 per month for Tier-I courses and Rs.1500 per month for Tier-II courses. If an officer qualifies both the courses, a maximum of Rs.2500 per month can be paid. It has been suggested that the rates may be enhanced four and a half times and the allowance be extended to all officers who undergo such or similar courses. **In line with the approach followed for allowances, the Commission recommends that the existing rates of the allowance shall be doubled. The Commission is, however, unable to recommend extension of this allowance to all officers who undergo such courses as obtaining the qualification does not bear a direct relationship with duties in their case.** The Defence Forces have also proposed that non-technical officers who attain higher qualifications and higher levels of competence should be compensated by grant of Professional Allowance at Tier-I and II rates applicable to technical officers based on the sensitivity and importance of the qualifications achieved. **The Commission is unable to find adequate justification for the same.**

Aeronautical Allowance

4.10.45 An Aeronautical Allowance at the rate of Rs.100 per month is admissible to those technicians who have successfully qualified in any of the prescribed courses. **These technicians are authorized to maintain or service aircraft and related systems. The Commission recommends that rate of this allowance shall be doubled.**

Flight Charge Certificate Allowance

4.10.46 Flight Charge Certificate Allowance is granted to Senior Air Artificers/Mechanicians of ship borne helicopter flights for discharging higher responsibilities of maintaining and clearing aircraft for air worthiness in the absence of a Technical Officer. The present rates of the allowance are Rs.125 per month for Air Artificers/mechnicians and Rs.200 per month for Chief Air Artificer/Mechancians and above. The Defence Forces have suggested some correction in the applicability of this Allowance in the Army and Air Force stating that the allowance should also be granted to ranks above Junior Warrant Officer in the Air Force and Naib Subedars of the Navy since it is given to ranks above Chief Artificer in the Navy. **The Commission recommends that the rates of the allowance may be doubled and that this anomaly may be removed provided such certification in the absence of Technical Officers is not part of the normal charter of duties of the ranks above Junior Warrant Officers in the Air Force and corresponding ranks in the Army. Further, extension of the Allowance to PBORs below Air Artificer and equivalent as proposed by the Defence Forces may be done provided they are given independent charge of machinery/equipment and perform these duties i.e. the existing eligibility conditions for grant are not changed.**

Air Worthiness Certificate Allowance

4.10.47 An Air Worthiness Certificate Allowance was introduced in 2000 for the technical tradesmen in aircraft trades based on the recommendations made by the Group of Officers. It is granted at the rate of Rs.75 per month to Aviation trade PBORs with service of 2-10 years and at the rate of Rs.150 per month to those with more than 10 years service. Keeping in view the high level of responsibility borne by these PBORs, a four and a half times increase in the allowance has been demanded. **The Commission recommends that the existing rates shall be doubled.**

Air Steward Allowance

4.10.48 Air Steward Allowance is granted to catering assistants performing duties of air stewards in VIP flights at the rate of Rs.300 per month. Grant of the allowance at the rate of Rs.1800 per month and extension to Air Stewards in the Communication and VIP flights at commands has been demanded. **The Commission recommends doubling of the allowance without extension to any new category.**

Air Despatch Pay

4.10.49 Air Despatch Pay at the rate of Rs.120 p.m. is granted to PBORs employed on air dropping of supplies in forward areas. **The Commission recommends doubling of the allowance which may also be renamed as Air Despatch Allowance.**

Qualification Grant

4.10.50 At present, a lump sum Qualification Grant is paid to officers who qualify in various specified courses. The list of eligible courses for the grant is revised by the Government from time to time. The existing quantum of the grant is:

Category	Existing
Category I Courses	Rs.10,000
Category II Courses	Rs.7,500
Category III Courses	Rs.4,500
Category IV Courses	Rs.3,000
MNS Officers	Rs.3,000

4.10.51 A four and a half times enhancement in the rates of qualification grant has been demanded by the Defence Services with extension to Medical Officers on the same terms and conditions. Extension of Qualification Grant to PBORs in four categories has also been proposed. **The Commission recommends that the existing rates of the Qualification Grant may be doubled but is unable to recommend extension to Medical Officers as they are granted a Specialist Allowance or a PG Allowance on acquiring higher qualifications.**

Qualification Allowance

4.10.52 A monthly Qualification Allowance is granted for obtaining flying qualifications at rates ranging from Rs.140 per month to Rs.800 per month for different qualifications. **The Commission recommends doubling of the rates of the allowance.**

Shorthand Allowance

4.10.53 Shorthand Allowance is payable to PBORs of Air Force and Navy employed on shorthand duties at the rate of Rs.150 per month. While proposing enhancement of the rates, extension to PBORs of the Army has also been proposed. **The Commission recommends that the rate of the allowance may be doubled.** In the Army, however, personnel on shorthand duties are usually appointed on re-deployment. **Extension to Army PBORs is, therefore, not recommended.**

Judge Advocate General Department Examination Rewards

4.10.54 Officers of the three Services are granted a reward of Rs.3200 on qualifying the JAG Branch exam. **The Commission recommends that the rate of this award may be doubled.**

Uniform related allowances (Officers)

4.10.55 The following allowances related to uniforms are granted to Defence Forces Officers and Officers of the Military Nursing Service:-

Allowance	Service	Rate (Rs)
One Time Kit	Army, IAF	6000 per 7 years
One Time Kit	Navy	7000 per 7 years
One Time Kit	MNS Officers	2000 per 7 years
Distinctive Uniform	MNS Officers	200
Kit Maintenance	All three services	200 per month
Kit Maintenance	MNS officers	100 per month

4.10.56 The Defence Forces have suggested a four and a half times increase in the rates of initial one time kit allowance including the distinctive allowance admissible to MNS officers. Thereafter, the allowance is proposed to be subsumed in the kit maintenance allowance which is sought to be renamed as Kit Maintenance & Renewal Allowance and granted at the rate of Rs.2000 per month for officers and Rs.1000 per month for MNS officers.

4.10.57 The Commission has examined the proposal keeping in view the need for replacement for various items of uniform from time to time. A lump sum grant every few years is a better method of compensation than a monthly allowance as it will ensure that the officer has sums of money available to replace various items of uniform. However, the frequency of the renewal grant which is seven years at present could be increased. **The Commission, therefore, recommends the following revised rates of the allowance:-**

Allowance	Service	Rate (Rs)
One Time Kit	Army, IAF	14000 (initial grant) 3000 (every 3 yrs)
One Time Kit	Navy	16000 (initial grant) 5000(every 3 yrs)
One Time Kit	MNS Officers	7000 (initial grant) 1500(every 3 yrs)
Distinctive Uniform	MNS Officers	400
Kit Maintenance	All three services	400 per month
Kit Maintenance	MNS officers	400 per month

4.10.58 It is further recommended that the rates of uniform allowance granted to officers shall be increased by 25% each time the Dearness Allowance on revised pay bands goes up by 50%.

Uniform related allowances (PBORs)

4.10.59 The following uniform related allowances are granted to PBORs of the 3 Services: -

One time Outfit Allowance to JCOs granted Honorary Commission	Rs.3200
One time Outfit Allowance to NCOs promoted as JCOs	Rs.500
Mufti Allowance for Recruits in three Services (one time)	Rs.200

4.10.60 The Commission recommends that the existing rates of these allowances shall also be doubled and may be increased by 25% each time the Dearness Allowance goes up by 50%.

*Composite
Personal
Maintenance
Allowance
(PBORs)*

4.10.61 PBORs of the Defence Forces are granted a Composite Personal Maintenance Allowance of Rs.75 per month which consists of the following components: -

Hair Cutting Allowance	Rs.10/pm
Washing Allowance	Rs.30/pm
Rum Allowance	Rs.15/pm
Soap Toilet Allowance	Rs.10/pm
Clothing Maintenance Allowance	Rs.10/pm
Total	Rs.75 pm

4.10.62 The rates of the rum allowance component, however, vary as follows: -

Peace Areas	Rs.15 pm
Field Areas below 3000 ft	Rs.35 pm
Field Areas 3000 ft - 4999 ft	Rs.50 pm
Field Areas 5000 ft - 8999 ft	Rs.55 pm
High Altitude Areas	Rs.80 pm

4.10.63 A ten times increase in the rate of this Allowance has been sought by the Defence Forces and for PBORs of units deployed on ceremonial duties, a Personal Maintenance Allowance of Rs.1500 per month has been demanded. It has also been proposed that Nursing Assistants in the Defence Forces be paid a Washing Allowance at civil rates over and above the Composite Personal Maintenance Allowance. **The Commission, keeping in view the enhancement made for such allowances on the civilian side including those applicable to the CPMFs, recommends doubling of the rates of the allowance.**

*Spectacle
Allowance*

4.10.64 Spectacles are issued free to those Defence Forces personnel in whose case impairment of vision is either attributable to service or their sight is so defective that it interferes with their efficiency. When spectacles are not issued, reimbursement at the rates of Rs.65 for spectacles with normal lenses and Rs.125 for those with bi-focal lenses is permitted. **Keeping in view the general increase in prices since 1996-97, the following rates of reimbursement are recommended: -**

Category	Rate
For spectacles with normal lenses	Rs.130
For spectacles with bifocal lenses	Rs.250

4.10.65 No new allowance for purchase of Contact Lenses is, however, recommended.

Acting Allowance 4.10.66 Acting Allowance at the following rates is granted to JCOs appointed in Officers' vacancies due to shortage of officers: -

For appointments tenable by Captain/equivalent	Rs.300 pm
For Appointments tenable by Major/equivalent	Rs 400 pm

4.10.67 The Commission recommends that the existing rates of the Allowance shall be doubled.

Funeral Allowance 4.10.68 In all cases where death occurs while on active field service or serving in a mission/post abroad, the entire funeral expenses are a charge against the State. However, when death occurs in peace areas, a funeral allowance of Rs.1000 is granted and mortuary charges are reimbursed. The Defence Forces have proposed that the rate of funeral allowance may be increased to Rs.10,000. **The Commission, however, recommends that the rate of funeral allowance shall be enhanced to Rs.4000.**

Monetary Allowance for Gallantry Awardees 4.10.69 The Defence Forces have proposed a ten fold increase in the rates of the monetary allowance attached to the existing Gallantry Awards which presently range from Rs.250 per month for Sena/Nau Sena/Vayu Sena Medal for gallantry to Rs.1500 per month for the Param Vir Chakra. **In the case of gallantry awards, the Commission is of the view that since these monetary allowances are granted for conspicuous gallantry in the face of the enemy or anti-national elements over and above the normal call of duty, the Central Government should revise the rates of these Gallantry Awards on their own without waiting for a Pay Commission as was the practice followed before the Fifth CPC.**

Rewards for meritorious service 4.10.70 Rewards for meritorious service are admissible to PBORs at the following rates: -

Category	Existing
Annuity for MSM to JCOs	Rs.200 (pa)
Gratuity for Long service & Good Conduct Medal	Rs.200 (one time)

4.10.71 The Commission recommends that the rewards for meritorious service should ultimately be incorporated in the Performance Related Incentive Scheme (PRIS) for Defence Forces. In the meantime, the rate of annuity shall be doubled.

*Submarine
Technical
Allowance*

4.10.72 Submarine Technical Allowance is paid at the rate of Rs.100 per month to Naval Artificers and Mechanics for the period they are deployed for submarine maintenance duties. **In line with the recommendations made for other allowances, the rate may be doubled to Rs.200 per month without any change in the conditions for grant of the Allowance.**

*Hydrographic
Survey Allowance*

4.10.73 Hydrographic Survey Allowance is presently paid at rates varying from Rs.50 p.m. to Rs.400 p.m. as compensation for the working conditions of hydrographical survey ships. The Defence Forces have recommended a 4-1/2 times increase in the existing rate of the Allowance. **The Commission recommends that the existing rates shall be doubled.**

*Unit Charge &
Charge Certificate
Allowance*

4.10.74 Artificers and Mechanics of the Navy, after passing prescribed examinations, are granted Unit Certificate and Charge Certificate Allowance on being certified by a designated Board/Authority. The Unit Certificate authorizes Artificers to take independent charge of machinery during watch at sea. The Charge Certificate authorizes the Artificers to take overall charge of machinery at sea. The existing rates of Unit Certificate and Charge Certificate Allowance are as under: -

	Rs. p.m.
(a) Unit Certificate	
i) Lower rate	75
ii) Higher rate	150
(b) Charge Certificate	
(i) Lower rate	150
(ii) Higher rate	225
(iii) Special rate	270

4.10.75 The Defence Forces have proposed a substantial increase in the rates of these allowances stating that the rates of these allowances as a percentage of salary have gone down successively. It has also been proposed that Artificers and Mechanics of Power and Radio Track as well as Technical Sailors of 'Y' Group may be extended this Allowance. **The Commission recommends that the rates of Unit and Charge Certificate Allowance shall be doubled without extension to any new category.**

Boiler Watch Keeping Allowance

4.10.76 Introduction of a Boiler Watch Keeping Allowance for Boiler Watch Keepers on Naval Ships has been proposed by the Defence Forces on the ground that

- (i) there is an acute shortage of Boiler Watch Keeping Certificate qualified Steam Sailors as their working conditions are extremely difficult due to the high temperatures near boiler drums
- (ii) these sailors remain posted on ships for 90 per cent of their engagement period.
- (iii) higher level of responsibilities are discharged by these Sailors and working hours in the harbours are extended due to the long time taken to prepare and shut the steam propulsion plant .

4.10.77 The Commission, finding merit in the proposal, and taking into account the difficult working conditions near boilers, recommends introduction of a Boiler Watchkeeping allowance at the rate of Rs.2000 per month to be granted to these sailors. Corresponding personnel on board Coast Guard and survey ships shall also be extended this allowance at the same rate.

Free ceiling for electricity

4.10.78 Personnel belonging to the Defence Forces are permitted reimbursement of electricity charges for the first 100 units of electricity. The ceiling limit for free electricity has been sought to be revised to 350, 300 and 250 units for officers, JCOs and ORs respectively. **The existing provisions are adequate. Therefore, the Commission does not recommend any change in the existing position.**

Extra Duty Allowance

4.10.79 Extra Duty Allowance is paid to regular ranks of Naik and Havaldar in the Army holding certain appointments in peace and war establishments. The existing rates of this Allowance range from Rs.50 per month to Rs.80 per month. Defence Forces have suggested enhancement of rates ranging from Rs.200 to Rs.350 per month adding that the rates of the Extra Duty Allowance be granted to PBORs of the three Services. **The Commission recommends that the existing rates of the Extra Duty Allowance may be doubled and the Allowance may be subsumed in the PRIS in future. In view of this, no rationale exists for extending this allowance to new categories.**

Classification Allowance

4.10.80 Classification Allowance is presently granted to PBORs in the Army on attaining certain trade related qualifications in each group. Fifty per cent of the Classification Allowance is reckoned for pension. The existing rates of Classification Allowance are as follows: -

Group	C14 to C13	C13 to C12	C12 to C11
X	-	Rs.60 p.m.	Rs.60 p.m.
Y	Rs.50 p.m.	Rs.50 p.m.	Rs.50 p.m.
Z	-	Rs.20 p.m.	Rs.20 p.m.

4.10.81 The Defence Forces have proposed extension of the Classification Allowance to the Naval and Air Force PBORs in the context of the common pay scales proposed by them for PBORs of the three Services so as to maintain parity in the overall compensation package in terms of pay and pension. The proposed rates are four and a half times of the existing rates.

4.10.82 With the proposed common scales for the PBORs of the three Services, the pay scales of PBORs of the Army which were earlier lower than the other two Services, would be brought on par with the Navy and Air Force. The justification for a separate Classification Allowance would, therefore, not appear to exist. However, keeping in view the fact that Army personnel have been in receipt of this Allowance for a long time, and its removal would be perceived as a reduction in emoluments, **the Commission recommends that the existing rates of Classification Allowance may be doubled and the allowance may be extended to the PBORs of the Navy and Air Force under similar conditions as available in the Army by prescribing specific trade qualifications for grant of the allowance. It is further recommended that 100% of the classification allowance shall be reckoned for grant of pension.**

*Good
Service/Good
Conduct/Badge
Pay*

4.10.83 PBORs of the three Services are granted Good Service Pay after completion of certain specified service so as to maintain high degree of discipline, good conduct and professional competence. The Good Service/Conduct/Badge Pay is not admissible to JCOs. The existing rates of Good Service Pay vary from Rs.32 p.m. to Rs.96 p.m. in the Army and Rs.40 p.m. to Rs.120 p.m. in the Navy and Air Force.

4.10.84 The Defence Forces have suggested a uniform period of 4 years, 8 years and 12 years for grant of the first, second and third Good Service Pay to PBORs of the three Services without any restriction on the rank. The rates suggested are Rs.180 per month subject to a maximum of Rs.540 per month.

4.10.85 **The Commission has separately recommended introduction of Performance Related Incentive Scheme (PRIS) for the Defence Forces. It is, therefore, suggested that Good Service Pay may be subsumed in the PRIS to be evolved for Defence**

Forces personnel. However, till such time the detailed scheme is evolved, the existing rates should be doubled and the allowance be given without any change in the conditions of grant.

Travel related entitlements

4.10.86 The recommendations made by the Commission in regard to TA/DA, Transfer Grant, Baggage entitlements etc. for civilian employees will apply equally to Defence Forces personnel. For the purpose of working out the entitlements, the grade pay proposed for various ranks will be reckoned. Certain other demands have been made in regard to travel entitlements related to movement of families from one Service Hospital to another, conveyance of dead bodies by air, evacuation of dangerously ill, seriously ill members of family, conveyance of relatives of service personnel placed on dangerously ill list/attending funeral of deceased personnel, authorization of travel/baggage entitlements, option to use railway forms, payment of daily allowance to civilian candidates called for interviews for grant of Commission in the Defence Forces. Suggestions have also been made regarding the class of travel for officers going for hospital admission, reimbursement of road mileage allowance, conveyance of servants for the purpose, grant of full composite transfer grant instead of 1/3 composite transfer grant after retirement in NCR region, TA entitlement on first appointment, grant of additional warrant to bring the family at the new duty station on allotment of married accommodation/dispatch of family to selected place of residence etc. The Commission has examined each of the demands on merits and while it is unable to accept some of them, **the following are recommended: -**

- (i) **Travel by fastest means including air shall be authorized for onward and return journeys to dependents of deceased Defence Forces personnel for conducting customary social rites.**
- (ii) **The authorized class of travel for hospital admission shall be the same as that authorized for official tours.**
- (iii) **Conveyance granted to two relatives of battle casualties at Government expense to meet service personnel admitted in a military hospital is presently limited to the rank of Lieutenant Colonels and equivalent only. Provisions of this rule should be extended to all defence personnel irrespective of rank.**
- (iv) **The existing rates of daily allowance payable to civilian candidate called for interviews for grant of Commission in the Defence Forces should be doubled.**
- (v) It has been suggested that the option to use railway forms for travel may be left to the individual and reimbursable expenditure should be limited to that admissible by authorized class of travel. **The Commission recommends that the Ministry of Defence may examine administrative**

feasibility of such an arrangement and take further action thereon accordingly.

Hardship allowance, Assessors allowance, UAV crew allowance

4.10.87 Certain new allowances such as hardship allowance, skill allowance, super specialist allowance, assessors allowance, UAV crew skill allowance, service incentive allowance etc. have been proposed for introduction by the Defence Forces. **The Commission, after examining the rationale given in regard to these allowances, could not find adequate justification for their introduction.**

Leave Travel Concession

4.10.88 Service personnel are entitled to the following Leave Travel Concessions: -

Entitlements of service officers

Officers

(a) Home Town

- (i) Officers and their dependant family members are entitled to free warrant to visit home town once in the second year of service for the first time and thereafter once in a block of two years.
- (ii) The officers' families have independent title to avail of home town LTC but their return journey should be completed within six months from the date of onward journey.
- (iii) An officer may visit old duty station instead of hometown in case the family is residing at old duty station due to non-availability of accommodation at the new duty station.

(b) LTC to visit any station in India

- (i) Officers are entitled to free warrant once in a calendar year to visit any station in India at a distance not exceeding 1450 Kms. However, this concession is not admissible in the year in which concession for home town is availed of.
- (ii) Similar concession is also admissible to wife and dependant children to visit the same station which the officer visits. The journey is required to be performed on payment of cash and officer has to claim the entitled fare. The family has independent title but their return journey should be completed within six months from the date of onward journey.

- (c) Apart from the above provisions, officers serving with units/formations in receipt of field service concessions are entitled to free warrant to visit selected place of residence/home town where family is residing once every year.

(d) Army Aviation Officers who are on the posted strength of the Air Observation Post Flight Squadrons and who are engaged on regular flying duties against authorized vacancies involving regular flying are entitled to free warrant for journey upto a total distance of 1600 Kms for the onward and return journey. This is in addition to other entitlements for LTC.

