

REPORT OF THE

MAHARASHTRA GOVERNMENT

PAY COMMISSION

1965-66



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INTRODUCTION

In his Budget Speech on 17th February 1965 the Finance Minister announced to the Legislature, the Government decision to appoint a Pay Commission in respect of Government servants of the Maharashtra State. This decision was implemented in the Finance Department Resolution, No. APT. 1265/4392/65-XI, dated 3rd June 1965 (Appendix I) appointing :—

Mr. Justice G. B. Badkas as Chairman, and

Mr. K. L. Panjabi, as Member.

of the Pay Commission with the following terms of reference :—

A : The Commission will examine the structure of the pay scales at present applicable to the various cadres and posts under Government and suggest such revision as may be necessary to ensure that the pay of any post should be suitably fixed with reference to the responsibility and onerousness of the duties attaching to it, in order that there should be uniformity in the remuneration fixed for posts of which the duties and responsibilities are approximately equal and which call for the possession of approximately equal qualifications and skills. The scope of examination will extend to all gazetted and non-gazetted services, permanent or temporary, other than All-India Services, but will not extend to work-charged, daily-rated employees or casual labour : the Commission will also suggest the most appropriate method or methods to be adopted for the fixation of pay of existing employees in the new scales recommended by it.

B : The Commission will, having due regard to the genesis of the separate existence of Bombay City pay scales, recommend whether these should be done away with altogether or should continue. In the latter case, the Commission will recommend principles by which the extent of the difference between the City Scales and other scales for corresponding posts outside the Bombay City should be determined.

C : The Commission will review special pays sanctioned in various offices and establishments under Government and submit recommendations for their abolition or further continuance at existing, enhanced or reduced rates. The Commission will also suggest principles for regulating the grant of special pays in future.

D : The Commission will examine the basis of the structure of the present scales of Travelling Allowance, House Rent Allowance, Local Allowances and Daily Allowance, but not Dearness Allowance and recommend a suitable structure and scales for the future.

E : The Commission will consider the impact of its recommendations on the emoluments of teachers in aided schools and will recommend a complementary structure of scales and allowances (other than Dearness Allowance) for such employees.

2. In the Press Note issued about the same time, the Government gave an indication that they expected the Commission to report by end of December 1966. Later, in their Government Resolution No. APT-1265/4398/65-V, dated the 17th December 1965, Government asked the Commission to consider the impact of its recommendations on the emoluments of the Staff under the Zilla Parishads and to recommend a complementary structure of scales of pay and allowances (other than dearness allowance) for such employees.

their staff. We feel bound to express our appreciation and acknowledge the co-operation and courtesy extended by associations of Government employees both collectively and individually.

We have received sufficient guidance and support for our view from the reports of pay committees and pay commissions appointed by other States and also foreign reports and publications. In particular we have "drawn heavily" on the Report of the Second Central Pay Commission.

7. We would wish to place on record our high appreciation of the services rendered by Shri P. S. Nadkarni (I.A.S. Retd.), Secretary to the Pay Commission. But for his organizing ability, methodical working and knowledge of the structure of services and financial implications of the pay-structure, execution of our job to our satisfaction and within limited time would have been certainly difficult.

Shri S. G. Pai, our Under-Secretary, has been immensely helpful to us in our task of rationalization and revision of pay-structure. We were much influenced by his insight and extensive knowledge about the pay-structure of the services generally and the pay-scales obtained in different departments. We would also mention that the staff, with the Superintendents allocated for the Office of the Pay Commission, have worked in team spirit, with full devotion and sincerity. Their whole-hearted co-operation in great measure helped us in finalising the Report in time.

8. We are happy to submit this Report of the Pay Commission to the Government.

G. B. BADKAS,
Chairman.

K. L. PANJABI.
Member.

Bombay, 4th January 1967.

PART I

CHAPTER 1

ORGANISATION OF THE SERVICES*

Executive power of the State is vested in the Governor and it is to be exercised by the Governor either directly or through officers subordinate to him in accordance with the provisions of the Constitution. Any other authority exercising executive power within the State is considered to be subordinate to the Governor. However, as the Governor is to act with the advice of the Council of Ministers the real executive authority vests in the latter. Under the Rules of Business of Government made under Article 166 (2) and (3) of the Constitution, the business of Government is transacted in the Departments of the Secretariat which under the Rules are placed under the control of Ministers concerned. Rules of Business permit allotment of one or more Departments to the charge of a Minister and also allocation of one Department to the charge of more than one Minister or even only some subjects of a Department. At present the allocation of Departments is as given below :—

Chief Minister	...	(i) General Administration Department (except Tourism), (ii) Finance Department (so far as Planning is concerned), (iii) Industries and Labour Department (so far as Industries and Electricity are concerned), (iv) Urban Development, Public Health and Housing Department (so far as Public Health is concerned).
Home Minister	...	Home Department (except Prohibition).
Minister for Rural Development.		Rural Development Department.
Minister for Agriculture and Civil Supplies.		(i) Agriculture and Co-operation Department (so far as Agriculture is concerned). (ii) Food and Civil Supplies Department.
Minister for Finance	...	(i) Finance Department (except Planning and Small Savings). (ii) Law and Judiciary Department.
Minister for Irrigation and Power and Buildings and Communications.		(i) Irrigation and Power Department. (ii) Buildings and Communications Department.
Minister for Revenue	...	Revenue and Forests Department (except Forest).
Minister for Housing, Printing Presses, Fisheries, Small Savings and Tourism.		(i) Urban Development, Public Health and Housing Department (so far as Housing is concerned). (ii) Industries and Labour Department (so far as Printing Presses are concerned). (iii) Agriculture and Co-operation Department (so far as Fisheries are concerned). (iv) Finance Department (so far as Small Savings are concerned). (v) General Administration Department (so far as Tourism is concerned).

*In compiling the information in this Chapter, the publication "Organisation of Government of Maharashtra" has been of much use to us.

Minister for Prohibition	...	Home Department (so far as Prohibition is concerned).
Minister for Social Welfare	..	Education and Social Welfare Department (so far as Social Welfare is concerned).
Minister for Education and Forest.		(i) Education and Social Welfare Department (so far as Education is concerned). (ii) Revenue and Forests Department (so far as Forests are concerned).
Minister for Co-operation.	...	Agriculture and Co-operation Department (so far as co-operation is concerned).
Minister for Labour	...	Industries and Labour Department (so far as Labour is concerned).
Minister for Urban Development and Waqfs.		(i) Urban Development, Public Health and Housing Department (so far as Urban Development is concerned) and (ii) Revenue and Forests Department (so far as Waqfs are concerned).

Deputy Ministers who assist the Ministers get their powers mostly by delegation. Sometimes they are placed in charge of a Department.

2. Though Government is carried on through various Departments, they do not constitute absolutely separate compartments of administration. All services operate as work-force of the Cabinet, which functions on the principle of collective responsibility. There is a unity of action, purpose and the objective. This unity is also reflected in the pattern of organisation of the services and methods of work. The unitary character is also indicated by flexibility of the organisation in the matter of formation, amalgamation and adjustment of departments from time to time according to the needs of administration and common recruitment of staff and its mobility from one Department to the other. At present there are the following 13 Departments in the Secretariat :—

(1) General Administration Department.
(2) Home Department.
(3) Revenue and Forests Department.
(4) Agriculture and Co-operation Department.
(5) Education and Social Welfare Department.
(6) Urban Development, Public Health and Housing Department.
(7) Finance Department.
(8) Buildings and Communications Department.
(9) Irrigation and Power Department.
(10) Law and Judiciary Department.
(11) Industries and Labour Department.
(12) Rural Development Department.
(13) Food and Civil Supplies Department.

The whole Government business is divided in the above 13 Departments. These Departments are located in the Secretariat which is the Headquarters of Government.

Policy matters and formulation of programmes are mainly dealt with at the Secretariat level. The work of execution of the policy and programmes is in charge of the Heads of the Departments and offices of the field officers, and other staff and technical or professional services attached to the Department. Considering the distinction drawn between administrative function and executive function, it may be said that Secretariat deals with general problems of administration.

3. Each Department is under the charge of a Secretary. The Chief Secretary has over-all authority and also functions as Secretary to the Cabinet. The Chief Secretary also acts as a co-ordinating agency between different Departments. Important files connected with a Department or having relations with other Departments are submitted to him. He is in charge of the General Administration Department and the Head of the State Services. The Secretary of a Department is an administrative officer. However, in certain Departments such as Buildings and Communications Department and Irrigation and Power Department, there are technical experts, who are responsible for the executive functions of the Department and are also ex-Officio Joint Secretaries to Government. Some executive functions are also attached, though to a small degree, to some of the Secretariat Departments and some special executive officers have been directly placed under Secretaries to Government such as Chief Officer for Cultural Activities, Director for Small Savings, Special Officer for Reclamation, the Land Reforms Implementation Officers, the Secretary, Khar Lands Development Board etc. Similarly the Industries and Labour Department of the Secretariat has been given some executive functions connected with control over distribution of coal, regulation of supply of gas and its price, granting of certificates under Mineral Concessional Rules etc.

4. The General Administration Department and Finance Department are important Departments in the sense that they deal with matters which concern the whole business of the Government, as distinguished from other Departments dealing with specific subjects. Both these Departments mostly deal with other Departments in the Secretariat and not so much with the Heads of the Departments outside the Secretariat. These departments also have special importance from the view-point of organisation of services. General Administration Department deals with recruitment, promotion, manning of establishments, questions concerning postings, transfers, retirements of senior officers and appointments of Civil servants to posts outside Government Services such as Municipal Corporations, Statutory Corporations, etc. Similarly, control of staff members, disciplinary action against staff for certain offences, grading and classification of services etc. are also the functions of this Department. The Finance Department controls expenditure in relation to schemes and services and no Department can pass orders, unless with its previous consent and approval. It also deals with service matters like emoluments, dearness allowance, travelling allowances and other allowances.

5. Secretariat Departments have to deal with subjects, not only those within the executive authority of the State (i.e. subjects in respect of which State can make laws and enumerated in Lists II and III of the VI schedule of the Constitution), but also, several subjects enumerated in List I and which are within exclusive executive and Legislative power of the Union. This is because very often responsibilities in respect of matters in the Union list are laid by law or executive instructions on authorities under the State Government.

6. The Secretary of a Department is responsible to the Minister or Ministers to whom the subjects allocated to his Department are assigned. Secretaries are usually appointed on a tenure basis, for three years. The period is generally extended. In some Departments there are also Additional Secretaries or Joint Secretaries. The post of a Secretary is a specified post and is reserved for I.C.S. or I.A.S. In every Department, there are two or more Deputy Secretaries. These posts are filled in by members of I.A.S. of the rank of Collectors, or by promotion of a senior officer from the Secretariat staff. A certain number of posts of Deputy Secretaries are reserved for members of the I.A.S. In some Departments such as Department of Irrigation and Power, Joint Secretaries and some Deputy Secretaries are technical officers of senior rank. Below the Deputy Secretaries are Under Secretaries. They are drafted partly from I.A.S. in a junior scale, (in a few cases also from Maharashtra Civil Service) or from the senior persons in the Secretariat Service. Most of them are from the latter category.

7. The Secretary of a Department is specially concerned with the Legislative business concerning his Department. He is responsible for briefing the Minister for Legislative Debates and Bills, and for Questions asked in the Legislatures. Though policy is determined by the Minister, Secretary figures in its general shaping and chalking out details of programme for the efficient execution of the policy. He is thus the link between the Minister and the Officers under his Department.

8. Besides the Secretariat Department, there is a Central Record Office. This is common to all Departments and is under the control of the Director of Archives. All non-confidential old record which is required to be preserved permanently or at least for 30 years, is deposited in this office. There is also a Central Sachivalaya Library which serves all Departments and is under the control of the Director of Publicity.

9. Most of the Secretariat Departments have field organisations, which may be designated as sub-departments or regional and local organizations, or establishments of the main Departments of the Secretariat. The pattern, organisation and location of these sub-departments or establishments vary according to the nature of the subjects allocated to the main Department. These sub-departments or offices are entrusted with the work of executing the policy and programme decided upon by the Secretariat Departments and also the enforcement of laws and regulations relating to their subjects. In some cases, the sub-departments have also their branches located in different regions. The sub-department is usually under the control of the officer who is called the Head of the Department. The sub-department has the general categories of services working therein such as staff from the Maharashtra Services Class I, II and III and Class IV, according to the nature of the work of the Department. The principal Officer who is called Head of the Department is placed in charge and control of the Department or office as the case may be, and is responsible for proper working and discharge of the functions relating to it. It is not possible to describe here all such sub-Departments or branch offices under all the Departments.

10 Following is the list of such Heads of the Departments :—

1. Administrator General and Official Trustee, Bombay.
2. Architect to Government.
3. Aviation Adviser to Government.
4. Charity Commissioner, Bombay.
5. Chief Conservator of Forests.
6. Chief Engineers (Buildings and Communications Department).
7. Chief Engineers, Defence Projects.
8. Chief Engineers, Irrigation and Power Department.
9. Chief Judge of the Court of Small Causes, Bombay.
10. Chief Presidency Magistrate, Bombay.
11. Chief Ports Officer.
12. Collectors.
13. Chief Accounts Officer and Deputy Secretary to Government (Food and Civil Supplies Department).
14. Commandant General, Home Guards, State of Maharashtra, Bombay.
15. Commissioner of Sales Tax, Maharashtra State.
16. Commissioner of Labour.
17. Commissioner of Police, Bombay.
18. Commissioner for Workmen's Compensation.
19. Commissioners of Bombay, Poona, Nagpur and Aurangabad Divisions.

Maharashtra Legislature is Head of the Legislature Secretariat. Work relating to reporting, translations, library section, questions, resolutions, motions, calling attention notices, budget, cut motions, Estimates Committee, Rules Committee, Public Accounts Committee, is divided between different branches. In matters of organization the Legislature Secretariat is treated as independent from the State Secretariat, but in service administration matters it is under the control of the General Administration Department of the Secretariat. By virtue of Rules framed under Article 187 of the Constitution, the staff of the State Legislature Secretariat is brought within the jurisdiction of the State Public Service Commission just like the staff in the main Secretariat.

16. *Staff in the Judiciary.*—Office work of the High Court is under the control of a Registrar and an Additional Registrar on Appellate side and of Prothonotary and Senior Master on the Original side. Office work of the High Court Bench at Nagpur, is in charge of a Special Officer. These are assisted by their staff consisting of gazetted and non-gazetted persons. There is the Sheriff who holds the position in an honorary capacity and is in charge of Execution of Writs, summonses, warrants, processes etc. of the High Court. He has under him, a regular paid staff. There is also the office of Editor, Indian Law Reporter.

At present the appointments of officers and other employees in the High Court are made by the Chief Justice or such other Judge of the High Court or officers as have been empowered by the Chief Justice of the High Court. These posts are not in the purview of the State Public Service Commission.

17. *Other Offices.*—The Organisations of offices of the Heads of Departments, Divisional and District Offices have been separately described and staff particulars given in detail in the chapters dealing with those respective offices.

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prerogative powers of the Crown. Its organization is regulated by orders-in-council made under the prerogative powers of the Crown and by the regulations made under those orders. The legal position is graphically summed up in the following passage :—

> "First, the internal organization of the Civil Service is not regulated by Parliament. There is a contrast between the British situation and American situation, since the Congress habitually interferes in the internal organization and administrative services ; Parliament has legal power to do so, but is restrained by tradition and the strength of Cabinet in office. Secondly, the service derives its legal unity from the unity of the Crown". (*'Central Administration in Britain'* by Mackenzie Grove).

6. Historically, the position of public service in India at the Centre or in Provinces (present States) has also been similar on basic points. It was provided in the Government of India Act, 1935, that appointments to the Civil Services and Civil posts under the Crown shall be made in the case of services of the Centre and posts in connection with affairs of the Centre, by the Governor-General or such person as he may direct and in the case of Services of Provinces and posts in connection with the affairs of the Provinces, by the Governor or such person as he may direct. It also provided that the conditions of service of persons serving His Majesty in India in Civil capacity and in the case of persons serving in connection with affairs of the Province, shall be such as may be prescribed by the Governor General or the Governor respectively (vide Section 241 of the Government of India Act, 1935). Analogous provisions also existed in the Government of India Act, 1919. Executive authorities of the Government at the Centre and in different Provinces made appointments to various public services and posts in their respective spheres and also framed the rules regarding recruitment and conditions of service under the above mentioned provisions.

7. The "Bombay Civil Services Classification and Recruitment Rules" which were issued in 1929 (made under Government of India Act, of 1919) were substituted by new rules in 1939 to regulate the classification of and the methods of recruitment to the services and posts of the Government of Bombay under the provisions of Section 241 and Section 255 of the Government of India Act, 1935. These rules were published in the year 1939. The rules were to apply to Provincial and Subordinate Services under the administrative control of the Government of Bombay. Staff attached to the High Court of Bombay and the subordinate ranks of the Police Forces were excluded from these rules in view of the provisions of Section 242 and 243 of the Government of India Act, 1935. Separate provisions were made for these services under the other provisions of the Act of 1935.

8. A drastic change has however been brought about in the above situation by Article 309 of the Constitution of India, which provides "That subject to the provisions of the Constitution, Acts of appropriate Legislatures may regulate the recruitment and conditions of services of persons appointed to the public services and posts in connection with the affairs of the Union or the State". Proviso to article 309 of the Constitution also empowers the President or the Governor or Raj Pramukh as the case may be, to make rules regulating the recruitment and conditions of the services until provision in that behalf is made by or under the Act of appropriate Legislature. Until such Acts are passed by appropriate Legislatures under Article 309 or new rules are framed under the proviso by the authorities mentioned therein, the existing rules in respect of services and posts at the Centre or States are continued in force by provisions of Article 313 except where they are inconsistent with the provisions of the Constitution.

9. As a result of the provisions contained in Article 309, Parliament has made the All-India Services Act, 1951 empowering the Central Government, in consultation with the State Governments concerned and subject to approval of Parliament to make rules for the regulation of recruitment and conditions of service of persons appointed to All-



administration of the country. At that time, there was little direct recruitment of Indians to the higher branches of civil administration. Among other recommendations, the Commission recommended :—

(*a*) That the number of appointments reserved in accordance with the provisions of the Indian Civil Service Act 1861, for members of the Indian Civil Service should be reduced and that the appointments so set free should be transferred to a local service to be called the Provincial Civil Service and to be separately recruited for in India

(*b*) That below the Provincial Civil Service a lower service should be formed which should be called the Subordinate Civil Service.

(*c*) That the recruitment to the Provincial and Subordinate Civil Service should be made partly by promotion from Subordinate Civil Service and partly by examination as regards executive service and direct nomination as regards Judicial Service.

(*d*) That the salaries of members of the Provincial Services should be fixed on independent grounds and should have no relation to those attached to appointments in the Indian Civil Service (I.C.S.).

(*e*) That the law should be suitably amended to enable appointments to be made to all specified offices on account of exceptional merit and ability proved in public service and appointments to the Judicial offices to be made on account of special merit and ability proved in actual service as a Barrister, Advocate or Pleader.

15. For special departments, the Commission also recommended the adoption of rules as to preliminary qualifications, recruitment, probation and general conditions of service similar to Provincial Civil Services. The Commission proposed formation where possible in each department of Provincial Civil Service with regular rules of recruitment and periods of probation and advised that control of certain departments should be retained exclusively in the hands of members of the Indian Civil Service, so as to secure that the operations of those departments should be conducted in conformity with principles governing general administration and to avoid inter-departmental fricton. The Government of India and Secretary of State generally approved the recommendations and decided that instead of making law regarding formation of Provincial Services, the object of recommendations of the Commission could be achieved by requiring each Provincial Government to place on a separate list, certain posts to which members of Provincial Civil Services may, subject to certain conditions, be appointed. These recommendations thus led to the formation of Provincial Civil Services to be recruited separately in each Province and affording some representation to various communities of India in the administration of the country. The use of the term 'Provincial' in place of 'uncovenanted services' was thus introduced. The Provincial branches of Services were created with the expectation that they would afford careers sufficiently honourable to attract the best Indian talent.

16. Second Royal Commission on the Public Services in India was appointed in 1912 and is known as "Islington Commission". This enquiry was limited to Higher Services. Among other things, the Commission was directed to examine and report on the methods of recruitment, the conditions of service, salary, leave, pension and the working of the then existing divisions of Services into Imperial and Provincial, and generally, to consider the requirements of the Public Services.

17. Some of their recommendations having historical aspect and a bearing on the terms of reference of our Commission are stated below :—

(1) Where it is necessary to organise public services into higher and lower branches, this should be arranged on the basis of the work which they are required to do and, not on the basis of race, or salaries drawn by the members of such races or any such artificial distinction.

(2) Officers promoted from a lower to a higher service should ordinarily be given the same opportunities as officers who have been directly recruited and should be eligible on the basis of their merit, for appointments to any post in service. Both classes of officers should be shown in the same list and should take seniority among themselves from their date of entry on the list.

(3) The services which lie between the higher and subordinate services should no longer be designated "Provincial" services. Persons serving directly under Central Government and doing work similar to that of the members of Imperial Services should be constituted as one service with two classes. If services are organised provincially, they should ordinarily bear the name of their province, such as "The Madras Civil Service", the "Bombay Police Service" and so on. Accordingly, the Commission proposed that over and above subordinate services there should be two classes to be designated as Class I and Class II services. This is presumably the genesis of the provincial services in various States, with their divisions as Class I and Class II.

(4) Services in Finance and Custom Departments should be ordinarily recruited in India and for other services for which recruitment was then being made wholly in Europe or partly in Europe and partly in India should be divided in three main groups. In the first, should be placed Indian Civil Service and the Police Department in which a prepondering proportion of the officers should be recruited in Europe. In the second, should be services such as Education, Medical, Public Works and so on, in which there should be admission to both Western and Eastern elements, on grounds of policy, and in the third should be placed scientific and technical services such as Agriculture, Veterinary etc and their recruitment may be made in India.

(5) Question of the extent to which the services should be manned by recruitment of untried officers and by promotion of experienced officers from a lower service should be settled separately for each service; but in every case, opportunities should be created for young men and direct recruit should be encouraged wherever possible.

(6) In recruiting specialists, care should be taken to draw upon the widest possible field.

(7) In fixing salary, Government "should pay so much and so much only as is necessary to obtain recruits of the right stamp, and to maintain them in such a degree of comfort and dignity as will shield them from temptation and keep them efficient for the term of their service."

(8) Except where otherwise expressly provided, officers should be remunerated by an incremental scale of salary on compartmental system and the system of paying acting allowances should be revised.

(9) Salary to be paid should be settled for each service, separately and ordinarily in accordance with what is stated in clause (7) above. Different rates should be fixed on merits of each case and no proportion should be laid down generally as between the amounts payable to the two classes of officers. In certain services in which equality of pay has long been an established practice, this should be maintained.

(10) In-efficient officers should be compulsorily retired.

It has to be recognized that the present structure of services and of the pay arrangements both in the Centre and the States is mainly determined by the recommendations of the above two Royal Commissions on public services in India.

18. Personnel of the Public Service of Maharashtra comprises cadres of All-India Administrative Services and All India Police Services and of the Provincial and Subordinate Services cadres recruited under the executive authority of the State.

19. Of these, the All-India Services, being common to the Union and States, are recruited through the Union Public Service Commission. The pay structure of the two All-India Services is also determined under the pay rules (1954) made by the Union Government for both the services. The following are the time scales of pay for these Services:—

I.A.S.—(*a*) Jr. Scale Rs. 400—500—40—700—30—1,000.

(*b*) Sr. Scale Rs. 900—50—1,000—60—1,600—50—1,800.

I.P.S.—(*a*) Jr. Scale Rs. 400—400—450—30—600—35—670—35 —950.

(*b*) Sr. Scale Rs. 740—40—1,100—50/2—1,250—50—1,300.

(Recently, the Government of India have created a third All-India Service, namely, the Indian Forest Service. But the rules and regulations about pay, cadre, etc. have not yet been finalised.)

A member of the Services to whom any other time-scale of pay was admissible under any order in force immediately before the commencement of the pay rules continues to draw pay in that scale. Thus some members of the I.C.S. and I.P.S. who are yet in service are entitled to the benefits of the old pay scales. The pay rules also specify posts carrying pay above the time-scale pay in the I.A.S. and I.P.S. under the State Government and posts carrying pay in the senior time-scale including posts carrying special pays in addition to pay in the time-scale for both the services.

20. The rules also provide that no member of the service shall be appointed to a post other than the specified posts unless the State Government makes a declaration that such a post is equivalent in status and responsibility to a specified post and the pay of the members of service on appointment to a post other than the specified posts has to be the same as he would have been entitled to, had he been appointed to the post to which the said post is declared equivalent under the rules. The State Government is competent to grant special pays to members of these cadres for holding certain posts. Other rules framed by the Union Government also make detailed provisions regarding promotions, appointment by selection and special recruitment, regulation of seniority, compensatory allowances, leave, retirement benefit, discipline and appeal and other residuary matters. These Services are more or less excluded from executive authority of the State Government except in the matter of posting and promotions, and general administrative and disciplinary control.

21. The reason for constitution of the All-India common services, has been explained by Late Dr. B. R. Ambedkar as follows:—

> "In all Federations there is a Federal Civil Service and State Civil Service. The Indian Federation, though a dual polity will have a dual service but with one exception. It is recognized that in every country there are certain posts in its administrative set up which might be called strategic from the point of view of maintaining the standard of administration..... There can be no doubt that the standard of administration depends upon the calibre of the Civil Servants who are appointed to these strategic posts..... Constitution provides that without depriving the States of their right to form their own services, there shall be All-India Services recruited on an All-India basis with common qualifications, with uniform scale of pay, and members of which alone could be appointed to these strategic posts throughout the Union."

The All-India Services thus constitute the senior partner in State Public Service along with the services which are constituted under the executive authority of the State Government.

22. *Maharashtra Public Service.*—The structure of public services under the rule making power of the State of Maharashtra can be broadly described as follows:—

Under the Classification and Recruitment Rules 1939, services have been organized in relation to departments which are created for administration of various subjects and functional activities of the State Government. In the year 1939, when the existing Classification Rules were made, there were only seven departments. At present there are 13 departments. Various services and posts have been allocated to different Departments under the Rules. The Rules classify services as Provincial Services (now termed Maharashtra Services), and Subordinate Services. Provincial Service is defined under the Rules as meaning those services and posts which may from time to time, be declared to be such by Notification in the State Government Gazette. A list is attached as Appendix 'A' to the Rules specifying the services and posts with their department which were then declared to be Provincial Services and posts. Many more services and posts have been gazetted as belonging to Provincial or Subordinate Services after the year 1939. The following are the existing Maharashtra State Services :—

(1) Maharashtra Civil Service Class I and II.

(2) Maharashtra Forest Service Class I and II.

(3) Maharashtra Agricultural Service Class I and II.

(4) Maharashtra Animal Husbandry Service Class I and II.

(5) Maharashtra Judicial Service Class I and II.

(6) Maharashtra Police Service Class II.

(7) Maharashtra Jail Service Class I and II.

(8) Maharashtra Medical Service Class I, Division I (for Civil Surgeon and similar general posts) Class I, Division II (for posts filled by individual recruitment); and Class II.

(9) Maharashtra Public Health Service Class I and II.

(10) Maharashtra Education Service Class I and II. (further divided into Administrative Branch and Collegiate Branch).

(11) Maharashtra Service of Engineers Class I and II.

(12) Maharashtra Finance and Accounts Service Class I and II.

(13) Maharashtra Sales Tax Service Class I and II.

(14) Maharashtra Industries Service Class I and II.

(15) Maharashtra Service for Fisheries Class I and II.

(16) Maharashtra Co-operative Service Class I and II.

(17) Prohibition and Excise Service Class II.

(18) Maharashtra General State Service Class I and II.

23. Posts gazetted as belonging to Maharashtra Service have been grouped into "Maharashtra General State Service" for the obvious reason that such isolated posts could not be organised into cadre of classified service with reference to departments, the number of such posts being small and because these posts could not be amalgamated or adjusted with organized services relating to the Department concerned. These posts also appear to be mostly of a specialist, professional, or technical character intended for serving special needs of the department. Posts of Deputy and Under Secretaries to Government in the Secretariat are included in the category of General State Service Posts. In some services, the Class I and Class II groups are further sub-grouped into

Division I and Division II. Such detailed classification is obviously necessitated because of differences in duties and responsibilities attached to posts in each group and also as a matter of administrative expediency.

24. As All-India Services were being gradually abolished in respect of certain subjects as a result of the provisions for constitution of Provincial Services under the Government of India Acts of 1919 and 1935, the then Provincial Governments created such services for manning important posts. Many of the Class I posts in the State Services, such as Agriculture Service, Forest Service, Engineering Service, Education Service and Medical Service thus came into existence. Some more services were later organised such as those relating to Fisheries, Industries, Sales Tax, etc. Class II Group of Services in the Provincial Services, include posts which are comparatively lower in status and responsibility as compared to Class I service.

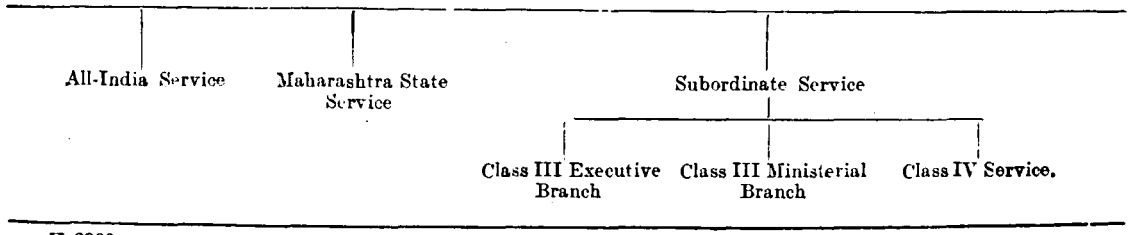
25. After the creation of Zilla Parishads since 1st May 1962, some posts of administrative and executive officers at district level from the cadre of Class I and Class II State Services have been allocated to Zilla Parishads from departments like Education, Public Health, Animal Husbandry, Agriculture and Co-operation. These officers are lent to the Zilla Parishads but remain on the cadres of the State Government. Some such officers are Block Development Officers, and Deputy Chief Executive Officers of the grade of Deputy Collectors, Education Officers of the grade of Educational Inspectors and District Health Officers.

26. *Subordinate Services.*—Under the Classification and Recruitment Rules, 1939, Subordinate Services or Class III and Class IV Services are defined as "The Services and posts specified in Appendix B of the Rules, provided that every pensionable Government servant and every Government servant holding a permanent whole time post, who is not (*a*) a member of an All-India or Provincial (State) Service or (*b*) a person regarding whose conditions of service it is considered unnecessary to make any rules in pursuance of Section 241(2)(*b*) of the Government of India Act, 1935, shall be deemed to be a member of a Subordinate Services." Implication of the Rule is that all permanent employees who are not members of All-India Services or Maharashtra State Services belong to Subordinate Service. Appendix 'B' of the Rules mentioned some such services and posts. After 1939, many more services and posts presently comprised in subordinate service have been created. Subordinate services and posts have also been assigned to various departments and are designated accordingly, for example, Subordinate Education Service, Subordinate Judicial Service, Subordinate Police Service etc. There is also a Subordinate Secretariat Service, which functions in relation to departments and offices in the Secretariat.

27. Subordinate Service is divided in two branches, namely (i) Class III—(*a*) Executive Branch and (*b*) Ministerial Branch and (ii) Class IV Branch which includes all inferior Services. Ministerial Service refers to posts in Class III Service whose duties are mainly clerical. The Rules classify the Government servants in separate classes as belonging to each branch of the Subordinate Service in the department.

28. The diagram given below explains the classification of services obtained in public services in Maharashtra.

Public Service in the State of Maharashtra.



32. *Permanent and temporary employees.*—Distinction is also made between permanent and temporary employees. The distinction is on the basis of the type of post held by an employee. Main distinciton relates to posts. Permanent post means a post carrying definite rate of pay sanctioned without limit of time. Temporary post means a post which is created for a limited period. There are also posts which are filled in on part-time basis. Part-time jobs are provided only as a matter of expediency. Temporary posts are created because of sudden expansion of departments or if the scheme or department for which the posts are created is of a limited duration. However, the practice generally appears to be to make appointments on a temporary basis in the first instance with prospects of making them permanent. In the event of reduction in establishments and consequent retrenchment, the axe falls first on temporary employees on the rough and ready principle of "last is first out".

33. *Grouping of services as General Class and non-General Class (Specialist Class).*—For further understanding of the structure of services, it is necessary to know the meaning and implications of various terms and designations used above for classification of services and posts. In particular, following terms need discussion namely—

(1) Administrative branch of services.

(2) Executive branch of services.

(3) Ministerial or clerical services.

(4) Specialists or scientiffic or technical services or skilled or semi-skilled services.

(5) Professional Services.

These distinctions are made according to the nature of duties attached to the post in various services and the qualifications required for manning such posts. The above classes of services can be broadly grouped in two classes viz. (1) A group of general services and (2) A group of non-general services i.e. a specialised class. General services not needing special qualifications are those, which are recruited on the basis of general education and personal qualities, while the other group is recruited on the basis of special qualifications required for the post.