(e) **Entitlement of Form D**

- (i) Service Officers when traveling by rail on leave at their own expense can use Form D to travel by entitled class. This form cannot be used for journey during week ends/closed holidays unless these are combined with or covered by leave duly sanctioned.
- (ii) Total number of Forms D admissible to the officer, his/her wife/husband and dependent children are for six one way journeys in a calendar year. Officer's dependent parents, sisters and minor brothers who are residing with officer can use two of these six one way journey forms.

*Entitlement of
PBORs*

4.10.89 JCOs/ORs/NCsE/Hony Commissioned Officers

PBORs and Hony. Commissioned officers can visit hometown every year on free warrant irrespective of limit of distance. Every alternate year they can visit any leave station of choice. The leave station of all the family members is required to be the same.

*Demands &
Recommendations*

4.10.90 In the demands made in the memorandum, Defence Forces have made suggestions in regard to travel by air, allowing service personnel and family members to avail LTC to different places, making the use of Form D/free railway warrant optional as well as increase in Form D entitlement of officers. It has also been suggested that an additional free railway warrant/fare for both onward and return journey be authorized for personnel deployed in CI Ops/field service concession areas. During the tenure of the Commission, the Government allowed certain concession like removing the ceiling of 1450 Kms and permitting an additional free railway warrant/fare to those serving in field areas/CI Ops areas. These two concessions had been demanded by the Defence Forces before the Commission and have already been addressed. As regards the other demands made, the intention behind allowing service personnel and family members to avail LTC for visiting the same station is to allow the family to spend time together as separation from family is one of the major hardships faced by Defence Forces personnel. **The Commission does not recommend**

any change in this provision except that where the children are staying in hostels, they may be permitted to visit parents on LTC. As far as the question of making use of railway warrants/D Forms optional is concerned, the Ministry of Defence may examine the administrative feasibility of such an arrangement. The Commission also does not recommend any increase or any change in the entitlement of Form D.

4.10.91 Certain other suggestions have been made by the Defence Forces in the supplementary memoranda relating to travel by personal car on LTC, inclusion of dependent parents in the definition of family for purpose of all India LTC, LTC by air during road closure period to personnel of Ladakh Scout Regiment posted outside Ladakh , notional calculation of rail fare if an officer entitled to travel by AC 1st class opts to travel by air, grant of emergency passages to service personnel posted in the north east, islands of Andaman & Nicobar and Lakshadweep as well as journey on concession vouchers. **In regard to proposals related to travel by personal car, inclusion of dependent parents and notional calculation of rail fare, recommendations made by the Commission for civilian employees will apply equally to Defence Forces personnel. Insofar as the provisions related to emergency passages to those posted in north eastern region etc. and journey on concession vouchers are concerned, the Commission does not recommend any change as the existing LTC entitlements of Defence Forces personnel are already more liberal than those for civilians and journeys on concession vouchers are provided mainly to spend time with the family. In the case of travel of Ladakh Scout Regiment posted outside Ladakh during road closure period, travel from Delhi/Chandigarh or J&K to Ladakh and back should be permitted on the lines of recommendations made for annual and emergency passage to the employees domiciled in A&N Islands.**

Enhancement of educational standard for enrolment

4.10.92 It has been proposed that the educational standards for enrolment in the Defence Forces may be revised as below: -

<u>Pay Group</u>	<u>Existing</u>	<u>Proposed</u>
X	Diploma	Diploma
Y	Matric	10+2
Z	Non-Matric	Matric & below

4.10.93 Consistent with recommendations made for civilian employees, particularly the CPMF personnel, and in view of the merger of Groups Y and Z, **it is recommended that the minimum educational qualifications for entry into the Defence Forces should be Matriculation or ITI. However, Government may**

provide necessary exemptions from these minimum qualifications for groups which are traditionally recruited for certain regiments.

Acting promotion 4.10.94 Acting promotions are granted to service personnel at Service Headquarters as well as at the formation level. A PBOR becomes eligible for the pay of his acting rank after 28 consecutive days of duty in the higher rank and an officer after 21 days. The grant of pay is, however, with retrospective effect. The Defence Forces have proposed to abolish the condition of holding the higher rank for 28/21 consecutive days before converting the same to paid acting rank. This demand is justified. **It is, accordingly, recommended that the condition of holding the higher rank for a fixed number of consecutive days before the acting rank is paid, should be removed.**

Conditions of service of PBOR in Territorial Army 4.10.95 It has been proposed to enhance the terms of engagement of Territorial Army PBORs from existing 17 years for Sepoy and Naik and 20 years for Havaldar to 19, 22 and 24 years for Sepoy, Naik and Havaldar respectively. **The Commission is of the view that Government should take a view on the matter taking into account the requirements related to age profile.**

Conditions of service - Officers 4.10.96 The Defence Forces have made the following proposals in regard to the conditions of service during the training period of Officers: -

- (i) Training at NDA/Naval Academy - At present, no stipend or allowance is paid to cadets at NDA/Naval Academy and similar Academies like AFMC, MCTE, MCME, CME, etc. during the period of training in these academies. The Defence Forces have suggested that a stipend of Rs.10000 per month may be paid to these Cadets during the entire period of training.
- (ii) Pay during training after graduation - Gentlemen Cadets, Flight Cadets and Midshipmen receive a stipend of Rs.8000 per month during the last year of training at IMA/AFA and at sea in the case of Navy. On successful completion of training, however, this stipend is converted to pay and all applicable allowances are paid as arrears to the cadets. The Defence Forces have suggested that provisional Commission may be granted in the last year of training with full pay and allowances and all attendant benefits of the commissioned rank. This period of training is proposed to be counted as service for all purposes. On successful completion of training, the Provisional Commission be converted into regular commission. Further, PBORs under training for grant of Commission as officers should be allowed the same dispensation as applicable to other trainees of the three

Services. However, during the period of training, they should continue to draw pay and allowances appropriate to the rank held at the time of commencement of training and on successful completion of training, they should become entitled to the arrears.

Recommendations 4.10.97 The justification given in regard to Cadets is that the change will bring the Services at par with the entry level conditions prevailing in other Central Government services and will make service conditions more attractive resulting in qualitative and quantitative improvement. In view of the fact that no payment is required to be made by Cadets to training academies like NDA/AFMC and the training results in award of a degree and subsequent employment in the Defence Forces, the Commission does not recommend grant of a stipend in NDA and similar training academies. As far as the grant of provisional commission in the last one year of training in Service Academies is concerned, the successful completion of training is a pre-requisite for the grant of Commission in the Defence Forces, a situation which is not totally comparable with the civilian side. Further, counting of the service spent under training for all purposes would imply that officers would get promoted as Captain one year after Commission instead of 2 years at present and this residency period appears to be extremely short. **Keeping these factors in view, the Commission does not recommend any change in the present provisions related to training academies.**

Substantive promotions 4.10.98 Substantive promotions are granted by time scale up to the rank of Lt Colonel and equivalent. Promotion to the rank of Colonel and above is by selection and is vacancy based. The existing eligibility for promotion to substantive rank of Colonel is 20 years of service. The Defence Forces have proposed to reduce the service requirement to 15 years in line with the A.V. Singh Committee recommendations stating that this will ensure reduction in existing deficiency of officers in junior ranks, provide faster career progression and reduce stagnation. This demand is in consonance with the approach adopted by the Commission. Further, this needs to be extended to all the higher posts which will go a long way in ensuring a younger age profile for the senior posts in Defence Forces and also allow deep selection. **It is, accordingly, recommended that the minimum service prescribed for promotions to the ranks of Colonel/equivalent and above in Defence Forces should be reduced. The Government should evolve the minimum residency periods for this purpose afresh keeping in view the functional considerations.**

Ages of retirement 4.10.99 Proposals have been made by the Defence Forces in regard to the age of retirement of flying branch officers in the Air Force and for Law Officers in the Navy so as to bring about parity within the services and increase satisfaction levels among the officer cadres in the Defence Forces. It has also been suggested that if the retirement age of civilian services is enhanced, the same may be made applicable to the Defence Forces personnel also. The ages of retirement in the defence forces should be based on functional requirements, requirements of age profile etc. **The Commission, therefore, is of the view that a decision on this matter needs to be taken by the Government keeping in view these and other relevant considerations.**

Leave entitlements 4.10.100 The existing entitlement of leave for Defence Forces personnel are as under: -

Leave of officers, JCOs and Ors

Type of leave	Officers	JCOs/OR	Recruits /Boys
Annual Leave	60 days	60 days	30 days
Casual Leave	20 days	30 days	30 days
Furlough Leave (at half pay)	60 days in a cycle of three years	NA	NA
Sick Leave	Upto a maximum of 180 days at full pay to be extended on sanction	(i) Entire period spent in a military or a recognized civil hospital is treated as duty subject to individual falling sick whilst on duty. (ii) After discharge from hospital, further sick leave may be granted, if advised by medical auth. (iii) There is no limit for sick leave.	Admissible as to Other Ranks.

Type of leave	Officers	JCOs/OR	Recruits/Boys
Maternity leave to women officers	Two months leave on full pay to be extended by one month without pay in exceptional cases.	NA	NA

4.10.101 Personnel of the Defence Forces can accumulate Annual Leave upto 30 days in a year subject to the maximum ceiling of 300 days during their complete service. Personnel who proceed on retirement/discharge on their own request can encash leave as under:-

Service at the time of Invalidment	Quantum of leave admissible for encashment
22 years and above	300 days
20 years and above but less than 22 years	265 days
17 years and above but less than 22 years	132 days
Less than 17 years	113 days

4.10.102 In the case of Defence Forces personnel, the leave encashment allowed is based on number of years of service at the time of superannuation/death/invalidment/voluntary retirement, etc. It has been demanded that the quantum of encashment of leave should be delinked from the number of years of service and should be identical to civilian employees. This demand is appropriate. **It is, accordingly, recommended that the quantum of encashment of leave for Defence Forces personnel should be delinked from the numbers of years of service and all Defence Forces personnel shall be allowed encashment of leave of upto 300 days. The relaxation made in the case of civilian employees in regard to encashment of leave during LTC and the ceiling for leave encashment shall also apply to Defence Forces personnel. The demand for extending the provisions of accumulation, commutation and encashment applicable to half pay leave to Furlough cannot, however, be accepted as it would introduce a distinction between the nature of the leave permitted to be encashed by officers and PBORs. The Commission, therefore, does not recommend encashment of Furlough.**

4.10.103 At present, sick leave is granted to officers for a maximum period of 6 months inclusive of annual leave at full rates of pay. It can be extended to 24 months but after the first six months, the extended leave is on half pay. Every case for prolonged hospitalization/sick leave beyond 6 months has to be forwarded to Ministry of Defence for obtaining waiver of the time limit. It has been proposed to grant full pay to officers during the entire period of sick leave irrespective of duration, provided the sickness/hospitalization is attributable/aggravated due to service conditions. **The Commission recommends that the entire period of hospitalization should be covered by grant of full pay and allowances.** Thereafter, further sick leave with full pay may be granted in case the sickness is attributable to service conditions. Lady Officers in the Defence Forces with less than two surviving children are granted maternity leave of 2 months. It has been proposed that this may be enhanced to 135 days for each confinement. In Chapter 4.7, the Commission has recommended that maternity leave for civilian women employees may be increased to 180 days keeping in view the guidelines of the WHO on nursing of babies. **A similar provision should be followed in the case of women officers of the Defence Forces and they should be granted maternity leave for 180 days for each confinement subject to a maximum of two children.**

*House Building
Advance and
Conveyance
Advance*

4.10.104 The Defence Forces, in their memorandum, have proposed substantial increases in the quantum of HBA and have sought that adequate budgetary provisions be made to ensure availability of funds for grant of HBA. In the case of conveyance advance also, substantial enhancement in the rates of conveyance advance have been proposed. Elsewhere in the report, the Commission has recommended that instead of providing House Building or Conveyance Advance, the Government may provide a subsidy in the interest rates of these advances and Government employees may avail of loans granted by Public Sector Banks. **In consonance with these recommendations made for civilian employees, the Commission recommends that Defence Forces personnel may also be provided the subsidy in the interest rates for availing of these loans from Public Sector Banks subject to the same limits as have been laid down for civilian employees.**

Income Tax

4.10.105 The Defence Forces have proposed that all allowances which are peculiar to Services and are provided in the form of compensation should be exempted from levy of Income Tax. Further, all payments to the Defence Forces pensioners on account of pension should be fully exempt from Income Tax. **The Commission is of the view that it is for the Government to consider exemptions from Income Tax keeping in view all relevant factors.**

- Common ration scale for PBORs* 4.10.106 It has been brought out by the Defence Forces that the scales of standard ration authorized to PBORs in the 3 Services are different and a common ration scale has been proposed. Such a rationalization has been considered necessary to bring in parity where differences are noticed during joint operations. The Commission is of the view that different scales of rations may be dependent on the functional requirements as well as the levels of physical activity. **As such, the Commission is not in a position to make any recommendation in the matter. It is for the Government to decide scales of ration required keeping in view all relevant factors.**
- Encashment of leave of Territorial Army personnel* 4.10.107 It has been represented that Territorial Army personnel may also be allowed to encash leave upto a maximum of 300 days on par with the provisions applicable to regular Army personnel. It has been brought out in support of the proposal that the rules for encashment of leave for Territorial Army personnel were brought on par with the regular Army in 1994 but after the Fifth CPC, when the limit was revised to 300 days for regular Army personnel, the same was not done for Territorial Army personnel. **The Commission recommends that parity be maintained in the provisions related to leave encashment between Territorial Army personnel and regular Army personnel.**
- Future revision of allowances* 4.10.108 As far as future revision of allowances is concerned, revision as specified elsewhere may be done in respect of allowances common to civilians and Defence Forces. In the case of allowances specific to Defence Forces, the rate of these allowances should be enhanced by 25% automatically each time the dearness allowance payable on the revised pay band goes up by 50%.
- General recommendation on allowances* 4.10.109 Although the Commission has recommended revised rates for the various allowances granted to Defence Forces personnel, the Commission is of the view that a majority of these allowances are amenable to conversion into performance related incentive. **The Commission, therefore, recommends that the MoD and Service Headquarters may devise a PRI Scheme subsuming those of the allowances which can form part of PRIS.**

Medical facilities for serving employees & pensioners

Introduction

4.11.1 Presently, serving Government employees paid from civil estimates other than those working in Railways and Delhi Administration are covered under the Central Government Health Scheme (CGHS) which is a compulsory scheme for all Central Government employees residing within the area covered by the CGHS Dispensaries. CGHS is a contributory scheme and the Government employees have to contribute varying sums between Rs.15 to Rs.150 p.m. for this facility. Pensioners/family pensioners can also avail CGHS facilities on payment of registration fee. It is not necessary for pensioners/family pensioners to be living in the areas covered under the CGHS for joining it. Railways and Defence have their own medical infrastructure and their employees/pensioners are not covered under CGHS. Presently, the coverage of CGHS is available in 24 cities. Central Government employees living outside these cities are not covered under CGHS. Employees and their family members living outside the CGHS areas are entitled to reimbursement for medical attendance and treatment under the Central Services (Medical Attendance) Rules [CS(MA) Rules]. These CS (MA) Rules, however, are available only to the serving Government employees and the pensioners are not covered under these rules. Pensioners living in non-CGHS areas are allowed a sum of Rs.100 p.m. for meeting their medical expenditure that does not require hospitalization. The amount of Rs.100 was recommended by the Fifth CPC and has remained unchanged since then. Pensioners living in non-CGHS areas are, however, eligible for reimbursement of expenditure incurred on hospitalization in accordance with the prescribed rules.

Demands

4.11.2 Some associations of Government employees in their submissions to the Commission have lamented the poor quality of service available under CGHS and sought an alternative to it. The Central Government pensioners living in non-CGHS areas and their associations have demanded reimbursement of medical expenditure under the CS (MA) Rules on par with what is available to the serving employees. Substantial enhancement in the amount

of medical allowance of Rs.100 presently payable to pensioners living in non-CGHS areas has also been demanded.

Analysis and recommendations

4.11.3 The Commission is aware that there is increasing pressure on CGHS which sometimes results in less than satisfactory services being provided to its beneficiaries. On the obverse, CGHS is appreciated by a number of employees and most of the pensioners. In fact, most of the pensioners associations, in their submissions to the Commission, have requested continuance of CGHS facilities. The need of the hour may, therefore, be to retain the existing scheme of CGHS while simultaneously providing optional in-patient facilities (IPD) through medical insurance. This will provide an alternative to such of those employees/ pensioners who are not satisfied or are not living in the areas covered by CGHS. **The Commission, therefore, recommends that the Government should revise entitlements for treatment in IPD for CGHS card holders so that private ward facilities are available at least to the employees in PB-2 pay band. The Commission is not in favour of extending CS(MA) Rules to the pensioners as not only it will prove to be very costly (estimates given by the Government peg it at Rs.1,820 crore p.a.) but will also suffer from problems relating to submission of bills, its verification and subsequent payment, etc. This will pose additional problems for the pensioners claiming reimbursement and will generate additional administrative work with attendant problems for the Government. The Commission is of the view that an insurance scheme should be devised for meeting the OPD needs as well. In the interregnum, the Government should consider enhancing the amount of medical allowance for pensioners living in non-CGHS areas appropriately.**

Health insurance for Government employees & pensioners

4.11.4 Availability of health service providers in the private sector has increased discernibly in the recent past. Therefore, making available the in-patient facilities through a set up outside CGHS is now viable. CGHS, by way of referrals, is already using this both private and Government network. CS (MA) Rules, in any case, operate through a system of Authorized Medical Attendants (AMA) where adequate number of Government Doctors is not available. CS (MA) Rules also provide for a set of empanelled hospitals where the concerned employees can take treatment. The Commission was informed that the Government is in the final stages of introducing a health insurance scheme for its employees so as to provide them with wider facilities and quality health care without directly burdening the Government with the administrative responsibility of verifying bills and/or expanding public sector medical infrastructure. The scheme being formulated by the Government, however, had not been formalized till the time of finalization of this Report. Accordingly, the Commission is

recommending a scheme of health insurance for Central Government employees and pensioners in this Report.

Recommendations 4.11.5 The Commission, accordingly, recommends introduction of a Health Insurance Scheme for Central Government employees/pensioners as under :-

- i) For the existing employees and pensioners, the Insurance Scheme would be available on voluntary basis subject to paying the prescribed contribution. Contributions should be based on the actual premium paid. Group A, B and C employees should contribute 30%, 25% and 20% of the annual premium respectively with the Government paying the remainder. This arrangement should be reviewed periodically.
- ii) The Health Insurance Scheme would be compulsory for new Government employees who would be joining service after the introduction of the Scheme. Similarly, new retirees after the introduction of the Insurance Scheme would be covered under the Scheme. The new recruits and pensioners will consequently not be provided CGHS / CS (MA) facilities. The new recruits and the new retirees may be paid an appropriate amount for meeting their OPD expenditure till the time an insurance scheme for providing OPD facilities is devised.
- iii) Serving employees and existing pensioners shall have the option to opt out of CGHS and subscribe only to the Insurance Scheme, thus making their own arrangements for OPD needs. In such cases, they will not pay contributions to the CGHS. On par with new recruits, they will need to contribute only the amounts prescribed for similarly placed class of employees/pensioners under CGHS and may also be paid an appropriate amount for their OPD expenditure till the time an insurance scheme for providing OPD facilities is devised. The serving employees in non-CGHS areas may also opt for Health Insurance Scheme and subscribe to the same.
- iv) All personnel of the Central Government including All India Service officers, serving and retired, and others who are covered under the existing CGHS and under CS (MA) Rules may be offered the health insurance scheme on a voluntary basis.

*Railways &
Defence
(combatants)*

4.11.6 The aforesaid scheme has been recommended for Government employees paid from civil estimates other than those working in Railways. However, Railways and Defence (combatants), who are having their own medical infrastructure, should also devise a similar scheme for their employees.

Pensionary benefits of civilian employees and Defence Forces Personnel

Introduction

5.1.1 As per its Terms of Reference, this Commission is required to examine the principles that should govern the structure of pension, death-cum-retirement gratuity, family pension and other terminal or recurring benefits having financial implications for the present and former Central Government employees appointed before January 1, 2004.

5.1.2 The Commission, therefore, had to consider pension and other related issues of all the Central Government employees except those covered under the New Pension Scheme which extends to all the Central Government employees, except those belonging to Defence Forces, as had joined the Government on or before January 1, 2004.

5.1.3 Central Civil Services (Pension) Rules, 1972 regulate pension of Central Government employees appointed on or before December 31, 2003. The employees of Union Territory Administrations and civilian Government employees in the defence services borne on pensionable establishments are also covered by these rules. The term pension is not specifically defined under these Rules. The Supreme Court in the famous judgment of D. S. Nakara Vs. Union of India (AIR 1983, SC 130) had observed that pension is a payment for past services rendered.

Number of pensioners

5.1.4 The Commission deliberated all the issues relating to pension very carefully because the fate of a large number of pensioners depends on this issue. To get a clear perspective, details of the existing Central Government pensioners who would be affected by the recommendations on pension/related benefits is as under:-

Department		Number of pensioners
• Railway	-	10.18 lakh
• Posts	-	1.58 lakh
• Defence	-	19.40 lakh
• Telecom	-	1.42 lakh
• Civil	-	5.83 lakh
Total	-	38.41 lakh

Pension liability of the Government 5.1.5 The annual pensionary liability of the Government at present is in excess of Rs.30,000 crore. While recommending modifications in the existing pension scheme, the Commission was guided by the twin objectives of ensuring a fair deal to all the pensioners, simultaneously keeping in view the capacity of the Government to bear additional burden on this account.

Superannuation or retiring pension 5.1.6 Superannuation or retiring pension is granted on retirement from service on superannuation or invalidment after continuous service of 10 years or more. The retiring pension is also available on voluntary retirement after 20 years service or more. Presently, full pension is payable on completing qualifying service of 33 years or more. It is paid at the rate of 50% of the average emoluments drawn during the last 10 months of service.

Pensionary Benefits of Civilian Employees

Retiral benefits available 5.1.7 Different retirement benefits available to civilian employees are discussed in the succeeding paragraphs.

Gratuity 5.1.8 Three different kind of gratuity is payable in Government:-

- (i) Service gratuity is payable to a permanent employee retiring before completion of 10 years of qualifying service. It is payable at the rate of half month's emoluments for every six months of qualifying service. This gratuity is payable in addition to retirement gratuity
- (ii) Retirement gratuity is payable to employees retiring after minimum 5 years of qualifying service. It is payable at the rate of 1/4th of emoluments for each six monthly period subject to a maximum of 16.5 times the emoluments (including DA) or Rs.3.5 lakh, whichever is less.
- (iii) Death gratuity is payable in case of death in service. It is paid at the rate of twice the emoluments for service less than one year. In case of service between 1-5 years, it is payable at six times the emoluments. For service between 5 to 20 years, it is payable at twelve times the emoluments. In case the service exceeds 20 years, death gratuity is payable at the rate of half the emoluments for every six months period subject to a maximum of 33 times the emoluments (including Dearness Allowance) or Rs.3.5 lakh, whichever is less.

Encashment of leave 5.1.9 Presently in the Government, encashment of Earned Leave (EL) is allowed at the time of retirement as well as while availing LTC.

5.1.10 Limit of encashment of EL at retirement was increased from 180 days to 240 days by the Fourth CPC and to 300 days by the Fifth CPC.

5.1.11 No encashment while in service was allowed till Fifth CPC. Fifth CPC, apart from recommending increase in the maximum number of EL encashable at the time of retirement to 300 days, also allowed encashment of EL while in service. Encashment of EL upto 10 days on each occasion subject to a maximum of 60 days was allowed while availing LTC. EL encashed during service was to be deducted from the overall ceiling of 300 days.

5.1.12 Encashment of half pay leave is also allowed in case sufficient EL is not available. The extant formula reduces the half pay leave so encashed by the amount of pension payable. The Fifth CPC had observed that no real financial benefit accrued to the retiring Government employee on account of the deductions inherent in the formula. The Fifth Pay Commission had, accordingly, recommended abolition of this formula for encashment of half pay leave and had proposed that Central Government employees be allowed to encash their accumulated half pay leave at the time of their retirement to the extent of the shortfall, if any, in the maximum earned leave that can be encashed by them. This recommendation of the Fifth CPC was, however, not accepted.

Family pension

5.1.13 Family pension is payable to the spouse of the deceased employee/pensioner or other eligible family members at the rate of 30% of the last pay drawn.

5.1.14 Family pension was first introduced under the Family Pension Scheme, 1950 which allowed 50% of the pension as family pension to employees rendering minimum 25 years of service. Family pension was admissible only for a period of 5 years and maximum family pension payable was Rs.150 p.m. The period of eligibility was reduced to 20 years and family pension made admissible for a period of 10 years w.e.f. 1/4/1957.

5.1.15 A revised Family pension scheme, 1964 was subsequently implemented. Under this scheme, all Government employees with one year of service or who had retired on pension were made eligible for family pension. Spouse and dependent children upto the age of 25 years were eligible. The quantum of family pension ranged from 30% of pay to 12% on a slab system. The scheme also envisaged payment of family pension at an enhanced rate (50% to 24%) for a period of 7 years or the age of superannuation, whichever was earlier.

5.1.16 The scheme of Family pension was liberalized subsequent to implementation of recommendations of the Third Central Pay Commission. The pay limits under the slab system were enhanced. The benefit of family pension at enhanced rates was extended for a period of 7 years or till the employee/pensioner would have attained the age of 65 years, whichever was earlier.

5.1.17 The scheme of Family pension was earlier contributory and the retiring employee had to surrender two months gratuity in order to be eligible for grant of family pension on his demise. From 22/9/1977, the scheme was made non-contributory and the requirement of surrender of gratuity was dispensed with. The rules were liberalized to allow payment of family pension for life to handicapped children or till the time they became self-sufficient.

5.1.18 Subsequent to the Fourth Central Pay Commission, the minimum and maximum amount of family pension were revised to Rs.375 and Rs.1250 p.m. respectively. The slabs for paying family pension were also revised upwards and ranged from 30% to 15% of pay.

5.1.19 The condition of dependency for children of the deceased employee to be eligible for grant of family pension was removed in 1993. All children were made entitled for family pension upto the age of 25 years as against the age of 18 years prescribed in 1964 rules and the age of 21/24 years or till the time of their marriage, whichever earlier, for sons & daughters respectively prescribed by the Fourth CPC.

5.1.20 The scheme was liberalized further as per the recommendations made by the Fifth Central Pay Commission. Family pension was now payable at the rate of 30% of the pay last drawn in all cases. Maximum and minimum family pension was revised to Rs.9000 and Rs.1275 respectively. Family pension at enhanced rate of 50% of the pay last drawn was for a period of 7 years or till the employee/pensioner would have attained the age of 67 years, whichever is earlier. Married, widowed and divorced daughters were included for payment of family pension subject to the ceiling of 25 years. The limit of 25 years was subsequently removed in respect of unmarried/divorced daughters.

Extraordinary pension

5.1.21 Extraordinary family pension is payable under the CCS (Extraordinary) Pension Rules, 1939 at the following rates:-

- (i) In case of death or disability attributable to service or due to accidents in the performance of duty, extra-ordinary family pension is payable at 60% of the basic pay subject to a minimum of Rs.2500 per month.
- (ii) In case of disability, normal pension and gratuity is payable along with disability pension equal to 30% of pay for 100% disability. The disability pension is reduced proportionately for reduced disability. This is subject to the condition that the aggregate of the service and disability elements are, in no case, less than 60% of the basic pay last drawn.
- (iii) In case of death or disability due to acts of violence by terrorists, anti-social elements etc., whether in performance of duties or otherwise, extraordinary family pension equal to last pay drawn upto re-marriage or death is payable. After re-marriage, rules governing ordinary family pension are applicable. If the deceased employee has no widow but leaves behind only children, then all children together get 60% of basic pay subject to minimum of Rs.2500. In case of bachelors, family pension equal to 75% of pay last drawn is payable in case both the parents are alive. The pension is payable at the rate of 60% in case only one parent is alive, irrespective of their income.

Disability pension 5.1.22 If the Government employee is discharged from Government service on account of injuries sustained in specified operations as a result of either attack by or action against extremists, anti-social elements, etc. or in course of enemy action in international war or border skirmishes, he is entitled to a disability pension that comprises a service element and a disability element. The service element comprises the amount of the retiring pension plus gratuity counting service upto the date on which the employee would have retired in normal course. The disability element that is payable is equal to normal family pension for 100% disability with aggregate of service and disability element not being less than 80% of pay last drawn.

5.1.23 In case of death or disability attributable to attack by extremists, anti-social elements and enemy action, the following rates of extraordinary family pension are applicable:-

- (i) family pension equal to last pay drawn upto re-marriage or death. After re-marriage, ordinary family pension is admissible. If there is no widow but only children, all children together get 60% of basic pay subject to the minimum of Rs.2500. In case of bachelors, family pension

at the rate of 75% of pay last drawn is payable to parents or 60% in case only one parent is alive, irrespective of their income.

- (ii) retiring pension plus gratuity counting service till normal age of retirement subject to the total amount not exceeding last pay drawn for 100% disability. Proportional reduction is made for lower disability.

Exgratia

5.1.24 Exgratia is also payable over and above the pension rules to families of Central Government employees who die in harness in the course of performance of their bonafide official duties. The rates of exgratia vary between Rs.5 lakh in cases of death occurring due to accidents in the course of performance of duty whether attributable to acts of violence by terrorists, anti-social elements etc. or otherwise to Rs.7.5 lakh in cases of death occurring due to enemy action in international war or border skirmishes or action against militants, terrorists, extremists, etc.

Changes made in the past in retiring pension

5.1.25 While considering the pension package for Central Government employees, the Commission has kept in view the various changes that have evolved in the pension benefits over the past decades.

5.1.26 The formula for computing pension has been substantially liberalized since the time of First Central Pay Commission. The pension was earlier payable at the rate of 30/80 (37.5%) of the average emoluments. This was later revised to 41.25% (33/80). From 31/3/1979, a slab system for payment of pension was introduced, wherein pension was paid at various rates ranging from 50% to 42.86%. The formula was further liberalized by the Fourth Central Pay Commission and from 1/1/1986, the pension is payable at the rate of 50% of the average emoluments comprising basic pay, dearness pay, non-practicing allowance and stagnation increments.

5.1.27 From 1/1/1996, full neutralization of dearness relief has been allowed to all pensioners. This was in conformity with the recommendations made by the Fifth CPC extending 100% neutralization of the increase in the price index to all the serving Central Government employees.

5.1.28 Central Government employees are also allowed to commute part of their pension for a lump-sum payment which is the commuted value of that portion of the pension. The lump-sum payment is computed by multiplying the commutation factor by 12 and further multiplying the product by the amount of pension

offered for commutation. The commutation factor is taken from the commutation table with respect to the age next birthday. Originally, the amount of pension once commuted was not restored for life. However, pursuant to directions of the Supreme Court in writ petitions nos. 3958-61 of 1983, orders were issued allowing restoration of the commuted portion of pension both in case of civilian and defence pensioners after a period of 15 years on the ground that the commuted value of pension had to be restored once the lump-sum commutation paid and the interest thereon was fully adjusted. The Fifth CPC had recommended an increase in the percentage of commutable pension from 33% to 40% of pension along with its restoration after 12 years. The Commission had also considered the issue of revising the commutation table that has not been revised since March, 1971 and recommended that a detailed review of the commutation scheme based on current data should be carried out that would be more representative and closer to ground realities. The Government accepted the recommendation regarding increase in the percentage of commutable pension without taking any action on the other two recommendations relating to restoration of the commuted pension and devising a new commutation scheme. The present position is, therefore, that a pensioner can commute upto 40% of the pension which would be restored after 15 years.

Demands- pension 5.1.29 Major demands on pension related issues made by the various staff associations and others sought the following relief:-

- (i) Components for purpose of calculation of pension should also include deputation duty allowance dearness allowance and 75% of the running allowance in respect of railway running staff retired after 4.12.88.
- (ii) Qualifying service for full pension should be fixed at 30 years
- (iii) Full pension should be 60% of the emoluments of the last month or the 10 month average, whichever is higher.
- (iv) Pension should be increased to 65% of the last pay drawn after age of 65 and by another 10% at age of 75.
- (v) Minimum qualifying service should be reduced from 10 to 5 years
- (vi) Minimum pension should be made equal to the minimum salary.

- (vii) Full gratuity should be calculated on the basis of 25 days against 30 days in a month as admissible under the gratuity act. The ceiling of 16.5 months should be removed.
- (viii) Full pension should be restored after 12 years, or on reaching 70 years of age, whichever is earlier.

Demands- family pension 5.1.30 Major demands relating to family pension are as under :

- (i) The period of 7 years for grant of enhanced family pension should be raised to 10 years.
- (ii) After the expiry of the above 10 years period, the family pension should be reduced to 75%.
- (iii) The family pension should not be less than the minimum pension of Rs.10,000.
- (iv) In the case of a son, the family pension may be allowed upto the age of 28 years because the recruitment age has been raised to 28 years. In the case of unmarried daughter, the age limit may be done away with.

Recommendations 5.1.31 The Commission has considered the various demands in light of the extant provisions, the need and justification of giving a proper deal to the pensioners and the capacity of the Government to bear additional burden on this account. Recommendations on various pension related issues have, accordingly, been made in the succeeding paragraphs.

Recommendations relating to quantum of pension 5.1.32 As regards the issue of raising the quantum of pension from the existing 50% of the average emoluments to a higher percentage (say 60%), is concerned, it is noted that this demand was also considered by the Fifth CPC who had recommended that a supplementary pension scheme that was contributory in nature could be a viable means of increasing post retirement incomes. It is observed that the new pension scheme that is mandatory for post 31/12/2003 entrants, also envisages a second tier where contributions can be made on a voluntary basis by the Government employees towards their future pension. This can perhaps be utilized by the employees who are desirous of increasing their post-retirement incomes. Consequently, the Commission does not recommend any change in the present rates of pension which is payable at 50% of emoluments on completion of minimum prescribed years of qualifying service. The Commission, however, is of the view that older pensioners

require a better deal because their needs, especially those relating to health, increase with age. Accordingly, the Commission recommends that quantum of pension available to the old pensioners should be increased as follows:-

On attaining age of	Additional quantum of pension
80 years	- 20% of basic pension
85 years	- 30% of basic pension
90 years	- 40% of basic pension
95 years	- 50% of basic pension
100 years	- 100% of basic pension

Recommendations relating to qualifying service

5.1.33 Presently, full pension is payable only on completion of 33 years of qualifying service. The rules also allow grant of upto 5 years of additional qualifying service for purposes of computing pension subject to certain conditions. Hence, an employee presently has to put in a minimum 28 years of qualifying service to become eligible for full pension. This acts as a disincentive for many employees for leaving the Government at an early age even though they have reached a plateau in their career and are not satisfied with their job, because they want to complete the minimum years of qualifying service prescribed for being eligible for full pension. By the time they complete such minimum years of service, they are too old to look for an alternative career and continue in the Government without being motivated to make any significant contribution. This has an adverse effect on the efficiency of the machinery. At the same time, the concerned Government employee is also prevented from pursuing an alternative career. **The Commission, accordingly, recommends that linkage of full pension with 33 years of qualifying service should be dispensed with. Once an employee renders the minimum pensionable service of 20 years, pension should be paid at 50% of the average emoluments received during the past 10 months or the pay last drawn, whichever is more beneficial to the retiring employee.** This will not work as a disincentive to the employees putting in longer years of service because their pay will increase along with the tenure that will have a direct bearing on the pension payable to them. With this, qualifying service will cease to have any relevance as full pension will be payable once minimum pensionable service is put in without any reference to qualifying service. **Simultaneously, the extant benefit of adding years of qualifying service for purposes of computing pension/related benefits should be withdrawn as it would no longer be relevant.**

Recommendations relating to commutation

5.1.34 Earlier, the amount of pension commuted was not restorable. Consequently, a pensioner was eligible to draw only the commuted amount of pension for the remainder of the retired life. The position changed with effect from April 1, 1985 on account of judgment passed in December, 1986 by the Supreme Court in Writ Petitions No. 3958-61 of 1983. In this judgment, the Supreme Court had directed restoration of the commuted value of pension once the commutation amount along with the interest element thereon was recovered fully. Accordingly, orders were issued for restoring the commuted amount of pension after 15 years. These orders were made effective retrospectively from April 1, 1985.

5.1.35 The Commission received many demands for reducing the period of restoring the full pension to 12 years. As mentioned earlier, the Fifth CPC had recommended such restoration after 12 years. The Fifth CPC had simultaneously recommended revision of the commutation table that was last revised in March, 1971. The commutation table is based on the mortality rates then extant amongst Government pensioners and a concessional rate of interest of 4.75% per annum. Department of Pension and Pensioners Welfare had considered the issue of revision of the current commutation table many times. These reviews revealed that whereas the mortality rates had not increased significantly, the rates of interest had become much higher. Another factor which has to be considered in any revision is that the commutation is now restored after a period of 15 years. Hence, any improvement in the age of life expectancy of Government pensioners beyond 15 years will cease to have any effect on computation of the commutation value. The present commutation table is more advantageous to the retiring employees and till the time, the commutation table is suitably revised to present the correct picture, there may not be any justification for decreasing the period of restoration. The Commission had commissioned the Centre for Economic Studies and Policy, Bangalore for evolving a new commutation table keeping in view all the relevant factors. This table is given in Annex 5.1.2 of the Report. **The Government should modify the commutation table being used for purposes of commuting pension, accordingly. All future cases of commutation of pension should be considered as per the revised commutation table annexed to the Report which may be revised periodically by the Government keeping in view the interest rates and the mortality table. Since the commutation under the proposed scheme will be in consonance with the prevailing market rates of interest and the mortality factor, it should be possible to outsource the entire process of making payment on this account. Accordingly, the Government may consider outsourcing the process of commutation of pension to any PSU Bank/Institution which would extend the commuted amount to the pensioners**

and get appropriate rate of interest on such amount. Government could extend an interest subsidy on the interest rate so charged, in case the same is found necessary.

*Amount of
commutation -
Recommendations*

5.1.36 In view of the aforesaid, **the Commission does not propose any change in the maximum percentage of commutation allowed or in the period of restoration.**

*Recommendations
relating to
gratuity*

5.1.37 Most of the Associations have demanded removal of the ceiling of Rs.3.5 lakh on retirement/death gratuity. The Fifth Central Pay Commission had recommended removal of ceiling on all kinds of gratuities keeping in view their recommendation to include dearness allowance in the definition of emoluments for calculation of gratuity. They had observed that with the inclusion of DA in the definition of emoluments, the amount of gratuity receivable will change every six months and any ceiling thereon will become unrealistic. The Government accepted the recommendation regarding inclusion of DA in the definition of emoluments for purposes of computing the amount of gratuity receivable. However, they did not remove the ceiling on maximum amount of gratuity payable but increased this limit from Rs.2.5 lakh to Rs.3.5 lakh w.e.f. 1/1/1996. This has resulted in a situation where employees retiring with the average basic pay of more than Rs.11,687 as on 1/1/2006 get restricted by the maximum limit in so far as payment of gratuity is concerned. While prescribing a limit, it may be necessary to limit the expenditure on payment of gratuity. The existing limit will prevent many Group B and C employees from getting the full benefit of gratuity. Hence, the limit of gratuity has to be such that all employees barring those in the top grades are able to get full benefit of gratuity payable as per the given formula. This is justified as death-cum-retirement gratuity was, at its inception, carved out of pension payable which earlier was admissible at the rate of 30/60 of emoluments in the Liberalized Pension Rules, 1950. The rate was reduced to 30/80 of emoluments when DCRG, at the rate of 9/20 of emoluments for each year of service subject to a limit of 15 times of the emoluments, was introduced. **In view of this and the fact that there is a substantial revision of emoluments, the Commission recommends that the maximum pecuniary limit of Rs.3.5 lakh on payment of gratuity should be raised to Rs.10 lakh.**

*Recommendations
relating to
encashment of
leave*

5.1.38 The last two Pay Commissions had successively increased the limit in accumulation of Earned Leave and its encashment by 60 days which, therefore, increased from 180 days to 240 days pursuant to recommendations of the Fourth CPC and to 300 days as per the recommendations of the Fifth CPC. The last Pay Commission had also allowed encashment of leave while availing

LTC but the number of leave so encashed was deductible from the maximum number of leave encashable at the time of leaving the Government.

5.1.39 The maximum number of EL that can be accumulated and encashed has substantially increased by 120 days in the last 3 decades. Consequently, no rationale for raising this limit any further exists. However, it is not appropriate to deduct the number of EL encashed while in service from EL encashable at the time of leaving the service because the latter acts as a means for providing adequate resources to the retiring employee to meet the commitments at the start of the retired life. **The Commission recommends that while no change may be made in the maximum number of EL that can be accumulated and encashed, whether in service or at the time of retirement/leaving the Government, however, the number of EL encashed while in service should be excluded from the overall ceiling of encashment of 300 days EL allowed at the time of retirement.**

5.1.40 The present formula for making up the shortfall in the maximum amount of Earned Leave encashable at the time of retirement through encashment of Half Pay Leave (HPL) does not give any benefit. This is unjustified especially when leave salary equal to half the amount of leave salary on Earned Leave is payable during Half Pay Leave and the period spent on this leave is counted as qualifying service for purposes of pension. **The Commission, therefore, recommends that both Earned Leave and Half Pay Leave should be considered for encashment of leave subject to the overall limit of 300 days. The provisions relating to encashment of Earned Leave shall continue unchanged. Half Pay Leave will be encashable at the rate equal to half the amount of leave salary payable during Earned Leave without any reduction being made on account of pension payable. To make up the shortfall in Earned Leave, no commutation of Half Pay Leave shall be permissible.**

Family pension - analysis of changes made in the past and recommendations

5.1.41 Consequent to the recommendations made by the earlier Central Pay Commissions, the rates of family pension have been increased from 12% to 30% of the last pay drawn for all. Eligibility conditions have been relaxed and unmarried/divorced daughters made eligible for family pension without any age limit. Conditions for payment of family pension at enhanced rates have also been liberalized so that it is now payable for a period of 7 years.