34. *General Class (Administrative Class).*—The distinction between general class and specialist class is to a great extent flexible. Even in general classes, certain groups become specialised by long experience in the special technique of the work of particular department and can take the role of a specialist class. They receive training in the service itself and acquire experience which gives them special internal qualifications for the particular job in the department, e.g. officers and higher staff in Controller of Accounts and Audit Offices, in the Income-tax Department, Sales Tax Department, Excise Department etc. etc. The distinction between general class and specialist class made above only emphasises the difference between officers at the stage of their entry in service on the basis of qualifications of general education, and those with specialised education and training. In recent times above distinction has assumed importance because of shortage in supply of personnel possessing specialised qualifications, the method of recruitment and the claim made by such personnel for higher rate of pay because of such shortage. Some groups from such specialist classes have their counterparts in the recognized professions outside the service e.g. Engineers, Medical Practitioners, Accountants, Economists, Statisticians, Architects, etc. Some Specialist groups have not many counterparts outside the service, such as Forest Service, Agricultural Service, Animal Husbandry Service, etc.

35. *Administrative Class.*—Personnel belonging to administrative branches of the service control the key posts wherein they are concerned with the formulation of policy and formation of programmes, its execution, co-ordination, improvement of executive machinery and the general administrative control of their departments. An Administrative Officer though not qualified as a specialist in any particular branch of

knowledge, is expected to become expert by his experience with length of service, and competent to deal with subjects of special nature e.g. general economic finance, planning and other specialised functions. He is considered "Generalist" with broad cultural background and keen intellectual attainments. His training is through service. In some departments at times he is aided by technical experts who function as his colleagues in offices, such as of Joint Secretary or Deputy Director, etc. Such an Administrator is generally a person from the I.A.S. cadre. He enters service, in case of direct recruitment at an age between 21 to 24, by proving his merit in competition tests held by U. P. S. C. and also by the method of selection or promotion from certain State Services. This class of officers deals with substantive problems of administration arising from time to time in departments under their control. Administrative aptitude and adaptability are essential requisites of this class.

36. *Executive Branch of Offices.*—The executive staff and field staff is entrusted with duties that lie between those of the Administrative class and Ministerial or clerical classes. These are broadly formed both from the point of view of responsibility and nature of work. The distinction is also marked by a system of recruitment and somewhat liberal rule regarding age limits for entrance in the service. The demarcating line between work distinguished as of administrative class or of executive staff is often very thin and confusing. It is not possible to say that those assigned to executive class have no administrative function and *vice-versa.* Of course, there is some difference in level of responsibility. The essential distinction, if at all to be stated, is in the fact that administrative class is placed in charge of top administrative posts at the headquarters of the Government and the officer concerned deals directly and at top level with matters connected with particular Ministry. Executive class at upper level is in charge of matters of internal organization and control of the Department or establishment and setting of broad questions relating to business and functional activities of the Department. At the lower levels of the executive branch are handled duties relating to initial investigation into matters of Government policy and implementation of activities of lesser responsibility. Efficiency of Government administration very much depends upon the ability and integrity of this executive class. It is they who mostly come into contact with the public and have to meet their requirements.

37. The structure of classes in executive branch in specialist groups differs according to the department of their service. Because of specialisation, scope for transfer from one department to the other is often difficult. Some of the departments are quite small affording proportionately less scope for promotions. They have not much scope or opportunities for promotion into higher administrative class as is possible to members of the State Civil Service Executive branch belonging to general class. Some topmost officers of executive branch belonging to specialised class, however, have opportunities of becoming Joint or Additional Secretaries along with the Secretary who belongs to the administrative class.

38. *Ministerial Groups.*—Ministerial services represent the biggest category in the State Public Service. There are different grades or divisions in the clerical services. The work of the clerical classes is of varied nature though of routine character and differs with the type of job and the department, such as Tax Collection Offices, personnel on Registry work, Accounts Sections, Noting and Correspondence Sections, Record Offices, Library Sections, or as Personal Assistants to different officials. They deal with cases in accordance with well defined regulations, instructions or general practice. The work is such as can be performed without much element of special knowledge, and as can be learned with experience. They have to deal mostly with papers and figures such as preparing material for returns, accounts, statistics in prescribed forms and collecting material and putting up notes on the basis of which higher decision can be taken. The characteristic feature of the present times is the rise in employment of women clerks in services.

Generally speaking, the minimum qualification for clerical posts is passing of S. S. C. Examination. with age limit between 19 to 25 years. For Upper Division Clerks, when directly recruited, the minimum qualification is a Graduate Degree.

39. There is a structure of grades and salaries and opportunities of promotions in the above mentioned clerical services. Though clerical service forms a general class, transfers from one department to another are somewhat rare as departments do not want to lose their staff who have gained experience. In clerical class are also included typist-clerks and shorthand-typists. Many shorthand-typing-clerks act as Personal Assistants to important officials and are entrusted with duties such as correspondence, receiving visitors, finding relevant papers, keeping track of business. Their grades vary according to speed in shorthand. Shorthand-typists often get promotion as Stenographers or Personal Assistants which class is presently on the increase, corresponding to increase in the number of officials requiring such assistance. There is also a special class of Stenographers with non-clerical duties.

40. *Class IV Services.*—Services at lower levels, now designated as Class IV Services, also form another big category of employees in the public service. They work as Messengers, Orderlies, Attendants, Peons, and also perform other routine types of odd jobs. These services also include Mukadams, Watchmen, Hamals, Malis, Chopdars, Liftmen, Daftaries, Naiks, Laskars, Havildars, Khalasis, Tandels, Laboratory Assistants, Watermen, Jamadars, etc. In Subordinate Printing Service there are numerous jobs connected with the work of printing which are also classed as Class IV Services.

41. *Specialist Class.*—Besides the general class of services and posts there are the services and posts which can be broadly termed as of specialised class. The distinction is mainly based between general education and special education or training, particularly in the method of recruitment and the service entry requirements. Many of the special classes are constituted into self-contained classified service such as Forest Service, Agricultural Service, Animal Husbandry Service, Service of Engineers, Accounts Services, Fisheries Service, etc. These are posts which require special knowledge, training and experience or skill. They are filled by persons with requisite knowledge and skill and are attached to departments according to requirements. Personnel of the high officer-grades in specialised classes is recruited on the basis of higher University qualifications in technical subjects and on the basis of experience by method of selection based on interview. In Judicial Service, they are selected from legal profession on the basis of experience and marked ability.

42. *Recruitment.*—"A well conceived and imaginative recruitment plan and technique and a sound system of selection assuring appointment of most qualified candidates purely on merit basis" is a requisite for sound structure of public services. This is intended to be achieved by Constitutional provisions relating to the appointment of Public Service Commissions, namely, the Union Public Service Commission for the All-India and Central Services, and State Public Service Commissions for public services in the States. There are also detailed recruitment rules and regulations. The underlying idea in providing these is that recruitment to public services should be only by merit, qualifications and experience, and not through favouritism. Selection has to be based solely on sound judgement of ability and efficiency and without any political considerations or discrimination based on race, religion, creed, caste or sex. The reservation of posts for backward class candidates with relaxed conditions about age at entry and about qualifications, is of course a short-term necessity.

Recruitment to public services is based on the system of career service. Recruitment to these services is articulated with our educational system and with average age levels for entry in the services. State controls the educational system as well as the recruitment to public services. Necessarily, the public services take a shape and

character according to the prevailing educational system. Levels of classes of services are thus in a great measure determined according to levels and types of educational qualifications.

43. Age-limits in the services are also related to levels of minimum educational qualifications required for entrance in the service. These requirements of educational qualifications are in turn determined by the prevailing educational system, particularly for services in administrative and executive branches. For basic clerical grades, age-limits are in narrow limits. Requisite training or knowledge that is necessary is provided during the service and provision is also made for departmental examinations. Recruitment takes place ordinarily at the conclusion of general educational level such as Matriculation or S. S. C. Examination or Graduate or Post-Graduate Examination. Higher grades are mostly intended to be promotional grades. Prescribing of age-limit for entrance in service is considered as progressive from the view point of "system of career service". For services requiring specialised training besides formal education or outside experience, a higher age-limit is prescribed and even this limit is relaxed.

44. Preference for a candidate on the result of competitive examination according to merits has to be distinguished from selection made by the method of interview. Practical considerations decide what particular system of recruitment should be adopted in the case of a particular class of jobs, and what type of post should be altogether exempted from any type of examination test. In the last category would come posts which are highly technical and for which persons of requisite qualifications are few or for which personality and experience of high order is demanded, or posts which because of their special character can attract few entrants by the method of competition. The system of competitive test examination is intended to achieve best selection with expectation that those chosen will be efficient in the post to which they will be assigned and that they possess capacity for growth and development. Scholarly attainment is not the objective. Written examination is often combined with personality test or what can be termed as aptitude test. Successful recruitment of efficient personnel depends upon supply conditions of qualified men and women and attitude of qualified persons towards Government service, comparative ideas of status and prestige attached to public or private service, expectations of salaries, and other emoluments and restrictions placed for entrance in the service by the rules regarding age, domicile, etc.

45. *Public Service Commission.*—Articles 315 and 320 of the Constitution provide among other matters, for a Public Service Commission in each State. Article 320 deals with functions of the Public Service Commission and provides that it shall be the duty of the Public Service Commission to conduct examinations for appointments to the services and that it shall be consulted on all matters relating to methods of recruitment to civil service and for civil posts, on principles to be followed in making appointments, promotions, and transfers from one service to another, on the suitability of candidates for such appointments, or transfers and on disciplinary matters affecting a person serving in civil capacity including memorials and petitions relating to such matters. It is also provided that the Governor, in respect of the services and posts in connection with the affairs of the State, may make regulations specifying the matters in which either generally or in any particular class of case or in any particular circumstances it shall not be necessary for a Public Service Commission to be consulted. These regulations have, however, to be placed before the Legislatures for their information.

So far as Maharashtra State is concerned, the Classification Rules (1939) prescribe qualifications of candidate for and the method of recruitment to different Services. Rules provide that the age limit prescribed under the rules may be relaxed by the appointing authority in the case of candidates for admission to Government service from the educationally backward classes provided their ages do not exceed the prescribed ages by more than five years and further provide that for special reasons to be recorded in writing, Government may appoint candidates whose ages exceed the prescribed ages irrespective of classes to which they belong or the number of

years by which their ages exceed the prescribed age limits. Obviously the discretionary power for relaxation of age limit is intended for facilitating recruitment to posts which require outside experience and training or for which qualified personnel is not readily available.

Method and manner of appointment in all these services and posts are governed by various recruitment rules prescribed by Government from time to time. Recruitment to subordinate services is made by Heads of Departments and those heads of offices to whom powers have been delegated, subject to general control of the Government. The State Public Service Commission holds written competitive examination for some of the services and posts.

There is also a large number of posts in State Services (including posts in the General Service) in various departments which are filled in by the method of interview and selection.

46. *Probation.*—Competitive examination or selection processes are not however considered absolutely sure tests of the competence of the candidate for a post. Test through trial in the job is a further requisite and to that end, is provided a probationary period after entrance in the service. This is intended as practical test, and a period for training necessary for qualifying the candidate for the job. Such a probationary period is considered essential for final selection and confirmation of the selected person in the Service. The trial period serves as a check and corrective for error in formal selection.

47. *Promotion.*—Entry to a job by promotion and transfer from one job to the other is another method of recruitment to a post. Promotional recruitment is based on the principle of self-advancement of the member of services by efficient performance of duties and proved capacity and merit. The pay structure of services is normally so arranged as to give due facility for advancement to higher grades so that the employee may have necessary incentive, and also to maintain a proper balance between outside and departmental recruitment. Because of our system of recruitment at early age based primarily on broad abilities and potential capacities and without requirement of prior outside experience (except in some technical or specialised jobs), system of promotion in services assumes great importance from the view point of career opportunities. Generally, service does not become attractive unless promotional opportunities are made available in the Service structure.

48. Promotion has to be based on comprehensive *personal record* of the employee. Performance reports, special abilities displayed in particular cases, extent of experience, educational qualifications and aptitude for undertaking higher responsibilities are guiding factors for promotion. Seniority-*cum*-merit is recognized formally for promotions. It is complained that in practice, however, seniority is often the sole deciding factor. Long routine service cannot be the proof of competence for entrusting higher responsibilities and as such should be considered as subordinate ground for promotion, merit being the prominent consideration. Outstanding ability should be marked out and suitably rewarded by earlier or out of turn promotions. Departmental examination test for promotions can also be a method for avoiding charge of discrimination or favouritism and awarding merit and knowledge.

In December 1950, the then Government of Bombay in consultation with the Bombay Public Service Commission declared its promotion policy in the following terms:—

> (*a*) No Officer should be so promoted unless his record shows that he possesses the necessary positive qualifications for the higher grade, service or post such as personality, professional qualifications, initiative, strength of character, and readiness to assume individual responsibility and that no officer who has positive qualifications as mentioned above should be passed over by an officer junior to him unless the latter has in addition really exceptional ability or qualifications.

(b) In assessing merit of an officer on comparative basis, the ability, energy, initiative, integrity etc. of the officer concerned should be taken into consideration over a series of years wherever possible and the judgment should be formed after considering reports of at least three different superior officers.

In April 1955, Government again issued a Circular stating:—

"It is noticed that despite these orders (orders issued in 1950), undue importance is still being attached to seniority. Government is therefore pleased to direct that Heads of Departments should take particular care to see that these orders are fully implemented and that persons with outstanding ability are given accelerated promotion.

Cases in which such accelerated promotion is given should be reported to Government in the administrative department concerned."

We expect the Heads of Departments and Officers to follow these principles.

Opportunities for promotion vary from one department to another according to pattern and numerical strength of the Department. Departments which are stable in number or are in a contracting condition, often suffer from lack of promotional opportunities, while expanding departments or new departments provide opportunities for rapid promotions.

49. *Concept of career service.*—Concept of career service is a special feature of the British pattern of public service, which has been introduced in public administration in India. It is this character of public service which attracts young men of talent and ability. The public service is divided into ladders, and the young candidates selected according to educational qualfication and tests of merits have to start either at the bottom or sometimes a little higher rung of the careerladder. Careers differ according to nature of service and opportunities are provided for promotion at varying degrees and speed. Career service is employment for life-time of work, with entrance for the majority at the lowest position within each type of service and providing opportunity and scope for growing knowledge and skill with experience within the service itself. The employee is guaranteed security of tenure and pay-scale on incremental basis according to his merit and competence with opportunities of promotion for special ability. However, unlike private employment, the guarantee is to the whole service of which an individual employee is a member. Conditions of service and pay structure are determined for service or branch of a service as a whole, and not with regard to a particular individual employee.

CHAPTER 3

ECONOMIC BACKGROUND AND RESOURCES

I—Economic Background

The Maharashtra State is the third largest State in India, both from the point of view of population and of area. It accounts for 9 % of the total population and 10 % of the area of the country. The State is divided into 26 administrative districts which are grouped into four Divisions ; the Bombay Division having seven districts, the Poona Division-six districts, the Nagpur Division-eight districts and the Aurangabad Division-five districts.

2. *Population.*—The State has a population of 396 lakhs. Its density of 334 persons per square mile is lower than the all India average of 358. Regionwise, the density of population is as shown below :—

Region	Density per square Mile
Greater Bombay	24,568
Konkan	404
Rest of Western Maharashtra	348
Vidarbha	245
Marathawada	252
Average for the State	334

3. *Economic Progress.*—According to the 1961 Census, there were 189 lakh workers in the State i.e. about 48 % of its population. The proportion, however, varies from region to region as will be seen from the following table :—

Region :—	
Greater Bombay	40·6
Konkan	46·1
Rest of Western Maharashtra	46·2
Vidarbha	51·7
Marathwada	52·7
Average for the State	47·9

As many as 70 % of these workers are absorbed in agricultural occupations. The working population engaged in industry, and in trade and commerce is 6·9 % and 4·5 % respectively as compared to 4·2 % and 4·1 % respectively for the whole of India. Within the State, there are however wide variations :—

	Region	Percentage of workers engaged in			
		Agriculture	Household Industries	Manufacturing and other Industries	Trade and Commerce
		1	2	3	4
1.	Greater Bombay	0·4	1·4	39·5	18·0
2.	Konkan	74·1	2·4	5·0	3·5
3.	Rest of Western Maharashtra	75·3	4·0	4·9	3·3
4.	Vidarbha	76·3	6·0	3·1	3·3
5.	Marathwada	81·9	3·8	1·2	2·5

It will be noticed that there is too much concentration of industrial and commercial activity in Greater Bombay and its neighbouring areas, while other regions particularly, the Marathwada districts, are still backward.

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6. *Literacy.*—In literacy also, Maharashtra State has made good progress. It ranks fourth in the country. The percentage of literates in the State is 29·8 against 23·7 for the whole of India. Divisionwise, the literacy percentages are as follows :—

Bombay Division	37·61 (Greater Bombay 58·47)
Poona Division	29·19
Nagpur Division	14·08
Aurangabad Division	16·13

Great progress has been made in the development of educational institutions and in starting new courses. The number of educational institutions and the number of scholars attending them are shown in the following table on the basis of latest available report :—

Type of Institution	Number of Institutions		Total	Number of Scholars		Total
	For Boys	For Girls		Boys	Girls	
1	2			3		
Universities	5	1	6	783	647	3,430
Research Institutions	15	....	15	243	97	340
Arts and Science Colleges	109	10	119	72,185	23,823	96,008
Professional and Special Colleges ..	105	6	111	34,819	5,047	39,866
Secondary Schools	2,889	290	3,179	7,98,486	3,02,163	1,100,649
Primary Schools	35,444	1,501	36,945	29,64,621	16,66,798	4,631,419
Social Education Class	1,24,798	1,03,074	2,27,872	3,06,129	5,94,624	1,200,753
Other Schools	1,188	283	1,473	77,416	40,680	118,096
Recognised ..	1,64,553	1,05,165	2,69,718	45,56,682	26,33,879	7,190,561
Un-recognised	38	2	40	1,251	892	2,143
Total ..	1,64,591	1,06,167	2,69,758	45,57,933	26,34,771	7,192,704

(SOURCE :—Education in Maharashtra, 1962-63).

7. *Employment.*—Of the 189·5 lakhs workers in the State, 59·4 lakhs are literate and educated. Their distribution is shown below :—

Category of workers.	No. of Total workers.	No. of literate and educated workers.	Percentage of literate and educated workers to total workers.	Percentage of literate educated workers to total literate workers.
I Agriculture	87·4	21·6	24·67	36·29
II. Agricultural Labour	45·1	5·3	11·68	8·87
III. Mining, Quarry, Live stock, Forestry, Hunting, Plantation.	4·1	0·9	20·88	1·44
IV. Household Industry	8·3	3·1	37·26	5·22
V. Manufacturing other than Household Industries ..	13·0	8·5	65·06	14·29
VI. Construction	2·4	0·9	40·02	1·59
VII. Trade and Commerce	8·6	6·3	73·26	10·56
VIII. Transport, Storage and Communication ..	4·5	2·9	64·60	4·86
IX. Other services	16·27	10·0	62·00	16·88
Total ..	189·5	59·4	31·35	100

The 1961 Census, gives special tables about the position of employment among the technically qualified persons. A summary of the Census Table given below highlights the present problems relating to Maharashtra State.

Type of Education.		Employment.			Nature and Sector of Employment.		
		Employed	Unemployed	Retired	Public	Private	Self-employed
1. Post Graduates (including Doctorates in Science).	M	2,662	132	42	1,570	1,004	88
	F	196	68	2	101	92	3
2. Graduates (B.A. B.Sc., and Science subjects).	M	10,842	959	180	5,758	4,139	945
	F	622	502	6	296	306	20
3. Engineering and Technical Degree Courses.	M	6,211	229	139	2,978	2,785	448
	F	73	27	1	34	34	5
4. Engineering and Technical Diploma Courses.	M	7,538	369	232	4,599	2,503	436
	F	46	7	1	27	15	4
5. Engineering and Technical Certificate Courses.	M	283	43	7	155	103	25
	F	10	3	....	....	7	3
6. Medicines (Modern System) Degree Courses.	M	2,747	149	138	1,304	336	1,107
	F	503	78	19	217	76	210
7. Medicine (Modern System) Diploma Courses.	M	1,050	100	174	459	418	473
	F	205	29	13	74	50	81
8. Medicine (Other system) ..	M	883	114	17	31	167	449
	F	137	24	1	7	25	81
9. Animal Husbandry, Livestock, Veterinary.	M	222	2	5	206	8	8
	F	2	....	....	1	1	....
10. Unclassified ..	M	345	30	17	16	111	48
	F	39	12	14	9	15	8
M:—Male, F:—Female	Total ..	34,616	2,947	991	18,279	11,895	4,442

(SOURCE:—Census of India, Vol. X-Maharashtra, Part II-C (Pages 298-305).

8. *Employment in Public Sector.*—On account of multifarious developmental activities, the total employment in public sector is growing from year to year. This growth is evident not only in Central and State Government empoyment but also in Local Authorities and Public Undertakings. The following table gives the figures from 1960 onwards :—

Employment in Public Sector

	30-6-1960	30-6-1961	30-6-1962	30-6-1963	30-6-1964	30-6-1965	31-3-1966
Central Government ..	2,320,18	313,846	335,438	359,605	375,993	388·8	393·9
State Government ..	253,533	284,997	229,897	238,736	271,832	276·7	321·0
Quasi Central ..	46,950	59,757	103,314	108,290	121,867	134·1	146·6
Quasi State ..	25,973	26,409					
	72,923	85,166					
Municipalities ..	79,086	70,263	240,733	289,777	305,254	323·1	330·3
Local Bodies ..	81,834	89,416					
	160,920	159,679					

The rapid growth in employment has created difficulties in recruitment of certain categories of staff. The Director of Employment maintains statistics of posts where there are shortages of persons. An analysis of these statistics shows that the difficulties are experienced more in technical posts. The percentages of vacancies remaining unfilled in different categories of posts are indicated below :—

	Vacancies unfilled (percentage).				
	31-3-1962	31-3-1963	31-3-1964	31-3-1965	31-3-1966
1. Professional, Technical and related workers ..	27·1	41·3	34·1	54·4	45·9
2. Administrative, Executive, Managerial workers	5·1	3·9	1·7	0·8	1·0
3. Clerical, Sales and related workers	8·9	12·9	11·3	9·0	9·7
4. Farmers, Fishermen, Mines, Quarrimen and related workers.	1·8	2·3	2·6	1·3	2·5
5. Workers in Transport and Communication Occupations.	10·1	3·0	11·4	3·3	5·0
6. Craftsmen and Productive Process workers ..	33·6	27·2	31·9	26·8	34·2
7 Services, Sports and Relative workers ..	11.5	25·7	4·8	3·2	1·6
8. Unskilled workers	1·9	1·0	1·6	1·2	0·1

It is noticed that the scarcity is felt mostly in ' Professional, Technical and related workers ' and also in ' Craftsman and Productive Process Workers '. The Manpower Wing, Planning Division of the Finance Department has carried out a survey through Study Groups of the manpower requirements and availability for the Fourth and Fifth Plan. The findings of these study Groups about Medicine and Public Health, and Engineering professions are indicated below :—

Medical and Public Health

	Third Plan Number.	Fourth Plan Number.	Fifth Plan Number.
I. *Doctors* :—			
Requirements	11,000	14,400	18,900
Additional during the plan	1,200	3,300	4,500
Availability	1,644	2,800	4,500
Backlog of previous plan	—644	—200	—700
Actual shortage/surplus	—200	—700	—700
II. *Dentists* :—			
Requirements	3,200	3,300	5,700
Additional during the plan	220	1,100	2,400
Availability	400	550	850
Backlog	—1,080	—900	—1,450
Actual shortage/surplus	—900	—1,450	—3000
III. *Nurse-Midwives* :—			
Requirements	5,600	10,000	14,200
Additional during the Plan	1,645	4,400	4,200
Availability	2,329	3,900	3,600
Backlog	—884	—200	—700
Actual shortage/surplus	— 200	—700	—1,300
IV. *Pharmacists* :—			
Requirements	3,700	4,800	6,300
Additional during the plan	400	1,100	1,500
Availability	225	1,248	1,440
Backlog	....	—145	+3
Actual shortage/surplus	—145	+3	—57

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9. *Finances of the State.*—The latest Budget of the Maharashtra State shows the revenue receipts at Rs. 263·60 crores and the revenue expenditure at Rs. 263.07 crores leaving a small surplus. The following Table gives comparative figures of receipts and expenditure since 1960-61 :—

Revenue Receipts

	1960-61	1961-62	1962-63	1963-64	1964-65	1966-67 Revised	1966-67 Budget	Percentages of 1966-67 figures to Total.
Tax-Revenue								
(1) Share in Centrally collected taxes.	15·69	14·47	25·41	28·78	29·35	30·57	42·03	15·94
(2) Tax collected by staff ..	64·37	66·84	78·28	100·58	112·75	120·45	146·76	55·68
Non-Tax Revenue ..	37·40	37·44	45·91	57·89	60·51	70·43	74·81	28·38
Total ..	117·46	118·75	149·60	187·25	202·61	221·44	263·60	100·00

Revenue Expenditure

Tax collection charges ..	3·39	3·15	3·13	3·50	3·88	4·62	5·01	1·90
Debt Services ..	13·71	13·66	17·74	19·92	23·55	26·81	44·89	17·06
Administrative Services ..	8·20	8·87	9·30	9·62	11·47	13·11	14·91	5·67
Security Services ..	14·36	14·35	15·39	17·77	20·33	21·88	21·56	8·20
Social and Development Services.	54·76	55·76	56·53	71·33	87·28	109·44	107.98	41·04
Irrigation and Electric ..	0·57	0·50	4·57	5·37	7·09	10·31	9·15	3·48
Schemes of Public Works and Schemes of Public Improvement.	6·34	6·58	5·78	5·11	9·18	13·91	9·07	3·45
Miscellaneous ..	11·38	14·57	25·00	25·16	27·99	29·67	30·99	11·78
Transfers to Funds ..	6·56	8·83	8·92	10·90	12·78	13·70	19·51	7·42
Total ..	119·27	126·27	146·38	168·58	203·52	243·45	263·07	100·00

10. *Items of Revenue.*—The main items of revenue are (1) Share in Central Taxes and (2) State Taxes. Details of these are given below :—

	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67
Share in Central Taxes :—							
Income-Tax	6·45	6·89	12·78	15·62	16·57	16·52	18·63
Union Excise	7·43	7·24	12·28	12·77	12·15	13·42	22·75
Others	1·81	·34	·35	·39	·63	·63	·65
Total ..	15·69	14·47	25·41	28·78	29·35	30·57	42·03
State Taxes :—							
Land Revenue	8·77	6·18	7·29	8·13	7·27	6·01	7·30
Stamps and Registration	5·81	6·05	7·17	8·43	8·68	8·74	8·96
General Sales Tax	29·36	32·01	36·46	50·03	57·12	64·40	78·04
Sales Tax on motor spirit ..	2·79	3·02	4·10	4·87	5·28	5·40	6·53
Motor Vehicles Taxes	7·14	5·86	6·02	6·47	7·38	7·79	9·23
Entertainment Tax	2·68	2·83	4·04	4·89	4·98	5·70	6·55
Electricity Duties	3·50	3·91	5·17	7·20	7·84	8·45	11·83
Others	4·32	6·98	8·03	10·56	14·20	13·96	18·32
Total ..	64·37	66·84	78·28	100·58	112·75	120·45	146·76

It will be noticed that about 16 % of the State Revenue is derived from Share in Central Taxes, 56 % from State Taxes and the balance of 28 % from Non-tax sources like Administrative receipt and contribution from Public enterprises (like forests, irrigation, electricity scheme, etc.). Among the State Taxes, Sales Tax is the most important source of revenue and is responsible for more than half the total receipts from all State Taxes.

11. *Plan Expenditure.*—Of the three Five-Year Plans, the Third Five-Year Plan can really be said to be the First Five-Year Plan of the Maharashtra State as it is at present constituted. In the First Five-Year Plan, the areas that now constitute the State were parts of three different States. In Second Five-Year Plan these areas came together but formed part of a bigger State. The Third Five-Year Plan was completed by the end of 1965-66. Originally, this Plan was estimated to be of the order of Rs. 390 crores. It was later revised to Rs. 418 crores, while the actual outlay on the basis of the expenditure already incurred to the end of 1965-66 has been of Rs. 436 crores as shown below. The Fourth Five Year Plan is yet to be finalised. The Plan as presented to the Legislatures envisages an outlay of Rs. 1,186 crores. It is understood that discussions are still being held with the Planning Commission to determine the final size of the State Plan. For the current year (1966-67) however, an outlay of Rs. 120 crores has already been approved. The break-up of this provision is shown in the following table :—

(Rupees in lakhs).

							Fourth-Five Year Plan.
Serial No.	Head of Development.	Original Outlay in the Plan.	1961-62 to 1963-64	1964-65	1965-66	Total (4 to 6)	Approved Outlay for 1966-67
1	2	3	4	5	6	7	8
I.	Agricultural Programme ..	2,33·59	30,96·62	21,35·63	30,48·57	82,80·88	33,04·56
II.	Co-operation and Community Development.	36,96·12	23,98·65	10,78·99	10,42·45	45,20·09	7,08·25
III.	Irrigation and Flood Control ..	68,36·35	29,81·81	14,90·65	20,50·00	64,41·46	16,36·20
IV.	Power	82,94·00	50,12·95	18,53·82	29,43·03	98,09·80	29,42·00
V.	Industry and Mining ..	16,22·85	4,65·43	3,09·84	6,75·81	14,51·08	3,95·00
VI.	Transport and Communications ..	36,07·99	16,89·77	8,23·79	12,38·16	37,51·72	13,14·83
VII.	Social Services	86,68·60	37,30·22	23,43·24	32,03·09	92,76·55	17,24·99
VIII.	Miscellaneous	60·50	12·04	10·45	23·10	45·59	8·50
	Grand Total ..	390,20·00	193,87·55*	99,66·41	142,24·21	45,77·17	120,34·33

*Finally adjusted actuals for first three years.

12. *State and Per Capita Income.*—The State income is estimated at Rs. 1,986 crores in 1963-64 and the *per capita* income at Rs. 476. On the basis of 1955-56 prices, the State Income comes to Rs. 1,530 crores and the *per capita* income to Rs. 359. Details are given in the table below :—

I. State Income at Current Prices

(Rupees in Crores).

Sector	1955-56	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64
1	2	3	4	5	6	7	8
1. Agriculture and Allied Activities ..	331·6	543·0	521·9	626·8	569·6	641·3	782·7
	(33·1)	(40·3)	(38·8)	(40·9)	(36·6)	(36·7)	(39·4)
2. Mining, Manufacturing, small enterprises and construction.	245·4	322·0	313·7	356·8	390·7	454·0	511·5
	(24·4)	(23·7)	(23·3)	(23·3)	(25·1)	(26·0)	(25.8)
3. Others	427·2	488·1	511·0	549·2	595·9	652·9	691·7
	(42·5)	(36·0)	(37·9)	(35·8)	(38·3)	(37·3)	(34·8)
Total ..	1,004·2	1,356·1	1,346·6	1,532·8	1,556·2	1,748·2	1,985·9
	(100·0)	(100·0)	(100·0)	(100·0)	(100·0)	(100·0)	(100·0)
4. *Per Capita* State Income (Rs.) ..	292	369	351	392	389	428	476
5. *Per Capita* National Income (Rs.) ..	255	303	305	325	333	339	371

II. State Income at Constant Prices (1955-56)

(Rupees in Crores).

Sector	1955-56	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65
1	2	3	4	5	6	7	8	9
1. Agriculture and Allied Activities.	331·6	413·2	376·6	471·6	417·5	418·1	440·6	443·9
	(100·0)	(124·6)	(113·6)	(142·2)	(125·9)	(126·1)	(132·9)	(133·9)
2. Mining and Manufacturing Small enterprises and construction.	245·4	290·4	303·3	345·6	370·0	384·9	407·3	448·7
	(100·0)	(118·3)	(123·6)	(140·8)	(150·8)	(156·8)	(166·0)	(182·8)
3. Others	427·2	484·7	509·8	553·5	565·1	580·4	601·6	637·5
	(100·0)	(113·5)	(119·3)	(129·6)	(132·3)	(135·9)	(140·8)	(149·2)
4. Total Income ..	1,004·2	1,188·3	1,189·7	1,370·7	1,352·6	1,383·4	1,449·5	1,530·1
	(100·0)	(118·3)	(118·5)	(136·5)	(134·7)	(137·8)	(144·3)	(1·52)
5. *Per Capita* Income (Rs.) ..	292	323	310	350	338	339	348	359
	(100·0)	(110·6)	(106·2)	(119·9)	(115·8)	(116·1)	(119·2)	(122·9)

Note :—Figures in brackets indicate percentages to the total income.

II—Resources

13. In the preamble to the Government Resolution appointing this Commission, Government have stated :—

" Government now considers that the time is opportune for an authoritative review of the whole of its pay structure with a view to its revision and rationalisation to the extent possible, having due regard to Government's other financial commitments and to its resources including expectations of additional monetary assistance from the Government of India ".

The Commission had also included a question in its Questionnaire as to whether the revision of pay scales should depend upon and be related to the financial capacity of the Government concerned. Several of the Government Employees' Associations have pointed out that :—

(*i*) financial capacity should not restrict the payment of adequate wages to the employees and that Government should some how find the resources necessary as the payment of adequate wages was the paramount duty of a Government ;

(*ii*) the development Expenditure should either be curtailed to provide the funds necessary to pay the employees fair wages or such expenditure should also be treated as Developmental Expenditure since no development schemes can properly function without the staff in charge of execution thereof being paid adequate wages ;

(*iii*) the State has adequate resources to meet any extra expenditure that may be incurred on payment of fair wages to their employees.

14. In dealing with these arguments, it is necessary to find out the financial position of the State Government and the resources available to them for meeting the extra burden of expenditure on revision of pay scales. The following table gives the receipts and expenditure on revenue account since 1960-61 when the present Maharashtra State came into existence :—

(Rupees in crores).

	Receipts on Revenue Account.	Expenditure on Revenue Account.	Surplus (+) Deficit (—)
1960-61	117·46	119·27	—1·81
1961-62	118·75	126·27	—7·52
1962-63	149·60	146·38	+3·22
1963-64	187·25	168·58	+18·67
1964-65	202·62	203·52	—0·90
1965-66 (Revised)	221·44	243·45	—22·01
1966-67 (Budget)	263·60	263·07	0·63

Note :—The amounts for the years 1960-61 and 1961-62 are not quite comparable with the amounts for the year 1962-63 onwards on account of changes in accounting classification. The net revenue results are however comparable.

It is clear that in spite of growing revenues, the finances of the State have been under the strain of growing expenditure. The abnormal deficit in the year 1965-66 has been due to, according to the Financial Statement of the State Government for 1966-67 " increased plan outlay, particularly outlay on agricultural programmes : full year's cost of the increase in the rates of dearness allowances of Government servants sanctioned in the middle of 1964-65, larger debt charges, increased provision for repairs for communications, larger expenditure on famine relief measures due to scarcity conditions. Despite similar increases in 1966-67, the position has improved considerably. Thanks to the larger devolution of Central taxes as a result of the recommendations of the Fourth Finance Commission, the measures of additional taxation and the full year's effect on the various economy measures introduced recently ".

15. The Confederation of the Maharashtra State Employees has stated in its Memorandum to this Commission that " Maharashtra Government has a strong tendency to grossly under-estimate its revenue and over-estimate its expenditure " and gives figures in support of their above conclusion and has remarked :—

" We have, therefore, every reason to believe that this conservative tendency to under-estimate the resources and over-estimate the expenditure will continue in future also and the State will have in fact, a huge surplus as has been rightly estimated by the Fourth Finance Commission ".

It would be interesting to examine this conclusion reached by the Conferderation. In the following table, the budget and revised estimates of revenue receipts and revenue expenditure for each year since 1960-61, are compared with the actual figures for that year :—

	Revenue Receipts.			Revenue Expenditure.		
	Budget.	Revised Actuals.		Budget.	Revised Actuals.	
		(Rupees in crores).			(Rupees in crores).	
1960-61 ..	99·19	106·66	115·43	99·35	108·02	117·24
1961-62 ..	108·64	113·78	116·77	108·70	124·44	124·29
1962-63 ..	135·93	141·44	145·93	137·92	141·02	142·72
1963-64 ..	156·12	170·10	183·61	156·88	164·77	164·99
1964-65 ..	184·59	196·77	198·43	194·08	203·40	199·33
1965-66 ..	210·58	215·56	....	219·93	237·57	....
1966-67 ..	256·73	....	....	256·20	....	....

These figures show that while it is true that every year, the actual receipts realised have been much more than the estimates made during the budget time, the revenue expenditure has not at all been over-estimated, as every year the actual revenue expenditure has also been much more than what was estimated. The above table indicates that expenditure has not only kept pace with the increases in receipts but has tended to over-step it, in certain years. These figures indicate that the State does not therefore seem to have much money left on the basis of indicated levels of receipts and expenditure.

16. We have therefore to examine the future trends of revenue receipts and revenue expenditure. In the Forecast of Revenue and Expenditure prepared by the Maharashtra Government for the Fourth Finance Commission, the future trends from 1966-67 to 1970-71 have been shown in the table reproduced below :—

	1966-67	1967-68	1968-69	1969-70	1970-71	Total for five year period.
Revenue Receipts (excluding share of Central Taxes).	158·82	165·40	172·61	180·24	188·56	865·63
Revenue Expenditure	210·22	213·84	217·17	220·13	223·16	1,084·58
Deficit	—51·46	—48·44	—44·56	—39·80	—34·60	—218·95
Share of Capital Taxes (Pre-Fourth Finance Commission).	31·71	32·91	34·16	35·77	37·46	172·01
Net Deficit	—19·75	—15·53	—10·40	—4·12	+2·86	—46·94

The per capita taxation in Maharashtra is the heaviest among all States. The State has made bold attempts at levying additional taxation for meeting plan expenditure. It has not only kept up its record of fulfilling the targets for additional taxation suggested by the Planning Commission but has exceeded these targets as the following performance will show :—

First Plan		Second Plan		Third Plan	
Target.	Achievement.	Target.	Achievement.	Target.	Achievement.
15·0	23·5	23·0	24·6	52·0	77·6

17. Last year, the State Government has levied additional imposts which are expected to yield about Rs. 11·6 crores additional receipt per year. With all this heavy taxation that has already taken place, there seems very little scope for levying further imposts. The following table shows the extent of taxation in this State as compared to other States :—

States.	Per Capita Income.	Per Capita State Tax. 1965-66 (Bud.)
1	2	3
Andhra Pradesh	283	18·06
Assam	341	21·04
Bihar	188	10·78
Gujarat	388	21·24
Jammu and Kashmir	N.A.	9·58
Kerala	283	21·87
Madhya Pradesh	289	15·32
Madras	250	21·45
Maharashtra	392	27·99
Mysore	290	18·24
Orissa	255	10·72
Punjab	385	24·62
Rajasthan	323	16·75
Uttar Pradesh	261	11·23
West Bengal	288	22·12
All States	326	17·68

18. It seems evident that in the context of facts and figures the State has neither surplus resources nor much further scope for taxation for meeting the liabilities on any increase in the emoluments of Government servants. It is necessary therefore to consider the trends in Central Assistance in future years. In their Memorandum to the Fourth Finance Commission, the Government of Maharashtra have worked out a revenue deficit of Rs. 466·09 crores on the following basis :—

	Rs. in crores
Revenue deficit according to Forecast	46·94
Revenue Components of Fourth Plan	335·00
Debt Service charges	84·15
	466·09

and expected to meet this gap by the additional assistance from larger devolution of Central taxes to the extent of Rs. 145·32 crores and from Central Grant-in-aid of Rs. 217 crores. The Finance Commission, in its Report did not however accept the forecast of revenue and expenditure made by the Maharashtra Government but stated that Maharashtra State will have a surplus of Rs. 215·66 crores over the Fourth Plan period, as a result of the additional devolution of Central taxes to the State on the lines recommended by that Commission and that, therefore, there was no case for any grant-in-aid from Central Government. The Fourth Finance Commission's recommendations have been summarised in paragraph 4 of the Statement made by the Maharashtra Finance Minister before the Legislature on 22nd November 1965 as follows :—

> " The Third Finance Commission awarded all the States together a total share of the Central Taxes which amounted to Rs. 283·44 crores a year. The Fourth Finance Commission has raised this to Rs. 350·59 crores. Of this, Maharashtra receives 12·1 per cent. In this respect, only Uttar Pradesh, with 14·9 per cent. has fared better. But Uttar Pradesh has 17·06 per cent. and Maharashtra has only 9·16 per cent. of the Country's population. Clearly therefore, the net gain is proportionately larger in Maharashtra when regarded in terms of extra devolution per head of population. In absolute terms, Uttar Pradesh will now get Rs. 52·38 crores a year against Rs. 39·08 crores available from the Third Finance Commission's recommendations, while Maharashtra gets Rs. 42·49 crores per year now against Rs. 31·62 crores from the Third Finance Commission. "

In paragraph 8 of the same Statement, the Finance Minister refers to the surplus worked out by the Finance Commission in the following words :—

> " The Commission has worked out a staggering figure of revenue surplus of Rs. 215·61 crores over the Fourth Plan period, which I am afraid we cannot accept as correct on any account."

19. There is thus a clear dispute about future resources between the Maharashtra Government and the Fourth Finance Commission. This Commission has no intention to join this controversy but will merely note here that with a Fourth Five Year Plan estimated to cost more than double than the Third Five Year Plan, the additional expenditure necessitated by drought and famine conditions in two successive years, the financial resources of the State are bound to be strained to the utmost and the State will have to depend upon assistance from the Centre.

20. In the Forecast of revenue and expenditure for the next Five-Year Period, submitted by the Maharashtra Government to the Finance Commission, it has included a liability of Rs. 40 crores (at Rs. 8 crores per annum) for meeting the cost of improvement in the emoluments of Government Servants. This expenditure has not however been admitted by the Finance Commission because it was not a " committed " expenditure in working out the financial position of this State. It seems, however, clear that the State Government has decided to meet this expenditure during the next five years.

In the Note sent by the Finance Department in this regard, it is stated :—

" In working out the revenue resources the provision for improvement in emoluments of public servants were estimated as under :—

(1) A lump provision of Rs. 40 crores for improving the emoluments of Government servants and other employees of local bodies to whom grants are required to be given by Government according to the existing practice towards meeting a part or whole of this expenditure. This is inclusive of the interim relief in basic pay of Rs. 5 per mensem, sanctioned from 1st April 1965 to all employees drawing pay up to Rs. 715 per mensem basic pay. This is to be absorbed in the basic pay as refixed in the revised scales that may be fixed in the light of the recommendations of the Pay Commission.

(2) A provision of Rs. 19·69 crores under ' Education ' for the following items :—

	Rs. in crores
(*i*) Rationalisation of the pay scales of primary teachers	9·62
(*ii*) Revision of pay scales of trained teachers in non-Government Secondary Schools	6·86
(*iii*) Increase in the pay and allowances of primary teachers after training.	2·84
(*iv*) Improvement of pay scales of the teaching staff in the Department of Technical Education	0·35
(*v*) Improvement of pay scales of Secondary teachers on the subjects of English, Science and Mathematics	0·02
Total ..	19·69

In support of the provision of Rs. 40 crores referred to at (1) above, it was indicated to the Finance Commission that against a lump provision of Rs. 20 crores envisaged for the Third Five Year Plan period towards improving the emoluments of Government servants, the estimated extra commitment made was of the order of Rs. 37 crores during the Third Plan period. Similar improvement in emoluments was considered necessary during the Fourth Plan period also, in view of the increase in emoluments of employees of Central Government and those of private concerns and also in view of the possible rise in the cost of living. A lump provision of Rs. 8 crores per annum was thus made in the original estimates. This was retained in the revised estimates and the Finance Commission was further informed that the interim relief already sanctioned would cost annually Rs. 3 crores leaving an extra annual provision of Rs. 5 crores for meeting probable additional liabilities arising out of the Pay Commission's recommendations. The increase in dearness allowance granted with effect from April 1966, was not then envisaged. This increase is estimated to cost Rs. 16 crores during the Fourth Plan period." Since then, Government have again increased the dearness allowance with effect from 1st July 1966 with a view to bring the dearness allowance rates on par with the rates then prevailing for the Central Government employees in the case of employees drawing pay below Rs. 110 per mensem and at 80 per cent. level in the case of other employees drawing pay between Rs. 110 and Rs. 1,134. The additional liability on this account alone is estimated to cost about Rs. 6 crores a year. It is obvious, therefore, that the liabilities on account of these increases in pay and dearness allowances have already exceeded the provisions shown in the Forecast prepared for the Finance Commission and that there are no available resources for meeting the cost on improvements of salaries consequent on this Commission's recommendations. According to our calculations, the improvements suggested by us in pay-scales are likely to cost Government Rs. 5 crores a year on account of the fixation of existing employees at the appropriate stages in the new scales of pay. This estimate has been calculated by us on a very broad basis as exact calculation was not feasible and excludes the liabilities already incurred by Government when it granted the *ad-hoc* increment of Rs. 5 per mensem to all employees drawing pay up to Rs. 715 per mensem. Inclusive of the *ad-hoc* increment of Rs. 5 granted previously, the total liability on revision of pay will thus be Rs. 8 crores. The expenditure on account of increase in allowances (other than d. a.) is likely to cost about Rs. 1 crore in addition.

21. Government has undertaken heavy liability in the matter of D.A. during the pendancy of the revision of pay-structure. This liability could not be in view when the Commission was appointed. When a big slice of available resources has been appropriated towards this additional liability, the estimates of resources, as initially contemplated when the revision of pay-scales was decided upon and the Commission was appointed for the purpose, have been greatly disturbed. Resources which would have been available for meeting the additional burden arising from revision of pay-scales, have been diverted to meet the above-mentioned expenditure. This is not to suggest that the improvement in D.A. was not justified or was uncalled for. It can be presumed that Government considered the impact on its finances, of the expenditure arising from revision of pay-scales and also of the additional burden resulting from improvements in D.A. Our recommendations have been made with full awareness of the limited resources of the State and its other commitments. We had to propose what we considered to be just and fair under the circumstances and after taking into account all aspects of the problem.

22. In the abovestated circumstances, the Government may have either to find additional resources by adjusting priorities of different items of expenditure, committed or otherwise ; seek aid from the Centre ; or find equivalent savings through economies in expenditure. As a last resort, it may have to take recourse to appropriate taxation. While we do not feel competent to comment upon or give suggestions regarding adjustment of priorities in committed expenditure or for additional taxation, or about obtaining Central Grant-in-aid (except to suggest that this extra liability may be brought to the notice of the Planning Commission for their consideration), in regard to economies in expenditure, we would like to record here the impressions we gathered from our discussions with many experienced and senior officers of Government that several Departments of Government are at present over-staffed and there is too much diffusion of work. It may be that we are not fully informed in this matter but it would be worthwhile for Government to undertake a detailed examination of the scope for economy in expenditure both on personnel and other related matters in the different offices and departments of Government.

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jobs. That, besides higher pay and superior social status, a clerical job should possess stronger security of tenure with shorter hours of work, more leave and extra amenities is considered as being in complete accord with administrative principles. Status and pay are closely associated with each other as is evidenced by the recognized rule that supervisors should be paid more than the supervised; and there is thus a circular process of valuation namely that high status should be linked with high pay and high pay should be associated with high status.

4. Our present pattern of administration and pay structure is mainly the outcome of historical process, foreign rules, and the salary structure, particularly in the higher grades with maximum salaries, according to the notions that were prevalent in England. In the early days of British rule, higher services in India were exclusively monopolised by Englishmen and were then styled as covenanted services. They were granted pay scales on the basis of value given to such jobs by the British Parliament with a generous regard for the cost of living of the personnel and their status. When Indian element was absorbed in these higher services, they were also accorded in some measure, similar status and high salaries. This origin explains our salary structure and administrative set up of the services styled as Class I and Class II services. Our social ideas, customs and traditions have also contributed to the shaping of our administrative frame and its pay structure. It is inevitable that in framing the wage policy and the salary structure, some measure of conflict between the social and the economic ends should arise. The present set up of administration with its heirarchical frame, concepts of status and prestige, and their correspondence with pay rates, gradations and ranks, is thus a mixture of diverse types of social and economic forces.

5. Every society sets its own value on different types of jobs according to their functions and necessity for social living and according to norms of standards considered basic to the established order of social living or political and economic objectives and ideals. The commonly accepted social order is associated with certain basic ideas and values which are reflected in traditions, customs, institutions and other social spheres of activities. An administrative set up is basic to the social existence and is an integral part of social living. An attempt to introduce changes in accepted values and concepts gives rise to fundamental conflict of ideas and values associated with different economic and political philosophies. None of the changes involving substitution of pre-existing values and basic concepts with the new norms can therefore be brought about without consciously expressed social will at national level through the Legislatures.

6. Without expressed mandate, a Pay Commission constituted by a State Authority and limited by specific terms of reference cannot adhere to any particular school of thought or philosophy, political, social or economic. Problems presented to it in the form of terms of reference have perforce to be treated as administrative problems and have to be dealt with according to the principles or considerations recognized in the field of administration and policies declared by the Constitution or declarations made by Parliament supplemented by ideas of social and economic justice.

7. Practice of paying as little as possible, as long as it is possible to obtain employees in the service, has to be deprecated. Similarly, yielding to the unreasonable demands of employees or pressure of administrative officials without rational justification is highly undesirable. It is necessary that pay structure should be based on some equitable administrative considerations. Competition with private industries in paying salary rates or to take the role of a philanthropist by being more liberal than other employers or to pay a little higher than what was being paid previously merely by way of appeasement, do not accord with social principles of administration.

8. Besides, good organisation, properly devised methods of recruitment, and rational salary structure are pre-requisites of efficiency in public services. Case of private employer has to be distinguished from the State as employer. Private employer is



of the salary problem which comprise the points of view of the three parties interested in the salary question. From Government point of view, pay rates should be such as would maintain efficiency of public service. The employees would require that pay rates should represent adequate remuneration according to onerousness of duty and degree of responsibility and the cost of education and training acquired by them. The Community would demand that public service should be efficient and that there should be economy in the administrative costs. Society also demands observance of certain social principles considering the objective it has set before itself for welfare of the community, as a whole. All attempts so far made in solving salary problems of the public services are based on the above considerations and emphasise one or more aspects mentioned above. All these aspects deserve consideration. The process of planning a pay structure thus involves adjustment and compromise in the three apparently conflicting interests. Various principles and policies formulated from time to time emphasise one or the other aspect of the problem.

11. Rational pay structure demands elimination of elements of favouritism or politically motivated considerations or wide difference in salaries or different pay rates for individuals performing similar type of work in a single organisation or unit. Discriminatory schedules of pay rates in different organisations or units or departments or establishments have to be avoided. Pay scales in respect of personnel belonging to different services or classes of posts should conform and reflect the principle that they are framed with due regard to the duties and responsibilities. It is essential that pay structure should be equitable with fair evaluation of the job and reasonable arrangement between them with reference to rank and grade. It is a recognized principle that poorly paid staff or inequitable or discriminatory arrangements of remuneration can be a source of discontent, low morale and inefficiency in the public services.

The task of constructing a pay structure is divided in two general parts, i.e. consideration of certain general principles of economic and administrative character and certain fundamental policy principles which have social or political basis. Most of these have been sufficiently discussed by the previous Pay Commissions and have been crystalised in definite rules of social or economic character. We have perforce to deal with them again at the cost of repetition as their application has to be considered in the light of conditions and circumstances obtaining in Maharashtra and also for proper appreciation of the claims made by various organisations of employees on the basis of these principles and policy consideration and the views propounded by prominent persons for their reappraisal.

12. The Constitution imposes certain obligations in the form of directive principles in Articles 38, 39, 42 and 43 under which the State is directed to secure to workers a living wage, a decent standard of life, full enjoyment of leisure, social and cultural opportunities and just or human conditions of work. The State cannot give up these principles in its relation to its own employees. In particular, Article 39 provides that State shall direct its policy towards securing that there is equal pay for equal work for both men and women. Article 43 provides that State shall endeavour to secure by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, a living wage, conditions of work which ensure a decent standard of life and full enjoyment of leisure and social and cultural opportunities.

13. The principle of equal pay for equal work considered as an abstract principle cannot have any challenge from any quarter. In service structure, the above principle has to operate in two forms viz. (a) work of same type involving similar level of onerousness and responsibility should get same pay within the department, and (b) there should be parity with salaries for similar posts in other departments. The application of this principle however presents real difficulties. Equality can be well observed in identical circumstances. It is difficult to ascertain such identity or weigh the identity in matters relating to work of an employee. It is difficult to say with

arithmetical accuracy that two jobs apparently similar are in fact equal in the matter of quantity, quality and nature of the work. The principle has to be applied with care and caution. In determining quality of work, designations of the posts are not always a safe guide. Often, they will be found misleading. Moreover levels of responsibility may vary inspite of similarity in the designation. The designations often do not convey the whole range of duties and their onerousness. It is also to be noted that if for administrative reasons, decision is taken by the Government that some posts of the same class and same designation should be held by men of higher qualifications, then the differentiation in the pay rates cannot be considered as offending the rule of equal pay for equal work. Mere nomenclature is not thus the deciding factor. The principle is illustrated by the Rowland Committee which states "Substantially equal posts should be given equal pay for comparable work carried out in comparable conditions". But the difficulty lies in arriving at absolutely correct results in the process of comparison. It is not that the Constitution makers could not have been aware of the difficulties in the matter of implementation of this principle. The principle of equality is an ideal and has to be operated upon, on the principle that to the maximum extent possible, inequality should be avoided and eliminated.

14. The second principle relating to equality among men and women is not now disputed. The principle is based on a postulate that other circumstances being equal, the work rendered by women employees should be presumed as equal to the work rendered by men employees.

15. There are other two economic principles which are invariably invoked in matters relating to fixation of pay-rates of public service employees. Islington Commission (1912) appointed by British Parliament for determination of the conditions of service of higher public services in India enunciated the principle: "The only safe criterion is that Government should pay so much and so much only to their employees as is necessary to obtain recruits of the right stamp and to maintain them in such a degree of comfort and dignity as will shield them from temptation and keep them efficient in the terms of their service." It should also be noted that the said Commission was concerned by their terms of reference only with salaries and other conditions of service of the higher services. It would not therefore be safe to assume that the said Commission had proposed to apply this principle even in the case of services at lower level of pay rates. How far the above principle should be applied to the lower grade employees will have to be considered on independent ground. The Committee on the Pay, etc. of the State Servants appointed in 1923 in England under the Chairmanship of Sir Anderson enunciated this very principle in the following words: "In our view there is only one principle in which all the factors of responsibility, cost of living, marriage, children, social position are included—the employer should pay what is necessary to recruit and to retain an efficient staff".

16. *Prima facie* the principle appears simple and plausible. Apparently it enunciates the application of economic law of supply and demand. The application of the principle, in actual practice, is bound to be met with various difficulties. It has been criticized on two obvious grounds namely (*a*) that there is no direct means of measuring the degree of efficiency of the staff or of knowing which is an efficient staff and (*b*) what should be considered as necessary to "keep it efficient". The ideas of "efficiency of staff" and "necessary things for retaining efficiency" are in their nature relative and not expressions of absolute import. Further, there is no such market for recruitment with a marked price termed as "efficient staff". The principle, if to be applied to low paid staff, is also criticised as being Ricardian in spirit and of capitalistic outlook and not conforming with the objective of socialistic pattern of society. The principle emphasizes two considerations namely efficient staff should be employed and that they should be paid according to their market value and nothing more or less. It is obvious that the principle is bound to conflict with ideas of social justice when applied to employees with lower salaries and in conidtions of inflation or unemployment.

The principle however is likely to be popular with staff which is in short supply such as specialists or technicians or scientific personnel. The principle of market value may hold good for such staff, but not for those like clerical staff or other low grade employees who are available in numbers, inspite of lower salaries. With changing economic conditions and growing complexities of social life, an ideal of welfare society with socialistic pattern demands employment of experts, specialists, scientists and personnel from other professions to be selected regardless of money considerations. It has become a maxim in the present administration systems that "to attract and retain highly qualified employees Government must pay good pays". Scientific, professional and administrative talent is the essential need and this cannot be satisfied without provision of pay structure suitable for attracting such personnel and retaining them in service in efficient condition.

17. The First Central Pay Commission, 1946-47 (Varadachariar Commission) while discussing the above principles have observed "We are thus led to think that the test formulated by the Islington Commission is only to be liberally interpreted to suit the conditions of the present day and to be qualified by the condition that in no case should a man be paid less than living wage.....while it may be generally agreed that the market value test may not always be available—and it may not even be the proper test if exclusively applied—it is only reasonable, that so far as practicable, a fair relativity should be maintained between the rates of pay of certain classes of civil servants and comparable outside rates, the parity being judged with reference to long term trends in wage levels in the country". The Priestley Commission, (1955), has stated two main principles—"(a) the primary principle of civil servants' pay in fair comparison with the current remuneration of outside staff employed in broadly comparable work, taking account of differences in other conditions of services, and (b) internal relativities should be used as a supplement to the principle of fair comparison in settling civil service pay rates in detail and may have to be the first consideration when outside comparison cannot be made; but they should never be allowed to override the principle or to become rigid".

18. It would appear that the principles enunciated by the Islington Commission in 1912 and those propounded by Priestley Commission in 1955 are two aspects of one main principle namely that the State should strive to employ efficient staff and pay salary as will be found necessary for such recruitment and as will keep the staff in comfort and dignity and in efficient condition for the term of their service and secondly that such salaries should be determined with reference to salaries paid by other outside employment for broadly comparable jobs. In other words, the principle of fair comparison directs that Government should fix pay rates with reference to levels of pay set in private industry and that the market rates for such employment should be the determining factor.

19. In adopting the principle of "fair comparison" also, there are various difficulties which have to be taken notice of. The initial practical difficulty will be about determining what the market rate is for any particular job. A market rate is just an abstraction. There cannot be a market rate as there is no such single market for the jobs obtained in public service as such.

20. Considering the conditions existing in India the principle of fair comparison deserves application with great circumspection. Except perhaps for clerical staff and staff in other lower grade services it is difficult to say that there are such comparable counterparts of those obtained in Government services. There are always varying degrees of complexity of skill, hazards, unpleasantness, responsibilities, etc. attached to a job which would make comparison most difficult. In majority of the jobs, comparison will not at all be possible.

21. There is great variation in pay rates even on similar jobs in private industry. The rates differ from region to region and among different concerns in the same industry and even in the same locality. Rates also vary even from individual to



to the jobs. There are also questions of status and dignity of an office. The expectation of pension on retirement is also a special feature of public service which distinguishes permanent employment in Government from private employment.

27. The view point of the employees in respect of the principle of "fair comparison" differs according to whether they belong to a general class or to a specialist or technical class. The employees of specialist class i.e. personnel with technical and scientific qualifications, demand rigid application of this principle, as they are in short supply in the country at the present time. General class of employees such as of clerical grades or typists and skilled or semi-skilled or non-educated classes and in whose case broad comparison is possible insist that the principle of fair comparison should be modified and applied in the light of the social objectives and administration should be guided in fixing their pay scale by humane and ethical considerations. The principle of "fair comparison" is also not appreciated by those employees whose pay structure has to be determined on the basis of the principle of "minimum wages" or living wages.

Inspite of all these difficulties and view points discussed above, there is no doubt that the principle of "fair comparison" can have value in determining the pay structure in public services only if it is applied wth due care and caution. The pay rates in private industries cannot be applied mechanically. Such pay rates in private industries can be considered for comparison and as a guide in fixing the pay rates of jobs, which can broadly be considered as being comparable, after making allowance for various factors which differentiate the pay structure in the private industries from the pay structure obtained in Government services. So far as practical, an attempt can be made for bringing about a fair relativity between such comparable jobs and services after making due allowance for the distinguishing factors. It is necessary that there should be some criterion while constructing pay structure in public services, in order to avoid criticism of arbitrariness.

28. Priestly Commission which has advocated application of this principle of "fair comparison" has observed "Fair comparison as the primary principle is fair to the community at large for two reasons (1) It looks after the ordinary citizens interest as a tax payer. If the Government which represents him pays what other responsible employers pay for the comparable work, the citizen cannot reasonably complain that he is being exploited. Equally, we consider that he would agree that he could not in the long run obtain an efficient service by paying less" (para. 97 of the Report). That Commission has also observed "Fair comparison as a primary principle is also in our view fair to the individual civil servant. Since the civil servant's first loyalty is to the Government of the moment, which is liable to change overnight, and since his ultimate loyalty is to the Public which casts a jealous eye on public expenditure, he is entitled to some guarantee that his just claim will not be sacrificed to political expediency or to un-informed press or public criticism. We think that the principle of fair comparison affords such a guarantee. Equally, if his remuneration and conditions of service taken together approximate to those prevailing in the outside world he cannot legitimately complain of injustice" (para. 101).

29. It is better to have some rule for guidance rather than having none at all. In the earlier days, Government was almost a monopolistic employer. Requirements of Government were limited, and the system of education introduced in this country by the then rulers could supply the needs of services. With extension of administration and growth of industry and rapid economic and social transformation that is taking place in the country the situation today is much changed. A Government employee has now much scope for comparison of his remuneration with that obtained by his counterpart in other fields of employment. Particularly demand for technical, scientific, professional and specialist posts has much increased because of growing industries. At the moment, we are not able to meet this demand for personnel of the above type. It is obvious that under such circumstances, rule of market value should operate as

Government cannot ignore the extent of outside demand. If pay rates of personnel for whose services there is keen demand in outside commercial or industrial sector are fixed in utter disregard of what such an outside employment normally gives, Government is bound to be faced with problems of recruitment and turn-over, resulting in inefficiency in administration. Needy candidates may become available for the time being, but there shall be constant risk of their leaving a Government job in favour of private employment at the slightest betterment in prospects. But this criterion will not be available to all the jobs uniformly. In view of the variations of pay rates in different industries, the comparison often becomes difficult. Some well-established and big industrial concerns have liberal pay rates which are often the result of collective bargaining and the strength of the Union of employees. In some instances high rates are agreed to by the employer for securing industrial peace and in the interest of keeping continuity in business activity. Fair comparison principle requires broad comparison of the level of remuneration in different categories of staff in big firms and also small firms. It will be unfair to the community, if pay scales are fixed with reference to the pay rates obtained in big firms only. Priestley Commission which advocated the principle of fair comparison has itself considered this aspect and has remarked that Government should be a good employer but not that it should offer highest rates of remuneration. The observation of the Commission is in the following words :

> "If it were possible to obtain for any specific job a set of rates representative of the community as a whole, it could be arranged in order from top to bottom. Civil service rates should not be lower than the minimum but not above the upper quartile". (page 26 of the report).

30. Inspite of the infirmities in the principle of fair comparison and economic principle of 'market value', attempt has to be made to apply these principles as far as possible to avoid arbitrariness or criticism of " subjective considerations". An attempt has to be made to compare the rates in terms of broad similarity in work, required skill, knowledge, experience, responsibility, age limits for entry in service and qualification requirements of the job. This attempt can be supplemented by adopting the principle of relativity as recommended by Priestley Commision.

> "Internal relativities should be used as a supplement to principle of fair comparison in settling civil service rates in detail and may have to be the first consideration when outside comparison cannot be made."

The relativities may be vertical or horizontal between grades of public services. Vertical relativity should be used for offering promotion incentives. Horizontal relativity should be used when fair comparison breaks down, i.e. where there is no comparable class. As already observed, fair comparison principle is also subject to the considerations of social justice. Particularly in the lower grade, salaries and pay rates have to be fair and socially approvable. In this connection also the Priestley Commission has said :

> "We think that in the conduct of wage and salary negotiations, concepts of fairness and of the existence of wage and salaries framework not governed solely by the law of market, play a large and increasing part".

31. The Second Central Pay Commission has also accepted this view of the Priestley Commission and also the limitations under which the principle of 'fair comparison' can be applied. It has been observed by this Commission:—

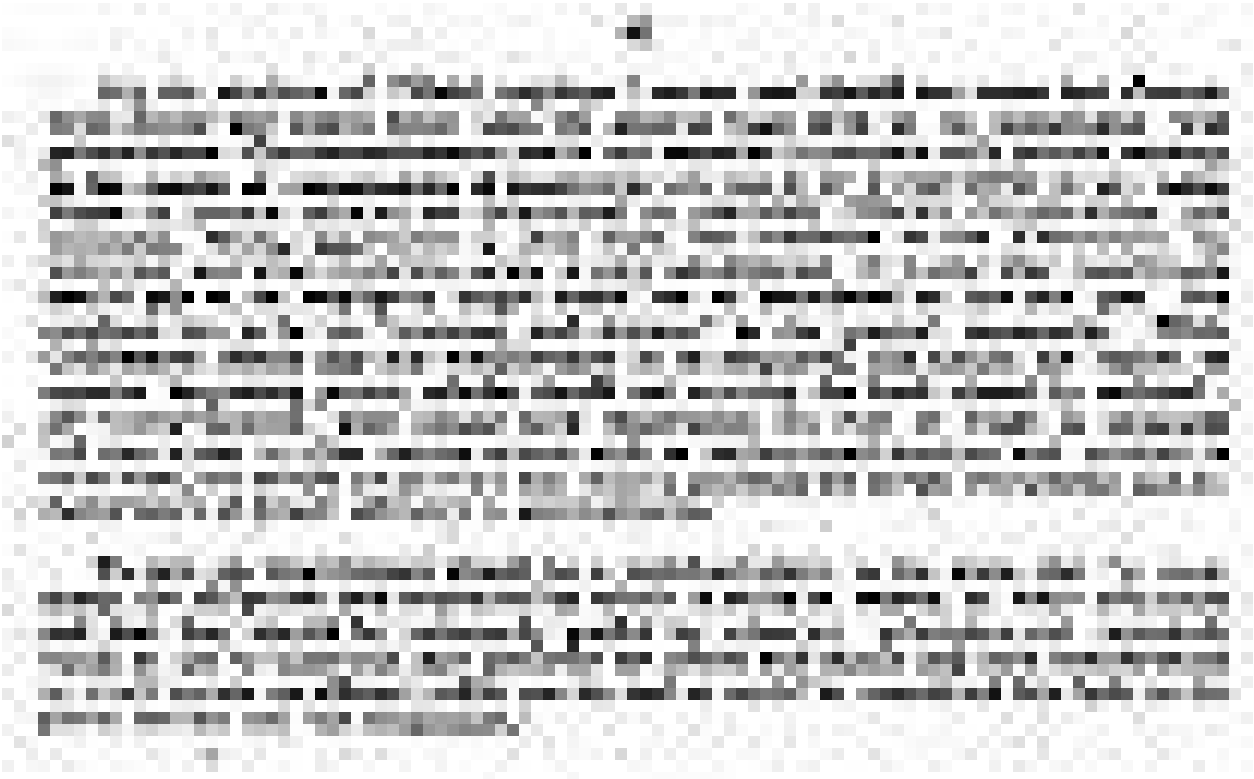
> "While refraining from adopting fair comparison with outside rates as a principle suitable for full and detailed application, we recognise it as one of the important factors to be taken into account—a factor, however, to be considered at present usually in a broad way and with discrimination. But we think that even where the remuneration is to be determined mainly on other, for instance, social considerations, a comparison with outside rates should be used as an aid and a corrective".