5.1.42 **Substantial liberalization having already been effected in rules governing payment of family pension, large scale changes are not required at this stage. The Commission also finds no merit in the suggested increase to 28 years for payment**

of family pension to the sons of deceased employees. The limit of 25 years in respect of unmarried daughters has already been removed and no further changes are, therefore, required in this regard. Any further extension in the present period of 7 years for grant of enhanced family pension is also not necessary. However, a special dispensation is justified for those dying in harness. **The Commission, accordingly, recommends that in case of Government employees dying in harness, family pension may be paid at enhanced rates for a period of 10 years. The dependency criteria for all purposes should be the minimum family pension along with dearness relief thereon. This should also be followed in cases relating to payment of family pension as well.**

5.1.43 In accordance with recommendations for paying higher quantum of pension to very old pensioners, quantum of family pension payable to similarly old family pensioners would also need to be increased. **The Commission, accordingly, recommends that quantum of pension available to the family pensioners should also be increased on par with that recommended for pensioners as under:-**

On attaining age of	Additional quantum of family pension
80 years	- 20% of basic family pension
85 years	- 30% of basic family pension
90 years	- 40% of basic family pension
95 years	- 50% of basic family pension
100 years	- 100% of basic family pension

*CCS
(Extraordinary)
Pension Rules,
1939 - analysis &
recommendations*

5.1.44 The Commission notes that the provisions on extraordinary family pension have been liberalized substantially by the Fifth CPC. The present provisions, therefore, are adequate and no further large scale changes are necessary in so far these rules are concerned. However, in the case of disability pension, for 100% disability where the individual is completely dependent on somebody else for day to day functions, no Constant Attendant Allowance is available under the CCS (Extraordinary) Pension Rules, 1939. The Commission notes that such Constant Attendant Allowance is available in the Defence Forces. A similar allowance needs to be extended in respect of civilian retirees as well because their requirement would be similar. **The Commission, accordingly, recommends introduction of a constant attendant allowance, on the lines existing in Defence Forces under the CCS (Extraordinary) Pension Rules, 1939 as well.**

Recommendations relating to exgratia

5.1.45 As mentioned earlier, exgratia is payable over and above the pension rules to families of Central Government employees who die in harness in the course of performance of their bonafide official duties. The existing categorization of exgratia payable is quite adequate. The Commission, however, notes that the troops employed in the high altitude and inaccessible border areas not only have to battle the enemy but also the elements. Any death while on duty in such specific border posts, whether during action against enemy or otherwise on account of natural disasters, extreme weather conditions, etc. needs to be treated on the same footing and be made eligible for payment of exgratia at the higher rates. The rates of exgratia also need to be revised upwards so as to provide sufficient financial assistance to the families of the deceased employees who die in performance of their bonafide official duties. **The Commission, accordingly, recommends that the rates of exgratia may be doubled and raised to Rs.10 lakhs in cases of death occurring due to accidents in the course of performance of duty whether attributable to acts of violence by terrorists, anti-social elements etc. or otherwise and to Rs.15 lakhs in cases of death occurring due to enemy action in international war or border skirmishes or action against militants, terrorists, extremists in the border posts or on account of natural disasters, extreme weather conditions while on duty in the specified high altitude, inaccessible border posts, etc.**

Past pensioners - analysis of changes made in the past and recommendations

5.1.46 The main demands of past pensioners related to grant of one rank one pension both for civilian as well as Defence Forces retirees and better medical facilities. In case of Defence Forces, the issue of one rank one pension was conceded partially when one time increase was granted to Defence Forces pensioners in 1992 that reduced the gap between past & present pensioners in Forces. The Fifth CPC extended full parity between pre & post 1/1/1986 pensioners and a modified parity between pre & post 1/1/1996 pensioners. In modified parity, it was provided that pension could, in no case, be less than 50% of the minimum of the corresponding Fifth CPC revised pay scale from which the pensioner had retired.

Fitment benefit to the past pensioners

5.1.47 The Commission notes that modified parity has already been conceded between pre and post 1/1/1996 pensioners. Further, full neutralization of price rise on or after 1/1/1996 has also been extended to all the pensioners. Accordingly, no further changes in the extant rules are necessary. However, in order to maintain the existing modified parity between present and future retirees, it will be necessary to allow the same fitment benefit as is being recommended for the existing Government employees. **The Commission, accordingly, recommends that all past pensioners should be allowed fitment benefit equal to 40% of the pension excluding the effect of merger of 50% dearness allowance/**

dearness relief as pension (in respect of pensioners retiring on or after 1/4/2004) and dearness pension (for other pensioners) respectively. The increase will be allowed by subsuming the effect of conversion of 50% of dearness relief/ dearness allowance as dearness pension/dearness pay. Consequently, dearness relief at the rate of 74% on pension (excluding the effect of merger) has been taken for the purposes of computing revised pension as on 1/1/2006. This is consistent with the fitment benefit being allowed in case of the existing employees. A table (Annex 5.1.1) showing fixation of the pension of the existing pensioners in the revised dispensation consequent to implementation of the recommendations of this Commission has been prepared and should be used for fixing the revised pension of the existing pensioners. **The fixation as per this table will be subject to the provision that the revised pension, in no case, shall be lower than fifty percent of the sum of the minimum of the pay in the pay band and the grade pay thereon corresponding to the pre-revised pay scale from which the pensioner had retired. To this extent, a change would need to be allowed from the fitment shown in the fitment table.**

Medical care for pensioners

5.1.48 As regards improved medical care for pensioners, the Commission was informed that the Government is in the process of introducing a new scheme providing medical insurance to the pensioners. This scheme would have adequately addressed the indoor medical treatment needs of the pensioners. However, it was not operationalised till the time of finalization of this Report. The Commission has, accordingly, addressed the issue in the chapter on Medical facilities in this Report. Insofar as day to day expenditure on medicines and consultation for OPD treatment of the pensioners is concerned, the Fifth CPC had recommended a fixed medical allowance of Rs.100 per month for meeting the expenditure on day to day medical expenses of the pensioners residing in an area not covered by CGHS. The Fifth CPC had also recommended extension of CS (MA) Rules, 1944 to the pensioners in a restricted manner. The Government accepted the recommendation regarding payment of the fixed medical allowance but did not extend CS (MA) Rules, 1944 to the pensioners.

Medical Allowance for pensioners

5.1.49 The Commission notes that under CS (MA) Rules, 1944, the employees have to make the payments and then claim reimbursement from the Government. This procedure may pose problems to the retirees in claiming reimbursements. Accordingly, the Commission does not recommend extension of CS (MA) Rules, 1944 to the pensioners. In Chapter 4.11, recommendations have been made for providing OPD facilities to the pensioners living in non-CGHS areas.

CPF/SRPF Optees 5.1.50 Many demands have been made seeking another option for the CPF/SRPF beneficiaries to switch over to the pension scheme. It is seen that the Fifth Central Pay Commission had examined the issue minutely and concluded that an option having been given to the SRPF retirees to switch over to the pension scheme as many as 12 times, no case existed to argue that they were not given a reasonable opportunity to do so. It is also noted that in the last option, all those who had not specifically opted to be governed by the SRPF scheme were automatically brought over to the pension scheme. Hence, no case would appear to exist for giving another option to these ex-employees. The Fifth CPC had recommended payment of exgratia at a flat rate of Rs.600 per month as a measure of adopting a sympathetic and humanitarian approach for such of those CPF/SRPF beneficiaries as had superannuated from the Government. The rates of the exgratia have been further revised by the concerned Ministries. Dearness Relief at prescribed rates is also payable on the exgratia which, therefore, is inflation proof. **Accordingly, no further change in the existing scheme of payment of exgratia to CPF/SRPF optees is required. The existing scheme may, therefore, continue in their case.**

Instances where the extant rules are discriminatory against women 5.1.51 Dependent sons/daughters are allowed to avail medical facilities under CS (MA) Rules and CGHS Rules. In case of sons the eligibility is till the time he starts earning or he attains the age of 25 years, whichever is earlier. In case of daughters it is till the time they start earning or get married, whichever is earlier. Consequently, whereas a dependent boy below 25 years of age will continue to be eligible for medical facilities even after marriage till the time he attains the age of 25 years or becomes independent, a dependent girl below 25 years will lose this facility the moment she gets married. **It may be judicious to amend the rule so that the discrimination against women is rectified.**

Medical facility to dependent daughters 5.1.52 Ministry of Health vide O.M. No.4-24/96-C&P/CGHS (P) dated 17th September, 1999 has conveyed to all Ministries/Departments of the Government the directions given by the High Court of Delhi as per which the medical facilities will continue to be available to sons who are dependent on the Government employees/pensioner irrespective of their age. The aforesaid order of Ministry of Health directs all Ministries/Departments of Government of India to comply with the aforesaid directions of the High Court. Significantly, the O.M. does not stipulate that a similar benefit should be extended to the daughters as well. The Commission had discussed this issue with the Department of Women & Child Development who were of the

view that a similar benefit needed to be extended to the similarly placed daughters as well. The Commission finds considerable merit in the point of view conveyed by the Department. **It is, accordingly, recommended that on par with the facility extended to the dependent sons, the medical facilities should be continued in respect of dependent daughters irrespective of their age.** Presently, definition of family of Government employee for various purposes includes widowed/divorced daughters but does not include their minor and dependent children. The Commission has received several references seeking extension of the benefit of medical facilities to the minor and dependent children of widowed/divorced daughters on the ground that absence of such facility places an unreasonable burden on this category. This demand is justified. **It is, accordingly, recommended that for the purposes of medical facilities, the definition of the family should be expanded to include the minor and dependent children of widowed/divorced daughters.**

Eligibility for family pension

5.1.53 For purposes of nomination for eligibility to get family pension etc., the term 'Family' is divided into two categories with the relations mentioned in first category having precedence over relations mentioned in the second category. The first category includes sons and unmarried daughters. However, widowed daughters have been placed in the second category. This is discriminatory towards the widowed daughters especially as sons, whether married/unmarried/widowers/divorced have been placed in the first category. **The Commission, accordingly, recommends that for purposes of eligibility for Family Pension and other related benefits, the widowed daughters should also be placed in the first category.**

Eligibility for encashment of leave

45.1.54 The issue regarding payment of encashment of leave to a person dying in harness, the amount is payable in the following precedence:

1. widow or the eldest surviving widow (with reference to the date of marriage) or husband;
2. the eldest surviving son or an adopted son;
3. the eldest surviving unmarried daughter;
4. the eldest surviving widowed daughter;
5. the father.
6. the mother;
7. the eldest surviving brother below the age of 18 years;
8. the eldest surviving unmarried sister;
9. the eldest surviving widowed sister;
10. the eldest surviving married daughter; and
11. the eldest child of the eldest predeceased son.

The amount is payable to a member only if member of the preceding category is not available. The table reveals that status of a married daughters slips to serial number 10 whereas in case of son, the serial number remains two irrespective of his marital status. This is patently unfair to the married daughter as she has been placed below certain categories of siblings of the deceased employee. Some adjustment is, therefore, needed in this case. **The Commission recommends that for purposes of payment of encashment of leave to a person dying in harness, the amount should be paid to the relations as per the following order:-**

1. widow or the eldest surviving widow (with reference to the date of marriage) or husband;
2. the eldest surviving son or an adopted son;
3. the eldest surviving unmarried daughter;
4. the eldest surviving widowed daughter;
5. the father.
6. the mother;
7. the eldest surviving married daughter;
8. the eldest surviving brother below the age of 18 years;
9. the eldest surviving unmarried sister;
10. the eldest surviving widowed sister; and
11. the eldest child of the eldest predeceased son.

Family Pension

5.1.55 Family pension is presently payable to widowed/divorced daughters till the time they get remarried or start earning more than Rs.2550 per month. Same is the case with the widow of a deceased Government employee who either does not have any children from the deceased employee or is not looking after such children. These widows are also paid family pension till the time they get remarried or die. The Commission has received many representations seeking continued family pension for such widows. The Defence Forces also made a strong pitch for this benefit. The Commission is of the view that stopping family pension on remarriage places an impediment in the remarriage of the widows. The position, therefore, needs to be rectified. **The Commission, accordingly, recommends that the childless widow of a deceased Government employee should continue to be paid family pension even after her remarriage subject to the condition that the family pension shall cease once her independent income from all sources becomes equal to or higher than the minimum prescribed family pension in the Central Government .**

Pensionary benefits of Defence Forces Personnel

Retiring Pension for Commissioned Officers

5.1.56 Pension of Commissioned Officers is fixed on the basis of average emoluments drawn during last 10 months. Pension is paid at the rate of 50% of the average emoluments. Minimum qualifying period of service is 20 years and full pension is payable on completion of 33 years of qualifying service. These rules are identical to those prevailing in case of civilians. Higher weightage of 3 to 9 years (civilians are allowed weightage of upto 5 years) is given to officers to compensate for truncated career. Weightage is given to the extent the prescribed age of superannuation for the post falls short of 60 years. Defence Forces have proposed that officers should be paid pension at the rate of 50% of the maximum of the scale attached to the rank from which they retire. The Commission has recommended payment of pension at the rate of 50% of the last pay drawn or the average emoluments, whichever is higher, irrespective of the number of qualifying years of service completed (subject to completion of 20 years of qualifying service). All reference to full pension being payable only on completion of 33 years of qualifying service are proposed to be removed. **No justification, therefore, remains for allowing any weightage. Further, in the scheme of running pay bands and grade pay, the pension cannot be paid at the maximum pay attached to the post. The Commission recommends accordingly.**

Commutation of pension

5.1.57 Commissioned Officers are allowed commutation of pension to the extent of 43%. The Fifth CPC, while increasing the amount of pension available for commutation in case of civilians from 33% to 40%, maintained the percentage for Commissioned Officers at 43%. The Defence Forces have desired that this amount be increased to 50%. The demand is justified. **The Commission, accordingly, recommends that maximum allowable commutation of pension in case of Commissioned Officers should be increased to 50%. Similar dispensation should also be extended in case of PBORs who are presently allowed to commute 45% of their pension.** Presently, commuted pension is restored on completion of 15 years as in the case of civilians. Defence Forces have proposed that the period of restoration should be reduced to 12 years. Similar demand was made by many civilian employees/associations but the same has not been found acceptable as the commuted value computed with reference to the extant commutation table was not fully recoverable even after a period of 15 years. A revised commutation table is being proposed which is also based on the premise that commuted portion of pension would be restored after a period of 15 years **The period of 15 years may, therefore, need to be retained for civilians as well as the Defence Forces.**

One Rank One Pension

5.1.58 One Rank One Pension has been demanded for all ex-servicemen. The Fifth CPC had already granted full parity between pre and post 1/1/1986 pensioners and a modified parity between pre and post 1/1/1996 pensioners. Identical dispensation was given to the civilian employees as well as Defence Forces personnel. No change is proposed in the existing dispensation either in case of civilians or Defence Forces. **Hence, extant provisions may continue.**

Qualifying service for getting second pension

5.1.59 Presently, qualifying service for receiving second pension in case of ex-servicemen employed in Defence Security Corps (DSC) is 15 years. A demand has been made to reduce this period to 10 years. The Commission is recommending lateral movement of Defence Forces personnel to CPMFs/defence civilian organizations, including DSC, which will ensure a long tenure for these personnel. Further, with removal of any linkage of payment of full pension with qualifying service of 33 years, the necessity of liberalizing provisions for second pension may not really exist. **No further liberalization is, therefore, necessary in this regard.**

Retiring Pension for PBORs

5.1.60 Pension is payable at the rate of 50% of the reckonable emoluments. Full pension is payable on completion of 33 years of qualifying service. Since, PBORs have truncated careers, in their case; the reckonable emoluments are taken as maximum of the pay scale attached to the rank including 50% of the classification pay. Pension is payable after minimum qualifying service of 15 years. Weightage of 5 to 10 years is allowed. The Defence Forces have made following proposals in respect of PBORs pension:-

- Pension to be paid at the rate of 75% of the maximum of the scale in case of PBORs retiring upto age of 55 years and at the rate of 50% for those retiring after the age of 55 years.
- Whole of classification pay to be included for computing pension.

Existing weightage have been demanded to be enhanced as under:-

Rank in army/ equivalent ranks in other services	Present Weightage (Years)	Weightage Demanded (Years)
Sepoy	10	14
Naik	8	11
Havaldar	6	9
Naib Subedar	5	8
Subedar	5	8
Subjedar Major	5	8

5.1.61 The Commission has recommended payment of pension at the rate of 50% of the emoluments irrespective of whether 33 years of service has been completed or not. While the pension in case of PBORs should continue to be paid on completion of qualifying service of 15 years, no rationale would continue to exist for paying their pension with reference to maximum of the pay scale or of giving them any additional weightage. In any case, in the revised scheme of running pay bands, fixing a maximum pay for any particular rank is not possible. Further, with lateral movement of Defence Forces personnel to CPMFs etc., additional weightage is not really necessary. The benefit being recommended for civilians that the pension would be based either on the pay last drawn or the average emoluments for last 10 months, whichever is more beneficial, would, however, need to be extended to the Defence Personnel as well. **The Commission, accordingly, recommends that the pension of PBORs on completion of 15 years or more of reckonable service should be computed at the rate of 50% of the pay last drawn or the average emoluments, whichever is more beneficial, without any additional weightage being allowed. Military Service Pay would be counted for pension. Whole of classification pay may also be included for purposes of computing pension. This recommendation will take effect retrospectively from 1/1/2006 because the running pay bands shall take effect from this date. Therefore, the maximum of a pay scale will cease to have any relevance from this date. Consequently, the recommendation will need to be made effective for PBORs from 1/1/2006.** The following table reveals that the pension payable even to the PBORs who retire only after 15 years of service would also increase substantially under the revised dispensation now being proposed:-

(Rs.per month)

Post	Pension as per existing rules * (basic pension + DP + DR +)	Minimum Revised Pension	Increase
X Group			
Sepoy	3319	5335	2016
Naik	3319	5620	2301
Havaldar	3380	6215	2835
Nb. Sub	4673	8320	3647
Subedar	5518	9375	3857
Sub. Major	5665	9910	4245

Post	Pension as per existing rules * (basic pension + DP + DR)	Minimum Revised Pension	Increase
Y Group			
Sepoy	3083	4330	1247
Naik	3096	4680	1584
Havaldar	3096	5035	1939
Nb. Sub	4588	7490	2902
Subedar	5254	8545	3291
Sub. Major	5383	8775	3392

* As on 1.1.2006 for a PBOR retiring after 15 years of service.

The actual benefit for PBORs with more than 15 years of service will be higher.

*Pension for
Honorary Ranks*

5.1.62 Presently, Havaldars on getting the rank of Honorary Naib Subedar are given an additional pension of Rs.100. As against this, JCOs after becoming Honorary Officers get pension as per the existing formula on the basis of pay attached to the post of Honorary Officer. Defence Forces have proposed that the pension of Honorary Naib Subedars may also be fixed, accordingly, on the basis of pay attached to the rank. The proposal is inherent in the revised scheme of pay bands being proposed. A Havaldar, on promotion as Honorary Naib Subedar will be eligible for pension with reference to the salary drawn/drawable in the rank of Naib Subedar. Further, pension is now payable with reference to either 10 months average emoluments or the last pay drawn, whichever is beneficial. **In light of these changes being recommended, pension for all Honorary ranks of Naib Subedar will henceforth be payable by taking this placement as a regular promotion to the higher grade wherein benefit of fitment in the pay band and the higher grade pay will be taken into account for purposes of fixation of pension.**

*Family Pension-
Existing position*

5.1.63 Family pension is payable to family or dependents upon death of a servicemen whether in service or after retirement. Ordinary Family Pension at the rate of 30% of last pay drawn is payable in cases of death due to causes neither attributable to nor aggravated by military service. Ordinary Family Pension is admissible at enhanced rate of 50% for duration of 7 years after death or till 67 years of age, whichever is earlier. Enhanced rate cannot, however, exceed service pension or notional service pension of the deceased. Widowed daughters are authorized

Ordinary Family Pension for life whereas unmarried daughters are allowed Ordinary Family Pension till the age of 25 years.

Proposals regarding Ordinary Family Pension

5.1.64 Defence Forces have made following suggestions regarding ordinary family pension :-

- Rate of Family Pension payable to widow should be increased to 40% of the maximum of the scale till the time the deceased employee would have attained the age of 60 years. Thereafter it may be paid at 30% as at present.
- Duration of enhanced rate of family pension should be increased to 15 years.
- Stipulation limiting enhanced rate of ordinary family pension to service pension be removed.
- Family pension to widows should be continued even after their re-marriage. If she abandons her children, the pension should pass on to the children collectively.
- Ordinary family pension should be paid to unmarried daughters for life.
- Families of persons drawing two pensions should be authorized to draw 2 family pensions.
- Families of those dying during trials of indigenous developed weapon systems and ammunition should be authorized liberalized family pension.