32. We have no hesitation in adopting the above view. To sum up 'fair comparison' principle may be adopted for broadly comparable jobs after taking into account the differences in the conditions of service. Comparison should be grade by grade and class by class, and attempt should be made to see that civil service pay is fair by that standard. Fairness of the standard should be determined with reference to the rates of the lower half of the outside employees and need not be as good as those of the top quartile. It is necessary that a comparison should be on detailed lines, based on job analysis and statistical sampling. Other varying factors such as the position of the industry, of the firm, the circumstances which have brought about the existing pay rates, the qualifications required for the job, the chances of promotion, retirement benefits, extra amenities, age limits for entry in service, etc. should also be considered for arriving at a pay rate on the basis of 'fair comparison'. Exceptions in certain aspects of above comparison may be made because of the existing conditions in the case of specialist jobs or scientific jobs as circumstances may demand. The pay rates at lower levels should be influenced more by social and ethical considerations and social policies of Government rather than the above principle of 'fair comparison', if it operates to the prejudice of such class of employees.

33. Apart from the economic principle which is discussed above, many other factors influence the fixation of pay structure of public services. These matters relate to the policy adopted by the State in the matter of wages and pay structure and should be distinguished from economic principles. A private employer whose business is run on economic basis is less expected to formulate his pay plan with due regard for ethical or social requirements, though there may be some exceptions. Our Constitution in its preamble says that it exists among other reasons for securing social, economic and political justice to the citizens of the State. Directive principles have also been framed for achieving these objectives. It is therefore argued, and in our view with right emphasis, that the State charged with obligations of common welfare and establishment of desirable social conditions is under special obligation to its servants. The argument is pressed with special relevancy to services which are at lower economic levels in the pay structure. A Government servant joins service as a life long occupation and because of the typical character of Government work, is often helpless and is not in a position to leave the job and join service outside, the more so when he has passed a number of years in service. Government has thus to be considered as being under special obligations to treat their servants fairly.

34. In the above context, it is argued on the side of the employees that State as an employer should be distinguished from a private employer and the State should play a role of model employer. Implication of the submission is, that pay scales in Government service should be comparatively better and higher as compared to those in private employment. So far, no pay commission either in India or Western countries has supported this principle.

In our view it is wrong to draw distinction between State as "model employer" and a private employer. Both should be model employers and should possess the required virtue which an employer should possess or is expected to possess, and which should influence relationship between an employer and an employee. It is true that Government besides being an employer in relation to its employees, is also burdened with the obligations as Legislative and Executive Authority, of a Welfare State to prevent exploitation of labour and wage earners. It has to lay down a pattern of industrial and social justice so that wage determination is influenced, particularly in lower brackets, more by humanitarian considerations and not left to be governed purely by economic factors, isolated from social or constitutional objectives and policies. Principles advocated by Government for private sectors should necessarily be implemented by Government in its relationship with its own employees. In this sense, Government has to play the role of a model employer. Thus Government can be a model employer in the sense, that, it should set social and ethical standards and fair practices in employer and employee relationship.



CHAPTER 5

RATIONALISATION AND REVISION OF PAY STRUCTURE .

The Government Resolution, dated the 3rd June 1965, briefly explains reasons for appointment of this Commission and incidentally describes various anomalies and inequitable features of the existing pay structure. It states that as a result of progressively changing pattern of administration and the launching of Five-Year Plans, several new departments and posts have come into existence. Pay scales for various posts and services created from time to time have been largely a matter of *ad hoc* decisions reached without the required process of comparison or any co-relation of the responsibilities of the newly created posts with those of the posts already in existence. As a result, there is a multiplicity of pay scales and also an apparent lack of uniformity in the remuneration *vis-a-vis* responsibility and onus. The situation has been further aggravated by other circumstances such as merger of Princely States with the old Bombay State and also continuance of a large number of pay-scales and posts allocated from Madhya Pradesh and Hyderabad States but not yet equated with the posts in the then Bombay State. It is further stated that the existence of what are called the City scales which are peculiar only to Bombay City, and other pay-scales outside that City, commonly described as Mofussil scales, present discriminatory features. It has been further mentioned that inspite of the revision of pay scales in 1947 and in 1962, the problem of reducing multiplicity and rationalisation has remained unsolved, and that it is now desired that the whole pay structure should be reviewed with a view to its revision and rationalisation to the extent possible, having due regard to—(*a*) Government's other financial commitments and to its resources including the expectation of additional monetary assistance from the Government of India and (*b*) to the pay scales pertaining to corresponding levels and responsibility in various services under Government of India and other States. The Commission has also been asked to recommend complementary structure of pay scales for teachers in aided schools. Recently by its Resolution dated 17th December 1965, Government has extended the scope of reference by asking the commission " to consider the impact of its recommendations on the emoluments of the staff under the Zilla Parishads and to recommend a complementary structure of scales of pay and allowances (other than dearness allowance) for such staff."

2. It has been stressed by all witnesses that the present pay structure in the Government of Maharashtra is complex, discriminatory and that it suffers from multiplicity of pay scales. Besides the causes mentioned in the Government Resolution, the alleged defects in the pay structure are in our view, in some measure also attributable to the structural and organizational arrangements of various groups of services and posts, over-emphasis on designations and absence of proper investigation before the pay rates for posts are sanctioned.

3. At present, there are about 1,100 pay-scales governing different services and posts with numerous designations and titles. It is recognized by all concerned, that this multiplicity admits of simplification and rationalisation. Mere reduction in number of pay scales cannot be an end in itself. Sometimes, employees are apt to place an excessive emphasis on such reduction in the number of pay scales. It is overlooked that too heavy a reduction in the number of pay scales during rationalisation of the pay structure may make the State Exchequer suffer undeserved costs.

4. Simplification of pay structure has to be purposive and with due regard for administrative necessities and with the main object of removing anomalies or inequalities. There should be an appropriately minimum number of pay scales as would be broadly consistent with differences in the nature of duties and levels of responsibilities. While it is inappropriate to provide more scales than are justified by these differences, enthusiasm for reducing the number should not also lead to ignoring the clear differentiating factors. Practical and administrative considerations such as requirements of services, organisational character of departments, qualifications, skills and methods of recruitment should generally determine the number of pay scales. Structure and organisation of services are not within our reference. At places, our proposals may therefore not have the appearance of absolute logic and sometimes may appear unfair to particular sections of the employees. We have however attempted solutions as far as possible with a view to reconcile different claims placed before us.

5. Rationalisation of pay structure is intended to achieve objectives such as (*a*) systematic and flexible classification of services and posts and their grading in standard pay scales and evolving a fair

and just salary plan, (*b*) fair remuneration for work with due regard for the nature of work, duties and responsibilities, (*c*) determination of relativities and differentials between different services and posts so as to provide " equal pay for equal work " and responsibility and (*d*) the framing of appropriate standard pay scales.

6. For evolving a balanced and fair salary plan, a systematic and flexible classification of services and posts of employees is absolutely essential. Posts similar in nature and duties and requiring similar minimum qualifications, training, knowledge, should constitute a class or a group. A class thus represents a group of employees who are entrusted with duties and responsibilities which are substantially similar, deserving common recruitment on basis of similar qualifications of education, knowledge or skill and justifying common treatment as regards salary scales and other conditions of service. For purposes of sound classification, consideration of following factors is essential viz :—(1) duties and responsibilities and other distinctive characteristics of the post, (2) degree of supervision under which the work is performed, (3) degree to which exercise of independent judgement is involved in the performance of duties, (4) qualifications necessary for adequate performance of duties, (5) method of recruitment, (6) general organisational set up of the department, and (7) broad lines of authority in the hierarchy of department.

7. As regards the principles for comparison and corelation of different posts for achieving parity with reference to responsibility and onerousness, and method of evaluation and grading of duties and responsibilities, and facts and circumstances to be taken into consideration for deciding suitable pay scales applicable to a particular post or cadre, some of the witnesses proposed a method of classification and evaluation of jobs as is adopted in United States, while others suggested the method adopted in English system of classification of employees on the basis of nature of duties and responsibilities by a process of " broad-banding ". So far, none of the previous Pay Commissions has proposed or adopted a method of evaluation as is obtained in the American system of administration. In our view Maharashtra Government Employees Confederation has rightly pointed out that the latter method of evaluation will be extremely complicated and assessing of functions and responsibilities of each and every post with a view to grouping them in grades for uniform treatment is not feasible.

8. In the Chapter " Structure of Services " we have indicated the division of services and posts according to nature of duties and responsibilities as falling in general class and non-general class with further grouping of the former into administrative branch, executive branch and their subordinate groups. These have been further sub-divided into clerical and non-clerical subordinate services and specialised services which would include scientific, technical, professional, commercial or industrial services.

9. After classification, the important step is the determination of pay rates and construction of a standard pay-scale. A convenient procedure is to first consider those important and recognised classes for whom comparable pay rates in industrial and commercial offices are available ; and then to consider other classes for which such comparable rates are not available. The number of pay-scales should not exceed the requirements and has to be kept at the minimum, by determining levels on broad lines and without resorting to method of minute and excessive analysis and without disturbing the organisational set up of the offices or departments.

10. The next objective aimed by rationalisation of pay structure is fair remuneration. This consideration constitutes the crux of the problem of general revision of pay structure. It is also a subject of acute controversy and very often, the cause of misunderstanding and discontent among the employees. Administration is often under conflicting pressures both from the employees and the citizens. The employees demand liberal policy for salary, while the citizens want reduction in wage bill and economy in administration. As Government is the largest single employer, the wage bill of the Government constitutes the biggest single item of expenditure in the budget of the Government. Earnings of employees determine their standard of living. Problem of reconciliation of the claim for economically sound budget and the claim of employees in respect of their own economic well-being, invariably confronts a Pay Commission. From social and ethical point of view, Government has greater responsibility as compared to private employer, regarding policy to be adopted in the matter of wages and salaries of the Government employees. State is under obligation to maintain desirable social conditions and as such, holds particular responsibility to its employees to which a private

employer may be or can afford to be indifferent and neglectful. Every pay structure is presumed to reflect a social objective of the employer. Having due regard to the objectives enshrined in the Constitution, it is incumbent that employee should get fair compensation for his work, and it will not be a desirable social practice to pay less than what is justified on grounds of qualifications, and what is reasonably necessary for a decent living in conformity with the requirements of " Physical, mental and moral well being." Even the lowest rate must ensure a minimum standard of living as will satisfy the requirements of health and decency. As minimum wage is a basis for the upper pay structure and affects the relativities of pay for higher posts, it is important that social aspect of the pay structure should be emphasized at the basic end.

11. Theory of economic wage in industries is based on the principle of maintaining a balance between total amount spent on wages, total productivity and a proportion of total income going to other factors of production (profit). Any imbalance is likely to bring about the closure of an industry. What Government can spend on salaries, depends and is determined, by revenues of the State, which in the last analysis, come only from taxes paid by the community in which are also included the employees.

12. There are no standard theories or absolute norms which can guide one in the determination of fair compensation in public services. Different Pay Commissions and Committees in the past have evolved principles as were considered expedient under the then social, political and economic circumstances. Principles of wage determination in private, commercial and industrial sectors, cannot be *ipso facto* applied in salary determination of public services. However, even though it is not possible to subject salaries of public services to any scientific process, it is necessary that they should be based on particular facts and principles recognized in practice.

13. The claims made by the employees' organisation can be grouped in the following categories :—

(*i*) The total emoluments should be adequate to satisfy the needs of an employee ; (*ii*) there should be general upward revision of pay scales ; (*iii*) the alleged limitation of the resources of the State and paying capacity according to financial position are irrelevant for determination of fair compensation, and (*iv*) claims of individual empyloees of different categories for increase in their particular pay scales require to be considered on the basis of the special factors put forth by them.

14. We have already discussed general principles and considerations for determination of salaries in a separate chapter. Problems such as what should be the basic minimum salary, and relationship between pay scales for comparative jobs in Central Government and other State Governments have been separately discussed in chapters dealing with these topics. Claims of individual employees or groups of employees are considered in the context of pay schedule framed for different services and posts in the respective departments.

15. We have accepted as guide line and corrective, the principle, that pay scales in Government services should bear fair comparison with the remuneration of outside staff employed on comparable work, taking account of differences in the conditions of service. " Fairness " in this context has been construed as meaning that " Government pay rates should be better than those of lower half of outside employees and need not be as good as those of the top quarter ". We have also accepted the principle that internal relativity should be used as supplement to the principle of fair comparison and should be, " the first consideration when outside comparison cannot be made for want of required data or any other circumstances ". We have also accepted that Government should pay so much and so much only to their employees as is necessary to obtain recruits of right type subject to the qualification that this rule will not be rigidly applied to employees in lower brackets of income, in whose case the determination of fair remuneration should be considered in the light of social factors also.

16. First we shall take up the question regarding relevancy of consideration of the financial position of the State and its capacity to pay salaries as raised by the employees. In fact Government Resolution by which the Commission has been appointed contemplates that there should be review of the whole of the pay structure with a view to its revision and rationalisation to the extent possible having due regard " (*a*) to Government's other financial commitments and to its resources, including the expectation of additional monetary assistance from the Government of India ". It thus becomes

imperative for the Commission to take into account the resources and financial position of Government while making proposals. In our view even in the absence of any such condition in the terms of reference, it is essential for any authority entrusted with the task of determination of the salaries, to take notice of the financial position of the State.

17. In this connection the employees have brought to our notice the following observation of Justice Rajadhyaksha in the Report of adjudication between the Posts and Telegraph Department and its employees. In the said report it is observed, " I doubt also whether the financial capacity of a department is at all a relevant consideration for the purpose of this adjudication. I have not been asked to consider what relief is required by the employee on the new scales of pay *having regard to the capacity of the department to pay it.* It is the general public who take the advantage of the services supplied by the Department who are the employers of the employees in the department, through their trustee, the Government. If on a dispassionate consideration of the question it is found that employees are not getting a reasonable wage, it is for the Government and therefore indirectly for the public, to find money by a suitable execution or legislative action. The question of what is reasonable wage under the circumstances *must be examined in relation to the wage level in the country and against its economic background.* It may conceivably happen, as it did happen during the economic crisis, that the public may not be able to provide funds for the purpose of giving an adequate wage to its employees in which case the employees must themselves share the economic distress of the country and be satisfied with wages which may not be regarded as adequate. Considering the problem from this point of view, the paying capacity of the department is strictly not a relevant consideration."

It is clear from the above paragraph that Justice Rajadhyaksha was not asked to determine pay-rates having due regard to the capacity of the Department to pay. Reference in that case only required the determination of reasonable wage and the same has been determined in relation to relevant wage level in the country and against the economic background. In fact it has been stressed in the above paragraph itself by applying the theory of " Trustee-ship " that public may not be able under certain circumstances, to provide funds for paying adequate wage to its employees, in which case the employees must themselves share the economic distress of the country and be satisfied with the wages which may not be regarded as aequate. The above statement thus emphasises that capacity of the people to pay additional taxes for paying wages claimed becomes relevant under certain circumstances. The question of revision of pay scales before Justice Rajadhaysksha, was confined to one department of the Government of India and as such, considering the limited impact of the possible expenditure as a result of the possible rise in pay scale, on general financial position, presumably, reference to paying capacity of the Government was not considered necessary. Observations of Justice Rajadhyaksha do not indicate that he wanted to lay down a principle that paying capacity of the Government is not a relevant factor to be considered for deciding rates of remuneration when general revision of the whole pay structure is contemplated. The question of imposing additional taxes arises if the existing resources fall short for meeting demands of the commitments regarding expenditure or when existing financial resources cannot meet the demand arising from intended or impending additional expenditure. Government has also other imperative financial commitments. General revision of pay structure is naturally expected to result in increase in the wage bill and also a substantial unsettlement of the budget of the Government more particularly that of a State Government. The possibility of increase in revenues is very often limited by capacity of the people to pay additional new taxes or increased existing taxes. Government can raise the level of expenditure only to the extent it can reasonably add to its constant and usual revenues either by taxation or loans or assistance from the Centre. Assistance from the Centre is very often uncertain as has been generally the experience. Government has power to tax people and increase its revenue but this becomes a coercive source. Financial position of the Government is thus a relevant factor to be considered during a general revision of pay structure and for determination of the rise in the pay levels of the employees. Principle of fair compensation demands that salary should be fair from the view point of the employees as well as from the view point of the wider community, that is the tax payer who is the real employer, as observed by Justice Rajadhyaksha, Government being in the nature of a Trustee.

18. On one side, there is persistent demand for sharp cut in the expenditure over administration and in items not resulting in the welfare of the Community and for increasing the developmental resources of State. Employees stress the need to concentrate State's resources for liberal pay policy

for the staff, irrespective of the impact on programmes of social and economic welfare envisaged in planning and constitutional objectives, and even, if necessary, at the cost of improving the conditions of a large section of community and the effect on general economy. The other sectors of the wider community are urging increased speed for achieving social and economic goals.

There is no reason to apprehend that consideration of financial position of State in the course of revision of pay structure will necessarily affect the fair determinataion of the pay structure. If Government pays niggardly salaries to its employees having character of exploitation of Labour on grounds of economy and its limited resources, the position has to be set right by examining facts relating to financial position of the State for providing fair remuneration.

19 It is true that salaries of the services are determined according to certain principles and recognised considerations. These principles also recognize the fact that the paying capacity of the employer should receive due consideration during the process of wage determination. Principle of " Fair Comparison " is only a guide line and corrective and does not and cannot provide absolute standard or a yardstick for measuring the pay rate. Some of the organisations have stressed that pay-rates of the services should receive first and absolute priority as against other financial obligations or commitments of the Government. It is true that level of pay-structure is to some extent determined by the priority and importance given to different items of expenditure in the budget and total financial position of the State. It is difficult to subscribe to the view that raising of pay levels should be the first concern and should be given first priority and that other items of expenditure how-so-ever important and legitimate should receive only secondary consideration. The contention that the emoluments of employees should have prior consideration is apparently based on the thesis that Government should be a model employer. Even assuming that the State should act as a " pace setter " in the matter of pay rates, what would be the impact of such wage expenditure on other welfare activities is equally an important consideration.

20. Above the minimum salary, there is a wide and high pyramid of pay structure with the maximum salary at the top. Every group claims upward revision on social and ethical considerations besides economic factors. How far Government can meet this demand of social objectives will necessarily depend on the financial position of the State. None can afford to spend beyond ones means. This is true of the Government as well. It is incorrect to assume that Government has unlimited resources at its command. While realising the need for relief to employees, the shrinking elasticity of taxation cannot be ignored. There is equally urgent need for using available resources with best possible advantage to the community. There can be no doubt that undue additional increase in wage bill, as a result of upward pay revision, would involve corresponding impact on development programmes.

To get over these difficulties, a satisfactory and harmonious balancing of the two interests has to be achieved so that Government employees under the circumstances are fairly remunerated and in such a manner that the impact of such increased remuneration, if any, on financial resources is not such as cannot be borne by the community and as would disturb developmental activities. It is true that financial resources should define the scope of state activities and not the pay plan, but it is also true that it is a short-sighted policy to undertake wide activities by employing illpaid and ill-qualified servants to implement them. It must also be recognized that developmental activities should be governed by aggregate resources and not at the expense of Government employees.

It has been urged that the present pay structure is much below the paying capacity of the Government. We have indicated the financial position of the State and its resources separately under the related topic.

21. The next question raised, relates to a claim for remuneration as could be adequate to satisfy the needs of an employee. In other words, the claim is for a need-based wage structure. We do not think that such a policy is adopted by the Government either at the Centre or in any other State. Even the Fair Wages Committee has insisted on consideration of five points for the wage determination (stated in separate Chapter) and not the absolute criterion of need. The salary of a Government employee is determined on the principle of " fair comparison " considering the same as a guide line and a corrective and also the economic rule of " payment as is considered necessary for recruitment of

the right type of staff and for maintaining their efficiency." It is essential that salaries should be determined with due regard for the nature of work, duties and responsibility. Salary differentials are thus inevitable. The claim for salaries adequate enough to satisfy the needs of an employee is thus quite contrary to the economic structure and present objective of the State policy. Wages are grouped in three categories : (1) living wage, (2) fair wage and (3) minimum wage. Supreme Court in the case of Express Newspapers *vs.* Union of India (1959 S.C.R. 12) has observed that " fair wage is a mean between the living wage and the minimum wage." The Committee on Fair Wages has also observed that " while the lower limit of fair wages must obviously be the minimum wage, the upper limit is equally set by what may broadly be called capacity of industry to pay." The " need " of an individual has no absolute meaning capable of definite measurement. It is a relative concept and is flexible and ever growing. To whatever point of prosperity a society may reach, there will be an urge for further prosperity, without any saturation point as regards satisfaction of a need. There is further difficulty about the agency which will decide the " basket of needs " for an individual and the material contents of the needs, and the quantity of material goods required for satisfying them. Question would also arise whether the needs of all the people should be identical in quality and quantity, and whether society is in a position to produce goods and services necessary for satisfying all such needs. Considering from any point of view, claim for remuneration adequate for satisfying the needs of the employee is not an appropriate or feasible criterion for determination of the salaries of an employee. A case can, however be made in favour of a minimum wage which the Government must give for ethical considerations. Even in this case, there are various controversies about the contents and level of the minimum wage.

Presumably, when employees stress that pay rate should be adequate to meet the needs of employees, what is intended is that salaries should accord with the principles determined by the Fifteenth Tri-Partite Labour Conference in which norms of the need based minimum were laid down. It is on the basis of these recommendations that some of the organisations of employees have submitted estimates of the need based salaries for clerical and Class IV staff.

In the present context, we would only like to say that the norms enunciated by the Fifteenth Labour Conference have not been accepted by any of the State Government or the Central Government and as such should not be considered as binding. The norms recognized by the Conference are not free from controversy. There is also no unanimity about this demand from different service organisations. The table below shows the differences in a few typical cases :—

Name of the Association.	Minimum scale recommended.
Local Funds Accounts Association, Nagpur ..	Rs. 200 for Class III and Rs. 125 for Class IV.
Government Press Employees Association, Nagpur ..	Rs. 150—600 for Class III. Rs. 100—200 for Class IV.
Bombay Small Cause Court, Non-Gazetted Staff Association.	Rs. 125 for Class IV.
Maharashtra State Government Employees' Confederation.	Rs. 153 for Class IV.

22. Our rejection of the doctrine of " need based wage structure " should not be construed as an attitude of indifference or apathy towards the economic difficulties of Government employees. On the contrary, we would mention that we fully appreciate the present plight of the employees and particularly those in lower brackets of income in the context of prevailing price levels. We have discussed the budget position of Government and its financial resources as well as its financial commitments, in another chapter. The question of Dearness Allowance is not covered by the terms of our reference. We do realise that general revision of pay structure must take notice of the prevailing price structure and its impact on the standard of living of Government employees.

After full appreciation of all these facts and circumstances, we have proposed such a revision of pay-scales as would in a good measure, afford relief to the employees, particularly in lower levels of income and also safeguard interest of the wider community by not imposing too heavy a financial burden on them. Our proposals are intended to bring about a general upward revision of pay scales of

employees, who are specially affected by the high prices of essential consumer goods. It has to be appreciated that our propsals relate only to pay scales and not the total emoluments of the employees in which Dearness Allowance is, in the present context, an important component. Pay scales are, framed for providing pay rates for the whole service of an employee for 25—30 years. Dearness Allowance is intended to neutralise high cost of living because of increase in prices and is considered a feature of relatively temporary character and not a permanent condition of the pay structure. It will be seen that our proposals establish approximate parity with those in Central Government for lower basic grades of employees. We are conscious that considering the demand of employees, our recommendations will not fully satisfy them, particularly the highly paid staff. We however have come to the conclusion that any heavy increase in the existing financial burdern of the administration would be detrimental to the general welfare of the wider community and will be justly resented by the tax-payer.

23. Question of determination of pay scales of Government employees in industrial and commercial establishments also deserves consideration. The question is whether the emoluments of Government employees in industrial and commercial establishments and employees in other Government offices should be determined on the same principles and considerations, or on different basis and criteria. We had posed the question in the questionnaire " Whether these employees should receive higher emoluments as compared with other Government servants " and received replies with differing view. We have however come to the same conclusion that has been expressed by the Maharashtra State Government Employees Federation and other employees ' associations, that there can be no valid reason for making distinction between two classes, only because these employees are serving in different establishments. Our terms of reference also require that pay scales should be determined with due regard for onerousness and responsibility attached to a post. It follows that employees though belonging to establishments different from other departments in functional activities should appropriately receive similar remuneration if they are doing more or less similar work and the difference in the functions of a department or establishment should not be a basis for any discriminatory approach.

24. It is necessary to consider the claims pressed by different technical, scientific and professional services. These claims have been considered while discussing pay scales for different departments in which these services are employed. Here, we will deal with some of the aspects which have been stressed by the different technical service associations like the Maharashtra Services of Engineers Class I Association. It is claimed that Engineering Service is essentially a professional one like Medical and Judiciary for which parallel competitive field of employment exists outside Government and that the latter are better paid in outside employment, by other States and Central Government. It is also pointed out that there is greater extent of premature resignations or retirement in their service at present. It is urged that Government policy should be to attract best talents. In this context, our attention has been drawn to the disparity existing between pay scale of I.A.S. and Engineering Services in the State. In the view of the Association, " Market Value " of engineers is more than that of candidates entering Administrative Services and a claim has been advanced that Engineers should be appointed Secretaries of their Departments and should have facilities to move further to the post of Chief Secretary.

Importance of the technical services cannot be denied, particularly in the present context of advancing industrial planning under successive Five-Year Plans. It can also be appreciated that pay-scales should reflect the " sense of values of the Government for the employees concerned ". It is true that Government attached greater importance to security services and less to developmental services during foreign rule and as a result, pay scales of I.C.S. and I.P. and later of I.A.S. and I.P.S. were fixed at higher levels. It is also obvious that objective of building up of a welfare state required recognition of the importance of the technical services.

As regards establishing parity with I.A.S., it should be remembered that these services are constituted by the Central Government and their pay scales are also determined by rules framed by the Central Government. Superior posts which are specified i.e. of Secretaries or Chief Secretary are reserved for members of I.A.S. cadre under the said rules. Structure and organization of services is not within the terms of our reference and we are not competent to express an opinion on such matters. These are matters of policy which Government alone has to determine. The scales of I.A.S. are also excluded from our consideration. The present scales of Engineering Services fairly approximate with I.A.S. scales and in our view, are not such as should cause any grievance. Grievance of the Association appears to be in respect of higher posts such as those of Secretaries and Chief Secretary.

As regards comparison with outside rates, we have taken notice of the comparable rates. It should be noted that rates vary according to qualifications, experience and particularly with reference to different branches of engineering. On the question of shortage, we have considered whether shortage is due to national shortage or due to unattractiveness of the scales in Government service. We find that there is pressure for admission in Engineering Colleges and a much lesser number is admitted than what is required to meet the demand. We are doubtful if supply position in respect of engineers will improve even if the scales are further raised. Effective remedy would be to extend educational facilities. We do not think that it would be a wise principle to raise pay scales on the ground of shortage in supply, unless there are convincing grounds for believing that recruitment difficulties are due to unfavourable pay rates as compared to rates outside the Government sector and that Government is not able to get even a fair proportion of the available quota. We have also considered the extent of premature resignations and retirements. We find that the picture is not so bleak as is painted. In our view delay in recruitment process from the date of advertisement to the giving of appointment order also, to some extent, explains the recruitment difficulties.

25. However, considering all facts and circumstances we have considered the question of parity between the services of the general class and the technical or specialised services, and have proposed satisfactory levels of remuneration as were considered necessary. Principle of providing scales as would attract efficient personnel and as would match " growing importance of technical serivces " in the context of planned economic development has also been kept in view.

26. Standard scales must reflect due relationship to qualification. Employees covered by general class are ordinarily recruited at three levels of education such as S.S.C., Graduate Degree and Post-Graduate Degree. Relating pay scales to qualifications and giving weightage to different branches of general services, do not present as many difficulties as they do in the case of technical services where degrees and qualifications differ and are not comparable. In the present context, problem of availability of man-power for various services such as medical services, agricultural or veterinary services would require consideration in the matter of giving weightage. The question regarding if and to what extent weightage should be given would also require careful consideration.

27. The Commission considered it desirable to elicit opinion on the question whether in the present pay structure with existing time scales, there is sufficient scope for rewarding merit and marked ability and invited suggestions for framing and arranging pay scales in a way as would adequately provide for promotion of employees on proved merit and ability. We have received the following two suggestions :—

(*a*) Talent and effort should be awarded by *ad-hoc* payments to be added to Provident Fund.

(*b*) There should be provision for selection grades where prospects of promotion to higher grade or cadre are very meagre and that such selection grade pay should be made available to at least 20 % posts in the cadre.

According to Maharashtra Government Employees' Federation, the new pay should be so framed and arranged as to provide for promotional opportunities for all sections of employees without making any special provision for men with proved merit and ability. In the view of the Federation, any provision for merit and ability is likely to be misused and would create heart-burning among the employees. It has been suggested that instead of promotional arrangement based on merit and ability, arrangement should be evolved which would provide for such persons facilities to enter higher posts through competitive examinations, irrespective of conditions of age, experience or educational qualifications. It is difficult to conceive promotion without proof of improvement and efficiency. Without such factors of selection, the system of promotions will lose all its significance. Providing of examination facilities for entering higher grades to the existing employees is not within our terms of reference. We can however suggest that the idea can be favourably considered by the Government.

28. With a view to achieve efficiency in administration, recruitment of competent personnel is necessary. This principle is achieved by insisting on competitive selection. An employee should have incentive to give his best effort at all levels of the service. Concept of career service implies growth and improvement and a system providing for moving up of an employee from the bottom rung

to the higher one in the career ladder. We have not received any striking proposals, and suggestions are confined to providing of opportunity of normal promotion, accelerated promotion or providing of selection grade, or accelerated increments.

As promotional recruitment is based on principle of self-advancement by efficient performance of duties and merit for undertaking duties and responsibilities of higher grade, it is necessary to arrange pay structure of the services as would provide for employees due opportunities for promotion and necessary incentive for proving maximum usefulness in the public service. Such promotional facilities are all the more necessary because of our system of recruitment within the narrow age limits and difficulties of late entry in the services, except in technical service. Without promotional opportunities in the hierarchical arrangements, public service is bound to prove unattractive. We cannot accept the view that promotion should not depend on merit and ability. Seniority alone cannot be a sure test of ability to take up higher jobs. We would suggest that promotional opportunities be made available to employees at an early stage of career on merit basis. Examination test can also be resorted to for avoiding criticism of discrimination. We appreciate that arrangement or assessing work of an individual official should be improved. Reports on the individual employee's work have to be more specific and objective. Use of vague and meaningless phrases should be avoided. Instances of good and bad work should be specifically mentioned. Common practice of " neither praising nor blaming " should be avoided and definite distinction should be made in terms of approbation or disapprobation. Distinction should be brought out clearly between those " able and painstaking " and those " who are indolent and careless ". No doubt the seniority has importance, but with improved arrangement of appraisement, it can be possible to provide for promotion which will be more rapid and conspicuous. A person with requisite ability must have assurance that good work is praised and his abilities will be rewarded with higher levels of responsibility.

29. Even after providing uniform pay-scales in different departments, principle of equality is not achieved as opportunities for promotions differ from department to department. Such uneven chances of promotion are unavoidable. Organisation of departments is not within our reference. The idea of giving accelerated increments to award merit where such promotional opportunities are lacking does not appear to us much encouraging. We are informed that at present, promotions take place mostly on the basis of seniority and irrespective of considerations of merit and that the provision of efficiency bar is only a rule on paper. Under these circumstances, providing of accelerated increments appears to us hazardous.

Though whatever has been stated in the above paragraphs does not come strictly within the terms of our reference, we have considered the matter of providing incentives to the services, a connected aspect of the pay structure and as such have hazarded the above suggestions for the consideration of the Government. It will be for the Government to consider how far they are acceptable.

30. The question of nomenclature and designations of posts is closely related to pay structure. Pay is often related either to a post or to the cadre or to different classes of employees. Administrative convenience also requires different designations for different posts for broadly indicating the character of the work done by the employee. But it should be recognised that multifariousness in designations in utter disregard for propriety, very often results in bewildering mass of names without any purposive usefulness. Such designations very often are given or assumed as a result of undue importance to some conspicuous factor relating to the service but without much relevancy for pay determination. Very often such designations are utilised or made a ground for earning a separate pay scale even though there is no appropriate correspondence with the duties and responsibilities of the posts. The existing multiplicity in pay structure in great measure seems due to such practice of providing a separate pay scale for a post with a separate designation, without any attempt at classifying them in a group on the basis of recognized principles of classifications. As regards changes in nomenclature or designations for posts or services we have received only a few suggestions. These suggestions relate mostly to grouping of different services or posts for purposes of framing pay scales. In our view, it is not convenient or even feasible to relate a particular pay scale to a particular designation of the post. A pay-scale may cover posts with different designations. Under the circumstances, standard pay-scales can be more appropriately described according to a class of service and the number given to the grades, within the class. We have not considered it necessary to undertake investigation about the propriety of the

existing designations of the posts which are too numerous for such investigation. The existing posts with their designations have been taken as a basis, for their grouping and classification according to recognized principles, and for determining the pay scales for such groups and classes.

31. In public services, the pay drawn, depends primarily on grade and on the position reached in a scale of seniority within the grade, by the individual employee. It is a general rule that extent of work load or personal difficulties of an individual are not recognized if the post falls in the scope of the grade. Similarly, no recognition is given either to the special merit or qualifications of individuals and no differentiation is made from his other colleagues working in the same grade. An assistant entrusted with heavy case work or an employee with LL.B. degree joining clerical cadre cannot demand remuneration over and above his grade scale. The principle however admits of certain exceptions in the form of arrangement for granting of special pay or personal allowances in some special cases. However, these extra payments are also circumscribed by various conditions and are expressly laid down in pay rules. In private services, salary of an employee is a private matter between the employer and the employee and change in remuneration for any individual employee is possible on personal consideration. This is not possible in Government service. There are also two important features (*a*) firstly the services are paid, unlike industrial wage-system, on fairly long incremental scales with automatic advancement by seniority subject to efficiency bar. Above entry grade, promotional grades are often provided and in some cases, there is provision of what are known as career grades which constitute the rung of the career ladder. As indicated in chapter on "Structure of Services", "Civil service is organized as a career service offering to entrants a pattern of income covering a life-time of work." Recruitment is at the young age between 18 to 25 and is articulated with educational levels according to the system of education in the country. Entry in service is based on competitive selection. Late entry in the service is exceptional. Age limits are relaxed only for posts requiring special qualifications of training or for specially backward classes. Once a person is selected and has passed the probation period, his salary increases according to annual increments subject to the retaining of efficiency in the performance of duties and he receives retiring benefits after a prescribed period of service in the form of pension or provident fund or gratuity as may have been provided for by the service rules.

32. The other important objective of rationalisation aims at establishing equalities in the remuneration of the employees. Inequalities and inequities are often the cause of discontent and frustration in services and have far reaching impact on efficiency. In recent times, there has taken place rapid acceleration of the functions of Government as a result of development planning, and various qualitative changes in the character and functions of certain services have taken place. The problem of rationalisation of these services in terms of emoluments has become somewhat complicated. This is particularly the situation in departments recently developed and reorganised. Various old posts have assumed new designations, new duties and responsibilities. Considering all these difficulties, the Commission has to act on the basis that existing duties, responsibilities and designations and emoluments present correct position; and rationalisation has been attempted with necessary scrutiny for removing inequalities and injustice to the extent such features became obviously evident.

Much of the discontent among the employees is due to differentiation in range of salaries among employees doing similar work in the same organisational unit or providing of different pay rates for employees in different departments, irrespective of similarity in duties or qualifications or responsibilities. Two types of equality are insisted upon viz., (1) same pay for same level of arduousness and responsibility and (2) parity with pay rates obtained in the Central Government or in private industrial or commercial establishments and concerns. The second problem is related to the question of salary determination while the first is related to establishing of appropriate relativities between different classes of employees serving in the same department or different departments.

The claim for Co-relation of remuneration of staff in different departments is based on the principle of "Equal pay for equal work". Though the principle is fair and acceptable, difficulties arise in its application. It is often difficult to find a common denominator for purposes of comparison.

Difficulty is obvious when comparison is attempted in two absolutely different branches of services; such as administrative services and scientific services or technical services, and comparison between those engaged in field work and in offices. Even in administrative and clerical groups of services, the

nature of work differs in quality and value. It is howver, desirable to attempt uniformity by ingnoring minor differences. But rigid uniformity cannot be insisted upon and some measure of differentiation according to circumstances has necessarily to be considered permissible.

33. Planning of a pay structure would involve important steps such as (1) determination of basic levels of pay, that is maximum and minimum limits with due regard for administrative, economic and social factors, (2) evolving of pay schedule with specific standard pay scales for numerous categories or classes of staff or posts with due regard for responsibilities and qualifications. The process of revision has also to be with due regard for relationship to existing pay scales and responsibilities attached to the posts. Any change to be made should be justified on grounds of changed administrative, economic or social circumstances.

Some replies to the questions have advocated bringing about equality in pay rates by the method of job valuation which is claimed to be scientific and is popular in U.S.A. In this method, jobs are first analysed in terms of major characteristics such as skill, effort, responsibility and working conditions. These factors are also further subdivided after taking into account the type of establishment or industry, for example, the category ' skill ' is sub-divided into points such as intelligence, education, experience, training etc., ' effort ' is sub-divided into two factors as physical effort and mental effort, as reflected in manual dexterity, accuracy etc. " Working conditions " are sub-divided into points such as hazardous, disagreeable etc. After detailed analysis of above characteristics, weights are allotted to these different point-values e.g. skill is weighed say 25 %, effort 20 %, responsibility 40 %, working conditions 15 %, etc. and by totalling the values of all such factors, the relative suitability for each job is ascertained. By a comparative study of the salaries paid for certain Government jobs, a factor is obtained for converting the point-value of each job into money value. This valuation is made in respect of jobs falling between top and bottom levels which are regarded as basic, by totalling the points of all factors.

The above system though apparently scientific is not considered by many as being a realistic method. It has been pointed out that it is difficult to claim absolute accuracy or objectivity in the job analysis, i.e. assigning of weight to different factors and assigning of money value to job points. Both these processes are bound to be very often subjective and at times arbitrary or conventional.

It is not possible for this Commission to undertake such evaluation of the jobs. This can be the work of only an expert. We have no such machinery to undertake such evaluation of the jobs. In this connection the Second Pay Commission has observed :—

> " Both these systems (Point-rating and factor Comparison) it will be observed, are very elaborate and yet neither provides for what may be considered an absolutely objective evaluation of the jobs. In both cases, the subjective element comes in. These are systematic and not scientific processes." (page 220 para. 12).

34. The system of job valuation of the above character is not also feasible, considering the prevailing pattern of our public services, its classification and the method of recruitment. Public Services in India follow broadly the British system which materially differs from the system obtained in U.S.A. In England, jobs are grouped together into classes. Such grouping is on a broad basis. The system does not recognize extreme specialisation as is obtained in U.S.A. Public Service is considered as a " work post ", and an employee as a " Member of the Corps." Different posts with variations in work are classified at the same level. In U.S.A. candidates must prove knowledge of the job for which they apply. They have to prove their merit by demonstrating specialised competence for performing a particular duty at a particular level. In England, however, " the basic element is the person rather than the post." He is recruited for his personal intellectual qualities and is trained for the job after entry in the service. There are career ladders and candidates are recruited at the lowest rung of the ladder with prospects of promotion in the career. Recruitment is articulated to different educational qualifications. Level of responsibility as reflected in rank or status, is adjusted to educational qualifications or standing in the service. In U.S.A., a late entry in the service is encouraged and there is no insistence for entry in the service at young age within narrow limits. It would thus appear that concept of job valuation for proposes of determination of salaries for the job is not feasible in our system of public service. Our system of pay determination follows British pattern, and has been introduced in Indian Public Service from its inception.

35. Our standard pay-scales are determined on the basis that " services and posts whose duties and responsibilities are comparable should, other relevant circumstances being the same, carry substantially the same pay or comparable remuneration and that varying degrees of onerousness and responsibilities should be reflected in them." It is also necessary to take notice of the present form of pay structure, nature of classification of posts and employees, conditions of service, employment conditions, outside services, wage levels in comparable private employment, general standards of living in different social groups and respective costs of living.

36. Though it is not possible to subject salaries of public services to any scientific process, it is necessary that they should be based on pertinent facts and principles recognized in practice. It is difficult to make comparison between different types of work as many factors deserve consideration. The usual procedure adopted is to first determine important and necessary categories of staff holding recognized posts in classified organized services, and then to provide a standard scale for each of such groups on the basis of outside comparable pay rates, in cases where such rates are available, and thereafter to fit other categories and classes in different scales formulated with due consideration for qualifications and responsibilities and due regard for existing relativities.

37. Internal relativities are important for determining intermediate salaries after deciding the basic ends i.e., maximum and minimum salary. Existing relativities deserve to be given due weight and need not be disturbed unless the change can be clearly justified. The Priestley Commission has observed " The internal relativities should be used as a supplement to the principle of fair comparison in settling civil service rates in detail and may have to be the first consideration when outside comparison cannot be made, but they should not be allowed to become rigid." Relativities in pay scales have to be considered in the directions commonly described as vertical relativity and horizontal relativity. Vertical relativity in pay scales has reference to comparison of duties and responsibilities, and the importance of the work with those of other employees. In the hierarchical arrangement, an officer at each higher level shoulders greater responsibility than that at the lower level and also acts as a supervisory authority. It is necessary that in such vertical arrangements, appropriate relativity in pay grades should be reflected according to status and rank. Horizontal relativity has reference to relationship between classes in different duties or functional groups in the public service. Settling up relativities between groups of employees in different types of work and duties is difficult because of absence of (*a*) resonable standard for measuring their values in money terms and (*b*) ascertaining of the the particular type and level of responsibilities. Because of such difference in the character of the work and services, the application of the rule of fair comparison which applies only when comparable counter parts exist, becomes also difficult. For example, establishing of relativities between a Police Constable and a Naik working in office section, or a Lecturer in an Enginering College and an Executive officer in the Maharashtra Engineering Service or a Teacher in Secondary School and a clerk in the Secretariat Department is bound to remain controversial inspite of all attempts at settling equitable relativities between them. Any attempt to establish relativity inspite of uncomparable character of the two types is bound to result in arbitrary and inequitable determination of pay rates. It is obvious therefore that determination of fair relativities between groups of employees doing the same type of work but differentiated only by the quality and load of work and by the different levels of responsibility in the hierarchical arrangement, is comparatively easy though not absolutely free from difficulties. That there shall be difference in pay rates in the case of employees working in vertical hierarchical arrangement is an acceptable proposition and needs no discussion. In this case the only question is of appropriateness of the differentials.

38. Employees in a number of cases have insisted more on horizontal parities between different departments than relativity *inter se* in their own department, i.e., Veterinary Graduate demands the same pay as Agricultural Graduate, the latter with Medical Graduate and so on. There are varying factors which determine the pay rates of employees in different departments. There is also difference in organizational structure. The work also varies. Promotional prospects are also different. It is therefore appropriate that such parity should be established only if there is overwhelming point of equality as regards nature of work, duties, responsibilities, qualifications, and method of recruitment. When pay rates of different jobs are fixed with reference to pay rates obtained outside for similar posts which in great measure are governed by market rate principle, some degree of parity can be achieved in the pay-rate of such comparable jobs. But where this method is not available, recourse has

to be taken to other ways for evaluation of the job with reference to duties and responsibilities and other standards of comparison. When qualification or special training requisite for recruitment are comparable or are indentical, it can be possible to arrive at comparable pay-rates. It is, however, necessary that the qualifications required by rules of recruitment should have real and intrinsic relationship with the duties involved in the job or the service. Rules of recruitment usually prescribe minimum qualifications for entry in a service, or a posting in a job, because they are considered absolutely necessary. We find that a University degree is the usual entrance qualification for administrative service and even for higher clerical grades but on this ground alone parity cannot be established between these two types of jobs. Such matter has to be taken notice of, when entrance qualifications are used as norms for establishing relativities. Many times such relationship between job and entrance qualifications for recruitment cannot serve as guide because of their remoteness from each other. Further enquiry has to be made to find out if other factors besides formal qualifications have entered in the evaluation process of any of the two jobs between which parity has to be established. When qualifications required are more than the minimum required, or any way disproportionate to the requirement of the normal performance of duties and discharging of responsibilities, the criterion of qualifications, for evaluation of the jobs, has little significance. When a high standard of mental and personal qualities is required and academic qualifications serve as only a formal standard, the pay rates have to be determined with reference to and on the basis of such personal merit rather than academic qualifications. In circumstances like the above, the required qualifications only give eligibility to the candidate for being a choice among others and real requirement of suitability for appointment is determined after a further test or trial. Competitive tests through Public Service Commission or departmental examinations and interviews for selection are intended to test such personal merit and high order of mental equipment, irrespective of the required common academic qualifications. Candidates for two jobs of different type and the levels of responsibility cannot be equated and given the same pay merely because they hold a degree or diploma of the same or equal level of university education.

Internal relativities therefore require careful consideration when established standards for evaluation of jobs fail. The only source available for settling fair and equitable relativities is to bring about proper adjustment of the changed conditions in economic or social spheres and in the public service itself, or by resorting to considerations and principles of justice and equity.

39. The minimum wage is one basic level of the pay plan and the rest of the relativities in the pay structure have to be determined with reference to the minimum level in whatever way it may have been determined. The principle of minimum wage cannot be applied at different levels of employment and the minimum wage cannot be determined for separate categories of employees at different levels.

It may be pointed out that even uniformity of pay under certain circumstances may fail to bring about conditions of equality. Such disparities arise as a result of organisational factors relating to different departments. Prospects of promotions vary from department to department and for different occupational groups of services. It is under such circumstances impossible to provide for equal promotional chances to all employees though they may be belonging to the same occupational group. Such hardship can be removed either by increasing the number of promotional posts or by combining the cadre for inter departmental transfers. The other remedy is to frame pay-scale on liberal lines for employees having scanty promotional chances or to provide for selection grades, even though such a provision for creating two levels of work, where such work is of routine and simple character, may not be necessary.

Other disparities which have been pressed before us are differences between (*i*) the pay scales of the posts in the secretariat and the scales fixed for similar posts in what are termed as subordinate and attached offices and (*ii*) difference between pay scales known as City scales and the Mofussil scales. We have dealt with both these questions separately.

40. Framing of an appropriate time-scale is the next important problem. Time-scale represents an arrangement for payment of remuneration to an employee in public service for a long span of his service, unlike payment of wages on the basis of work output or periodically contributed payment. The system of time-scale was first introduced as a result of the recommendations of the Islington Commission (1912) as a substitute for graded system and also in preference to what is called "Compartment System" under which separate rates are fixed for separate groups of officers in each Department.

In graded scale-system employees of a particular class are paid at different rates. For example one group of clerk Rs. 100, other group Rs. 200, third Group Rs. 250 and promotion from lower to higher pay is allowed only on occurrence of vacancy. Idea of time scale conforms with the concept of career service in as much as it provides compensation for work of an employee for a long span of service till he retires or voluntarily resigns.

The following points deserve consideration in the framing of a time scale :—

(*a*) Length of the span of the time-scale ;

(*b*) Proportion between maximum and minimum of the time-scale ;

(*c*) Interval between increments ;

(*d*) Desirability of having an efficiency bar ;

(*e*) Expediency or otherwise of having more than one time-scale in the same grade i.e., Selection Grade.

41. Incremental time-scale is provided on the principle that as an employee grows in age, he has greater responsibilities to meet, and that even when an employee continues in the same grade and is not promoted, his work improves in quality and efficiency with his seniority. In the pay structure there is an entry grade as well as a promotional grade. There are also grades with dual character i.e., they may provide for direct recruitment and also for promotion from a lower grade. Because of hierachical set-up of the department and with a view to provide incentive for merit, even in higher grades intended for direct recruitment, some proportion of vacancies is reserved for recruitment by promotion. Over a basic entry-grade there may be one or more promotion-grades.

Ordinarily, an employee is expected to serve for 30 years or till he reaches the age of superannuation which presently is 60 years for Class IV servants and 58 years, for other employees. Under the circumstances, length of pay-scales must differ as applicable to grades which provide for entry in service and grades which are promotional ones. All employees have to pass some years of service in the entry grade. Promotional grade therefore need not provide for full length of service. An entry grade is primarily intended for full length of service period, and as such ought to be provided with a time-scale having a long span, as in some cases there may either not be a related promotional grade or the employee for various reasons may not be able to get into the promotional grade.

Length of time in pay-scales cannot be indentical for all services and posts. In certain services and posts, employees are recruited at an advanced age on the basis of previous experience or higher qualifications and training requiring longer period e.g., the technical or specialised posts. In such cases longer period for pay-scales may not be appropriate.

A problem to some extent arises about the length of span in the case of services in lower brackets of un-skilled or non-literate class. According to some, a shorter span is appropriate in the case of employees whose efficiency does not improve with years of service and who are expected to do same routine work. There is also a view that even in such a category of employees, there is improvement in efficiency and quality of work according to experience. It is also suggested that even assuming that work of such groups does not improve with past experience, there is possibility of deterioration, if these employees are not provided with incentive for earning further increments by maintaining efficiency. It is obvious that in the absence of promotional grades or selection grades an employee is likely to become apathetic and feel frustrated. It is also urged that liabilities of employees increase with the period of service and what they get at the entry level is barely a minimum wage. It is therefore emphasised that employees of this category should also have a proportionately longer span of time-scale with increments and a suitable maximum limit.

42. The First Central Pay Commission had recommended time-scales of about 20 years for an entry grade as an appropriate standard for services in lower levels, but ultimately condensed the same to a short 11 years scale (30—½—35). Class IV employees in general group or semi-skilled group have no promotional opportunities and if there are any, they are too few. Their recruitment is at a lower limit of 18 years with retiring limit at 60 years. The Second Central Pay Commission recommended a time-scale with 16 years span (70—1—85) for lower grade employees in Class IV Service. For Lower Division Clerks, they provided scales with a span, between 20 to 22 years. Maharashtra State

Government Employees' Federation, representing Class III and Class IV service employees, has proposed a long span for pay scales of about 25 years to 30 years, with annual increments of Rs. 2 and Rs. 6 for Class IV and Class III employees respectively. They have opposed efficiency bar and have advocated automatic increments. According to the Federation, provision of efficiency bar is likely to be misused and is likely to become an instrument of favouritism. They have also approved the idea of having Selection Grades in the absence of promotional opportunities. The Maharashtra Service of Engineers' Association (Class I) has proposed a span of 18 to 20 years for posts with dim promotional prospects, with annual increments, and one efficiency-bar at the end of 10 years' service, and have proposed that the pay scales should be so arranged and on promotion the pay in the higher grade should be so fixed as would enable the promoted officer to get an increase in salary to the extent of at least 5 increments in the lower scale. In their view, the period of the span in a time-scale cannot be uniform for all grades and providing of more than one scale in the same grade is not expedient.

43. We propose to provide whenever considered appropriate, long incremental scales covering a period between 15 to 20 years, for entry grades, for most of the categories or services with advancement by seniority subject to an efficiency bar. While proposing such long span time-scale, it is presumed that a competent employee would secure promotion into next promotional grade wherever such grades are provided. We propose shorter span of years for promotional grades. The next higher grade wherever it is provided for, will be comparatively of a still shorter span. The arrangement of time-scales will present a pyramid, indicating possible levels of career in the service for the employee's grade of entry.

44. The maximum of an incremental scale has to be fixed with due consideration of duties and responsibilities of the post and qualifications required of the incumbent of such post. The ratio between the maximum and the minimum of a scale depends on the length of the scale. There cannot be a rigid formula nor can there be a fixed multiple. The span depends on the type of class or post for which the pay scale is framed. In our view, the minimum pay at entry stage should be comparatively higher, particularly in the case of employees in lower scales of pay as the same is intended to provide a minimum living standard. Such provision will also be necessary in the case of some of the posts of specialist nature where entry in the service takes place at a higher age-limit. Attempt should be made to achieve balance between the minimum and maximum with due regard to the interest of the employees and also to the public interest. The general rule appears to be that the minimum should provide for incentive to the employee to maintain efficiency and improvement. The rule is however, likely to prove inappropriate in cases where scope for improvement is not available viz., peons etc. But in our view even such employees need improvement in the emoluments with seniority and as such, a moderate long scale with a maximum has to be recommended in such cases.

45. The amount of increments and intervals between them, are determined in the light of the length of the pay scale and also the difference between minimum and maximum. Amounts of increments in our view should be bigger in the middle and the closing period of service as compared to the initial period. This arrangement can be supported on the ground that during this period i.e., the middle stage of service, the employee is at his best and is presumed to be performing the best part of his service. Amount of increments should increase at successive stages right up to the end, for the reason that an employee should be able to meet the family expenses which grow during the period of service. It is difficult to take a *priori* decision in a matter of this type. We can only say at this stage, that when pay scales are being determined for different categories of services and posts in different departments, the above suggestions would receive due consideration as each of these views has some justification.

45. As regards intervals also, there are varying views. We have proposed an interval of one year as the modern trend is to grant increments annually. Theoretically the period of interval can vary according to the type of pay-scales and the different stages of service period. No hard and fast rule can be laid down in this matter. While biennial increments may bring about economy, annual increments are beneficial for pension and leave salary and are preferred by the employees.

46. There is general dislike for efficiency-bar among the employees. When the Islington Commission (1912) proposed to introduce time-scale arrangement of remuneration, in place of grade-system, an efficiency bar was considered as being a matter of necessity and an indispensible part of an

incremental scale. Official view also supports this approach. Objections taken to efficiency-bars are based on two grounds viz., (*a*) that the provision is not strictly enforced and as such, it is superfluous, and (*b*) that provision in the conduct and disciplinary rules for stopping the earning of increments serves the purpose of efficiency bar in a better manner. The first objection is more a criticism of supervisory control of the administration and not of the provision objected to. The second objection does not take into account the consideration that stoppage of increments is " in the nature of penalty and involves disciplinary action." The basic consideration underlying the incremental system of remuneration in public service is that an employee will be competent to execute higher duties and work falling into the grade to which he belongs as he grows in seniority. It is on this assumption that the system of incremental scale has been introduced. It is therefore necessary to check if the employee is retaining efficiency and is progressive in the performance of the duties or has lost interest for further competence for undertaking the performance of his duties and discharging of associated responsibilities. In our view, provision for efficiency bar is justifiable as being both expedient and necessary.

47. A question has been raised regarding the determination of some relationship between a pay-scale and its immediately higher pay scale provided for suitable promotion. We have not been able to get any clear answer to the problem from the replies. When an employee is promoted from a lower grade to a higher grade what is intended is that he should get an increase in the pay rate for his demonstrated merit and efficiency. There cannot be fixed rule for determining the extent of monetary advance on promotion. Much will depend on the pay scale of the grade of the employee before promotion and the pay scale to which he is promoted. A promotional pay scale is bound to provide higher remuneration as compared to the basic pay-scale and also better rates of increments. Under the existing rules, on promotion, an employee gets minimum pay of the post to which he is promoted and when such minimum is not higher than the pay drawn by the employee at the time of promotion, the pay is fixed at the stage next above the pay drawn in the lower grade. In our view, there is a case for recommending that the benefit of at least one full increment should be granted on promotion. In our view rules of promotion should provide for certain minimum increase on promotion and prospects of promotion should not be linked only to a higher promotion scale without any immediate benefit.

Overlapping of two scales is also a connected problem. When two scales are provided, one an entry scale and the other a promotional scale, overlapping is inevitable unless short scales are provided even for the entry grade. Such overlapping should not be considered objectionable, if size of the increments in the higher of the two scales is larger.

48. In a time-scale system, there is an element of disparity in remuneration though all employees governed by the pay scale are doing similar work, but such difference is justified on the presumption that even in the same grade, quality of performance varies as between a junior and a senior person. Similarity in work cannot therefore be a ground for not providing for a selection grade or a senior grade.

CHAPTER 6

PAY STRUCTURE AT THE CENTRE AND IN OTHER STATES

Our terms of reference require us to take into consideration the levels of remuneration for public services in Central Government and in other States while making our proposals for rationalisation and revision of the pay structure of the Public Services in Maharashtra. The need for establishing uniformity in the pay scales particularly of lower grades in Maharashtra Government services and Central Government services has been a persistent demand of the employees in lower grades. In some instances, employees in higher grades also claim such uniformity.

2. We have not been able to obtain information about scales of pay in all the States for our comparison. We get the following information. The rate of remuneration of most of the Heads of Major Departments in Central Government is Rs. 1,800 to Rs. 2,000, while in the States, the rates of remuneration fall within the range of Rs. 1,300 to Rs. 2,000. In respect of Heads of Smaller Departments and Junior Administrative Posts, the position is not very different. The higher State Services in various States are broadly comparable with the Class I Central Services. In most of the States, the higher State Services start at about Rs. 350 and go upto Rs. 1,200 or Rs. 1,250. At the level of the lower State Services, the pay scales in different States start at about Rs. 220 and end at about Rs. 750 as compared to the standard Central Class II Scale of Rs. 350—900. In non-clerical subordinate services, the categories of posts are too numerous, with the result that their nature of duties and responsibilities are not comparable. In the case of clerical and Class IV employees, however, there is a conspicuous difference in the pay scales in the Central Government and in the States. Table below shows the 1947, the 1958-59 and the 1966-67 minimum rates of remuneration for Class IV staff in the different States with the corresponding Central figures.

TABLE I

Central/State Governments.	1947 Total remuneration Cl. IV.	Current minimum rates for Class IV.					
		1958-59.			1966-67.		
		Minimum pay.	Dearness Allowance.	Total	Minimum pay.	Dearness Allowance.	Total
1	2	3	4	5	6	7	8
	Rs.	Rs.	Ps.	Ps.	Rs.	Rs.	Rs.
Central Government ..	55	30	45	75	70	38	108
Andhra Pradesh	34	26	30	56	50	35	85
Assam	44·5	28	38·5	66·5	80	....	80
Bihar	40	22·5	27·5	50	Not available.	Not available.	Not available.
Bombay/Maharashtra ..	55	30	40	70	65	38	103
Gujarat	....	..	....	....	65	32	97
Jammu and Kashmir ..	Not available	25	8	33	Not available.	Not available.	Not available.
Kerala	Not available	30	37	67	60	33	93
Madhya Pradesh ..	40	25	26	51	35	25	60
Madras	34	18	35	53	50	38	88
Mysore	26	25	25	50	50	38	88
Orissa	32	18	27	45	Not available.	Not available.	Not available.
Punjab	52	30	30	60	30	52·50	82·50
Rajasthan	37	25	25	50	Not available.	Not available.	Not available.
Uttar Pradesh	32·5	22	27·5	49·5	55	15	70
West Bengal	40	20	35	55	60	20	80

The information in the above table shows that every State has been paying total emoluments less than those paid by the Centre. Such disparity except in the case of Class IV employees of the then State of Bombay exists since 1947 and continues throughout. So far as Maharashtra State is concerned,

it will be noticed that the total remuneration of Class IV staff in 1947 was Rs. 55 and was identical with that of the Centre and that in 1959 there was a difference of only Rs. 5. It will appear that in every case, it is the Dearness Allowance which brings about a major part of discrepancy in the remunerations paid in the Central Government and in the States.

3. In the above context, the First Pay Commission observed (at p. 24 of its Report), " But it seems to be true that by continued tradition, standards of living are much lower in certain part of the country than elsewhere. In certain areas, educated men were available for Government service in much larger numbers than in other parts of the country and the Government of the States took full advantage of law of demand and supply to keep down the salary levels in places where recruits were available in large numbers. In the same way, local differences in the wage levels of the working classes were reflected in the pay of the lower grades of the services. It is no part of our function nor does it lie in our power, to bring about uniformity as between different Provincial Governments in respect of their scales of pay to their own employees ". The said Commission decided that it would not take such different pay scales in different Provinces into consideration, in determining the scales to be fixed for the Central Government, and decided to fix the pay scales of Central Services considering the whole Public Service of the Central Government as one unit and constituted as one service, irrespective of the geographical location of its offices in different parts of the country.

4. The Second Central Pay Commission after examining economic factors, financial position and standards of remuneration in different States came to the conclusion that, " The disparities in the emoluments of public services in different States are to a large extent but not entirely a reflection of unequal levels of economic development and of differences in the financial resources of the State Governments. (Para. 12 page 53). It has further observed, " It is after all for the State Governments to consider the problems of their lower grade employees and to find solution for them ". The Second Commission has also found that such disparities in the emoluments of employees of the State Governments and of Central Government exist in other countries having Federal Constitution. For example, in the United States of America during the year 1958-59 the minimum salary of a Federal employee belonging to Classified services was £ 2690 while in many of the States it was much lower (Albania—£ 1056, Missouri—£ 1524, Indiana—£ 1500 and in Wisconsin—£ 1680).

5. Whether the pay of Central Government Servants serving in the several Provinces should be identical with or bearing as close a relation as possible to the pay of the State Government servants of the same category and in the same area figured in the deliberations of a conference of Finance Ministers in 1952. As stated in the report of the Second Pay Commission, the State Governments urged that disparity as existing in the emoluments of Central Government and State Governments caused a great deal of dissatisfaction among their employees, particularly at lower levels, that these employees in both sectors are engaged in the execution of the integrated National Plans, that the resources of both the Central Government and the State Governments have been assessed and in effect brought into a common pool for financing the Plans, with the result that the States had no additional resources for improving the emoluments of their employees. It was therefore suggested that the remuneration of Government employees whether under the Central or the States, should be considered as a single national problem and dealt with as such and since the financial resources of the States were already fully pledged to the Plan and there was no further scope for taxation, the Central Government should find funds for raising the remuneration of Government employees and apportion them between the Centre and the States. It was also pressed that if the Centre was not in a position to raise funds and make grants to the States to enable them to raise the remuneration of their employees, the Centre should at least, refrain from allowing any increase to their own employees and make the then existing disparity still wider.

6. The important question to be considered is how the pay scales in Maharashtra Government compare with those in the other States, after taking into consideration the economic conditions prevailing in those States. We have not been able to collect all necessary facts for forming any definite opinion about the economic conditions prevailing in different States. The remuneration that was paid to Class IV employees in 1958-59 and in 1966-67 is given in Table No. I. The report of the

second Pay Commission contains a table showing the average per capita revenue for the period of three years 1957-58 to 1959-60 in respect of each State. Similar figures have been worked for the three years 1964-65 to 1966-67 and are given below :—

TABLE II

Per Capita Revenue

State	Average (For three years 1957-58 to 1959-60).	Average (For three years 1964-65 to 1966-67).
1	2	3
	Rs.	Rs.
Andhra Pradesh	20·0	41·63
Assam	30·8	58·15
Bihar	15·0	25·69
Bombay/Maharashtra	24·7	54·90
Gujarat	....	48·14
Kerala	21·6	50·00
Madhya Pradesh	19·6	39·24
Madras	20·8	45·76
Mysore	23·0	47·75
Orissa	17·7	46·77
Punjab	26·9	62·14
Rajasthan	19·9	40·20
Uttar Pradesh	15·5	29·49
West Bengal	28·9	43·83
Jammu and Kashmir	24·2	76·18
All States	20·8	41·79

It would appear that remuneration paid by Maharashtra Government to its employees compares very favourably with its revenue position.

7. The structure of pay rates of public services is very much dependent on the economy of a particular State. The rates of remuneration of State employees are determined in great measure by level of taxation, the rates of wages of outside employment and the proportion of educational level among the population. Above conditions vary from State to State. The existence of disparity in the remuneration of employees in the States is thus inevitable. It is not suggested that there should not be any attempt to reduce such disparity in the pay scales of employees under the Central Government and the State Governments. Much will depend on the economic development of a particular State. If economic conditions of a State permit, there should be no objection to the reducing of the disparity to the minimum, particularly in comparable jobs. We find that such a situation did exist in the then Government of Bombay Province, in the year 1947, at least in the case of lower Class IV employees.