Analysis of proposals on Ordinary Family Pension

5.1.65 Provisions regarding Ordinary Family Pension are same for civilians and Defence Forces personnel. The Commission has recommended that in case of Government employees dying in harness, family pension shall be paid at enhanced rates for a period of 10 years. **This will equally apply in case of Defence Forces personnel dying in harness.** As regards the stipulation that enhanced rate of Ordinary Family Pension should not exceed service pension, the same affects such of those PBORs who die after putting in short span of service. **This will cease to be of relevance in the proposed dispensation as per which pension will be payable at 50% of the reckonable emoluments irrespective of the number of qualifying years of service put in.** No justification remains for limiting family pension to unmarried daughters till the age of 25 years when widowed daughters are allowed family pension for life. Similar dispensation, therefore, needs to be extended in case of unmarried/divorced daughters. **The Commission, accordingly, recommends that unmarried daughters should also be allowed family pension for life.** Payment of family pension to widows on re-marriage was considered by Fifth CPC who recommended continuance of Ordinary Family Pension on re-marriage whenever the widow decided to look after the children. Defence Forces have proposed this dispensation. Extant rules already provide for this. No

further recommendation is necessary on this account. Defence Forces proposal for payment of liberalized Family Pension to those dying during trials of indigenously developed weapon system and ammunition is justified as at the time of initial trial, the efficacy and safety of the weapon is not known and the risk to life is higher. **The Commission recommends that liberalized family pension should also be paid to the families of military personnel dying during trials of indigenously developed weapon system and ammunition.**

Disability Pensionary awards

5.1.66 Disability pensionary awards include:-

- Disability Pension
- Invalid Gratuity &
- War Injury Pension

Disability Pension - Disability Pension is given to Defence Forces personnel who leaves service on account of disability attributable to or aggravated by military service. The basic scheme is similar to that for civilians; however disability element for service personnel is paid at flat rates unlike in case of civilians who are granted disability element as a percentage of pay equal to admissible family pension. Defence Forces personnel in receipt of Disability Pension for 100% disability are also given Constant Attendance Allowance. As per recommendations of Fifth CPC, this allowance is payable at the rate of Rs.600 p.m.

Invalid Gratuity - Invalid Gratuity is paid at the rate of half month's emoluments for every six months of service. It is payable in addition to DCRG.

War Injury Pension - War Injury Pension is payable for injury sustained during notified operations. The War Injury Pension is payable on the basis of reckonable emoluments last drawn and is equal to reckonable emoluments last drawn for 100% disability and is proportionately reduced for lesser disability subject to the prescribed minimum.

Disability Pension awards - demands

5.1.67 Following proposals made by the Defence Forces regarding disability pension awards:-

- Defence personnel should also be paid disability component of Disability Pension on percentage basis at the rate of 30% of basic pay subject to a minimum of Rs.1550 p.m. In case of disability due to injury in war/war like situations, it should be paid at the rate of 60% of the last pay drawn subject to a minimum of Rs.3100 p.m.

- No qualifying service should be prescribed for grant of Disability Pension due to causes neither attributable nor aggravated by service conditions.
- In all attributable cases, disability component should be paid for disabilities below 20% (presently it is not paid for disabilities below 20%).
- Rate of Constant Attendance Allowance should be raised to the minimum wage applicable to a Group D employee of Central Government so as to provide disabled soldiers enough means to hire an attendant.
- Removal of the bar on payment of disability pension who are initially retained in service but subsequently seek voluntary retirement.

Disability Pension awards - Analysis

5.1.68 The demand that disability element should be calculated as a percentage of pay is justified especially as in the case of civilians also; disability element is computed as a percentage of pay (30%). **The Commission, accordingly, recommends that disability element for purposes of disability pension in case of Defence Forces personnel should be computed at the rate of 30% of pay.** Removal of any qualifying service in NANA (Neither Attributable Nor Aggravated) cases will have repercussions in the civilian side as well. **Accordingly, the status quo may need to be maintained.** Disability of 20% or lower cannot be treated as a disability that will vitally affect the functions of a person. On these grounds, disability element is not payable for disability of 20% or lower. **The existing position is appropriate and may need to be retained.** Rates of Constant Attendant Allowance need to be increased. Generally all the allowances have been proposed to be increased by a factor of two. However, a higher Constant Attendant Allowance needs to be given. Accordingly, **the Commission recommends that existing rates of Constant Attendant Allowance may be increased by five times to Rs.3000. Further, these rates should be increased by 25% every time the dearness allowance payable on revised pay bands goes up by 50%.**

5.1.69 As regards removal of the bar on payment of disability pension to those personnel who are initially retained in service but subsequently seek voluntary retirement, it is observed that all Defence Forces personnel found to have disability other than NANA and who are retained in service despite the disability, are paid compensation in lieu of the disability element. The Fifth CPC had considered the issue and recommended continuance of this system. Accepting this proposal would mean

extending double benefits in form of the initial lump-sum payment and subsequent pension for the same disability element. **The recommendations of the Fifth CPC in this regard are justified. However, an option may be given to the concerned official in cases of disability other than NANA whereby the lump-sum compensation in lieu of disability element is foregone but disability pension at the time of retirement, whether voluntary or otherwise, is given.** This will entail a change in the extant rules which bar payment of disability pension in all cases of voluntary retirement. The Government may take necessary action in this regard.

DCRG

5.1.70 The extant rules for DCRG in the Defence Forces are identical to those existing for civilians. In the case of civilians, the limit of DCRG is proposed to be increased to Rs.10 lakh without any ceiling on the number of months (the present ceiling is Rs.3.5 lakhs and 16 ½ months salary). The Defence Forces have demanded that all ceiling should be removed and that the existing weightages for PBORs may be increased. A special dispensation cannot be made for Defence Forces in respect of the ceiling as relativities with the civilians in this regard are already well-established. Weightages for PBORs can also not be increased because the same are being removed totally for purposes of pension. Accordingly, **the Commission recommends that only the pecuniary ceiling on gratuity may be increased with the other conditions being kept unchanged.**

Ex-gratia

5.1.71 Presently, families of defence personnel who die in harness in the performance of their bonafide official duties are paid ex-gratia lump-sum payment as under:-

Death due to accidents in course of duties	Rs.5 lakh
Death in the course of duties attributable to acts of violence by terrorists etc.	Rs.5 lakh
Death occurring during enemy action in war or border skirmishes or in action against militants, terrorists, etc.	Rs.7.5 lakh
Death occurring during enemy action in international war or war like engagements specifically notified	Rs.10 lakh

Defence Forces have demanded ex-gratia of Rs.10 lakh for deaths in harness other than NANA; Rs.25 lakhs for deaths due to accidents/acts of violence; Rs.35 lakhs for deaths due to enemy

action in international war and border skirmishes and Rs.40 lakhs for deaths during operations notified by the Government. The rates of ex-gratia were last increased in August, 1999. The rates also have relativity with the civilian side as well. As a general principle, rates of various benefits and allowances revised after Fifth CPC are being doubled. The same principle needs to be applied in this case also. **The Commission, accordingly, recommends the following revised rates of ex-gratia for families of Defence Forces personnel who die in harness in the performance of their bonafide official duties:-**

Death due to accidents in course of duties	Rs.10 lakh
Death in the course of duties attributable to acts of violence by terrorists etc.	Rs.10 lakh
Death occurring during enemy action in war or border skirmishes or in action against militants, terrorists, etc.	Rs.15 lakh
Death occurring during enemy action in international war or war like engagements specifically notified	Rs.20 lakh

Funding pension liability in future

5.1.72 There has been a growing concern about the manner in which the burgeoning pension bill can be funded keeping in view the fact that the New Pension Scheme (NPS) implemented for civilian employees recruited on or after 1-1-2004 would start yielding benefits only after another three decades. A study was commissioned to Center for Economic Studies and Policy, Institute for Social and Economic Change, Bangalore (ISEC). The terms of study *inter alia* specifically included suggesting various options for meeting the future pension liability by devising suitable and self-sustaining models for financing the pension of Central Government employees recruited prior to 1.1.2004 with the final objectives that the funds so devised are able to meet substantially the entire pension liability of the Government. *The study has revealed that while the future Central Government pensionary expenditure in absolute terms would be significant, as a percentage of GDP its share is on the decline.* It was also seen that the two key factors that have had an impact on the growing pension related expenditure are the huge intake of Government employees in the initial years of the planned development of the country along with a sharp increase in the size of pay and other allowances over a period based on revisions recommended by the Pay Commissions from time to time. In recent years, there has been a considerable decline in Government employment. Consequently the number of retirees in future will also be lower with concomitant decrease in the future

growth of the pension bill. The pension bill will be further reduced once the scheme of lateral movement of defence personnel to CPMFs is implemented. In any case, the projected pension costs are not alarmingly high given the expected robust growth of the economy and the short nature of the period during which the huge payments are to persist and are expected to fall considerably after touching an all time high of 1.1% of GDP in 1999-2000. **Thus, the future pensionary liability of the pensioners and employees covered by CCS (Pension) Rules, 1973 as well as the defence forces can continue to be discharged under the existing Pay As You Go system with out much difficulty.**

Creating a partial pension fund

5.1.73 In case, however, the Government wants to create a pension fund to discharge their pension liability, the study by ISEC reveals that the net present value of the projected pension liability is Rs.3, 35,628 crore based on assumed rate of return of 8 percent. A fund of this magnitude would help the Government meet the pension payments from the returns of the fund, and help avoid earmarking resources on an annual basis for the mounting pension outgo that takes place on account of the Pay As You Go system that currently happens with each budget. Creating a fund of this magnitude may not, however, be possible in the current fiscal scenario, wherein, the Central Government is still experiencing revenue deficit. As mentioned in the study by ISEC, **the Government should, however, consider the possibility of segregating the projected pension liability into a partially funded component and partially Pay As You Go component for the employees not covered by new Pension Scheme who are still in service.** This can be done in various ways. One method, suggested in the study by ISEC, can be to bring the pension liability of all the employees who are below the age of 40 years under a kind of funded investment. The study by ISEC reveals that at eight percent rate of return, the size of annual funding required to meet the liability arising on account of all the employees aged below 40 ranges between Rs 6601 crore over a ten year period to Rs 4149 crore over a twenty five year period. Creating such a fund will allow the Government to partially defray their future pensionary liability with out impacting the present developmental activities. The interests of the employees will, in any case, be fully protected as they will continue to be eligible to draw pension as per the CCS (Pension) Rules.

Appointment & Promotion Policy

Appointments to the higher echelons

6.1.1 Presently, three All India Services exist viz. Indian Administrative Service, Indian Police Service and Indian Forest Service. Apart from All India Services, Central Civil Services exist which are categorized as Group A. The All India Services are common to the Centre and the States whereas Civil Services of the Central Government are controlled only by the Central Government. The Central Civil Services account for more than 2/3 of the total Group A posts under the Central Government and can be broadly classified as non-technical and technical services. The latter includes engineering and scientific services.

Career aspirations

6.1.2 The aspirations of candidates appearing for AIS/Organized Central Civil Services Group A are high, as they enter the Government at the highest entry level available. The incumbents to these posts always aspire to reach the highest level available in the Government. While the aspirations are justified, however, any reasonable cadre structure can only be pyramidal having lesser number of posts at the apex level. Accordingly, it needs to be appreciated that not everyone can rise to the top position even after joining the AIS/Organized Central Civil Services.

Demands made during oral submissions

6.1.3 During the course of oral submissions, almost all the Organized Group A Service organizations had conveyed the dismal state of career advancement which leads to acute stagnation. Consequently, almost every service organization had desired creation or upgradation of additional posts in the higher grades. The Commission has not considered demands of individual cadres as they have taken a conscious decision not to undertake any individual cadre reviews. Most of the Group A /AIS associations also stressed on the need to herald a work culture in the Government that will reward performance. In such a system, the employees will have an incentive to work harder to prove themselves. The Indian Civil & Administrative Services (Central) Association, in their oral deposition before the Commission, emphasized the need for introducing a transparent and merit-driven placement and promotion framework which has uniform and transparent applicability across services and cadres.

Present state

6.1.4 Despite the dismal state of career progression pointed out by most of the organizations, the Commission has observed that in the recent past, almost every cadre review of an organized Group A Service has resulted in creation of a large number of additional posts in the higher grades. While some of these upgradations would undoubtedly have been on functional considerations, the others were given primarily to alleviate stagnation and provide suitable promotional channels to the officers in the cadre. While such upgradations have resulted in a top heavy organization in most cases, still the problem of stagnation and finding suitable career advancement avenues for the officers of the respective cadres has not been appropriately addressed as most of the organizations\cadres are still perturbed about their career advancement prospects. Within the structure being recommended by the Commission, there will be flexibility to fit people in running pay bands. In para 3.3.12 of the Report, recommendation for grant of the higher scale on non-functional basis has been made. This will address the problem of stagnation effectively in all organized Group A Central Services.

Selection to deputation posts

6.1.5 The guiding beacon of the Commission's report is to improve productivity and to bring about a result orientation with quantifiable and deliverable benefits across all Government organizations. The Commission wishes to bring in a work culture in the Government that will reward performance. In such a system, the employees will have an incentive to strive harder and deliver results. As mentioned earlier, most of the services as well as Indian Civil & Administrative Services (Central) Association have desired introduction of a transparent and merit driven placement and promotion scheme that has uniform and transparent applicability across services and cadres. It is, therefore, high time to implement the much needed corrections in the process of selection for manning higher level deputation posts in the Government. This will mean a change in the existing scheme where selections to these posts are, as a matter of fact, primarily based on seniority. Faster selections of the deserving employees will not only give them an incentive to work hard but also lower the age profile.

Existing problems

6.1.6 To attain the aforesaid goals, the Commission is of the view that the procedure for appointments in the higher echelons of Central Government has to be modified so that due emphasis is placed on selecting performers who are suitable for specific jobs and whose performance can be monitored. The main problem faced by various Organized Group 'A Services in deputations is the inordinate time taken for their empanelment for placement under the Central Staffing Scheme. Due to this, most of the Group A

service officers are not able to get empanelled to the post of Joint Secretaries and above. This has led to a feeling of resentment in various Group A services that needs to be addressed. The Commission has, therefore, recommended appropriate changes in the existing scheme to address these issues. While doing this, care has been taken not to change the existing provisions that are time tested and already provide a level playing field to all, at least in theory. The Commission's recommendations are just a reiteration of the principles laid down in the 1970s and 1980s regarding the constitution of the common management pool for manning the higher level posts in the Government. Selection for inclusion on the panel of officers adjudged suitable for appointment to various SAG/HAG level posts in the Government of India is open to all suitable officers subject to approval of ACC of the proposals submitted by the Cabinet Secretary. The Cabinet Secretary is assisted by a special Committee of Secretaries for formalizing proposals to be considered by the ACC. The rules provide drawing up of panel of suitable officers on an annual basis and for strict selection and evaluation of various relevant qualities for inclusion in the panel.

*Need for
transparency*

6.1.7 While the system appears to be very equitable on paper, it is non-transparent and does not inspire confidence amongst the concerned officers about its fairness. The modifications proposed by the Commission will remove opaqueness that has crept into the extant system. The system recommended follows the extant principles which have been freed from any bias and which, the Commission hopes, would give confidence to all the eligible officers about the fairness and impartiality of the selection process.

*Proposed
procedure*

6.1.8 The Commission is recommending the following measures for appointment to the various SAG/HAG posts in the Government that are to be filled up on deputation basis:

- (i) All posts at SAG level and all HAG level posts that are presently not encadred in any service/cadre/organization will henceforth be filled by a new selection process that will be open to all the eligible Central Government officers.
- (ii) Some of the identified SAG/HAG posts that require technical or specialized knowledge shall be opened up to the eligible candidates whether inside the Central Government or outside it.

These measures are discussed in detail in the succeeding paragraphs.

*Selection to
Senior
Administrative
Grade and Higher
Administrative
Grade*

6.1.9 The Commission recommends opening up of all the deputation posts under Central Staffing Scheme or outside it to all the eligible officers whether belonging to AIS or Group A Central Civil Services. The Commission is fully aware that in theory these posts are already open to all AIS as well as Central Group A Services. However, in practice, the selection procedure for these posts has been made so non-transparent that the credibility of the entire selection procedure is now being questioned. The pressing need is to ensure a selection process that is open, transparent and gives equitable chance to all the eligible officers. To attain this end, all the posts filled by deputation in the Senior Administrative Grade and Higher Administrative Grade should be filled through an open selection process conducted by an independent agency. The function of the independent agency should be done by the UPSC by involving few outside experts in the relevant field. For selection to SAG/HAG levels posts, all Group A officers who are already in the SAG/HAG levels respectively in their own cadre including those who have been given the scale non-functionally on personal basis would be eligible.

6.1.10 Additionally, for officers belonging to AIS, appointment of any one officer of the service in any State cadre in the scale attached to the posts in SAG or HAG, as the case may be, would be a sufficient condition for consideration of all the officers of a particular year of allotment. This is in consonance with the extant provisions.

6.1.11 The procedure for applying to these posts, whether in SAG or HAG, will also be transparent with eligible officers applying for these posts directly through a central official website, which would host all the upcoming vacancy circulars for such posts specifying the eligibility criteria. The format of the application should be such that it brings out the core competence of the aspirant. There shall be no separate empanelment for selection to these posts. All the applications for any specific post(s) shall be considered by the independent agency, which will shortlist few candidates for every upcoming vacancy on the basis of pre-defined transparent parameters. All the names of the candidates found to fulfill such prescribed criteria will then be sent to the concerned administrative ministry/department/organization who may thereafter select any candidate from that list.

Benefits

6.1.12 The scheme recommended in the preceding para will have the following benefits: -

- (i) It will ensure widest range of suitable candidates for filling any of the SAG or HAG (other than those relating to core governance) level posts in the Centre.

- (ii) It will ensure that domain expertise is the major criteria for selection to a post.
- (iii) It will facilitate infusion of younger persons that have excelled in their field and break the nexus between seniority and selection to such posts with high emphasis on performance.
- (iv) It will ensure a level playing field for members of different services/AIS cadres and will afford an equal opportunity to the high performers irrespective of the service to which they happen to belong.
- (v) The scheme will be transparent, equitable and assure the applicants of the fairness and impartiality of the selection process.

Lateral entry at higher grades

6.1.13 Apart from opening up the process of selection for deputation to the higher level posts, the Government should also identify some of the SAG and HAG posts requiring technical or specialized knowledge and which are not encadred in any of the service. These posts would be open for being filled by suitable officers within the Government as well as by the outsiders. The Government can also suggest some names for consideration of the selecting agency. The selection for deputation to these posts could be made by the UPSC irrespective of their working in the Government or outside it. Government employees applying for these posts will, at the time of applying, have the option of either:-

- continuing on normal pay and allowances in case they are selected (After their tenure in the post they will revert to their cadre); or
- being given market driven salary on selection.

In case a Government employee chooses the option of appointment on market driven salary, he/she will have to sever all ties with the Government before applying for the post. The employee will have to either resign or take retirement at the time of applying, as an outside candidate. Candidates selected from outside the Government will invariably be appointed on contract for a fixed tenure and their remuneration fixed as dictated by the extant market forces. Their appointment will be for a fixed term that could, however, be renegotiated once the term expires at the option of the employing agency. This will ensure availability of the best talent for higher level posts in the Government and will also bring a higher sense of participation amongst citizens who would

have an opportunity to contribute in the higher echelons of the Government provided they possess the right qualifications and experience for the job. Initially, the Government could consider filling some of the non-sensitive posts in the technical /other branches in this manner.

Ban on creation of additional SAG/HAG posts in individual cadres

6.1.14 Once the aforesaid method of selection for holding deputation posts in SAG/HAG in Centre is implemented, **a total ban on creation of any fresh posts in SAG and HAG in various Central Civil Services/AIS should be placed. No fresh creation of posts should take place in any cadre. Any further creation has to be based on functional considerations and the post so created would be an open post not encadred in any service.**

Promotion Policy

ACPS

6.1.15 Promotion policy exists to provide adequate career progression to the employees. The Fifth CPC was of the opinion that the Government should formulate a promotion scheme that caters to the promotion aspirations of Central Government employees in general. They recommended the Assured Career Progression Scheme (ACPS) for the general employees in the Government. The Fifth CPC had also recommended use of cadre review mechanism to bring uniformity in the career prospects of Group A central services. Department of Personnel & Training (DOPT) was also advised to issue detailed guidelines for cadre reviews of posts belonging to Groups B, C & D so as to ensure timely review thereof. The scheme of ACP recommended by the Fifth CPC envisaged three time bound promotions for Group A posts after 4, 8 & 13 years of service. For posts in Groups B, C & D, two time bound promotions were to be provided on completion of 8 & 16 years of service for Group B, 10 & 20 years for Group C and 12 & 24 years of service for Group D. The Government accepted this recommendation in a modified manner and introduced the ACPS for Groups B, C & D and isolated posts in Group A where two financial upgradations were to be provided on completion of 12 & 24 years of service. The financial upgradations were to be in the next higher grade in the existing hierarchy. Benefit of pay fixation under FR-22(1) (a) (i) was to be given at the time of these financial upgradations but no change in designation or functions accompanied such upgradation. The scheme, therefore, did not envisage a change in the status or rank of the employee who continued in the same post but only extended the next higher pay scale available in the hierarchy. ACPS has, by and large, alleviated the problem of stagnation and also allowed higher rate of increments in the higher scale extended under it. However, it has given rise to many other problems, mainly because the financial

upgradations in the extant scheme follow the existing hierarchy. This gives uneven benefit to employees existing in the same pay scale in different organisations with a different hierarchical pattern. Employees working in organisations having more intermediate grades suffer because financial upgradation under ACPS places them in a lower pay scale vis-à-vis a similarly placed employee in another organisation that has lesser intermediary grades. This, in a few cases also leads to a situation where the benefit of higher pay scale is not available because the next post in the hierarchy also exists in an identical pay scale. In such cases, benefit under ACPS is limited to increase in salary in the same pay scale on account of fixation under FR-22(1)(a)(i). The Commission has received many representations seeking a uniform benefit under ACPS or seeking abolition of intermediary grades merely with a view to get higher jumps in pay scales under ACPS. While delayering of Government machinery is desirable and the Commission has made numerous recommendations to achieve the same, abolition of intermediary levels just to give better jumps under ACPS, even though the same are not desirable functionally, cannot be considered. The only other way is to bring systemic changes in the existing scheme of ACPS so that all employees, irrespective of the existing hierarchical structure in their organisation/cadre, get same benefit under it. **The Commission, therefore, recommends that the existing scheme of Assured Career Progression may, in future, be continued with two financial upgradations being allowed as at present with the following modifications:-**

- i) **The scheme will also be available to all posts belonging to Group A - whether isolated or not. Organised Group A services will, however, not be covered under the scheme.**
- ii) **Benefit of pay fixation available at the time of normal promotion shall be allowed at the time of financial upgradations under the scheme. Thus, an increase of 2.5% of pay and grade pay shall be available as financial upgradation under the scheme.**
- iii) **The grade pay shall change at the time of financial upgradation under this scheme. The grade pay given at the time of financial upgradation under ACPS will be the immediate next higher grade pay in the hierarchy of revised pay bands and grade pay being recommended. Thus, grade pay at the time of financial upgradation under ACPS can, in certain cases where regular promotion is not between two successive grades, be different than what is available at the time of regular promotion. In such cases, the higher grade pay attached to the next promotion post in the hierarchy of the**

concerned cadre/ organization will be given only at the time of regular promotion.

- iv) Financial upgradation under the scheme will be available whenever a person has spent 12 years continuously in the same grade. However, not more than two financial upgradations shall be given in the entire career as was provided in the extant scheme.

The scheme with aforesaid modifications shall be called modified ACPS and will ensure suitable progression uniformly to all the employees in Central Government.

Flexible
Complementing
Scheme/
Dynamic
Assured Career
Progression
Scheme

6.1.16 Scientists and Doctors are presently covered under separate promotion schemes viz. Flexible Complementing Scheme and Dynamic Assured Career Progression Scheme respectively. The Commission has considered these schemes in Chapters 3.5 & 3.6 of the Report.

Limited
Departmental
Competitive
Examination for
posts in Groups
B & C

6.1.17 Promotion channels are not very attractive for many posts in Groups B & C. Many times, highly qualified persons join these posts but get demoralized on account of prevailing stagnation. While running pay bands and Modified ACPS will address the problem of stagnation, the Commission is of the view that these employees need to be allowed a fast track promotion mechanism wherein the brighter employees will be able to get promoted faster, irrespective of their seniority, subject to their selection in the prescribed examination. **The Commission recommends that 10% of the vacancies hitherto filled by direct recruitment for all posts in Group B and C (apart from those in pay band PB-1 with grade pay of Rs.1800) will now be filled by Limited Departmental Competitive Examination (LDCE). All employees possessing minimum qualifications prescribed for direct recruitment shall be eligible for this examination irrespective of their present grade and the period of incumbency therein.** Thus, even an employee in pay band PB-1 with grade pay of Rs.1800 will be eligible to appear in LDCE for a post in PB-2 with grade pay of Rs.4800 provided he/she possesses the necessary qualifications. **This will be over and above any existing scheme of LDCE for filling up posts in various grades.**

Age of superannuation and voluntary retirement

<i>Age of superannuation</i>	6.2.1 Age of superannuation was increased from 55 years to 58 in 1962. The age of retirement for Group 'D' employees and workshop employees in the Central Government was maintained at 60 years. The Fifth CPC recommended an upward revision of this age to 60 years with the proviso that there will be total ban on extension of service except for Scientists and Medical Specialists who could be granted extension in service on a case to case basis upto the age of 64 years.
<i>Existing Position</i>	6.2.2 The present position is, therefore, that age of superannuation in Central Government is 60 years. Certain posts like those of Cabinet Secretary, Home Secretary and Defence Secretary have been made tenurial and incumbents in these posts continue for the duration of their tenure even after completing 60 years of age.
<i>Demands</i>	6.2.3 The Commission has received many demands for increasing the age of superannuation further keeping in view the increased longevity and better health care facilities leading to improved health standards. Ministry of Health & Family Welfare had sent a proposal seeking enhancement of the age of superannuation of General Duty Medical Officers (GDMOs) of Central Health Service to 62 years.
<i>Recommendations</i>	6.2.4 It is observed that the Fifth CPC increased the age of superannuation to 60 years precisely on these very considerations. The same grounds cannot, therefore, be justifiably used to further increase the age of superannuation. Another reason that prompted the Fifth Pay Commission to increase the age of superannuation to 60 years was the tendency on the part of senior officers to seek extension of service for further two years so that they could serve till 60 years. The Fifth CPC, in their wisdom, thought that a general increase in the age of superannuation coupled with total ban on extension of service except for certain specified categories, will remove this tendency to seek extension beyond the prescribed age of superannuation. This has clearly not happened. The tendency amongst the senior officials to seek extension of service

beyond stipulated age of superannuation of 60 years has not abated at all. The argument for any further increase in the age of superannuation, therefore, becomes all the more unsustainable. Economic Survey, 2006-07 shows that out of the entire population of 111.2 crore, 3.57 crore is below 15 years, 69.9 crore between the age of 15-64 years and only 5.6 crore of and above the age of 65 years. According to the Technical Group on Population projections constituted by the National Commission on Population, the demographic dividend will manifest in the proportions of population in the working age group of 15-64 years increasing steadily from 62.9 per cent in 2006 to 68.4% in 2020. As such, a younger pool of manpower is and will be available for the requirements of the Government. This shows that India is a youthful nation with a majority of population in the working age group and this youthful profile will only increase in the decades to come. Besides, the entire import of this Report is towards maintaining a youthful profile of the bureaucracy that will be more dynamic, result oriented and better attuned to the needs of their constituents. In fact, the Commission has recommended liberalization of the extant pension rules with full pension being granted on completion of 20 years service so as to facilitate early exit of willing employees from the Government. In such a scenario, no rationale exists for recommending any further increase in the age of superannuation. The Commission is also not in favour of recommending a blanket increase in the age of superannuation for all General Duty Medical Officers belonging to Central Health Service. **The Commission recommends that the current age of superannuation should be maintained. Further, except in the case of Scientists and Medical Specialists, no extensions should be given in any other case. Tenure based posts should be filled by incumbents who have sufficient period of service left before the stipulated age of retirement. Medical Specialists and Scientists may, however, be allowed extension of service of upto 2 years on a case to case basis.**

*Voluntary
retirement*

6.2.5 Presently, all employees on completion of 30 years qualifying service can take voluntary retirement by giving 3 months' notice. Group A & B Officers who had entered service before the age of 35 years have the right to retire after attaining the age of 50 years by giving a similar notice. Group A & B Officers who had entered the service after 35 years of age and all Group C & D employees can also take voluntary retirement at their option. Retirement becomes effective on the expiry of notice period. No formal approval is necessary unless the official is under suspension. Employee can also retire voluntarily by giving 3 months' notice on completion of 20 years qualifying service. However, in this case, acceptance by the Appointing Authority is necessary.

<i>Present position</i>	6.2.6 Pension on voluntary retirement is payable only if 20 years of qualifying service or more has been put in. In case of superannuation, pension is payable on completion of 10 years qualifying service or more. However full pension, whether on superannuation or voluntary retirement, is presently payable only on completion of qualifying service of 33 years. Weightage of upto 5 years for purposes of reckoning qualifying service for pension/gratuity is allowed in case of voluntary retirement provided the total qualifying service including the weightage does not exceed 33 years and the period does not go beyond the date of normal superannuation.
<i>Pension on completion of 20 years</i>	6.2.7 In Chapter 5.1 of the Report, the Commission has recommended payment of pension equal to 50% of the average emoluments/last pay drawn on completion of 20 years of qualifying service. This will ensure that the willing employees leave the Government at a relatively younger age without waiting to complete 28 years of qualifying service that along with the weightage of 5 years, would entitle them for full pension under the extant rules. No further inducement is, therefore, required for employees who have completed 20 years of qualifying service in the Government. However, employees who are still to complete 20 years of qualifying service are not eligible for pension in case they take voluntary retirement. Grant of full pension irrespective of the qualifying service put in will, therefore, not be of any help in their case.
<i>Pensionary benefits after 15 years of service</i>	6.2.8 The Commission is of the view that some benefit needs to be provided in respect of such of those employees who want to leave Government after putting in service of 15 years or more but less than 20 years. Presently, such employees are eligible for service gratuity equal to half months' emoluments for each completed six monthly period of qualifying service in addition to death-cum-retirement gratuity that is available at the rate of 1/4 th emoluments for each completed six month period of qualifying service subject to the pecuniary limit of Rs.3.5 lakhs and further subject to the ceiling that the amount shall not exceed 16.5 times the average monthly emoluments at the time of retirement. Thus, a person taking voluntary retirement after 15 years of service is presently entitled to 22½ times of the average monthly emoluments. For every additional completed year of service, an additional amount equal to 150% of the average monthly emoluments is paid. This is not very attractive especially because the retiring employee is not eligible for any other pensionary benefit. A need clearly exists to give a more attractive package to this category of employees as well.

Analysis

6.2.9 The Commission has received many demands to the effect that employees seeking voluntary retirement after completing 15 years of service should also be made eligible for payment of pension. This, however, will entail payment of pension and family pension for many decades to an employee who has put in only 15 years of service with attendant problems of cost as well as accounting. However, the lump-sum payment payable to this category of employees at the time of voluntary retirement has to be made more attractive. If the average life span of a Government employee is taken as 80 years, it will mean that the Government will pay pension for 35 years to an employee who retires at the age of 45 years after putting in 20 years of service. Additionally, Death-cum-Retirement Gratuity (DCRG) for 10 months will also be payable. In terms of monthly pay at the time of retirement, the total pensionary benefit in the case of this employee, therefore, work out to monthly emoluments for 220 months. The benefits will be somewhat lower for an employee retiring at a higher age. The average pensionary benefit can, however, be safely assumed as pay for 200 months in case of employees retiring after putting in 20 years of service. An employee retiring after 15 years of service should rightly be given retirement benefits which are at least 40% of the retirement benefits accruing to an employee who quits service after 20 years of service.

Recommendations

6.2.10 **The Commission, accordingly, recommends that all Central Government employees seeking voluntary retirement on completion of qualifying service equal to or more than 15 years but less than 20 years should be paid one time, lump-sum, retirement benefit equal to 80 months' salary last drawn or average salary, whichever is more beneficial to the retiring employee inclusive of benefits like service gratuity and death-cum-retirement gratuity that shall stand subsumed.** The proposed dispensation would increase the present benefits available to an employee seeking voluntary retirement after 15 years of service by more than three times. At the same time, the benefits available on completion of twenty years of service will be substantially higher as then the employee will be eligible to receive lifetime monthly pension equal to 50% of the average emoluments and will additionally also be eligible for gratuity equal to 10 times the average monthly emoluments. Thus, the employees who had joined the Government before 1.1.2004 and are not covered under the New Pension Scheme will continue to have incentive for putting in minimum 20 years of service so that they are eligible for receiving pension from the Government.

Towards Effective and Responsive Administration

Introduction

6.3.1 The Commission has not directly addressed the issue of general administrative reforms in Government because a separate Administrative Reforms Commission (ARC) is already looking into this aspect. However, changes in the pay structure being recommended in the Report are geared towards ensuring an effective administration which is responsive to the needs of end consumer. This was necessary as pay is at the centre of the human resource management framework. High performance work practices where high achievers are rewarded have to be made an integral part of the pay structure of the Government employees. Terms of Reference of the Commission also enjoin the Commission to evolve a comprehensive pay package that is suitably linked to promoting efficiency, productivity and economy through rationalization of structures, organizations, systems and process within the Government, with a view to leveraging economy, accountability, responsibility, transparency, assimilation of technology and discipline

Common man's perception of everyday governance

6.3.2 For the common man, bureaucracy denotes routine and repetitive procedures, paper work and delays. This, despite the fact that the Government and bureaucracy exist to facilitate the citizens in the rightful pursuit of their legal activities. Rigidities of the system, over centralization of powers, highly hierarchical and top down method of functioning with a large number of intermediary levels delaying finalization of any decision, divorce of authority from accountability and the tendency towards micromanagement, have led to a structure in which form is more important than substance and procedures are valued over end results and outcomes. Non-performance of the administrative structures, poor service quality and lack of responsiveness, and the subjective and negative abuse of authority have eroded trust in governance systems which needs to be restored urgently.

Administrative Reforms Commission (ARC)

6.3.3 The ARC in its approach paper on '*Reforms in Governance and Administration*' mentions that the State apparatus is generally perceived to be inefficient, with most functionaries serving no useful purpose. The bureaucracy is generally seen to be tardy,

inefficient, and unresponsive. The positive power to promote public good being is restricted, making it difficult for even the most conscientious and competent functionaries to deliver optimal results. It has also been stated that the privileged position of even the lowliest of public servants gives them enormous power over most of the citizens, given the abject poverty, illiteracy, excessive centralization of power, a culture of exaggerated deference to authority, hierarchical tradition in society, and the legacy of colonial traditions and practices. ARC has observed that empowerment of local governments/stakeholders with effective and sufficient delegation and accountability at every level to deliver should be the cornerstone of governance reform.

Restoring pride in public service and core service values

6.3.4 Government employees are generally demotivated, with poor self perception reflected in low morale and low performance. This is notwithstanding the fact that at recruitment stage, through competitive procedures, the best quality is available to the Central Government at all levels. The problem, therefore, lies in retaining this excellence through designing motivating jobs with greater responsibility, accountability and recognition of merit. A system rewarding performance in terms of the results achieved has to be heralded. Pride in public service and core public service values with effective and responsive delivery have to be rebuilt.

Restructuring for better delivery with delegation and accountability

6.3.5 The existing administrative system needs to be transformed to leverage better public value to improve service delivery and increase effectiveness and responsiveness. **There should be decentralization and delegation of powers with clear accountability at each level of delivery combined with flatter management structures so that responsibility is pushed down to the operational level and to the employees who are close to the cutting edge.** A reduction in the existing bureaucratic processes with simplification of procedures and process re-engineering to allow effective service delivery is vital. **The centralized command and control systems that focussed on process compliance and input control have not been effective in securing performance and often resulted in excessive micro-management. These will, therefore, need to be changed. Simultaneously, the definition of accountability has to be revised so that it is seen as the ability of the system to deliver timely results and quality services effectively and in a responsive manner.**

Employee motivation

6.3.6 Employees are the most important asset of any organization. This holds true in case of Government employees as well and a holistic treatment with opportunity to grow and develop their potential in Government has to be heralded for them. **The 'machine model' approach to jobs with the employee as a cog in the wheel and extreme division of work has to be replaced by a**

'learning organization approach' where employees are continually enhancing their capabilities and skills in high performance work cultures. Incentivising and rewarding innovation, creativity and responsive administration with inclusive outcomes on the part of employees have to be at the core of the new growth in productivity of services. **A need also exists to increase representation of women, socially diverse groups, persons with disabilities in the bureaucracy for improved responsiveness and increased inclusiveness of these sections.** Improving the work-life balance for employees is an important way to make Government service more attractive and satisfying.

Measures contained in the Report for achieving the stated goals

6.3.7 In the Report, the Commission has recommended several measures to ensure the attainment of the above goals. These include changes in the pay structure to reduce layers and hierarchy in Government, prevent stagnation and reward merit; giving importance to the delivery levels and up gradation of the cutting edge; creating an environment of growth and intrinsic satisfaction in work for the employees; ensuring availability of the best possible talent for Government; promoting autonomy and self regulation in functioning and introducing Performance Related Incentive Scheme (PRIS) for rewarding performance.

Changes in the pay structure to reduce hierarchy in Government, prevent stagnation and reward merit

6.3.8 The Commission has recommended merger of many pay scales which will bring about a structural reduction of layers in the Government, accelerate the decision making process and improve flexibility in functioning. Introduction of running pay bands will remove stagnation. Variable increments will provide the employees an incentive to excel and herald greater orientation towards performance outcomes.

Delegation with accountability-restoring importance to delivery and the cutting edge

6.3.9 Restoring delegation with accountability at each level in the decision making process is one of the main thrust areas proposed by the Commission. Upgradation of critical cutting edge jobs like teachers, staff nurses, constables etc. has been recommended. Strengthening the decentralized levels with parity between field offices and the Secretariat has also been recommended as the motivation and performance of the field and programme offices is critical to improve service delivery to the common man.

Multiskilling, Annual Direct Recruitment Plan & Fresh recruitments

6.3.10 **The Commission has recommended multiskilling of the Government employees which would increase their operational efficiency while simultaneously optimising the staff strength.** It is, however, noted that while rightsizing in Government is necessary given the changes in work process due to technology and consequent reduction of layers, a blanket ban on filling of vacant posts across the board can impact effective functioning. More flexibility is required in this policy for effective service

delivery and care has to be taken that administrative delivery structures do not become hollow or thin in critical areas. **It is, therefore, essential that the Government revise the Annual Direct Recruitment Plan (ADRP) in terms of which only one third of the vacancies can be filled up.** This instruction has resulted in an aging bureaucracy which does not easily adapt itself to technology. An active and younger profile in Government employment is the need of the hour. Further, strengthening of the cutting edge for efficient delivery is required. **New guidelines, where reduction in manpower and levels of fresh manpower intake would be assessed and prioritized by the individual Ministry or Department keeping its work processes, service delivery and functional requirements and budgetary savings at centre stage should, therefore, be issued.**

Creating an environment of growth and satisfaction through work

6.3.11 Government employees have to be motivated to take pride in public service. Holistic job design with high performance work practices, multi-skilled work and greater employee engagement in the decision making process is central to employee motivation. **The Commission has recommended various measures for job enhancement and job enrichment. The functions presently being discharged by Assistants and Private Secretaries will now be carried out by Executive Assistants. Upgradation of all posts in Group D in the Government to Group C along with their retraining and multiskilling will provide enlargement and enrichment of functions and responsibilities to a large section of government employees. Measures like fast track promotions through limited departmental competitive examinations will motivate the employees towards lifelong learning and equip them to meet changing work place requirements. Recommendations have been made for training as a means of actualizing life long learning and upgrading of competencies.**

Making Government service attractive for better representation and work - life balance

6.3.12 The Commission has also made recommendations for giving enhanced facilities and improved working conditions for women and employees with disabilities. **As part of the package to create an enabling and satisfying inclusive work environment, improved work-life balance and family-friendly employment practices, the Commission has proposed measures like flexible working hours, child care leave, enhanced education allowance, etc. for women employees. Special measures have also been recommended for employees with disabilities that will allow them to perform the office work more efficiently.**

Ensuring the availability of the best possible

6.3.13 Lateral entry at higher echelons in the Government to ensure availability of the best possible talent from within and outside Government with performance contracts has been

*talent for
Government*

recommended. This will ensure entry and retention of talent in the Government even for those jobs that have a high demand and premium in the open market. A higher start and better incentives have been given at the initial entry level so as to attract a younger talented profile. No increase in retirement age is recommended as an active younger employee profile is best suited for the tasks ahead.