The following table gives emoluments paid to the Central Government and the Maharashtra Government employees at present :—

TABLE III

	Central Government. (On 1st July 1966)	Maharashtra Government. (On 1st July 1966)
	Rs.	Rs.
Pay scale of the lowest category of employees (Class IV).	70—1—85 D.A. 38 ..38	65—1—75 38 .. 38
Clerks (Class III)	110—3—131—4—155—E.B.—4— —175—5—180 D.A. 58 ..76	100—3—130—E.B.—4—170 38 .. 70
Class II employees	350—25—500—30—590—E.B.—30 800—E.B.—30—830—35—900 D.A. 93 ..100	250—270—15—390—E.B.—15—450— 20—490—E.B.—25—715 84 .. 89
Class I employees	400—400—450—30—510—E.B.— 700—40—1,100—50/2—1,250 D.A. 100 ..100	350—400—30—610—40—730—E.B.— 45—1,000—50—1,100 84 .. 80

(Maharashtra Government employees drawing pay upto Rs. 715 are given a provisional increase in pay of Rs. 5 with effect from 1st April 1965).

The tables below give the pay scale for lower division clerks and minimum remuneration paid to Class IV employees from the year 1947 to 1st July 1966 and the disparity existing at different stages.

TABLE IV

(i) Comparative scales of pay of Clerk under the Government of India and the Government of Maharashtra

		Government of India.	Government of Bombay/ Maharashtra.	Disparities.	
				Min.	Max.
		Rs.	Rs.	Rs.	Rs.
1947 ..	Pay ..	55—130 ..	.. 55—130	....	....
	D.A. ..	35—40 ..	.. 35—40 (Non-Matriculate starting on Rs. 46)		
1957 ..	Pay ..	60—130 ..	.. 55—130	5	....
	D.A. ..	55—60 ..	.. 45—50 (Non-Matriculate starting on Rs. 55)		
1-7-1959 ..	Pay ..	110—180 ..	.. 55—130	20	20
	D.A. ..	10—20 ..	.. 45—50 (Non-Matriculate starting on Rs. 55)	(Inclusive of D.A.).	

TABLE IV—*contd.*

		Government of India.	Government of Bombay/ Maharashtra.	Disparities.	
				Min.	Max.
		Rs.	Rs.	Rs.	
1-5-1960	Pay	110—180	55—130	10	10
	D.A.	10—20	55—60 (Non-Matriculate starting on Rs. 46)	(Inclusive of D.A.).	
1-7-1962	Pay	110—80	100—170	10	10
	D.A.	15—30	15—30	..	..
1-7-1965	Pay	110—180	100—170	10	10
	D.A.	50—65	25—40	25	25
1-7-1966	Pay	110—180	100—170	10	10
	D.A.	58—76	38—70	20	6
		(ii) Comparative scales of pay of Peons			
1947	Pay	30—½—35	30—½—35	....	....
	D.A.	25	25		
1-7-1959	Pay	70—85	30—½—35	5	15
	D.A.	10	45	(Inclusive of D. A.)	
1-5-1960	Pay	70—1—85	30—½—35	5	15
	D.A.	10	45	(Inclusive of D.A.)	
1-7-1962	Pay	70—1—85	65—1—75	5	10
	D.A.	15	15	..	..
1-7-1965	Pay	70—1—85	65—1—75	5	10
	D.A.	33	25	8	8
1-7-1966	Pay	70—85	65—75	5	10
	D.A.	38.	38	..	..

It will be noticed that in the year 1947 there was no disparity and in 1962, in the case of clerks, the disparity was only of Rs. 10 in the basic pay scales, the Dearness Allowance being equal. Similarly in the case of Class IV employees there was no disparity in 1947. The disparity in 1962 had risen only to the extent of Rs. 5. In 1966 the disparity in the minimum emoluments has become wider to the extent of Rs. 30 in the case of clerks and Rs. 5 in the case of Class IV employees. There is no change in the basic pay scales in 1962 and 1966 either in the Centre or the Maharashtra State. The gap has widened because of the increase in the Dearness Allowance in the case of clerks by the Central Government from Rs. 15 to Rs. 58 against Rs. 38 by the Maharashtra Government. It is also to be noticed that in the basic scale there is only a difference of Rs. 10 and of Rs. 5 in the case of a clerk and a Class IV employee respectively. The above position does not take into account the Ad-hoc increase in salaries of Rs. 5 that the Maharashtra Government sanctioned recently for Government employees drawing pay upto Rs. 715.

Removal of disparities in public service among the States, between the Central Government and the States can be achieved only with the removal of disparities in economic conditions and achieving of improvement in the standards of living in the different States. Otherwise disparity to a certain extent is inevitable. It is also noticed that there are better prospects of promotion and also career prospects in some of the services in State Services, than comparable services in the Central Services.

in unitary form of Government, differences in emoluments will exist in different regional units according to prevailing economic conditions and standards of economic development and educational levels in the case of employees working in such regional units.

Disparity in the emoluments of public services in different States is thus inevitable. It would also follow as the necessary corollary that there can be no logic in insisting on parity in the emoluments of public services at the Centre and the State. We do not however suggest that pay rates in Central Government should be left out of sight while constructing the pay structure of the public services in the State. Pay rates for comparable posts in the Central Government should be considered as also the pay rates prevailing in the private sector. It cannot be a cause of pride if one State pays more by way of minimum salary to its clerk or a peon as compared with other States, nor there should be a feeling of humiliation if it pays less than what is paid by the Centre or any other State. The crucial question is whether the salaries paid by a particular State are fair and just considering the economic conditions in the State, its financial resources, arrangement of priorities in the various items of expenditure in relation to the position of its revenues, the general administrative principles in the framing of the pay structure and the socio-economic considerations. In our view, therefore, under the existing conditions, it is not possible to establish substantial parity. Some reduction in the disparity will, however, be brought about as a result of our recommendations.

CHAPTER 7

MAXIMUM AND MINIMUM SALARIES

In Maharashtra State, the maximum salary is drawn by the Chief Secretary. This post carries a salary of Rs. 3,750 when held by an Indian Civil Service Officer and Rs. 3,000 when held by an Indian Administrative Services Officer. The post of the Chief Secretary is in super-time scale cadre post and its pay is fixed by pay rules framed by the Central Government under the All-India Services Act, 1951. The post is reserved for a member of the old Indian Civil Service cadre or of present Indian Administrative Service cadre. The determination of pay scales of the Indian Administrative Service cadre (or the old Indian Civil Service cadre) is excluded from our terms of reference. We however consider it appropriate to deal with the question of maximum salary in view of its relevancy to the plan of pay structure and from the view point of general relativity in the different pay scales. In a pay structure, the maximum and minimum salaries are basic factors for establishing relativities. The question No (8) in our questionanire was therefore framed by us, to elicit opinion on matters connected with the level of maximum salary and its relativity with the minimum salary.

2. Serious controversy exists regarding the maximum salary paid to public servants in this country. This controversy has taken an acute form because of the socialistic objectives propounded by the Constitution. On one side, it is urged that salaries of officers in high grades deserve drastic cut as being disproportionate to the needs of administration and incompatible with the economic conditions of the country. Proponents of this view regard existing disparity as being far in excess of the reasonable differentials, and also of the requirements of an equitable plan of pay structure and general efficiency of the services as a whole. They regard existing magnitude of disparity as being detrimental to the morale of the service and a cause of general discontent. From socio-economic point of view, it is urged that it is undesirable that State should compete with private concerns in the matter of paying high salaries. It is further urged that the level of maximum salary determines in great measure the level of pay rates of other higher grades and as such there takes place the formation of a separate and superior class. This fixation of such high salary independently of the general economic level of the country is considered as highly unjustified from socio-economic point of view. According to this view, lower grade staff is undeservedly denied basic facility of decent standard of life on grounds of limited resources or financial position of the State, while leaving the high salaries untouched.

3. Those who support the maximum salaries maintain that any drastic cut in prevailing salaries of higher posts would result in serious loss of efficiency and integrity and public service would become unattractive for persons of high talent and ability. According to them under present day conditions even the salaries of high grade posts are inadequate for decent standard of living to meet the family responsibilities. It is necessary to state the extent of disparity between the high grade salaries and the minimum salaries as existing in the pay structure of Maharashtra Government. The following tables will indicate existing disparities in pay rates.

TABLE I

MAXIMUM AND MINIMUM SALARY

(Existing disparity in the minimum and maximum pay rates)

	1939-40		1947-48		1962-63		1966-67	
	Pre Tax.	Post Tax.	Pre Tax.	Post Tax.	Pre Tax.	Post Tax.	Pre Tax.	Post Tax.
1	2	3	4	5	6	7	8	9
A. Maximum salary *plus* Dearness Allowance of the lowest staff (e.g. Peon).	17	17	60	60	90	90	103	103
B. Maximum salary and special pay *plus* Dearness Allowance, if any (e.g. Chief Secretary).	3,750	..	3,750	2,638	3,750	2,585	3,750	2,741

TABLE II

Disparity ratio between maximum and minimum salaries on pre-tax and post-tax income level.

		Pre-tax.	Post-tax.
I.	Starting salary *plus* Dearness Allowance of the lowest paid staff (e.g. Peon).	103	103
II.	Salary of Chief Secretary	Rs. 3,750 (For I.C.S.) ..	2,741
		Rs. 3,000 (For I.A.S.) ..	2,321
III.	Disparity ratio : II to I	36·4 (For I.C.S.) ..	28·5
		29·1 (For I.A.S.) ..	22·5

TABLE III

Maximum Salary.	1939-40		1947-48		1962-63		1966-67	
	Pre Tax.	Post Tax.	Pre Tax.	Post Tax.	Pre Tax.	Post Tax.	Pre Tax.	Post Tax.
I. Minimum Salary *plus* dearness allowance of the lowest paid employee :— (1) Peon ..	13	13	55	55	80	80	103	103
II. Maximum salary of high grade staff :— (2)	3,000	..	3,000	2,263	3,000	2,239	3,000	2,321
Disparity ratio :— (1) to (2) ..	1 : 230·7	..	1 : 54·5	1 : 41·1	1 : 37·5	1 : 27·9	1 : 29·1	1 : 22·5
Next pay range :— (3)	2,500	..	2,500	2,000	2,500	1,979	2,500	2,054
Disparty ratio:— (1) to (3) ..	1 : 192·3	..	1 : 45·4	1 : 36·3	1 : 31·2	1 : 24·7	1 : 24·2	1 : 20
Next pay range :— (4)	2,000	..	2,000	1,709	2,000	1,691	2,000	1,683
Disparity ratio :— (1) to (4) ..	1 : 153·9	..	1 : 36·3	1 : 31·7	1 : 25·00	1 : 21·1	1 : 19	1 : 16
Next pay range :— (5)	1,800	..	1,800	1,571	1,800	1,559	1,800	1,549
Disparity ratio :— (1) to (5) ..	1 : 139·2	..	1 : 32·7	1 : 28·5	1 : 22·5	1 : 19·4	1 : 14·5	1 : 15
Next pay range :— (6)	1,600	..	1,600	1,429	1,600	1,412	1,600	1,408
Disparity ratio :— (1) to (6) ..	1 : 123·7	..	1 : 29·9	1 : 25·9	1 : 20·0	1 : 17·6	1 : 15·5	1 : 13·6

The above tables will indicate the ratio of disparity between the starting salaries of the lowest paid staff and certain salaries of high grade staff and also the maximum salary of Chief Secreatry on pre-tax and post-tax basis.

4. The reduction of disparity is mostly due to increased taxation of higher income and progressive increase in pay scales and allowances of the lower grade staff. The fall in the total income of highest grade pay on post-tax basis since 1939 is 23 % while there is a rise of 692 % in the case of lowest paid salary. The percentage of rise and fall in the lower grade and higher grade salaries (without tax deduction) is indicated in Table IV below :—

TABLE IV

Category	Minimum salary, special pay and allowances admissible.				Increase (+) or decrease (—) in percentage.
	1939	1947	1962	1966	
(1) Lowest paid employee ..	13	70	97½	112½	+438 percent in 1947 +650 percent in 1962 +827 percent in 1966.
(2) Chief Secretary	3,750	3,750	3,750	3,750	....
(3) Secretary to Government ..	3,000	3,000	3,000 ICS 2,250 IAS	3,000 ICS 2,500 IAS	+10 percent in 1966.
(4) Inspector General of Police ..	2,500 IP	2,500 IP	2,250 IPS	2,500 IPS	—10 percent in 1962. +10 percent in 1966.
(5) Director of Education	1,500	1,800	1,800	1,800	+20 percent in 1947.
(6) Chief Conservator of Forests ..	1,500	1,800	1,800	1,800	+20 percent in 1947.
(7) Director of Agriculture ..	1,500	1,800	1,800	1,800	+20 percent in 1947.

5. With the increase that we propose in the pay rates of low-paid staff there will be further reduction in the disparity. If to the above income is added the money value of other amenities presently available both to the high grade salaries and minimum salaries, there will be further reduction in the disparity ratio. At present, the lower paid staff gets the following amenities, namely :—

(1) Free education upto Secondary School Certificate level to children of Government employees whose annual income is less than Rs. 1,800.

(2) Overtime Allowance (Peons).

(3) Uniform, clothing and umbrellas (Peons).

(4) Medical Reimbursement.

(5) Leave Travel Concession.

In addition, peons in Bombay get either rent free quarters or house rent allowance in lieu thereof and free railway pass by local trains.

The high-grade staff get only the following amenities :—

(1) Medical reimbursement scheme.

(2) Leave travel concession.

The difference between the two is obvious, and the result is that there is further reduction in the disparity ratio.

6. The ratio of disparity can be reduced either by raising the floor rate of salary of lower grade staff or by reducing the salaries of the higher grades. Such a measure of reduction of disparity in income levels cannot be attempted in the case of one group of incomes in isolated manner and independantly of the levels of other groups of income in the same service or in other sectors. The income levels in different occupations of different grades of employees are governed by economic conditions operating all over the country and broadly considered, income levels of similar occupations or classes of

services are always in the process of realising parity between them. Any attempt to reduce disparity in any particular service or occupation in isolation from other income groups will be unfair and discriminatory.

7. Most of the higher posts are specified posts detailed reference to which has been made in our discussion on the structure of Services. The top posts are reserved for members of Indian Administrative Services or Indian Police Service cadre. Recruitment to these cadres is made on the basis of competitive examination and personality test conducted by the Union Public Service Commission and within the limited age limits between 21 to 25. Appointment is strictly on merit basis. It can be said that admission in these cadres can become available only to young men who without much challenge can be described as the cream of intelligence and potential ability in the country. It is also possible that there are other young men outside public services with equal or more merit who have preferred not to enter public service either because of temperamental dislike or with the idea of entering some other profession or business adventure. There are two junior and senior scales of pay for the Indian Administrative Service cadre ranging between initial salary of Rs. 400 and ending with Rs. 1,800 with maximum of senior scale (selection grade) of Rs. 2,000. For I.P.S. also junior pay scale begins with Rs. 400 and senior scale has the maximum of Rs. 1,300. A person enters such higher service after undergoing competitive tests primarily because of material prospects, besides his temperamental preference. The initial pay is not so alluring if compared with the prospects in other careers of making a life. In independent professions like law, medicine and engineering etc., persons with ability earn much more than what a public servant with maximum salaries can do. Persons of standing of 10 years in independent professions like law and medicines in many instances are earning more than double of what a member of Indian Administrative Service after 10 years service can earn. Of course, this applies to successful practitioners of the profession. In such a setting, unless there are some better prospects ahead for entrants in the above services, public service is bound to prove unattractive to young men of merit and ambition. The maximum salary is received by the person after a long and arduous career with proved merit and ability. Taking into account all these factors, we do not think that the demand for reduction in maximum salary or other high grade salaries is justified.

8. We do not subscribe to the view that reduction in the high salaries will not effect efficiency of the administration. Conditions have very much changed as compared to what they were before 20 or 30 years. Industrial and Commerce Sectors are expanding with repid speed. There is heavy demand for men of talent and ability from these sectors wheher private or public. In these occupations a late entry in the services on the basis of past experience and proved ability even at advanced age and also with high initial salaries, has become a usual phenomenon of recruitment. The State Public Service Commission have expressed several times the difficulty they are experiencing in getting entrants of right type to the public services of the State of Maharashtra. Any reduction in the maximum salary is bound to have serious repercussions in getting good and competent entrants both in the All India Service cadres and also in the organised Civil and Specialised Services of the State. There is also an apprehension that those who have entered public service initially may for better career and tempting salaries in the private establishments, leave the Government service in view of such opportunities which presently exist. In fact, as private concerns are on the look out for better managerial talents and have no regular system of hierachical promotions and entry in service after test examinations, there is every likelihood of a decline in suitable personnel in public services. Further, if the present high grade salaries are reduced there will be adverse consequences on the efficiency in public administration. We do not agree with the view that the best need not serve the State and that the administration can be run by mediocres. With the expanding activities of the State in social, economic and industrial spheres, the need for better qualified and talented personnel has become paramount and as developmental activities increase in future, this need is also bound to increase. Without adequate salaries and appropriate prospects, high standard of ability, integrity and performance cannot be expected.

9. Sometimes, while comparing private and public services, reduction in high salaries is supported on the ground that Government services enjoy various advantages such as prestige, security, retirement benefits etc., which are not ordinarily available in private employment. But presently, situation is much changed. In private employment there are also benefits such as bonuses, gratuity, exemption from Income Tax and sometimes even sharing of profits. A private servant has also possibilities open to him of tapping other sources of income by taking to other activities which is not possible for a Government servant.

10. We do not accept the contention that from socio-economic point of view the existing high grade salaries are disproportionately high and deserve drastic reduction. Apparently there appears a big gap between the existing maximum salary and the minimum salary. There is no rule or law based on any economic or sociological theory prescribing any particular ratio between them. Even in socialistic countries, some differences and gaps between incomes of persons in public services exist. Lowering of the ratio of disparity can be desirable from various points of view, provided it is feasible and in public interest. If disparity between higher salaries and minimum salaries is to be reduced, in our view, the only course will be to raise the lower rate of salaries and not to reduce the existing salaries in the higher grades. The raising of the salaries at the lower level with a view to reducing the ratio of disparity substantially though desirable as an objective does not appear immediately possible unless there is marked improvement in the economic conditions in the country as a whole and in the economic resources of the State in particular. In the present state of economic resources of the State and its financial position, such a step does not appear practicable though we consider that such reduction of disparity is desirable and that it should be kept in view as socio-economic objective. We have also no evidence to come to the conclusion that by paying the existing salaries Government is treating the Government servants in higher grades as separate and superior class and that their salaries are independent of general economic condition in the country. We feel that such a criticism is not justified.

11. The Second Central Pay Commission has collected data regarding income levels from income tax records and has given its views on this question in its following observation :—

" First a very large increase has occurred in the number of purely salary earners in the private sector in brackets with income exceeding Rs. 40,000 (annual) ; during the same period the number of assessees with income exceeding Rs. 40,000 in the Government sector has increased by not more than 50 %. Secondly average salary in the private sector has also increased, the increase being particularly marked at the highest level where it has occurred both in pre-tax and post-tax incomes. The increase in the number of assessees with the salaries exceeding Rs. 2 lakhs has also been notable—from 2 to 29. It is obvious that the high salaries in the private sector are determined by wider economic factors and the state of a particular business or industry ; and in some cases, it seems, even circumstances outside the country influence these salaries. The concerns controlled by foreigners pay to non-Indian employees salaries comparable to what those employees might get in their own country, and the rates so determined for the non-Indian employees in turn influence the rates fixed for Indian employees."

The Second Pay Commission has accordingly reached the following conclusions :—

" (*a*) That average salary of a Central Government employee in 1948-49 was well above that of an employee in the private sector, by 1956-57 the position had been reversed ; while the average in the case of Central Government employee had increased by 13·1 percent, the increase in the private sector employee was 68·7 percent.

(*b*) " The disparity ratio between the highest salaries and the lowest salaries in private sector has been found to be 242 % (page 83)."

This estimate is made with reference to wages of unskilled workers in cotton textiles in Bombay who are considered by the Commission as receiving the highest wages which an unskilled worker gets in private sector.

12. Considering in the light of the facts relating to higher income levels and the existing magnitude of disparity between the highest and the lowest salary earners, the question of reducing such disparity if at all to be effected assumes character of a national problem. The income levels of Government servants alone cannot be considered for bringing about reduction of disparities in income levels without taking into account the prevailing income structure in the country as a whole. Jobs in private sector which are comparable though broadly, with high grade posts in Government sector can be those of managerial type. We have already said in other context, that salaries of Government employees should be determined with reference to salaries for broadly comparable jobs in private sector with the same qualifications. Such a comparison does not also justify any reduction in the existing salaries. We are of the view that considering the existing available resources of the State and general economy of the country, there is not much scope for bringing about reduction in the disparity of salary levels in appreciable measure by recommending any abnormal increase in expenditure that would be involved by increasing salaries

of lower levels to the necessary extent. The salaries attached to the specified posts and those of the members of the All India Common Services (IAS and IPS) are not also within the rule making power of the State Government. The highest salary scale allowed to Maharashtra State Government servants (other than All India Service Officers) is Rs. 1,800—100—2,000. There are only 155 officers with salary of Rs. 1,500. Of these, 67 belong to ICS/IAS and 11 to IP/IPS, besides 17 Judges of the High Court, 4 Members of Public Service Commission, whose pay cannot be regulated by the State Government. There are thus 99 officers whose pay cannot be regulated by the State Government. Most of the other officers with high grade salaries are holding technical, scientific or professional posts and are Heads of Departments. Their salaries, it must be admitted, do not compare well with those in private sector. Government is complaining about recruitment to these posts and Government is in need of more technical personnel as a result of developmental and planning programmes. There is no scope for reducing the salaries of such posts. The ratio of disparity between the existing maximum pay scale of Rs. 1,800 which is under the rule making power of the State Government and the lowest salary presently paid is 1 : 16. We have recommended some rise in the levels of pay of low-paid staff. We do not think that it is practicable to bring about further reduction in the ratio of disparity at the present moment.

13. We have already discussed likely adverse results which may follow if higher salaries are abruptly reduced, independently of the salary levels presently obtained in private sector. In the above discussion, we have made it clear that there is no case for increase in the high grade salaries. We therefore, do not propose any change in the existing salaries of high grade posts. These salaries should continue and in our view rightly, considering the socio-economic reasons and also the financial resources of the State of Maharashtra. In our view, it is not practicable to prescribe a fixed ratio or multiple between the maximum and the minimum remuneration. Appropriateness of maximum remuneration has to be determined with due regard to the necessity for obtaining persons of merit and ability for posts of high responsibilities and maintaining efficiency and contentment in the services and also with reference to pay levels of comparable jobs in the private sector. It is also not possible to set a rigid limit for maximum salaries beyond which the State should not pay.

CHAPTER 8

BASIC SALARY

While considering questions relating to the revision of pay structure in an industry or Government service, basic salary to be paid to the lowest paid staff deserves the first and prominent consideration. The rest of the pay structure is evolved on the basis of pre-existing relativities with other higher and important categories of services, comparable rates in outside employment, general wage level and economic conditions and capacity of the employer to pay.

2. The present pattern of total remuneration paid to the employees in the context of the concept of total minimum remuneration has to be distinguished from the basic salary which forms only a part of the total emolument which an employee receives. Minimum remuneration comprises total emoluments of an employee considered necessary to satisty the minimum needs of the family of the employee, the recognised principle being that a " a certain irreducible minimum wage should be assured to employees irrespective of what would be justified only and purely on economic considerations or with reference to duties and responsibilities attached to the post ". (Madras Report Page 10). Courts and Tribunals have classified wages of three levels namely :—(1) Living Wage, (2) Fair Wage and (3) Minimum Wage. The concept of minimum wage is of dual import. It may amount to lowest level of wage as compared to other higher levels of wage which the authorities or social opinion regard as compulsorily payable and non-payment of which is prohibited irrespective of its comparative value level. In the latter sense, even living wage or fair wage may become the minimum wage in any particular society depending on its economic prosperity. In terms of total emoluments, this distinction has to be particularly emphasised as we are not in a position to make proposals regarding Dearness Allowance. Fixation of basic pay however cannot ignore the principles and considerations which influence determination of minimum remuneration.

3. Opinions differ on the question of level at which minimum remuneration should be fixed, and principles and considerations which should influence such fixation. Approach differs according to the economic level of the society in relation to which the concept of minimum remuneration has to be evolved. The surveys of family budgets of definite income groups, for ascertaining standards of living, undertaken by the various expert bodies have disclosed the following classifications in the levels of living : (*a*) Poverty level, (*b*) The subsistence level, (*c*) Subsistence plus level, (*d*) The minimum of health and comfort level.

The last denotes the standard for living wage and the other three, the comparative levels of minimum standards of living. The standard of living and various levels thereof, are relative concepts and are in a great measure influenced by economic considerations.

4. As observed by the Supreme Court in the case of Standard Vaccum Refining Co. of India Ltd., *Vs.* its Workmen, reported in 1961 (Labour Law Journal page 227 and p. 233) :—

> " The concepts of these wages cannot be described in definite words because their contents are elastic and they are bound to vary from time to time and from country to country .... ".

What is subsistence wage in one country may appear to be much below the subsistence level in another country. The same is true about a fair wage and a living wage. What is a fair wage in one country may be treated as a living wage in another, whereas what may be regarded as a living wage in one country may be no more than a fair wage in another. Poverty level indicates a stage below which the employee would be undernourished while living wage represents a level well above the nutritional minimum with a choice of diet, some frugal comforts, cultural life or recreation.

5. The Fair Wages Committee appointed by the Government of India in 1948 reached the conclusion (page 9 para. 10) that " In India, however, the level of national income is so low, at present, that it is generally accepted that the country cannot afford to prescribe by law a minimum wage which would correspond to the concept of living wage and that the level of minimum wage which can be sustained by the present stage of country's economy should be such as would provide not only for subsistence of life but also for preservation of efficiency of the worker by providing for some measure of education, medical requirements and amenities ".

6. According to the Fair Wages Committee, " the actual wage (classified as fair wage) will depend on a consideration of factors such as (*a*) productivity of labour, (*b*) the prevailing rates of wages in the same or similar occupation, in the same or neighbouring localities, (*c*) the level of national income and its distribution, (*d*) the place of the industry in the economy of the country ". The Committee, however, did not attempt a quantitative statement of goods and services which should constitute the minimum need of the employee. It urged that the concept of minimum wage should prevail without any limitations or reservations even for determining the lowest level of pay scales. It has to be recognised that the concept of minimum wage itself is not an absolute concept and has its own limitations and reservations as influenced by prevailing socio-economic conditions. The employees' organisations have generally placed reliance on the recommendations of the Fifteenth Labour Conference and have claimed fixation of pay scales according to standardised norms proposed by it.

7. The Fifteenth Labour Conference (1957) for the first time recommended the following quantitative norms as a guide for calculation of minimum wage for industrial worker :—

(*a*) In calculating the minimum wage, the standard working class family should be taken to comprise three consumption units for one earner, earning of women, children and adolescents being disregarded, (*b*) Minimum food requirements should be calculated on the basis of the net intake of calories as recommended by Dr. Ackroyd for an average Indian of moderate activities, (*c*) Clothing requirements should be estimated on the basis of *per capita* consumption of 18 yards per annum which would give for the average worker-family of four, a total of 72 yards, (*d*) In respect of housing, rent corresponding to the minimum area provided for, under Government's industrial housing scheme, should be taken into consideration, (*e*) Fuel, lighting and other miscellaneous items of expenditure should constitute about 20 % of the total minimum wage.

The recommendations were not however accepted by the Central Government and the then Bombay Government.

8. Different associations of employees have given different figures of minimum remunerations. Though their calculations are based on the standardised norms of the Fifteenth Labour Conference, their figures vary from Rs. 105 to Rs. 153. The Maharashtra Government Employees' Confederation has calculated minimum remuneration for a family of three units at Rs. 153 per month according to the prices prevailing in December 1965 in Bombay and has urged that deducting the then prevailing D.A. of Rs. 25 from the above amount, the minimum basic pay of Class IV employees should be fixed at Rs. 128 and that of last grade of Class III clerical employee at Rs. 200 with Rs. 75 as D.A. on the basis of differential of 80 % between the living costs of working class family and lower middle class family. The Second Pay Commission has discussed the recommendations of the Fifteenth Labour Conference at great length, and has made the following observations.

" In the preceding paragraphs we have considered whether the minimum wage of the size imported in the Fifteenth Labour Conference recommendations is feasible economically and financially and we have reached the conclusion that it is not ".

9. There are also other considerations which deserve notice when recommendations of the Fifteenth Labour Conference are sought to be made applicable for determination of pay structure in Government services viz. (*a*) the recommendations of standard norms in their application are restricted to industrial workers. The remuneration of Government staff is fixed according to the graded incremental time-scales and is intended to provide an arrangement for growing needs of the employee as he advances in service and with statutory retirement benefits of pension etc., (*b*) recruitment in Government services is restricted in narrow age limits between 18-25 generally, except in the case of specialist posts. Standardised norms of the Fifteenth Labour Conference are proposed to be used irrespective of the age of the employee or the period of his service. The wage recommended is the average minimum wage at all stages in the life of the wage earner. The concept of minimum wage is formulated for a family of three consumption units, irrespective of whether the workman is married or unmarried or has children, or whether there are other earning members in the family, (*c*) in the industrial sector, wages differ from industry to industry and also in different regions according to the circumstances of the industry, the prevailing economic circumstances, varying price level and pattern of living in different regions. Survey of the family budgets of factory workers at different industrial centres, indicates a pattern of living and also corresponding difference in cost of living. Statutorily fixed

minimum wages will indicate the difference in minimum wages in different industries though all are located in Maharashtra. Wage-Boards and wage fixing authorities have to collect reliable data about prices of various articles of food and clothing prevailing at various places, during the different times of the year, for a reasonable period for working out average for areas in which the industry is located, according to the differences in the pattern of living of workmen. It is well nigh impossible and highly impracticable to determine wages according to the methods and norms proposed by the Fifteenth Labour Conference when such wages are intended to be state-wise and of uniform application as in the case of Government service.

10. The State service is one unified service for the State, with common uniform pay-scales for similar categories of cadres with arrangement for compensatory allowances for neutralising comparative costliness of certain cities and towns. There are common pay scales for peons or clerical staff working at different places in Maharashtra. City scales prevailing only in Bombay City are exceptions and we have proposed their discontinuance. Even the sponsors of the Fifteenth Labour Conference could not have imagined that their standard norms as proposed by them for industrial workers, would be availed of for calculation of pay scales of employees in the administrative services of the Government.

11. The standardised norms proposed by the Fifteenth Labour Conference cannot be considered as realistic measures for determination of minimum remuneration. It is well known that the working class does not as a fact have such standardised nutritive pattern of diet. 14 ounces of cereals made up of wheat, rice and millet in various proportions would vary according to the pattern of diet. Quality of cloth is not defined. Expenditure on fuel, lighting and other miscellaneous items is stated in percentage basis, as about 20 % of the total remuneration i.e. 25 % of the other items of food clothing and house rent. This amount will, therefore, vary according to the changes in expenditure on food.

12. For appropriate determination of minimum remuneration, the two methods generally followed are either by calculating the expenditure of " samples of individuals or families in the group in question ", or " by framing a standard minimum quantity budget as would include goods and services covering the living standard of broad and representative groups and thereby determining the costs on the basis of current markets prices of such commodities ". Idealised charts of diet and calculations of other items of expenditure cannot be a realistic approach to the problem. It may not be appropriate to fix minimum remuneration solely on the basis of nutritional charts framed by experts when it is well known that a vast majority of the population of the State belonging to the working class does not have the pattern of diet conforming to the standards prescribed by experts and are not likely to have it, for a long time to come. The scales of pay determined solely according to the theoretical budgets, estimated on the basis of nutritional requirements only, without finding confirmation for the conclusion reached, from detailed field surveys of working class groups in different income ranges, both in rural and urban areas, cannot be taken as absolute guide for determination of minimum remuneration.

It has also to be recognised that at present the income of workmen in industries is at a higher level as compared to general workers in urban and rural areas, who are not industrial workers. The standard of the cost of living or pattern of living of the industrial workers is not therefore representative of all classes of workers.

13. Employees have formulated their claim for total needbased emoluments according to the prices existing in 1965 ; some of them have not split them in components of basic pay and D.A., thereby presumably claiming, that such total emoluments should be adopted as a measure for basic wage. Some employees have urged that total emoluments by way of minimum remuneration, should be determined on the basis of existing prices and figure of basic pay should be arrived at by deducting therefrom the amount of existing D.A. This proposal in effect suggests that as D.A. is excluded from the purview of this Commission, the same should per force be left out untouched as a separate component by reducing to that extent, the total remuneration, whole of which would otherwise have been the basic pay. This approach presupposes that price levels will not go below the level of 1965-66 and that D.A. is intended to provide cent-percent neutralisation. That it is not the Government's policy to grant D.A. on a scale as would neutralise higher cost of living at cent-percent basis is known to everybody concerned. If figures are worked out, it will be clear that even the Government of India has not been paying D.A. on cent-percent neutralisation basis.

14. The Confederation of Employees has brought to our notice that D.A. in industries is related to consumer price index and emoluments of workmen are increasing month by month with rising price index and that therefore the Commission should so devise the pay-structure as will bear comparison with the continually rising emoluments of the employee in some of the major industries. The fact that basic pay is kept separate from D.A. even in such industries cannot be ignored. It will not be correct to compare the total emoluments of industrial workers for determination of basic pay in Government service. The submission reqires in effect, merger of the amount which otherwise would have been payable as D.A. Any decision on these suggested lines would involve necessarily the consideration of the question relating to D.A. which we are asked not to consider. For the determination of remuneration both the components, i.e. basic pay and D.A. require the D.A. to be related to a basic year in relation to which its quantum is fixed.