*Performance
Related Incentive
Scheme*

6.3.14 The introduction of Performance Related Incentive Scheme (PRIS) is designed to reward performance, innovation, creativity and responsive delegated administration with institutionalization of stakeholder interface for inclusive outcomes and service delivery. This will be a budget neutral tool for results based management with performance targets, standards and indicators and greater accountability. The Commission has proposed benchmarking of the annual budget expenditure by Ministries and Departments in the year 2005-2006 with flexibility given to the individual Ministry/Department to use the savings generated. Savings from reorganization of work, rightsizing, improved efficiency and productivity, reduction in wasteful expenditure, non essential travel and consumables and outsourcing would now be available to the organization for deployment towards its own priorities including payment of performance related incentive to the levels where these savings occurred as reward for effectiveness. The model proposed is essentially decentralized and flexible to be implemented voluntarily by Heads of Departments. It will enable re-engineering of the decision process with integration of ICT and technology with greater accountability and employee participation. The result will be greater transparency and faster decision making through change in processes.

Conclusion

6.3.15 The Commission is not making specific recommendations regarding restructuring of individual services and cadres as this task will be better performed by the Ministries and departments. The main recommendations of the Commission relate to rationalization of pay structures for promoting effective and responsive service delivery and motivating employees and encouraging changes in processes with greater delegation, accountability and stakeholder orientation through the mechanism of variable increments and Performance Related Incentive Scheme (PRIS). **It is expected that the recommendations of the Sixth Central Pay Commission contained in this Report will provide an enabling framework for desired change towards innovative, effective and responsive service delivery to stakeholders in the entire Government machinery in a sustainable manner.**

Training Academies & Staff Colleges

*Introduction:
Importance of
Training and
Recent
Developments*

6.4.1 Human resource development is critical for the enhancement of knowledge, skills and competencies and provides a critical input for greater performance focus for improved service delivery. Training Academies and Institutes are centres of expertise and excellence for the Government employees. They are important for the morale of cadres. Strengthening training faculty by attracting the best talent available, with provision of very good infrastructure and resources is important given the growing importance of this sector with provision of not only induction level training but life long learning through mid-career in-service training at various points during the career progression. The dialogic process of learning and exchange of knowledge with peers in an environment which supports questioning and analysis of field experience with critical tools is an essential ingredient for accretionary change in our Government organisation and work culture.

6.4.2 Highly developed in-service training is an essential part of the human resource framework to change the work ethos and improve delivery orientation. The Railways provide for training inputs accompanying every change in functional level to equip the officers to adapt to the changing roles and responsibilities. Consequent to the Yugandhar Committee Report on Training, compulsory in-service training has also been introduced at mid career level for the All India Services. Completion of training has been made essential for career progression to the next higher grade. The Lal Bahadur Shastri National Academy of Administration (LBSNAA) imparts in-service training before the Junior Administrative Grade (Phase III), the Super Time Scale (Phase IV) and Phase V training in the 26th and 28th year of service. The Indira Gandhi National Forest Academy (IGNFA) also imparts training at mid-career level in the 10th, 17th and 27th year of service. The Sardar Vallabhbhai Patel National Police Academy (SVPNPA) and the National Academy of Direct Taxes (NADT) are also planning mid-career training programmes with comprehensive inputs at the time of each promotion involving change in job profile. The quality of competencies and inputs for training at these

levels requires strengthening of these National and Central 'Group A' Training Establishments to enable them to attract and retain the best possible talent.

Existing Training Allowance and Sumptuary Allowance

6.4.3 Consequent to the Report of the Fourth Central Pay Commission, the Department of Personnel and Training (Training Division) in 1987 provided for training allowance at the rate of 30 % of basic pay for Government officials working as faculty members other than permanent faculty members for autonomous training institutions aided by the Central Government which trained Group A Government officials. It further provided that only faculty members who were classified as outstanding should be retained. The provision for training allowance at the rate of 30% of basic pay was revised in 1992 and reduced to 15% given the resource crunch. It was further clarified that a faculty member proceeding for study or tour within the country would not be entitled to Training Allowance during the study period. The Government, on the recommendation of the Fifth Central Pay Commission, continued this allowance at the rate of 15% of Basic Pay in the revised scale of Pay. This allowance was not granted to the permanent faculty members of the training institutes and trainers.

6.4.4 A sumptuary allowance of Rs.250 per month had also been sanctioned to the Heads of the training institutions in 1987 to meet the expenses of entertaining small groups of students, faculty and visiting faculty. This was revised to Rs.500 per month with effect from 1.10.1999. It was further clarified that sumptuary allowance was exempt from Income Tax under Section 10(14) of the I.T. Act and may be treated at par with transport allowance. Sumptuary allowance is also not admissible during absence from duty exceeding 30 days due to leave, training or tour etc.

Recommendations

6.4.5 The Commission heard the leading Central Training Academies and Institutes and recommends better incentives to attract talented faculty for the National and Central Training Establishments for Group A Officers.

Training Allowance and Sumptuary Allowance

6.4.6 **The training allowance should be raised to 30% of basic pay for deputationist trainers drawn from Government, universities and academic institutions working as faculty members in the National/Central Training Academies and Institutes for Group A officers. This allowance may continue to be drawn for the period the trainer is on study or tour related to training activities. Separate deputation allowance will not be payable to these trainers. It may continue at the existing rate for other training establishments. Similarly, the Sumptuary allowance may be raised to Rs.3500 per month for the Director or Head of these**

National /Central Training Establishments for Group A Officers and also be extended to Course Directors and Counselors at the rate of Rs 2500 and Rs 2000 per month respectively.

Flexible contracts 6.4.7 The need for constant skill up-gradation and attracting quality faculty requires powers for appointments on contract to be delegated to a search committee headed by the Director/Head of Department (HoD) with authorization to negotiate the terms and conditions of contracts- tenures, salary, and remuneration structure with appropriate incentives in order to attract highly qualified candidates. The Training Academies referred to the large number of vacancies in faculty positions which they had not been able to fill. **The Commission recommends that HoDs should be empowered to engage experts required for projects, R&D and capacity building to enable them to fill vacant positions for one year or the life of the project, whichever is earlier, extendable up to three years by a Committee chaired by the HoD. The remuneration structure may be fixed anywhere in the pay band in the grade pay attached to the post with appropriate incentives linked to market conditions and last package drawn linked to the candidates expertise, qualifications, publications etc, in order to attract highly qualified experts and practitioners with a flexible pay package. This flexibility to pay higher rates on contract should attract experts, academicians and practitioners to work with the Training Academies.**

Flexibility in operation of faculty posts 6.4.8 Further, HoDs should be given the flexibility to create faculty positions with savings from their budget with no additional budgetary requirement under the head salaries.

Fees and honorarium 6.4.9 Currently, certain Academies are paying Rs 500 per session to serving officers (total amount not to exceed Rs 5000 in a year) and Rs.1000 to non-serving officers as approved by the Department of Personnel and Training for the LBSNAA. **The remuneration, fees and honorarium structure payable to experts/eminent persons coming as guest faculty may be made flexible with the upper limit being raised to Rs.4000 per session with full delegation of powers to the Heads of Departments within the budget ceiling. The pattern followed by the DOPT and LBSNAA may be made applicable to all other Central Training Establishments for Group A officers. Instructions under FR 46 B, which provide for a ceiling of Rs 5000 for honorarium to Government employees, may be amended for in-service training resource persons to provide for a ceiling of up to 30 days or 60 sessions in a year, whichever is lower, for this category.**

Parity in pay and allowances with 6.4.10 The Commission has received requests for parity in pay and allowances between the staff of the Training Academies and that of

the Central Secretariat Staff and Central Para Military Forces

Central Secretariat and Central Paramilitary Forces etc. **The Commission is recommending parity between various posts in the secretariat and field offices. Insofar as posts in training academies to which personnel from any of the police forces are appointed, the parity should be maintained with reference to the pay band and grade pay of the post in the police organisation from which recruitment/appointment, whether on deputation or otherwise, is made.**

Rent Free Accommodation

6.4.11 **Rent free accommodation may be provided to all faculty and staff of National/Central Training Academies as the duty hours are long and constant interaction with the trainees in the residential campus is required.**

Up gradation of required competencies and certification for all employees leveraging ICT

6.4.12 **Life-long learning and regular courses with certification for required competencies to make employees more effective and equip them to meet changing work place requirements is necessary. Greater in-service training with certification for desired competencies and skill up gradation is necessary for all levels of Government employees and training for employees of other groups should also not be confined merely to the induction level.**

Date of effect

*Date of Effect-
Previous
recommendations
& demands*

6.5.1 Pay scales recommended by the Fifth Central Pay Commission were implemented from 1/1/1996. The Fifth CPC had also recommended that the date of implementation of the recommendations by the Sixth Central Pay Commission should be pre-determined as 1/1/2006. Most of the staff associations and other employees, during the course of written as well as oral submissions before the Commission, had demanded implementation of the revised pay scales from 1/1/2006.

6.5.2 The Commission has devised the revised scheme of pay bands and grade pay on the basis of price index as on 1/1/2006. **Consequently, the revised structure of pay bands and grade pay being recommended in this Report would need to be implemented from 1/1/2006.** The Government will have to pay arrears of salary on account of fixation of pay in the revised pay bands and grade pay retrospectively with effect from 1/1/2006.

6.5.3 Recommendations on pay scales will also affect the pensions because the latter is paid as a percentage of the average salary. This, however, does not hold true in so far as the recommendation regarding payment of full pension on completion of 20 years of qualifying service for Government employees other than the Personnel Below Officer Ranks (PBORs) in Defence Forces is concerned. Consequently, **the recommendation regarding payment of full pension on completion of 20 years of qualifying service will take effect only prospectively for all Government employees other than PBORs in Defence Forces from the date it is accepted by the Government.** PBORs are presently eligible for pension with reference to the maximum of the pay scale from which they retire. As discussed in Chapter 5.1, **for PBORs, the pension on completion of 15 years or more of reckonable service will, from 1/1/2006, be computed at the rate of 50% of the pay last drawn or average emoluments (including grade pay, military service pay and classification pay), whichever is beneficial.** All other recommendations relating to pension will take effect retrospectively from 1.1.2006. Insofar as commutation of pension is concerned, the Commission would like to clarify that **the revised commutation table will only be used for all future**

commutations and will not be applied for the past commutations. In respect of post 31/12/2005 pensioners who have already commuted their pension, the revised commutation table shall be used only to compute the amount of pension that has become additionally commutable on account of retrospective implementation of the revised pay scales, in case such an option is exercised by the retiree. For all future pensioners, the commutation of pension shall be computed and paid as per the revised commutation table.

6.5.4 The Commission is of the view that prospective revision of various allowances is justified as their retrospective revision will give unintended benefits and may also, in some instances, cause loss to the employees as in the case of City Compensatory Allowance. **Accordingly, the Commission's recommendations relating to allowances shall take effect prospectively. All recommendations relating to other facilities, benefits and conditions of service shall also take effect prospectively.**

Ministry of Agriculture

Introduction

7.1.1 Ministry of Agriculture comprises three Departments viz.

1. **Department of Agriculture and Cooperation** - This Department is responsible for formulating and implementing national policies and programmes aimed at increasing the agricultural growth as well as for formulation of overall cooperative policy of the country including all matters relating to cooperative organisations. Secretary (A&C) is the Administrative Head of the Department and Principal Adviser to the Minister on all matters of policy and administration within the Department of Agriculture & Cooperation. He is assisted by Special Secretaries, Additional Secretaries, Agriculture Commissioner, Joint Secretaries, Economic & Statistical Adviser, Horticulture Commissioner and Plant Protection Adviser.

2. **Department of Agricultural Research And Education (DARE)** - This Department is the nodal agency for International Cooperation in the area of agricultural research and education in India. It also coordinates and promotes agricultural research & education in the country. DARE provides the necessary Government linkages for the Indian Council of Agricultural Research (ICAR).

3. **Department of Animal Husbandry Dairying & Fisheries (DADF)** - This Department came into existence w.e.f. 1st February, 1991. The Department looks after matters relating to livestock production including their preservation and protection from disease; improvement of stocks and dairy development; and fishing and fisheries - both inland and marine. Delhi Milk Scheme and the National Dairy Development Board also are under its control.

Organizational structure

7.1.2 Number of posts in various grades in the Ministry is as follows:-

Group	Sanctioned Strength	In Position
A	331	188
B	412	298
C	2153	1658
D	2614	2289
Total	5510	4433

Laboratory Assistant in Regional Centre of Organic Farming

7.1.3 Higher pay scale has been demanded for the post of Laboratory Assistant in Regional Centre of Organic Farming, Bhubaneswar. The post is presently in the pay scale of Rs.3050-4590. The minimum qualifications prescribed are 10+2 along with one year's experience. **The minimum qualifications and the functions attached to the post do not justify higher pay scale.** Proper career progression would be ensured for the post in the Modified Assured Career Progression Scheme and the running Pay Band being recommended by the Commission.

Employees in Central Sheep Breeding Farm

7.1.4 Higher pay scale of Rs.4000-6000 has been demanded for the post of Carpenter-cum-Blacksmith in Central Sheep Breeding Farm, Haryana. The post is presently in the pay scale of Rs.3050-4590. **A higher pay scale is not justified for this post keeping in view the functions attached.** Higher pay scales have also been demanded for Group D staff. **The Commission has made recommendations about Group D posts in Chapter 3.7. The recommendations made therein shall be extended to these posts also. The employees of this institute have also demanded risk allowance on the ground that they are at risk of catching diseases from sheep. The Commission is of the view that the duties attached to these posts do not justify risk allowance.** In any case, the Commission is separately recommending appropriate insurance cover to categories exposed to risk in place of risk allowance, wherever necessary. **A separate risk allowance cannot, therefore, be recommended for these categories.**

Plant Protection Officer in Directorate of Plant Protection, Quarantine & Storage

7.1.5 A higher pay scale has been demanded for the post of Plant Protection Officer in Directorate of Plant Protection, Quarantine & Storage. The post is presently in the pay scale of Rs.6500-10500. **The Commission recommends that it may be placed in the pay scale of Rs.7450-11500 corresponding to the revised pay band PB-2 of Rs.8700-34800 along with a grade pay of Rs.4600.** This upgradation will ensure that the post of Plant Protection Officer remains in a higher grade vis-à-vis the feeder post of Assistant Plant Protection Officer. It has also been mentioned that problem of stagnation exists for various posts in this Directorate. The same will be alleviated by the scheme of running pay bands and Modified Assured Career Progression Scheme. No separate recommendations are necessary.

Group B and C posts in Central Farm Machinery Training and Testing Institute

7.1.6 **Higher pay scales have been demanded for various Group B and C posts in Central Farm Machinery Training and Testing Institute.** The post of Senior Technical Assistant will be placed in the running pay band PB-2 of Rs.8700-34800 along with grade pay of Rs.4200 corresponding to the pre-revised pay scale of Rs.6500-10500 on account of the restructuring of pay scales being recommended by this Commission. The post will consequently come to lie in the same scale as that of its promotion post and Senior Instructor. **The post of Senior Instructor should, therefore, be upgraded and placed in the running pay band PB-2 of Rs.8700-34800 along with a grade pay of Rs.4600 corresponding to the pre-revised pay scale of Rs.7450-11500. Higher pay scales for other posts are not considered justified.**

Posts in Delhi Milk Scheme

7.1.7 **Senior Clerks of Delhi Milk Scheme have demanded higher pay scales on par with that of Assistants. It is observed that no parity can be established vis-à-vis the post of Assistants.** In fact the post is more akin to Senior Clerks existing in Railways etc. **The post will, therefore, be placed only in the corresponding revised pay band and grade pay.** The posts of Manager and Deputy Manager as well as Dairy Engineer and Senior Dairy Engineer are in an identical pay scale of Rs.10000-15200 even though the posts of Manager/Senior Dairy Engineer are promotion posts for the posts of Deputy Manager and Dairy Engineer respectively. This is not justified as feeder and promotion posts should, as far as possible, be placed in distinct pay scales. **The Commission, therefore, recommends that the posts of Manager (Procurement/Processing/Quality Control/Distribution) and Senior Dairy Engineer may be placed in the pay scale of Rs.12000-16500 corresponding to the revised pay band PB-3 of Rs.15600-39100 along with grade pay of Rs.6600.** The pay scales of all other posts in these organisations are appropriate, and no anomalies exist therein. The common category posts shall be granted pay bands and grades pay in consonance with the recommendations made in Chapters 3.8 and 3.1 of the Report. Pay scales of Group D staff will be regulated as per recommendations made in Chapter 3.7 of the Report. All other posts shall be granted corresponding revised pay bands and grade pay.

Ministerial posts in Central Institute of Coastal Engineering for Fishery

7.1.8 **Higher pay scales have been demanded for various ministerial posts in Central Institute of Coastal Engineering for Fishery. The Commission has already recommended parity between headquarter organisations and field offices in Chapter 3.1. Recommendations made therein shall apply to these posts as well.**

Posts in Central Institute of Coastal Engineering for Fishery

7.1.9 **Higher pay scales have been demanded for various posts in Central Institute of Coastal Engineering for Fishery.** No anomalies exist in the extant pay scales. Duties, functions and qualifications attached to these posts do not justify higher pay scales. **All the posts in this institute not belonging to common categories may, therefore, be extended the normal replacement pay bands and grade pay.** Common category posts, in any case, shall be governed by recommendations made in Chapter 3.8 of the Report.

Marketing Officer Group I and Group III in Directorate of Marketing and Inspection

7.1.10 **Higher pay scale of Rs.8000-13500 has been demanded for the post of Marketing Officer in Directorate of Marketing and Inspection.** The post is presently in the pay scale of Rs.6500-10500. The qualifications and the duties prescribed for the post do not justify a higher pay scale. No apparent anomaly also exists. **Hence, a higher pay scale cannot be recommended for the post.** The problem of stagnation in this Directorate shall be alleviated under the scheme of running pay bands and Modified Assured Career Progression which is recommended to be extended to Group A posts as well. No separate recommendations are, therefore, necessary.

Wireless Operators in Directorate of Plant Protection Quarantine and Storage

7.1.11 **Higher pay scale has been demanded for the post of Wireless Operators in Directorate of Plant Protection Quarantine and Storage.** The post is presently in the pay scale of Rs.4000-6000. The minimum qualifications prescribed include Matriculation and diploma in the relevant field. **The qualifications and the duties attached to the post do not justify a higher pay scale. Accordingly the post shall be placed in the corresponding revised pay band and grade pay.** The next higher post of Wireless Supervisor shall also be extended only the corresponding revised pay band and grade pay.

Posts in Fishery Survey of India

7.1.12 **Various categories including the posts of Scientific Assistant and Senior Scientific Assistant in Fishery Survey of India have demanded higher pay scales. Merger of the posts of Junior Fisheries Scientists Grade I and Grade II has been demanded.** The Commission is of the view that there is merit in the demand for merger of Junior Fisheries Scientists Grade I and Grade II. **Accordingly, the posts shall be merged and placed in the pay scale of Rs.7500-12000 corresponding to the revised pay band PB-2 of Rs.8700-34800 along with a grade pay of Rs.4800.** The common category posts and the Ministerial posts shall be governed by recommendations made in Chapters 3.1 and 3.8. Group D posts will be governed by the recommendations made in Chapter 3.7. Other posts shall be granted only the corresponding revised pay band and grade pay. The scientists and staff of Fishery Survey of India have to remain at sea for long periods of time.

Hard Duty Allowance at the rate of 40% of the basic pay has been demanded for the period spent at sea by the concerned categories. Commission has already made recommendations regarding payment of TA/DA to these categories while on board ships. Risk insurance, if considered necessary, may also be extended in their case. No separate hard duty allowance is considered necessary for these categories.

Various posts in Directorates of Wheat, Rice, Millet, Pulses, Jute Development and Sugarcane

7.1.13 **Higher pay scales have been demanded for various posts in Directorates of Wheat, Rice, Millet, Pulses, Jute Development and Sugarcane.** The existing pay scales of the various posts are appropriate and no anomalies exist therein. The ministerial category and Group D posts shall in any case be governed by the recommendations made in Chapter 3.1, 3.8 and 3.7 respectively. **No recommendation specifically upgrading any of the posts in this Directorate is justified.**

Accountant-cum-Cashier in Regional Station for Forage Production and Demonstration

7.1.14 **Higher pay scale has been demanded for the post of Accountant-cum-Cashier in Regional Station for Forage Production and Demonstration.** The post is presently in the pay scale of Rs.5000-8000. This scale is being merged with the scales of Rs. 5500-9000 and Rs. 6500-10500. **No further upgradation is necessary.**

Parity with ministerial posts in Directorate of Marketing and Inspection, Nagpur

7.1.15 Parity for various ministerial posts vis-à-vis post existing in the headquarter organisation has been demanded by personnel working in Directorate of Marketing and Inspection, Nagpur. The Commission has already conceded this parity in Chapter 3.1 of the Report. The posts of Storekeeper in this organisation will be governed as per the recommendations given for the common category of Storekeepers in Chapter 3.8.

Junior Chemist

7.1.16 Junior Chemists working in the pay scale of Rs.4500-7000 have demanded the scale of Rs.6500-10500 on the ground that their post is comparable to the posts of Assistant Scientific Officer, Plant Protection Officer and other similar posts. The qualifications prescribed for the post and duties attached to it do not justify a higher pay scale. No comparison can be drawn vis-à-vis the posts of Assistant Scientific Officer, etc. **The post may, therefore, be placed in the normal revised pay band and grade pay.**

<i>Group D Staff in Central Frozen Semen Production and Training Institute and Central Cattle Breeding Farm and Regional Station for Forage</i>	7.1.17 Group D Staff in Central Frozen Semen Production and Training Institute and Central Cattle Breeding Farm and Regional Station for Forage have demanded higher pay scales. Group D posts in these organisations shall be governed by the recommendations made in Chapter 3.7. No other specific recommendation is considered necessary.
<i>Mechanic in the Directorate of Plant Protection, Quarantine & Storage, Faridabad</i>	7.1.18 Post of Mechanic in the Directorate of Plant Protection, Quarantine & Storage, Faridabad exists in the pay scale of Rs.4000-6000. It is stated that the post of Driver is its feeder post. A three grade structure upto the pay scale of Rs.5000-8000 has been extended to the grade of Drivers. A demand has been made that the post of Mechanic should be placed in the next higher pay scale of Rs.5500-9000. A higher pay scale of Rs.5500-9000 is not justified for the post of Mechanic either on account of qualifications prescribed or the functions attached. It is, accordingly, recommended that the post of Mechanic should not be made a promotion grade for the cadre of Drivers. The Commission is recommending a different dispensation for the cadres of Drivers where they would need to be multi-skilled. Hence the post of Mechanic should be merged with the cadre of Drivers.
<i>Demand of M.Sc. Degree holders</i>	7.1.19 M.Sc. Degree holders in Central Marine Fisheries Research Institute have demanded that all posts carrying minimum qualifications of M.Sc. degree should be placed in the pay scale of Rs.8000-13500. The Fifth CPC had considered this issue and recommended that while posts requiring minimum qualifications of post-graduate degree were ordinarily placed in the pay scale of Rs.6500-10500, a lower scale could also be prescribed. This Commission has taken the consistent stand that the minimum qualifications prescribed cannot be the sole criterion for grant of a specific pay scale and the same has to depend on various factors including the hierarchical pattern, the established relativities, the functions attached and the minimum qualifications prescribed. Accordingly, the demand cannot be accepted.
<i>Assistant Director in Directorate of Cotton Development</i>	7.1.20 The post of Assistant Director in Directorate of Cotton Development is presently in the pay scale of Rs.6500-10500. On account of the restructuring of pay scales being recommended by the Commission, the post will come to lie in the same pay scale as that of its feeder post of Statistical Investigator/Senior Technical Assistant. Feeder and promotion posts should not normally exist in an identical scale. Accordingly, the post of Assistant Director in the Directorate of Cotton Development may be upgraded and

placed in the next higher scale of Rs.7450-11500 corresponding to the revised pay band PB-2 of Rs.8700-34800 along with grade pay of Rs.4600.

Restructuring all the cadres in Ministry of Agriculture

7.1.21 A demand has also been made for restructuring all the cadres in Ministry of Agriculture so that a common cadre is created for all posts in different subordinate/attached offices. The Commission has not undertaken any individual cadre reviews. Administrative Ministry may however, see the functional desirability of having an integrated cadre for its various subordinate/attached offices and take further action accordingly. The recommendations made by Expenditure Reforms Commission (ERC) for Ministry of Agriculture, discussed later in this Chapter, may also need to be kept in view while doing this restructuring.

Senior Seed Analyst in National Seed Research Training Centre, Varanasi

7.1.22 Higher pay scales have been sought for various posts in National Seed Research Training Centre, Varanasi. The post of Senior Seed Analyst, which is presently in the pay scale of Rs.6500-10500, may be placed in the scale of Rs.7450-11500 corresponding to the revised pay band PB-2 of Rs.8700-34800 along with grade pay of Rs.4600 because its feeder post of Junior Seed Analyst will come to be placed in the scale of Rs.6500-10500 on account of the restructuring of pay scales being recommended by the Commission. Other posts may be extended only the corresponding replacement pay band.

STA (Manure/ Chemicals & Fertilizers) in INM in Department of Agriculture and Cooperation

7.1.23 Posts of Senior Technical Assistants (Manure/Chemicals & Fertilizers) in the Integrated Nutrient Management in Department of Agriculture and Cooperation exist in two different pay scales of Rs.5500-9000 and Rs.6500-10500. The posts will come to lie in an identical scale on account of the proposed restructuring and should be merged in the scale of Rs.6500-10500 corresponding to the revised pay band PB-2 of Rs.8700-34800 along with a grade pay of Rs.4200. Other posts shall be placed in the corresponding revised pay scales.

Posts in Northern Region Farm Machinery Training and Testing Institute

7.1.24 The post of Instructor and its promotion post of Senior Instructor in Northern Region Farm Machinery Training and Testing Institute are in the pay scales of Rs.5500-9000 and Rs.6500-10500 respectively. The posts shall come to be placed in an identical pay scale on account of the restructuring of pay scales being recommended by the Commission. This is not justified. Accordingly, the promotion post of Senior Instructor may be upgraded and placed in the next higher scale of Rs.7450-11500 corresponding to the revised pay band PB-2 of Rs.8700-34800 along with grade pay of Rs.4600. Higher pay scales have been demanded for the posts of Welder, Black Smith, Carpenter and

Machine man. The present pay scales attached to these posts are appropriate. **No higher pay scales can, therefore, be given to these posts.** Higher pay scales have also been demanded for the posts of Mate Grade I and Grade II. These posts are Group D posts. The recommendations made in Chapter 3.7 for Group D staff shall apply to these posts. Higher pay scales have also been demanded for various other categories of posts in this institute. The categories of Drivers, Cooks and other common category posts shall be governed by the recommendations made in Chapter 3.8 of the Report.

*Restructuring of
the Ministry*

7.1.25 The Commission would like to draw attention to the recommendations of the Expenditure Reforms Commission (ERC) wherein the need for identifying those activities of Ministry of Agriculture that had become redundant or could be appropriately performed by the States and parastatal organizations was stressed. The ERC had specifically recommended that Boards like National Oil Seeds and Vegetable Oils Development Board, Coconut Board, which had out lived their utility should be wound up. A restructuring of the entire Ministry rationalizing the structures with concomitant reductions in the staff strength was also directed. **These recommendations of ERC regarding restructuring of the Ministry should be implemented in full by the Government at the earliest.**

Ministry of Chemical & Fertilizers

Introduction 7.2.1 Ministry of Chemicals and Fertilizers comprises following two departments:-

Department of Chemicals and Petro-Chemicals
Department of Fertilizers

Organizational structure 7.2.2 Posts existing in various grades in this Ministry are as under:-

Group	Sanctioned Strength	In Position
A	121	103
B	205	167
C	198	154
D	141	132
Total	665	556

Department of Chemicals & Petro-Chemicals 7.2.3 The Department of Chemicals & Petro-Chemicals was placed under Ministry of Chemicals and Fertilizers in 1991. The Department is entrusted with the responsibility of policy, planning, development and regulation of Chemicals, Petrochemicals and Pharmaceuticals Industries.

Department of Fertilizers 7.2.4 The main activities of Department of Fertilizers (DOF) include planning, promotion and development of the Fertilizer Industry; planning and monitoring of production; import and distribution of fertilizers; and management of financial assistance by way of subsidy/concession for indigenous and imported fertilizers. The Department is broadly divided into 4 Divisions dealing with (i) Fertilizers Projects and Planning (ii) Fertilizer Imports, Movement and Distribution (iii) Administration and Vigilance and (iv) Finance and Accounts.

Recommendations 7.2.5 **All the existing posts in this organisation, not belonging to common categories, are covered by the pay bands and grade pay discussed by this Commission in Chapter 2.2. Common category posts shall be governed by recommendations made in Chapter 3.8.**

Ministry of Civil Aviation

Introduction

7.3.1 Ministry of Civil Aviation is responsible for formulation and implementation of national policies and programmes in the civil aviation sector. The Ministry also oversees the development and regulation of civil aviation in the country. Functions relating to Railway Safety, including enquiries into serious railway accidents are also performed by this Ministry.

Offices under the Ministry

7.3.2 Ministry of Civil Aviation has following separate organizations for monitoring and regulating the civil aviation sector:-

- i) Directorate General of Civil Aviation; and
- ii) Bureau of Civil Aviation Security.

7.3.3 Commission of Railway Safety oversees all the functions pertaining to Railway Safety including making enquiries in railway accidents of a serious nature.

Organizational structure

7.3.4 Posts existing in various grades in this Ministry are as under:-

Group	Sanctioned Strength	In Position
A	17	15
B	16	16
C	63	54
D	49	45
Total	145	130

Directorate General of Civil Aviation (DGCA)

7.3.5 Directorate General of Civil Aviation (DGCA) is the principal regulatory body in the field of civil aviation. It is responsible for regulation of air transport services to/from and within India and formulation and enforcement of civil air regulations, air safety and airworthiness standards. It also co-ordinates all regulatory functions with International Civil Aviation Organisation.

7.3.6 The DGCA is headed by the Director General of Civil Aviation. It has its headquarters in New Delhi. Following Directorates exist under DGCA:-

- i) Directorate of Regulations and Information
- ii) Directorate of Air Transport
- iii) Directorate of Airworthiness
- iv) Directorate of Air Safety
- v) Directorate of Training and Licensing
- vi) Directorate of Aerodrome Standards
- vii) Directorate of Flying Training
- viii) Directorate of Flight Inspection
- ix) Directorate of Research & Development
- x) Directorate of Administration

Bureau of Civil Aviation Security (BCAS)

7.3.7 BCAS is an attached office of the Ministry. It is a regulatory body and is responsible for laying down the standards of pre-embarkation security and anti-sabotage measures in respect of civil flights in India. The Bureau keeps a constant vigil and monitors the enforcement of the security measures. BCAS has four Regional Offices in Delhi, Kolkata, Mumbai and Chennai.

Commission of Railway Safety

7.3.8 The Commission of Railway Safety is a statutory organisation under the Indian Railways Act which deals with matters pertaining to safety in rail travel and operations and performs certain statutory functions specified in the Indian Railway Act and the Rules framed thereunder. While the Railway Board is responsible for laying down and enforcing safety standards for the Indian Railways, the main task of the Commission is to direct, advise and caution the Railway executives through its regulations /inspection /audit and investigative /advisory functions and thereby assist them in ensuring that all stipulated measures are taken in regard to the soundness of rail construction and safety in train operation. The Commission is headed by the Chief Commissioner of Railway Safety who is also the Principal Technical Adviser to the Government of India in all matters concerning the Commission. The headquarters of the Commission are at Lucknow. The total strength of the organisation is 162 including 17 technical and 145 non technical and support officials.

Transfer of Commission of Railway Safety to Railways ministry.

7.3.10 Though this organisation is under the Ministry of Civil Aviation, the technical posts of Deputy Commissioner of Railway Safety, Commissioner of Railway Safety etc. are invariably manned by officers on deputation from the Railways, who, after the stint in the Commission, revert to the Railways. A suggestion has been made that the present arrangement of placement of this

organisation under another Ministry, namely Civil Aviation, does not necessarily ensure the organization's functional independence from the Railways and a case exists for bringing the Commission of Railway Safety under the administrative control of Ministry of Railways.

7.3.11 It is seen that the Commission was separated from Railway Board and placed under the administrative control of another Department so as to ensure its independent functioning. The independence of the Commission has to be maintained as it is involved in very important aspects relating to railway safety. **As such it may not be functionally desirable to place the Commission under the administrative control of Ministry of Railways.** This is all the more necessary because this Pay Commission is recommending corporatisation of Railways. In such a scenario, the need for maintaining an independent body for looking into the safety related aspects of Railways would be paramount. Insofar as the issue of Railway Officers joining the Commission of Railway Safety on deputation is concerned, it is observed that before the Fifth CPC, the Chief Commissioner of Railway Safety had suggested appointment of officers in the Commission on permanent absorption basis. This suggestion, if implemented, would ensure complete independence.

*Chief
Commissioner
Railway Safety*

7.3.12 **Higher scale of Rs.24050-26000 has been demanded for Chief Commissioner Railway Safety.** The post is presently in the scale of Rs.22400-26000 and will automatically be placed in the higher scale of Rs.24050-26000 on account of restructuring of pay scales being proposed separately. **No separate recommendation is, therefore, necessary.**

*Deputy
Commissioner*

7.3.13 **Creation of additional grade of Deputy Commissioner in the scale of Rs.12000-16500 /Rs.14300-18300 has been proposed.** This is akin to cadre restructuring and will also add another layer in the hierarchy. The Commission is of the view that creation of additional hierarchical levels frequently proves deleterious to the efficient functioning of an organization. Consequently, additional levels should not be created unless very strong functional justification exists. **The demand cannot, therefore, be accepted.**

*Office
Superintendents*

7.3.14 Upgradation of Office Superintendents has been demanded. The post is presently in the scale of Rs.5500-9000 and will be placed in the scale of Rs.6500-10500 on account of restructuring of pay scales proposed.

*Pay scale &
allowances for*

7.3.15 **Presently, Airworthiness Officers are recruited in the scale of Rs.8000-13500** being the entry level pay scale for Group A

*Airworthiness
Officer in DGCA*

officers. The minimum qualifications prescribed for the post is a science graduate with two years' aviation experience or Graduation in Engineering. It has been stated that due to the boom in Civil Aviation Sector, gross salary of an Aircraft Maintenance Engineer in the Private Airlines is 4 to 5 times the salary drawn by an Airworthiness Officer. A number of Officers are stated to have resigned or taken VRS, mostly to join the Private Airlines. Civil Aviation Sector is growing at a fast pace and the regulatory body to regulate this growth should be very strong. To compensate and retain these officers, higher pay scales and additional allowances like Technical Allowance equal to basic pay, Airworthiness Allowance, payment of Honorarium for conducting examinations and VVIP Duty Allowance have been sought. A demand has also been made that no direct recruitment should be made in higher grades as this adversely affects promotion and morale.

*Analysis &
recommendations*

7.3.16 The demands have been considered. The Commission has recommended a significantly higher entry grade for all Group A services. This will also benefit the cadre of Airworthiness Officers. The Commission is of the view that keeping in view their functions, no additional specific allowances are necessary for these officers. PRIS should be used to compensate the officers for any additional work. **The issue of direct recruitment in the higher grades does affect the promotional prospects of junior officers. Consequently, the same needs to be avoided. In case of functional necessity, such recruitment should be made on contractual basis by lateral entry as per the methodology recommended in the relevant Chapter. This will ensure that the promotional prospects of officers recruited in the lowest Group A pay scales are not affected.**

*Pay scale &
allowances for
administrative
staff*

7.3.17 Higher pay scales have been demanded for the administrative staff viz. Stenographers, Clerks, etc. in DGCA and BCAS on the ground that they have to handle secret confidential and time bound work such as renewal of pilot licenses, assisting in preparation of technical reports, investigation reports on aircraft accidents/incidents, conducting pilot licenses examinations, dealing court cases filed by pilots, etc. It has, therefore, been proposed that the pay scales of Stenographers, Clerks of Audit, Postal Assistants and Central Secretariat Staff which were revised by the Fifth CPC should be made applicable to these categories as well.

Recommendation

7.3.18 **The Commission has recommended parity between various analogous posts in the Secretariat and field offices. This will ensure that pay scales of all these posts come on par with similarly placed posts in the Secretariat including those**

belonging to the various services of Central Secretariat. No special dispensation is, therefore, necessary in their case.

*Special Health
Hazard
Allowance*

7.3.19 **Special Health Hazard allowance has also been demanded on the ground** that as the offices are situated near the airport, the staff is exposed to high decibel levels due to which they suffer deafness and physical and mental strain. They are also exposed to fumes emitted by aircraft. The Commission finds no merit in this demand. In any case, the Commission has recommended withdrawal of all risk related allowances and their replacement by an appropriate Health Insurance cover. **Hence the demand for Special Health Hazard allowance for these employees cannot be conceded.**

*Running scales &
time bound
financial
upgradations*

7.3.20 Yet another demand related to introduction of time bound financial upgradations with running scales. The Commission has recommended introduction of running scales with annual increments as a percentage of the pay band and the grade pay. This will ensure that no employee stagnates at any level. Annual increments as a percentage of the pay band and grade pay will ensure a continuous increase in the actual amount of increment drawn every year. Modified Assured Career Progression Scheme will ensure two financial upgradations along with change in grade pay. No further recommendations are, therefore, necessary.

Ministry of Coal

Introduction

7.4.1 The Ministry of Coal has the overall responsibility of determining policies and strategies in respect of exploration and development of coal and lignite reserves, sanctioning of important projects of high value and for deciding all related issues. The Department is headed by a Secretary who is assisted by one Additional Secretary, three Joint Secretaries (including the Financial Adviser), one Project Advisor and other officers.

Organizational structure

7.4.2 Number of posts in various grades in the Ministry is as under:-

Group	Sanctioned Strength	In Position
A	42	37
B	79	74
C	183	139
D	97	94
Total	401	344

Recommendations

7.4.3 All the existing posts not belonging to common categories in this organisation are covered by the pay bands and grade pay discussed by the Commission in Chapter 2.2. Common category posts, in any case, shall be governed by recommendations made in Chapter 3.8 of the Report.

Ministry of Commerce and Industry

Introduction

7.5.1 Ministry of Commerce and Industry comprises two departments namely Department of Commerce and Department of Industrial Policy & Promotion.

Organizational Structure

7.5.2 Number of posts in various grades in the Ministry is as under:-

Group	Sanctioned Strength	In Position
A	975	720
B	1469	1252
C	3960	3209
D	1871	1666
Total	8275	6847

Department of Commerce

7.5.3 Department of Commerce is concerned with formulating and implementing the foreign trade policy. The Department is also entrusted with responsibilities relating to multilateral and bilateral commercial relations, state trading, export promotion measures and development and regulation of certain export oriented industries and commodities. It is headed by a Secretary who is assisted by two Special Secretaries, two Additional Secretaries, ten Joint Secretaries & Joint Secretary level officers and a number of other officers.

7.5.4 The Department has two attached offices namely Directorate General of Foreign Trade (DGFT) and Directorate General of Supplies and Disposals (DGS&D). It also has eleven Subordinate Offices including Directorate General of Commercial Intelligence and Statistics (DGCI&S), Office of Development Commissioner of Special Economic Zones (SEZs) and Office of the Custodian of Enemy Property (CEP).

Department of Industrial Policy & Promotion

7.5.5 Department of Industrial Policy & Promotion formulates the overall industrial policy and is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector, keeping in view the national

priorities and socio-economic objectives. Department of Industrial Policy and Promotion is also responsible for Intellectual Property Rights relating to Patents, Designs, Trade Marks and Geographical Indicators of Goods and oversees the initiative relating to their promotion and protection.

*Superintendent,
Assistant Civil
Engineer and
Account Officer*

7.5.6 Restructuring of various Group A posts including the posts of Superintendent of Salt, Assistant Civil Engineer and Account Officer in the Office of Salt Commissioner has been proposed. As mentioned in preceding Chapters, the Commission is not considering restructuring of individual cadres or services. No apparent anomaly exists in respect of pay scale of any of these posts. **As such only replacement pay bands and grade pay shall apply in respect of these posts.**

*ERC
recommendations
- Salt
Commissioner*

7.5.7. **Continuance of the office of Salt Commissioner in the present scenario may also need to be looked into by the Government especially as the functions being discharged by it appear redundant. ERC had also noted that the earnings of the Office of Salt Commissioner by way of cess (Rs.2.5 crore) and ground rent fee (approx. Rs.1 crore) total upto Rs.3.5 crore where as the total expenditure on the outfit of Salt Commissioner's office is over Rs.10 crore. ERC had also observed that the subject of use of iodized salt is with Department of Women and Child Welfare and the technical and institutional aspects of salt are looked after by the public health division in the Ministry of Health and Family Welfare. In view of these observations, ERC had recommended closure of this office with the exception of the quality laboratories. Further action in respect of these recommendations of ERC should be taken at the earliest. A similar analysis needs to be done for Directorate General of Supplies and Disposals whose role as a central procurement agency would need to be re-visited in view of the revised General Financial Rules, 2005 and the current emphasis on decentralization.**

*Group C & D
Posts*

7.5.8 A higher pay scale corresponding to the Fifth Central Pay Commission pay scale of Rs.3050-4590 has been demanded for the post of Plain Paper Copier Machine Operator in Directorate General of Commercial Intelligence and Statistics on the ground that its feeder post of Daftary has come to lie in an identical pay scale of Rs.2650-4000. Even if the post had come to lie in an identical scale to its feeder post, the higher scale of Rs.3050-4590 was not justified as the intermediate pay scale of Rs.2750-4400 also exists. In any case, the post of Daftary will automatically be placed in the pay scale of Rs.2750-4400 as the Commission has recommended upgradation of all Group D posts with the present incumbents in these posts being extended the corresponding