15. The basic year has to be fixed with great circumspection. Basic salaries once fixed cannot be reduced. Basic year should be the year in which the prices can be considered to have reached the stabilised level or in which as far as it is reasonably possible to guess, the cost of living has reached the point below which it is not expected to fall in the near future. Secondly, it should be a year with reference to which, basic wage could be fixed without any complication in the matter of framing basic scales according to our terms of reference. Fixing of basic year and relating the basic pay scales to such a year has no relevancy unless there is scope for determination of D.A. as a supplement to basic pay. The basic year with reference to basic pay is presumed to represent a normal price level. The system of D.A. is designed to provide protection against high cost of living as a result of specially high level of current prices and when there is reasonable hope of their coming down. The determination of the quantum of D.A. requires decision as to what should be regarded as stable level of prices and in what year such stable level existed, so that basic salaries may be fixed and D.A. adjusted with reference to such levels of prices. The present arrangement of the remuneration comprising basic pay and D.A. was brought about in the year 1962. The selection of basic year and determination of basic pay with reference to that year would necessarily involve a decision regarding the quantum of D.A. to be paid in 1966 as supplement to basic pay. The decision regarding D.A. would also involve questions such as what should be the extent of neutralisation, whether it should be on sliding scales or according to the increasing levels of pay, or a flat percentage rate etc. The selection of basic year inevitably demands the use of consumer price index for determining major changes in the cost of living and assessement of the real value of salaries. So far, an index on the lines of the All-India Average Consumer Prices index has not been compiled for the whole of Maharashtra State.

16. It is difficult to reasonably guess the level at which prices will stabilise. It is possible to suggest a year with reference to a price level below which it is not expected to fall. An eminent economist has suggested that 1960 could be such a year. Though at present prices are indicating a rising trend, in our view, it will be hazardous to conclude that prices under no circumstances will go below the level prevailing in 1965.

17. Since 1958, prices are showing a rising tendency. Upward trend in general price-level as a gradual process and within limits as related to national income, is a normal concomitant of a growing economy. It is a sign of economy considered healthy and not stagnant. But the existing upward trend of prices cannot be considered as normal. The present economic conditions to a great extent are out of gear and have to be considered as abnormal. It has now become more than clear that the main factors responsible for rising price levels are the magnitude of investments involved in successive Five-Year Plans, the manner of inflationary financing, continuing gap between investment and saving, the shortcomings in food production and other agricultural commodities as compared to the demand created by rising incomes etc.

18. The present price phenomenon in this country is the product of both the factors : " Normal " and the " Abnormal ". The unhealthy factors are disturbing the normal functioning of economic laws. Hoarding, blackmarketing, bottlenecks in distribution of commodities from surplus areas, indifference and antisocial activities of some trading and commercial interests etc. are accelerating and intensifying the normal upward trend of the price level. Two border confrontations with China and Pakistan, have had serious impact on the economy of the country. Under Indian conditions, the general price-level is greatly influenced by trends in agricultural prices and agricultural prices are related

to production, which is dependent on the vagaries of the monsoon. The drought period of the year 1965-66 has created unprecedented conditions of scarcity resulting in an abnormal rise in the price levels both of food-grains and of other consumer goods.

In spite of this dismal picture it can be hoped that situation may improve by proper planning with greater emphasis on production of food-grains, and other essential consumer goods, austerity in expenditure, control and regulation of prices, and vigorous check on anti-social elements in trade and commerce. The possibility of a fall in current price level cannot be entirely ruled out.

19. How far the rise in national income and per-capita income can be used as a guide for determination of minimum remuneration has been well explained by various Pay Commissions. Wage determination has to be made against the background of the general economy of the country and the level of national income. It is true that there is difficulty in establishing a precise ratio or a link between the level of wages and national income. Opinion may vary as to whether the distribution of national income should be " left to be determined by play of economic forces or it should be regulated by concious social policy with a view to securing justice for all ". But, a fundamental consideration which is emphasised by eminent economists and also by the Fair Wages Committee is " that the distribution of national income among various factors of production should be such as to be conducive to progressive growth of the national income itself and that with this objective clearly in view, certain extreme courses should be avoided ". In this context, the Fair Wages Committee has further observed " an equal distribution of the national income or nearly equal distribution according to the concepts of ' each according to his need' might arrest capital formation to such an extent as to result in rapid reduction of national income ".

20. The problem of determination of minimum basic salaries without consideration of the D.A. still persists. It has been suggested to us during our discussions with witnesses that the minimum basic salary may be calculated according to the present cost of living based on norms as may be considered appropriate and the basic salary may be related to an appropriate year in the past to be selected on the consideration that price level will not go below the level prevailing in that year. Compiling of consumer price index for Maharashtra on the lines of the All India Average Consumer Price Index was found to be extremely difficult. We also considered the suggestion of first calculating cost of living representing the minimum needs and came to the conclusion that this course was also not feasible. We had no material or data for determination of the minimum remuneration, such as, figures of expenditure or definite information regarding the goods and services utilised or required by broad representative groups in non-urban or non-industrial areas or about the average prices of such goods or services in those areas. Further difficulty was about the use to which we could put such information even if available. Under our terms of reference we cannot fix both the components of remuneration, that is, basic pay and D.A. Any such attempt on our part would not have any usefulness for our task but would only result in expression of opinion which is likely to prejudice employees in their claims for increase in D.A. or embarass Government in their determination of the question of D.A.

21. At present the last grade Class IV employee has the scale of Rs. 65—75. If to this is added the D.A. of Rs. 38 these employees get, at the entry stage of service, Rs. 103, when they are expected to be between the age limit of 18-24 and have few family obligations. Further, they belong to the category of unskilled and non-literate class and are generally drawn from the working class population. Difficulties are not experienced in filling vacancies. On the contrary, there is pressure for employment and very often, there are many more candidates for these types of vacancies. Besides the general conditions of unemployment, there is a special attraction for entry into government services, because of the comparatively low level of agricultural wages, small incomes of self-employed persons in many occupations and level of wages or salaries in other private employment in general. Wages or salaries of government employees cannot be considered as an isolated problem but have to be examined in the context of the general wage level and other relevant economic factors.

22. The Minimum Wages Act provides for fixation of basic rate of wages through Wage Committees. The rates of minimum wages fixed for unskilled workers in some of the employments in the State of Maharashtra are given below :—

Employment	Minimum Wages
Rice-mill, flour-mill, dal-mill ..	Rs. 40—55 .. According to the Zones.
Printing presses	Rs. 60—70 .. „ „ „ „
Motor transport	Rs. 85—95 .. „ „ „ „
Tanneries	Rs. 50—80 .. „ „ „ „
Potteries	Rs. 49—½—65 .. „ „ „ „
Glass	Rs. 50—65 .. „ „ „ „
Road construction and building operation.	Rs. 32½—78 .. „ „ „ „
Stone Crushing	Rs. 45—84½ .. „ „ „ „
Employments under local authorities	Rs. 55—90 .. „ „ „ „

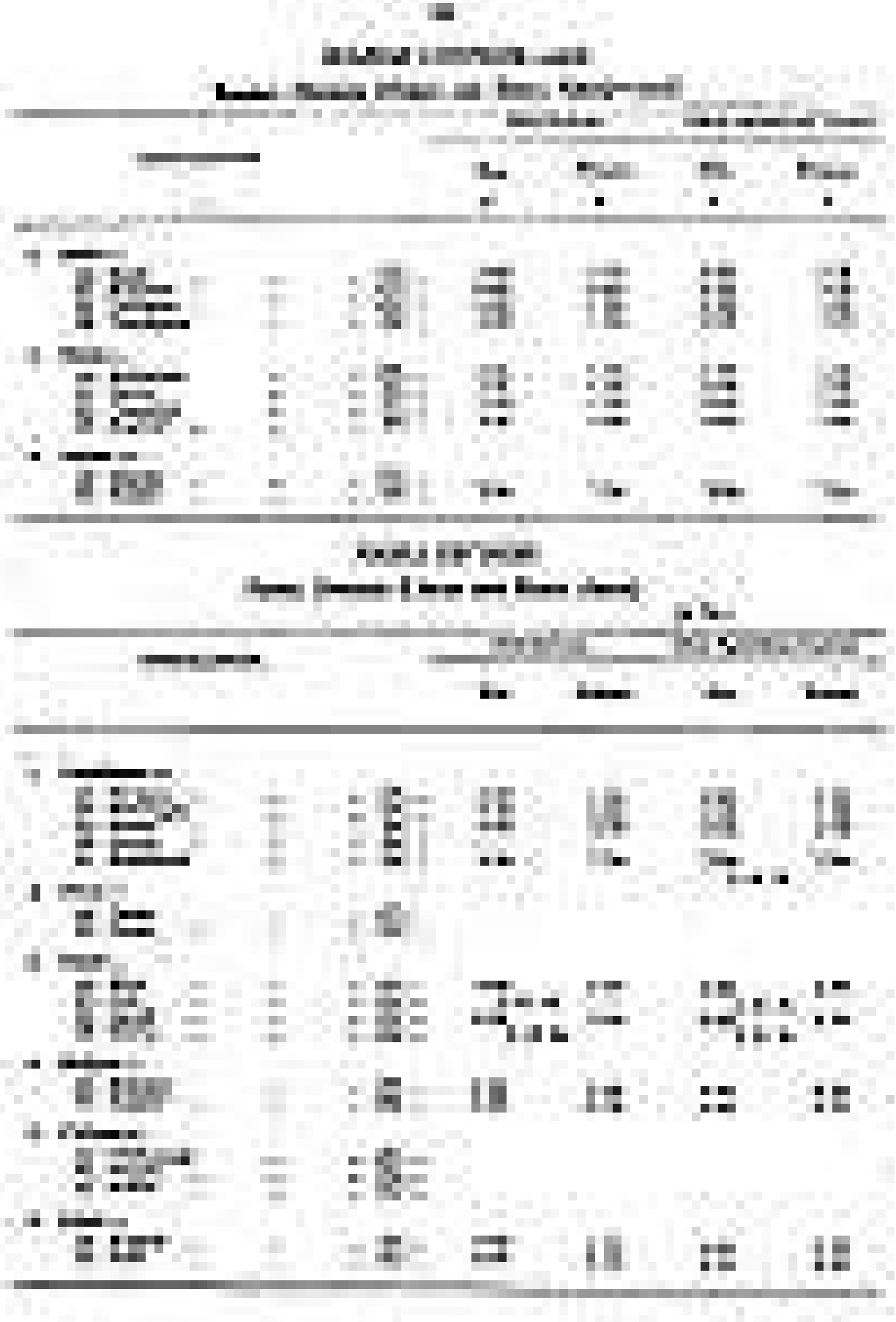
The Wage Committee consists of persons to be nominated by Government from representatives of employees and employers in scheduled employments, who are to be equal in number and of indepentent persons not exceeding 1/3rd of the total number. These basic rates of wages are thus determined by persons who are acquainted with labour problems and the rates are calculated area-wise and with reference to prevailing economic conditions in those areas. The rates as stated above range between Rs. 32·50 to 95. The minimum wages are prescribed to prevent exploitation of labour by employers. Employees have freedom to bargain for higher wages. The measure is restrictive and punitive. For our purposes, the above rates give an idea about the general level of minimum wages for unskilled workers, considered appropriate for different rural areas and some classes of such workers in urban areas of Maharashtra. These rates, moreover, have no non-wage benefits of any significance. Obviously, the last grade employee in the State services is comparatively much better placed as compared to the above class of workmen.

23. The following table gives the information about wage-level in urban and rural areas of Maharashtra, for unskilled and agricultural workmen in the different districts in Maharashtra.

BOMBAY DIVISION

BOMBAY DIVISION (URBAN AND RURAL AREAS) (In Rs.)

Division/District.		Field Labour.		Other Agricultural Labour	
		Men.	Women.	Men.	Women.
1		2	3	4	5
1. *Thana* :—					
(a) Kalyan	(U) ..	3·50	2·75	3·50	2·75
(b) Palghar	(U) ..	2·00	1·50	3·00	2·00
(c) Tanashi	(R) ..	....	....	....	....
(d) Dolkhani	(R) ..	....	....	....	....
2. *Kolaba* :—					
(a) Alibag	(U) ..	3·00	2·50	3·00	2·50
(b) Mangaon	(R) ..	1·75	1·00	2·50	2·00
3. *Ratnagiri* :—					
(a) Ratnagiri	(U) ..	3·50	2·50	3·00	2·50
(b) Masure	(R) ..	3·50	2·00	2·00	1·50



NAGPUR DIVISION

NAGPUR DIVISION—(URBAN AND RURAL-AREAS) (In Rs.)

Division/District.		Field Labour		Other Agricultural Labour.	
		Men.	Women.	Men.	Women.
1. *Nagpur :—*					
(a) Norkhed	(U) ..	2·00	0·87	2·00	1·06
(b) Fetri	(R) ..	3·00	1·50	2·50	1·25
2. *Bhandara :—*					
(a) Gondia	(U) ..	1·75	1·25	1·25	1·25
(b) Sakoli	(R) ..	2·00	1·00	2·00	1·00
3. *Chandrapur :—*					
(a) Warora	(U) ..	2·00	1·00	2·00	1·00
(b) Deshaiganj	(U) ..	1·90	1·12	1·66	1·25
(c) Mul	(R) ..	2·00	1·00	2·00	1·00
(d) Brahmapuri	(R) ..	2·00	1·00	2·00	1·00
4. *Buldana :—*					
(a) Shevgaon	(U) ..	1·50	1·00	1·50	1·00
(b) Mera Budruk	(R)	1·50	0·75	1·50	0·75
5. *Akola :—*					
(a) Murtgrulpir	(U) ..				
(b) Akoli (Jehangir)	(R) ..				
6. *Amravati :—*					
(a) Amravati	(U) ..	2·50	1·50	2·50	1·50
(a) Kholapur	(R) ..	1·75	0·75	1·75	0·75
7. *Yeotmal :—*					
(a) Digras	(U) ..	....	....	....	....
(b) Babulgaon	(R) ..	3·00	2·00	2·00	1·25
8. *Wardha :—*					
(a) Wardha	(U) ..	2·00	1·00	2·00	1·00
(b) Seloo	..	3·00	1·25	3·00	1·25

AURANGABAD DIVISION—(URBAN AND RURAL AREAS) (In Rs.)

Division/District.		Field Labour		Other Agricultural Labour.	
		Men.	Women.	Men.	Women.
1. *Aurangabad :—*					
(a) Aurangabad	(U) ..				
(b) Phulmari	(R) ..				
2. *Parbhani :—*					
(a) Hingoli	(U) ..	1·75	1·00	2·00	1·25
(b) Pingli	(R) ..	1·50	1·00	1·00	0·75
3. *Bhir :—*					
(a) Ambejogai		2·00	1·50	2·00	1·50
(b) Amalner	(R) ..	....	....	....	....
4. *Nanded :—*					
(a) Nanded		....	....	....	....
(b) Loha	(R) ..	2·00	1·50	2·00	1·50
5. *Osmanabad ;—*					
(a) Bombli	(U) ..	....	....	....	....
(b) Latur	(R) ..	1·50	1·00	....	....

SOURCE :—Maharashtra Labour Gazette, August 1966.

These rates have to be taken into consideration with due regard for the fact that in the above cases the employment is irregular, seasonal, and without any consideration of retirement benefits.

24. It is also to be recognised that the economy of this State is still largely rural and that Government employees and employees in well organised establishments and industries, constitute only a very small section of the population of the State. Industrial and commercial activity is mostly concentrated in the Bombay-Poona belt. As observed in "Maharashtra—An Economic Review 1965-66" published by the Maharashtra Government Bureau of Economics and Statistics; "The rest of the Maharashtra State is as industrially backward as any other part of the country". According to the same source, at the end of June 1965, employment in the public sector in the state (comprising the employees of the State Government, Central Government, quasi-Government and local bodies) was of the order of 11·23 lakhs. This number comprises of 35% for Central Government and 24% for State Government 12% for quasi-Government organisations and 29% for local bodies. The average living conditions in the Maharashtra State, as described at Page 25 in the said Review, are "In the absence of data on personal incomes, the data of house-hold consumption available from the National Sample Survey provides an indicator of the level of living of the State population. Provisional estimates show that the average value of consumption per person per month during 1964-65 was Rs. 26.21 in rural areas and Rs. 41·40 in urban areas of the State. For both areas together, this is worked out at Rs. 30·41. Nearly 63% of the population in the rural areas and about 65% in urban areas live below the average level of consumption in the respective areas. Half of the rural population had its consumption budget below Rs. 22·66. The corresponding figure for the urban population was Rs. 33·13.

25. The following chart gives the classification of non-household industrial workers by industry division and class of workers for Maharashtra State :—

Industry Division.	No. of Workers (in thousands)	Percentage Distribution.				
		Employers	Employees	Single worker.	Family worker.	Total workers.
1. Agriculture, Livestock, Forest, fishing, and Hunting.	3,55	1·7	31·9	40·3	26·1	100
2. Mining and Quarrying	54	1·4	64·8	23·5	10·3	100
3. Manufacturing	1,304	3·7	80·4	12·6	3·3	100
4. Construction	236	2·8	57·0	34·6	5·6	100
5. Electricity, gas, Water and Sanitary services.	61	....	100·0	....	....	100
6. Trade and Commerce	856	10·4	30·6	44·1	14·9	100
7. Transport, Storage and Communication	447	2·4	72·8	23·3	1·5	100
8. Services	1,498	2·1	69·2	24·5	4·2	100
9. Activities not adequately described ..	58	0·6	21·0	71·0	7·4	100
Total ..	4,869	4·0	62·2	26·5	7·3	100

(SOURCE :—Page 44 of the Economic Review 1965-66).

That the earning of working classes in general, is less than that of the workmen employed in established industries, is also true. Five-Year Plans are intended to improve the standard of living of these people. However, there is no doubt that Government servants who live in urban areas and put in regular service under discipline and control, should get higher wages, as compared to agricultural labourers or other above-mentioned groups. In the above context, the Madras Commission has observed.

"But we have had to refer to the lower level of earnings in the agricultural and other sector only to show that the minimum wage of the Government employees cannot be considered in isolation, and further, it must be related to the economic condition of the other sections of population and cannot be arrived at, on a *priori* consideration or on the basis of hyphothetical family budgets framed with reference to a standard of consumption beyond the reach of the vast majority of the people."

26. The wages mentioned above give general idea of the wage level for unskilled and non-literate working class, from which the last grade employees are mostly recruited, and their comparative position from the view point of general wage level. When such persons of the working class seek employment, then the value set upon their labour deserves consideration, for framing a pay-scale for these groups of employees.

27. We have also enquired about the rates of remuneration in industries, commercial and trading or shop-establishments in urban and semi-urban areas in Maharashtra. These include well-established prospering industrial concerns, banks and commercial companies in Bombay City and also other establishments outside Bombay. Employees have often made reference to wages or salaries obtained in different industrial centres, major banks, insurance companies, oil companies and textile industries. It has to be appreciated that pay rates in such concerns are particularly determined by considerations such as capacity of industry to pay or the principle of sharing of profits by labour along with capital and on the basis of increased production and profits. We have previously emphasised the different considerations which influence remuneration of employees in private, industrial or commercial sectors, and in Government service. Moreover, in the case of private employer, increased establishement charges on wage-bill are transferred to consumers and also result in reduction of taxable income, and are offset by reduction of taxes.

In the following table, are shown the figures of minimum and maximum salaries drawn by clerks and peons in certain industrial and commercial concerns in Greater Bombay. These have been collected by us from several published reports, awards, and also special enquiries. In the table, the dearness allowance rates are not given, as they vary from concern to concern both in amounts and in the matter of fixation :—

Name of Concern.		Pay scale.	
		Minimum	Maximum
Associated Cement	Clerk ..	75	280
	Peon ..	40	90
Hindusthan Lever Ltd., ...	Clerk ..	120	300
	Peon ..	50	102
Life Insurance Corporation	Clerk ..	130	370
	Peon ..	82	150
Reserve Bank of India	Clerk ..	155	420
	Peon ..	100	130
State Bank of India	Clerk ..	120	350
	Peon ..	78	116
Tata Industries	Clerk ..	150	406
	Peon ..	90	160
Bombay Gas Company	Clerk ..	75	240
	Peon ..	30	75
B.E.S.T.	Clerk ..	75	275
	Peon ..	40	80
Bombay Municipal Corporation	Clerk ..	85	290
	Peon ..	40	70
Times of India	Clerk ..	85	300
	Peon ..	40	75

Similar information was also collected for concerns in the State outside Greater Bombay. In the table below, the pay ranges (both minimum and maximum) for clerks and peons in the different regions are indicated :—

Region.	Pay range for Clerks. Rs.		Pay range for Peons. Rs.	
	Minimum.	Maximum.	Minimum.	Maximum.
Western Maharashtra	40—100	80—264	25—70	60—100.
Vidharba	60—90	170—200	27—55	55—100.
Marathwada	40—60	60—100	25—40	55—70.

The above tables show that the peon's starting pay ranges from Rs. 25 to 100. A lowest paid Government employee gets Rs. 65. This compares favourably with the majority of establishments particularly in areas outside Bombay.

Similarly a clerk's minimum pay in the above tables ranges from Rs. 40 to Rs. 155. As against this a clerk in Government employment gets a minimum salary of Rs. 100.

We have also examined whether the figures of average annual earning of factory workers covered by Payment of Wages Act could be usefully used for consideration of the basic salary of the last grade employee in Government service. Figures available are of average earnings of factory employees, including clerical and supervisory staff whose monthly earnings go upto Rs. 400. The limits have been raised from Rs. 200 to Rs. 400 with effect from 1st April 1958. The figures of annual average earnings compiled under the Payment of Wages Act include in addition to basic wages, dearness allowance, bonus and cash value of food concession, if any. As we have to determine only basic salary and that too, for the last grade employee, these figures are not appropriate and therefore cannot be used.

30. Considering broadly, the above facts and figures, it can be reasonably stated that the present level of remuneration of last-grade State employee is distinctly above the level of the majority of wage-earning employees in the State and as such, in a relative sense, above the subsistence level. There is also no reason to think that there is deterioration in the efficiency of this class of employees. The existing abnormal rise in price level in the last two or three years has no doubt a distressing effect on the living standard, but these abnormal circumstances can be relevant consideration for determining an increase in D.A. and not for the basic salaries which have to be framed from the long range point of view. The level of existing basic salary also does not appear perceptibly inadequate though considerations of social justice and general change in economic conditions may demand some improvement in their pay-scales.

31. The employees are aware that the Commission is asked only to consider the question of pay scales. We reproduce below a passage from the Memorandum of the Maharashtra Government Employees' Confederation which clearly and succinctly summarises their submission—

" In the present circumstances, the principle of fair comparison of emoluments in the State sector with those obtaining in the private sector is absolutely necessary. The total emoluments which the employees in banking, oil, engineering, tobacco, insurance, industries and important public corporations like the Bombay Port Trust receive, consist of basic pay and compensatory allowances. Their compensatory allowances such as dearness allowance are related to consumer price index and are increasing month by month with the increase in price index. Unfortunately, the Pay Commission has no authority to make any recommendations in the matter of dearness allowance. It is, therefore, necessary that the Commission should devise the revised pay structure as will bear the comparison with the continually rising emoluments of the employees in the aforesaid industries. Our dearness

allowance has no relation to price index. The experience so far gained does not hold out any prospect of material rise in dearness allowance. This has caused a very serious erosion in our real income. The Commission must therefore assume that our dearness allowance will remain static whatever be the price rise. We, therefore, consider it to be the bounden duty of the Commission to base our pay-scales on the cost of living presently prevailing and its indisputable rising trends."

32. In brief the submission asks for merger of the alleged deficiency in D.A. in basic pay scales on the assumption that the State Government is unreasonably refusing to pay D.A. to the required extent. In terms of the reference we are not in a position to investigate and give finding on the extent of deficiency in D.A. With the recent grant of dearness allowance more or less on a level with that granted by the Government of India, this argument of the Confederation no longer subsists. The pay scales have therefore to be viewed more from a long term basis than from the point of view of meeting the increa-sing living costs.

33. We have called figures relating to pay-scales from the other States and the Central Government. The following table gives first stage of pay-scales for the lower paid employees in Class IV services :—

	State.	Class IV Services.	D.A.
		Rs.	Rs.
1.	Central Government ..	70	38
2.	Andhra	50	35
3	Assam	80	No D.A. in addition
4.	Gujarat	65	32
5.	Kerala	60	33
6.	Madras	50	38
7.	Madhya Pradesh ..	35	25
8.	Punjab	30	59.50
9.	Uttar Pradesh	55	15
10.	Maharashtra	65*	38*
		*(Excluding the *ad hoc* increase of Rs. 5).	*(From 1-7-1966).

The above figures indicate a comparatively better position of the employees of Maharashtra in basic pay rates than most of the other States excepting Assam where apparently, there is no separate provision for D.A. Difference between pay scales of Maharashtra Government and Central Government is of Rs. 5 in the case of the last-grade Class IV employees such as Peons.

34. In spite of what has been stated above, we still feel persuaded to consider if last grade salary could not be appropriately upgraded. The present pay scale of Rs. 65—75 was fixed in the revision of pay scales in 1962. Undoubtedly there has been some progressive change in the economic conditions of the State. We also notice that in the wake of the recommendations of the First Central Pay Commission, the then Bombay State revised the pay structure of its services and a basic pay of Rs. 30



37. *Basic Salary of last grade Class III Employees.*—We shall now deal with the basic salary of last grade, Class III, employees such as clerks.

Some of the Associations of clerical staff have worked out their demands for basic pay-scale also on the basis of family budgets for families of identical employees according to what they consider to be " normal needs of the family ". These figures very and range between Rs. 200 to Rs. 275. The calculations are obviously not based on any objective considerations or standardised norms. According to our information, so far, no standardised norms have been proposed by any responsible body for calculating pay scales for middle-class employees. These budgets therefore, do not provide a safe and acceptable basis.

According to the Maharashtra Government Employees' Confederation the minimum remuneration of the lowest level of Class III employees should be 80 % higher than the minimum remuneration of Rs. 153 proposed by it for Class IV employees. On this basis the minimum remuneration of Class III is calculated at Rs. 275 per month. It has been further proposed that this amount should be split up into two parts namely the basic pay of Rs. 200 and dearness allowance of Rs. 75 per month. The Confederation has, on this basis, further proposed the following pay structure for higher grades in ministerial services such as clerical service, accounts and audit service, stores services etc., to be divided into following four grades :—

Proposed Grades.		Present Pay.
Grade.	Pay scale.	
	Rs.	Rs.
IV	200—400	100—170 (M) 120—245 (C)
III	260—550	145—215 185—245 210—285
II	300—600	230—300 (C) 300—380 (C) 190—390
I	450—800	250—500 300—425 320—410 (C)

38. The financial burden involved in accepting the suggested pay-scales along with the suggested D.A. deserves serious consideration. Normally minimum wage is determined only for the lowest category of employees and salaries of high grades are determined according to educational qualifications, nature of duties, and responsibilities. The remuneration of the higher grade will also need necessary upgrading, if lower grades are improved on the above lines. There were about 1,10,927 Class III employees in 1961 (for which year the details are available) in the pay range of Rs. 101 to Rs. 500. Bringing these alone, to the proposed grades will involve at the initial stage of the scale itself more than Rs. 15 crores additional liability for the State every year. The relative adjustments in the pay-scales of higher grades in Class III and of the pay scales in Class II and Class I grades will further add heavily to this liability. Besides, the burden resulting from pension and other retirement benefits has also to be considered. It is obvious that determination of remuneration according to standards based on the recommendations of the Fifteenth Labour Conference and corresponding upgrading of higher grades on the lines asked for, is not feasible and not within the means of the financial ability of the State. Financial implications of these proposals are too obvious and need no further comments. Theoretical computations of living wage cannot transcend financial limitations.

39. Differential of 80 % between pay range of last grade Class IV employee and last grade clerical employee has been claimed on the basis of the opinion given by Justice Rajyadhyaksha in the Award relating to dispute between the Department of Posts and Telegraphs and its non-gazetted employees. Justice K. T. Desai in the Award on the dispute between certain Banking Companies and their employees has stated :—

> " Dealing more elaborately with the problem of a proper co-efficient, i.e. ratio of the relative costs of living of working class and the middle class employees, it (Sastry Tribunal) has held that this co-efficient was not more than 66-2/3 percent as against the co-efficient of 80 per cent. originaly arrived at by Justice Rajyadhyaksha in his award regarding the Posts and Telegraph Departments of the Central Government. The Sastry Tribunal then considered various other factors relating to wage fixation such as (*i*) the productivity of labour, (*ii*) the prevailing rates of wages in the same or similar occupations in the same or neighbouring localities, (*iii*) the level of national income and its distribution and (*iv*) the place of industry in the economy of the country. Justice Rajyadhyaksha was himself aware of the difficulties. In para. 148 of his Report, he stated, " so far as the middle classes are concerned the difficulty is considerable. There have been no official family budget enquiries with reference to lower middle classes and the non-official enquiries have not aimed at any particular figure representing the present day cost of living for the lower middle classes ". The Sastry Tribunal in dealing with this co-efficient has observed : " The Central Pay Commission fixed Rs. 90 p.m. as the minimum wage for lower middle class employees and Rs. 55 for the subordinate staff. The co-efficient would work out to about 64 %. It is common knowledge that the gap between the lower middle class and the working class is narrower now-a-days. In these circumstances, it is proper to hold that the co-efficient may well be taken to be no more than 66 %. We must frankly concede that this is merely an approximation and we cannot claim for it any scientific justification."

40. The Second Central Pay Commission has observed in this connection as follows :—

> " We have considered whether there should be any direct rigid relativity as related to living standards between manual and clerical staff and we have come to the conclusion that the acceptance of any such relativity will be incompatible with the principle for determination of remuneration of Government servants which we have adopted. We have not, therefore, sought to determine the pay of clerical and other similar staff with reference to that of manual workers, but have considered independently what in the present conditions, would be fair remuneration for each ".

There is also a more fundamental difficulty in adopting the differential of 80 % with reference to calculations of remunerations as determined for working class employees on the basis of the standardised norms proposed by the Fifteenth Labour Conference. The differential of 80 % as found by Justice Rajyadhyaksha was related vaguely to the actual cost of living according to a rough pattern of living of both the classes, and not idealistically conceived on need based patterns according to the standardised norms calculated by the nutrition experts. The Maharashtra Government Emyloyees Confederation has calculated remuneration for Class IV employees on the basis of the standardised norms and not on actual statistical data. The figures so arrived for such hyphothetical cost of living and the basket of needs are being compared with the actual pattern of living of the middle class employees. Appropriate comparison can be made only between patterns of living as they actually exist. A differential calculation on a realistic and comparable basis can alone be useful, if pay scales are to be determined on the basis of relativities between the cost of living of these two classes of employees. Under the circumstances, the method of calculation of the minimum remuneration for clerical staff on the differential of 80 % cannot be considered as either logical or even broadly reasonable.

41. The First Central Pay Commission had fixed the basic pay for Class III employees (Clerk) at Rs. 55—130 with D.A. of Rs. 35 upto Rs. 100 and Rs. 40 upto Rs. 150. We find that the then Bombay Government also followed the same lines and revised pay scales by fixing pay of the last grade Class III employee on identical basis. Pay scales in Central Government were again revised in the light of the recommendations of the Second Pay Commission which determined basic pay of a clerk at Rs. 110—180. The then Bombay Government did not forthwith revise the pay scales, but in 1962, the State Government revised the pay scales of its employees and fixed the basic pay scale of a clerk at Rs. 100—170. The disparity in the total emoluments and basic pay of a clerk in the Central Government

and in the State Government in 1962 was Rs. 10 only. Later, as it happened in the case of Class IV employees, the increase made by the Central Government in D.A. enlarged the disparity in total remuneration. The following table will illustrate the position :—

Date.	Government of India.	Government of Bombay/Maharashtra.	Disparity in the total Min. remuneration.
1	2	3	4
			Rs.
1-7-1947 ..	Pay Rs. 55—130	Rs. 55—130	*Nil.*
	D.A. Rs. 35	Rs. 35	
1-7-1959 ..	Pay Rs. 110—180	Rs. 55—130	20
	D.A. Rs. 10	Rs. 45	
1-7-1962 ..	Pay Rs. 110—180	Rs. 100—170	10
	D.A. Rs. 15	Rs. 15	
1-4-1965 ..	Pay Rs. 110—180	Rs. 100—170 .. .. (Excluding Rs. 5 temporary additional pay)	35
	D.A. Rs. 50	Rs. 25	
1-4-1966 ..	Pay Rs. 110—180	Rs. 100—170 .. .. (Excluding Rs. 5 temporary additional pay).	38
	D.A. Rs. 58	Rs. 30	
1-7-1966 ..	Pay Rs. 110—180	Rs. 100—170 .. .. (Excluding Rs. 5 temporary additional pay).	30
	D.A. Rs. 58	Rs. 38.	

42. At present, there is a difference of Rs. 10 in the basic pay-scales. As we are dealing only with the basic pay scales exclusive of the D.A., the question before us is whether and how far the basic pay should be revised. The considerations which prevailed with us when we proposed our increase in the pay-scales of Class IV employees can be considered as being equally applicable to pay-scales of the last grade, middle-class employees in Class III also. Though there is no rigid relationship or established ratio or differential for the pay-scale of an employee from the working class and of an employee from the middle class, the fact that some difference does exist, has to be recognised. Moreover, when the basic pay scale for last grade employee is determined, the higher pay structure has to be constructed as far as possible on the basis of existing relativities. When basic salary for last grade Class IV employee was Rs. 65 the basic salary of a clerk was Rs. 100. On the basis of existing and a purely mathematical relativity, the basic salary for clerks would work out Rs. 108.

43. The following table gives the figures of basic pay of clerks in different States :—

	Basic Pay.	D.A.	
	Lower Division Clerk.	Minimum.	Maximum.
	Rs.	Rs. P.	Rs. P.
Central Government	110—3—131—4—175—5—180	58	76
Maharashtra Government	100—3—130—4—170	38	70
West Bengal Government	125—3—140—4—200	22·50	35·50
Kerala Government	80—4—100—5—160	33	65
U. P. Government	100—4—120—5—180	25	25
Andhra Pradesh Government ..	80—4—100—5—150	35	63
Madras Government	90—4—110—3—140	58	58
Mysore Government	80—3—110—4—130—5—180	38	70
Gujarat Government	90—3—111—4—123—E.B.—4—155—5—170 ..	32	55
M. P. Government	90—2½—100—E.B.—4—140—E.B.—5—170 ..	25	30
Assam Government	125—4—145—4—165—5—200	No separate D.A. is given.	
Punjab Government	60—4—80/5—120/5—175	58·50	70

We have, earlier in this Chapter, already given the pay rates for employees in the private establishments in Bombay and also outside Bombay. The highest pay is Rs. 150 and the lowest is Rs. 40 with total emoluments (i.e. including D.A.) ranging from Rs. 281 to Rs. 89.

44. Considerations such as inflationary pressure on the economy, the investment for rapid economic development, the need for expansion of employment, demands of social justice, the importance of keeping Government servants contented etc. are very relevant factors and have to be given due weight in the course of any revision of pay structure. Putting restraint only on the wages of the State employees on the ground of checking inflationary pressure is not at all reasonable, when inflationary rise in prices goes unchecked. The need for investment for economic development has no doubt its own urgency. While it is not disputed that reasources of the State are limited and cannot be stretched beyond permissible limits, it has also to be appreciated that keeping the employees contented is also a prime necessity in any economic development. After all, it is these employees who are supposed to execute plans, and work for the administration. Social justice has to operate particularly at lower levels of income. The problem is to reconcile different claims in a manner as would give due consideration to all the above factors. The need of the employee should be reasonably matched with the general economy of the State and the general level of wages. The main problem, as it appears to us, is about the finances of the State. We have separately considered the position of the resources of the State. We also realise that increase in remuneration of the employees of the State will have its impact on the local bodies and semi-Government organisations and managements to whom Government gives grants to meet part of their expenditure.

45. In our view, it will not be reasonable to refuse to the lower grades of servants, even a modest improvement in their basic pay scales. This increase becomes all the more recommendable, considering the fact that at one stage i.e. in 1947 the then State of Bombay determined the basic pay scales of their last grade employees in Class IV and Class III in parity with those in the Central Government. We also would prefer to bring about parity in basic pay in the case of the last grade employees whose jobs are comparable. On the basis of the existing relativities when the pay of peons is fixed at Rs. 70, the pay of a clerk on calculation works out to Rs. 108. Considering other factors, in our view, Rs. 110 should be the basic salary of clerks. Accordingly we have suggested a scale of Rs. 110—4—150—E.B.—5—200 for them.

CHAPTER 9

CITY SCALES

Our terms of reference enjoin that the Commission having due regard to the genesis of the separate existence of Bombay City Pay Scales should recommend whether these scales of pay should be done away with altogether or should be continued and in the latter case, the Commission should recommend principles by which the extent of the difference between the City Scales and other scales for corresponding posts outside Bombay City should be determined.

2. The pay structure of the employees in the Maharashtra Government presents a unique feature in having two types of pay scales for the employees, a parallel for which is not found in the pay structure in the Central Government or in any other State. The two scales are described as (1) Bombay City Scale and (2) Mofussil scale. The City scales are provided exclusively for the employees working in the offices or its establishments located in Bombay city only. The mofussil scales are applicable to the employees working in offices outside Bombay City and also to the employees who, though working in the offices in Bombay city, are not governed by the Bombay City scales. The Bombay City scales are applicable to the posts and cadres which are exclusively stationed in Greater Bombay and are not transferable to mofussil offices. It happens therefore, that in the same Department of Government there may be posts on city scales and posts on mofussil scales depending upon whether the incumbents of such posts are exclusively stationed in Greater Bombay or are liable to be transferred outside Greater Bombay.

3. It is generally recognised that the City scales are pitched higher than the mofussil scales. These scales of pay are, therefore, an eyesore to other employees governed by the mofussil scales and the same are bitterly attacked as being discriminatory. As the Commission is asked to make recommendations in the light of the genesis of the separate existence of the Bombay City Pay scales with a view to enlighten ourselves on the above point, we addressed a letter to Government to send us a Note indicating the genesis and basis of the City scales. We received a reply, a relevant portion from which is reproduced below:

> "No record is available of the transactions underlying the Government's decision to introduce Bombay City scales. However, it would appear that the City scales of pay came to be sanctioned in Bombay City for such posts as the incumbents of which were not transferable to the mofussil. It was apparently recognized that the cost of living in Bombay City was definitely much higher than in the mofussil and if a person was recruited to such a post he would in all probability (having stayed in the city for a span of 20 to 30 years) settle down in the city itself and would not move to mofussil on retirement, the reasoning being that his children would also find employment in the city and thus the city would become the permanent home of the family. This being the position if he was to maintain himself after retirement in the city, it was necessary that the high cost of living in the city should be reflected to some extent in his pension. This consideration did not prevail in the case of those recruited in the mofussil and who were transferred to the City in the course of their service for short periods. Such persons would normally settle down in the mofussil and hence it was adequate if they were compensated during their stay in the city by the grant of compensatory local allowance or house rent allowance. It was therefore not felt necessary that this element should be reflected in their pension also."

4. It is evident from the above reply that neither the time nor the circumstances regarding the genesis of the City scales are known definitely and whatever reasons are given in support of their creation or continued existence are only a surmise and an attempt at rationalisation. For the sake of clarity and further examination of the

explanation for creation of city scales with higher remuneration as compared to mofussil scales, the reasons pleaded as being the cause of creation of these two separate scales are summarised below:—

(1) The cost of living in Bombay City was much higher than the mofussil.

(2) That after retirement an employee governed by the City scale deserved a higher rate of pension for the reason that—

(*a*) The employee (under city scale) would in all probability settle down in the city of Bombay on retirement,

(*b*) That his children would be employed in the city and as such the city of Bombay would become his permanent home;

(*c*) As such it was necessary that high cost of living in the City should be reflected in his pension.

5. The first reasoning appears quite plausible. Though we do not know the time when city scales were created, a presumption is justified that living in Bombay city is costly as compared to the mofussil areas. The other reasons, however, do not appear to us as being valid. We are inclined to take the view that these reasons are only in the nature of arguments for justifying the existing system. Pension of an employee is determined by the scale of his pay. Quantum of pension is determined automatically by the nature of the scale and does not depend on considerations such as whether the employee will settle in the place where he has been employed for earning the said pension. Place of residence after retirement is an irrelevant consideration for purposes of pension. It will not therefore be correct to assume that higher pay rate was determined for City scales on considerations that the employees governed by those scales would settle in Bombay after retirement. It is also wrong to assume that employees recruited under City scale had and have no homes outside Bombay at the time of their recruitment and that they do not go back to their ancestral residence after retirement. The reason that the children of the employees serving in Bombay are employed in Bombay only, is also equally an unjustified conjecture. It cannot also be said with certainty that a person recruited in mofussil offices and transferred to Bombay would not settle after retirement in Bombay and that he would necessarily go back to his mofussil residence. Decision regarding the place of settling after retirement depends on various factors. There is no prescribed rule that only employees residing in Bombay after retirement would get the pension benefit as contemplated. It is also possible that the employees in mofussil scale and working in Bombay offices may also decide to settle in Bombay but for such employees there is no provision of additional benefit in their pension.

6. It appears that none is sure as to the circumstances which gave birth to City scales, nor there is any definite evidence to come to any conclusion regarding the genesis of the city scales. Under the circumstances, if guess-work is considered permissible, in our view, the only explanation can be the high cost of living in Bombay City as compared to the mofussil areas. A possible explanation for the city scales can be found in the History of Government Administration of the old Bombay Presidency. It is well-known that the British rule was first established in Bombay which was the head-quarters of the Government. The administration was extended outside Bombay and in mofussil areas, in course of time. The scales of pay naturally came to be determined first for offices in Bombay city and later for offices in mofussil areas. With the growth and prosperity of Bombay city, cost of living was naturally higher. When pay scales for comparable posts in mofussil offices came to be fixed later, they came to be determined at a lower pay rate. Whther the higher pay rate of the City scales was exactly in proportion to the higher cost of living is also doubtful. Examination of the pay-scales of which record is made available to us and particularly from 1931, it appears that the city scales contain an inherent element of higher pay because these scales

related to the employees in offices in the City of Bombay. We have come to the conclusion, on examination of facts, that City scales are discriminatory and are objectionable not only for inclusion of element of higher pay and higher cost of living in Bombay but also for the resulting benefit in pension.

7. The note received by us from the Government to which reference has been made earlier also adds to what has been reproduced before, that :—

> "This being the position, if he (the employee under City scale) was to maintain himself after retiring in the City it was necessary that the high cost of living in the City should be reflected to some extent in pension. These considerations did not prevail in the case of those recruited in the mofussil and who were transferred to the City in the course of their service for short periods. Such persons would normally settle down in the mofussil and hence it was adequate if they were compensated during their stay in the City by the grant of compensatory local allowance or house rent allowance. It was, therefore, not felt necessary that this element should be reflected in their pension also."

Firstly from the files which have been forwarded to us in connection with the controversy regarding the continuance or otherwise of the City scales, we find that though the City scales were presumably sanctioned for only those categories of Government servants who are not transferable outside Bombay City, transfers had taken place from City to mofussil and *vice-versa* on administrative grounds. Secondly there appears some confusion where attempt is made to explain the method of compensating an employee in mofussil scale on his transfer to the City of Bombay. In this connection it is overlooked that the system of compensatory local allowance and house rent allowance in the present form was introduced during and after the Second World War. What was the position of employees in mofussil scale on transfer to Bombay before the system of Compensatory Local Allowance and House Rent Allowance was introduced, remains unexplained.

8. The discriminatory character of the City scale can be better appreciated by comparison of the two scales in controversy from the time when C. L. A. and H. R. A. were not introduced.

	Pre 1931	Post 1931	1947	1962
	Rs.	Rs.	Rs.	Rs.
Clerk :—				
(1) Secretariat	60—4—100—6—130—E.B.—6—190 (C).	50—3—95 (Lower Grade). 100—5—160. (Higher Grade).	75—5—140—E.B.—8—220 (C). D.A. 36 50	120—5—160—E.B.—5—180—8—212—E.B.—8—260—10—270 (C). D.A. 15 30
(2) City ..	60—4—100—3—160 (C).	50—5/2—90 (C) .. 95—5—140 (C). 50—5/2—90—E.B.—5—140 (C).	75—5—140—E.B.—6—200 (C). D.A. 35 45	120—5—160—E.B.—5—185—6—203—E.B.—6—245 (C) D.A. 15 30
(3) Mofussil ..	30—5/2—80 ..	25—5/2—55 .. 60—5/2—75	46—3—85—E.B.—4—125—5—130. D.A. 25 40 HRA 10 20	100—3—130—E.B.—4—170. D.A. 15 30 HRA 20 15%
	CLA Rs. 4½ to Rs. 9 (Bandra, Kurla).	Rs. 4½ to Rs. 9 .. (Bandra, Kurla).	CLA Rs. 7-8-0 12-8-0 (Bombay).	CLA 10% 8% (Bombay).
Peons :—				
(1) City ..	23, 24, 25 (C) ..	19, 20, 21 (C) .. Rs. 4 in 1938-39.	35—½—40 (C) .. D.A. 25	72—1—82 (C). D.A. 15
(2) Mofussil ..	14 to 19 ..	13, 14, 15, 17, 18 ..	30—½—35 .. D.A. 25	65—1—75. D.A. 15
	CLA Re. 1 p.m. ..	Re. 1 p.m. ..	Rs. 5 (Bombay) ..	Rs. 7½ 10%
	HRA Re. 1 p.m. .. (Bandra-Kurla).	Re. 1 p.m. .. (Bandra-Kurla).	Rs. 7 (Bombay) .. (In lieu of rent free quarters).	Rs. 10 15 (In lieu of rent free quarters).

9. It would be clear from the above table that before 1931 the clerk in the City-scale in non-Secretariat office received a starting salary of Rs. 60 p.m. while a Clerk in the mofussil received Rs. 30. The city scale was of 30 years span and the mofussil scale was of 20 years. The City scale had the maximum of Rs. 160 while the mofussil scale ended at Rs. 80 i.e. half of what was provided for in the City scale. After 20 years of service the Clerk in the City scale got Rs. 70 and continued to receive further increments till he reached Rs. 160; while the mofussil clerk stagnated at Rs. 80. The City clerk got pension according to his pay of Rs. 160 (Average of last three years) while the mofussil clerk got pension only on the basis of his maximum of Rs. 80. Similar difference existed in the case of peons also. Difference of scales of pay for clerks in the case of Secretariat scale was all the more glaring.

10. Pay-scales were revised after 1931 but the discriminitory character of the two scales was continued. The scales were further revised after 1947. By this time three types of allowances were introduced viz. (1) Dearness Allowance, (2) C. L. A. and (3) H. R. A. For a clerk in the City scale, the scale was Rs. 75—200 (23 years) and for mofussil clerk Rs. 46—130 (29 years). D. A. for City scale was Rs. 35 on initial salary and for mofussil clerk Rs. 25, and for maximum Rs. 45 in City scale and Rs. 40 in the mofussil scale. Thus the emoluments (pay and D.A.) for City clerk were Rs. 110 and for mofussil clerk Rs. 71. The difference of Rs. 39 is not explained even by the C. L. A. and H. R. A. which came to Rs. 17·50 or so. When a clerk from mofussil came to serve in the City of Bombay, for the higher cost of living in Bombay city he was paid Rs. 17·50. It should follow logically that in the emoluments of the clerk in the City scale the element of compensation for C. L. A. and H. R. A. should be also Rs. 17·50. The Bombay City clerk thus had the advantage of receiving Rs. 21 more than the mofussil clerk at the initial stage. The increments of the City scale were of Rs. 5 and Rs. 6 while for mofussil clerk they were Rs. 3 and Rs. 4. It is clear therefore that the difference between the City scales and the mofussil scales was not one of higher cost of living allowances only but also of deliberate improvement in pay-scales.

11. For the City clerk, the scale was Rs. 120—245 (23 years). Though initially the clerk in the City scales gets only Rs. 120 and the mofussil clerk gets Rs. 100 *plus* Rs. 30 (C. L. A. and H. R. A.), the City clerk makes up this difference of Rs. 10 per month within a few years. At the fifth year a City clerk would be getting Rs. 145 and the clerk in mofussil scale working in Bombay City would be getting Rs. 144·75. Thereafter the clerk under the City scale continues with higher increments till he reaches the maximum of Rs. 245, while a clerk under the mofussil scale gets increments of Rs. 3 and Rs. 4 and after 20 years reaches the maximum of Rs. 170. Even in Central Government, the scale of Lower Division Clerk working in the Delhi Secretariat is only Rs. 110—180.

12. Similar position is obtained where the employees are of the same category, and some are working in Bombay City and other in mofussil areas. It is not necessary to dilate further on this point.

13. In the case of Secretariat the difference is more glaring. A clerk in the Secretariat has a scale of Rs. 120—270. He scores even over a Clerk with City-scale in other offices by having a maximum of Rs. 270 when the other category of clerk with City scale is provided with the maximum of Rs. 245. The scale has a span of 29 years with increments of Rs. 8 and Rs. 10. He has two fold advantages over a clerk with mofussil scale. He is paid more as being governed by the Secretariat scale presumably on the assumed ground that his work in the Secretariat office is of a higher order, and secondly, he is also governed by the City scale. We have discussed the question of the Secretariat scales separately and proposed their discontinuance. We have recommended the determination of pay-scales only on the basis of nature of work, duties and responsibilities.

14. There are some posts under City-scales for which there are no comparable counterparts under mofussil scales. In respect of these posts it is difficult to measure the preferential element in the scale. However, these scales contain as their component factor, a portion which represents higher cost of living and higher rates of rent in Bombay City. It can also be reasonably inferred that even in these cases of employees governed by City scales and for whom there are no comparable counterparts, the pay-scales contain the element of higher pay rate besides the inclusion of components representing high cost of living in Bombay city.

15. Besides the benefit of getting higher pension, the employees on City-scale obtain additional benefits in respect of Dearness Allowance and other allowances like travelling allowance, daily allowance, etc. The rates of these allowances are based on the actual pay drawn, exclusive of C. L. A. and H. R. A. In the case of City-scale employees, Daily Allowance and Travelling Allowance in effect are paid on the total emoluments as the scale of pay which is considered as their pay, includes the element of H. R. A. and C. L. A.

16. Separate pay scales for some of the posts in the City offices have thus resulted in creating a privileged class. They have become an eye sore to other employees. We have no hesitation in holding that the City scales give preferential treatment to a group of employees and suffer from invidious distinction and glaring discrimination.

17. A similar problem existed in the public services in England. There was differentiation between the rates of pay according to place of work as based on differences in the cost of living in London and elsewhere. The service was then largely though not wholly, a Central London Service. Civil servants at Headquarters were strongest in the staff associations and the Civil Service pay was negotiated primarily as a London rate, with a proportionate reduction to allow for lower cost of living and lower rates in other employments outside London. This problem came up before the Priestley Commission. The main staff associations were strongly opposed to this system. They maintained that it was illogical that rates should be negotiated on a basis applicable only to a small part of service. They pointed out that the service should be recognised as a National service and not a Headquarters service and should as a matter of status be treated like other similar services. It was also contended that any system of areawise determination of pay structure is bound to be arbitrary and was sure to produce anomalies between Civil servants whose work and responsibilities are similar but who work in different areas, which may just be very near each other.

18. Considering all aspects, the Priestly Commission proposed that "The basic rate should be negotiated for the Civil Services, nationally subject to an inner London differential to be settled with reference to the rates paid to employees in other London offices".

19. Above facts to a great extent explain the possible genesis of the Bombay City scales as has been indicated by us earlier. It was possible to remove the anomaly created by City scales by having a common scale for employees of similar categories, treating the service as one service of the State and by providing differentials for employees who would be required to work in Bombay City. Surprisingly, the City scales were perpetuated and provisions for differentials for higher cost of living in Bombay city were provided only for employees working in Bombay city with a mofussil scale.

20. Whatever be the genesis of the City scales, or the then justifying social, economic or administrative reasons (which we do not know with certainty), in the present context of our social and political ideas such special treatment and preferment for one class of employees as compared to others cannot be supported or sustained. Circumstances relating to their genesis are, in our view, irrelevant for deciding the present problem of continuance or otherwise of these preferential scales.

21. It cannot be said that the alleged distinction between an employee in the City scale and of the employee in the Mofussil scale is based on any rational ground, or on

the basis of rational classification. There is also no regional or geographical classification. Besides employees in offices in mofussil areas there are employees working in Bombay City itself who are governed by these two different types of scales. The distinction in the character of pay scales for such two groups of employees though similarly situated clearly evidences unequal treatment. When the system of paying C. L. A. and H. R. A. is introduced as a measure of neutralisation for higher cost of living and house rents in costly cities, the same system should be uniformly applied to all employees in similar conditions, and no distinction should be introduced by providing different types of pay scales. Such differentiation has resulted in prescribing of scales which are materially different in character, affording preferential treatment to one group and causing prejudice to others.

22. Equal pay for equal work is the primary and one of the most important principles of a rational and sound pay structure for public services. Pay structure with blemishes of inequalities and invidious distinction is bound to create bitterness and is a sure obstacle to efficiency.

23. Even on administrative considerations, the system of City scales cannot be supported. Even assuming that originally, the City scales were sanctioned for only those categories of employees in whose cases there was no possibility of transfer outside Bombay City, at present transfers take place in many cases from City to Mofussil areas and *vice-versa*. Such transfers have given rise to various problems and fixation of pay etc. There are several cadres in which transfers from the mofussil to the City and *vice-versa* take place frequently. These cadres are provided with mofussil scales for the reason that such arrangement facilitates regulation of pay and transfers. The same logic can apply in the case of cadres with City scales where for administrative reasons transfers take place. The fact that such transfers are few is not a valid reason, as differentiation itself is bad in principle.

24. The City scale being more advantageous, there is practical effect on the mobility in the service and even on the readiness to accept promotion involving transfers. An immobility is thus created. There are occasions for transfer of Departments outside Bombay according to exigencies or convenience of the administration. At any rate, because of over-crowding in the City of Bombay and shortage of space, administrative necessity may compel Government to open branches of a Department having City scales outside the City of Bombay. Such opening of the branches of the department or shifting of the departments to areas outside Bombay is bound to create complications if City scales are continued. Any move for shifting of Departments or opening of new Departments with employees under City scale is bound to be opposed by those who presently enjoy the privilege of the City scale. Such situations would give rise to unnecessary frictions and discontent among the employees.

25. From the files which have been forwarded to us, it appears that the question whether city scales should be discontinued has been engaging the attention of the Government since long time and every time when pay scales were revised though sometimes the decision to abolish the city scales was tentatively reached, the authorities found themselves unable to take final and firm decision on the ground that any such decision would involve the Government in further complications and administrative difficulties.

The difficulties envisaged were as below:—

(1) Determination of new scales in place of the existing scales;

(2) The method of fixation of existing employees in the new scales;

(3) The possibility of the employees opting to retain the existing scales and as a result a possibility of adding to the number of existing scales and aggravating the problem of multiplicity of scales;

(4) Difficulty of adjusting pensionary rights of the existing employees obtained by them as a result of existing scales.

26. No doubt there are difficulties if a decision is taken to abolish city scales, but it appears to us that at no time any final decision was taken to discontinue city scales and find out means and method of overcoming the difficulties with serious determination. In fact at no time an attempt was made to bring about uniform pay scales for posts of similar categories, independently of their geographical locations on the basis of general principle for determination of pay scales. The whole thinking was directed to find an equation for city-scales and mofussil-scales and to discover a convenient formula for adjusting pay rates in case of transfers of employees under city scale to mofussil offices or *vice-versa*. Very likely, it was presumed that the difference between city scale and mofussil scale was confined to inclusion of C.L.A. and H.R.A. in the former and the resulting benefit in the rate of pension. Thinking was therefore directed to arrive at an amount which could be deducted from a particular city scale or added to a mofussil scale for equalising them. The problem assumed urgency after merger of territories from other States with the then State of Bombay and a formula was decided upon for determining scales of pay of the employees absorbed in posts carrying city scales of pay. After consideration of various methods and proposals, a final decision was reached and is presently embodied in the following Rule 3-A of the Rules of Fixation of Pay and Seniority of State Servants (1950) :—

> *Rule 3-A.*—In the case of State servants absorbed in posts carrying the city scales of pay (including the Secretariat scales of pay), their pay scales in State Service should be treated as "Mofussil Scales" and they should be allowed the benefit of compensatory local allowance and house rent allowance over their pay in State service for the purpose of their fixation of pay in Government service. Accordingly, in all such cases, 4/5th of the Compensatory Local Allowance and House Rent Allowance admissible to them on the basis of their State pay should be added to their State pay and the total taken as the 'Present Pay' for the purposes of rule 2 (*d*) of these rules. If the absorption of a person is in a gazetted post, the scale of Compensatory Local Allowance and House Rent Allowance sanctioned for gazetted Government servants would apply to him otherwise the rates sanctioned for non-gazetted Government servants.

It appears that some formula was adopted for calculation of pay when employees with city scales were transferred outside Bombay and employees from mofussil scale were transferred to Bombay on posts with city scale.

27. We shall not comment on the correctness of the above equation. The grievances of the employees governed by the mofussil scales continue and have been vehemently urged before us by some of the employees. The main grievance is against the higher pay rate of the city scales besides benefit resulting from inclusion of allowances in the basic pay. In its term of reference, the Commission has been asked to recommend principles, by which the extent of the difference between the city scales and other scales for corresponding posts outside the Bombay City should be determined. In fact, no such principles are involved and none of them can be discovered. The two scales have their own special character and mould, and as we have indicated previously, the city-scales are pitched higher as compared to the mofussil scales. By our terms of reference, we have been asked to determine pay scales on the basis of nature of duties and responsibilities. Once this principle is followed the question of recommending principles for discovering extent of difference between the two scales for similar duties has not much relevancy. The main question is whether the city scales should be continued or discontinued.

28. Providing uniform pay scale for similar categories of services is and can be the only solution to the problem. In the revision of 1962, change in the pay-structure related only to merger of a portion of D.A. and decision regarding discontinuance of city-scale was postponed pending revision of the pay-structure of the services, as a whole.

Revision of pay-scales is a normal feature of a pay-structure in public services and there is no reason to consider such revision as being difficult, when it is necessary in the interest of administration and also of the employees.

29. The method of fixation of existing employees in the new scale is a necessary incident which must follow the revision of pay scale. It is possible that employees, a few or many, in city-scales may opt for the existing scales if they find new scales and method of fixation as being to their prejudice. But if sufficient care is taken to safeguard the vested rights of employees which they have obtained in respect of their existing scales, the anticipated results may not follow, nor there may be any ground for discontent.

30. Even assuming the worst, if employees do not accept the new scales and retain their existing scales, there will be multiplicity of the scales to that extent. However, in our view such an eventuality is somewhat remote if rights of the employees are properly safeguarded. Inspite of precautions, a few may not opt for new scales and to that extent there is possibility of continuance of existing scales for such few aggrieved employees. The existing employees have a right to claim pension on the basis of existing scales so long as they are occupying posts to which the scale is related. They cannot be deprived of this right. Similarly, going over to the new scale in effect means, appointment to a new post but if an appropriate provision is made for the fixation of employee in the new scale and if the employee is assured that he will not be prejudiced in pension rights, the employee may not have cause for any grievance.

31. We are firmly of the view that considerations based on administrative difficulties, reference to which has been made, should not be given weightage to the extent of giving up the attempt at reforming pay structure by discontinuance of the much criticised City-scale. The problem has to be solved with firm determination and irrespective of the difficulties in the process.

32. The Commission has been enjoined by its terms of reference " to examine structure of pay scales at present applicable to various cadres and posts under Government and suggest such revision as may be necessary to ensure that pay of any post should be suitably fixed with reference to the responsibility and onerousness of the duties attaching to it in order that there should be uniformity in the remuneration fixed for posts of which the duties and responsibilities are approximately equal and which call for possession of approximately equal qualifications and skills.

33. When pay scales are to be determined on the basis of nature of duties and responsibilities the factor of geographical location of the Department or establishment obviously becomes irrelevant and pay-scales which include such element and confer monetary benefits on that account, deserve to be discontinued. Considered from any point of view and after giving our anxious considerations to all aspects of the problem, we recommend that city scales should be abolished. We broadly base our conclusions on the ground that:—

(1) Public service of the State is one service :

(2) That it is illogical that pay-rates should be designed separately for small area and for a small part of the services ;

(3) That the existing city-scales give preferential treatment to the employees covered by them and as such are discriminatory ;

(4) That these scales offend principle of equal pay for equal work.

34. We are glad to find overwhelming support for the conclusions we have reached from different sections of the witnesses. The replies received to the questionnaire show that opinion is overwhelmingly in favour of abolition of city scales. Even those who opposed abolition of city scales in their written replies, gave up their stand during the interview. The State Government Employees Confederation which represents the interests of the Class III and IV employees has also expressed itself in favour of discontinuance of the city scales. The next important question is about the fixation of existing employees in the new scales which are being proposed by us in this revision of the pay structure. We have dealt with that problem in our Chapter on Fixation of Pay.

CHAPTER 10

SECRETARIAT SCALES

There is much controversy and extent of discontent among different sections of employees in respect of disparity between pay scales of some of the posts in the Secretariat Offices and other offices. Those opposing the existing disparity present their case as follows:—

The existing disparity between the scales of pay in the Secretariat and the subordinate offices is not justified on the basis of the duties and responsibilities. The work and responsibility in the Secretariat Offices and the subordinate offices does not differ widely. The distinction is based mainly on the consideration that the quality of work expected of the Secretariat staff is of a higher and different nature and needs a special type of intelligence not comparable with that in the subordinate offices. This sense of superiority, however, is without foundation. The original work is always done in the subordinate office; what is done in the Secretariat is only the scrutiny. The work of Assistants and Clerks in the Secretariat can hardly be considered as superior to that of senior Clerks and Clerks in the mofussil. The work and responsibilities involved in the clerical work are essentially the same. This being so, the principle of equal pay for equal work demands that there should be uniformity in the pay scales in the Secretariat and the subordinate offices.

The fact that the recruitment to the posts in the Sachivalaya is made by the State Public Service Commission on the basis of the competitive test, also does not justify higher pay scales in the Sachivalaya. The recruitment qualifications for the entry posts whether in the subordinate offices or the Secretariat are the same. There are a host of considerations why candidates in the mofussil areas are reluctant to offer themselves for selection through Public Service Commission and be posted in Bombay. If the mode of recruitment makes all the difference, the proper course would be to prescribe a common agency for recruitment.

The uniformity in pay scales would not only reduce the multiplicity of pay scales but would also facilitate transferability of staff from the subordinate office to the Sachivalaya and *vice versa* and would ultimately lead to efficiency in administration.

Reply of the other side and views of the administrative officers in the Secretariat, are as follows:—

The distinction between the Secretariat scales on the one hand and the scales in the subordinate offices on the other has been maintained for several years, not only in this State but in several other States and in the Central Government also. The First Pay Commission held that even in the case of junior clerks, higher scale in the Secretariat is justified on the ground of the necessity to get recruits from a wider field so as to ensure best selection. The Second Pay Commission also has specifically allowed this position to continue. This question was also examined by the Madras Pay Commission which came to the conclusion that the Secretariat staff should generally be allowed higher scales of pay than the staff with the same nomenclature in outside offices.

It is the Secretariat organisation which has to translate the policies of the Government into intelligible orders and review the working of these policies. As the Secretariat is largely concerned with policy making, its work is by and large, deliberative. It involves consideration of any course of action from the constitutional, administrative, legal and financial point of view. The Secretariat has to assist the Ministers in regard to their work in the Legislatures. Apart from this, there is more of secret and confidential work in the headquarters organisation, than in other offices which needs staff of high standards of rectitude and reliability. As this work is different by nature, recruitment to various posts has to be very selective, competitive and from as wide a field as possible. This can be achieved only if the Pay scales are higher and more attractive.

2. There are three categories of offices through which Government business is transacted viz. (1) The Secretariat, (2) Attached Offices and (3) Subordinate Offices. Organisation of the Secretariat and its functions have been described in previous chapters. Senior staff in the Secretariat office of a department consists of Secretary, Additional or Joint Secretary, the Deputy Secretary, Under Secretary or Assistant Secretary, and other Officers belonging to clerical subordinate services. The pay scales of these officers are determined by the rules framed by the Central Government if they are from the I.C.S. or I.A.S. cadre and by the State Government in the case of non-I.A.S. cadre officers. These posts are special to Secretariat and have no counter part in attached or subordinatte offices.

3. The Secretariat office consists of (1) Superintendents who are responsible for the work and general efficiency of their Sections or Branches; (ii) Assistants who deal with cases; and (iii) Clerks; (iv) Stenographers; (v) Typists; (vi) and some categories of Class IV employees. These officers under classification Rules are organised in what is termed as Secretariat services and are classified as Secretariat Subordinate Services. The table below gives designations and pay scales of posts under the Rule making powers of the State Government both in the Secretariat and posts in non-Secretariat offices :—

Designations and scales of pay in the Secretariat.	*Designations and scales of pay of corresponding posts in non-Secretariat Offices.*
Superintendent. Rs. 370—20—490—E.B.—25—665 (C).	Superintendent/Head Clerk. Rs. 430—30—610—E.B.—40—730—E.B.—45—830 (M). Rs. 250—270—15—390—E.B.—15—450—20—490—E.B.—25—715 (M). Rs. 450—25—550—30—670 (C). Rs. 350—20—550 (C). Rs. 275—15—410—E.B.—20—550 (M). Rs. 330—15—420 (M). Rs. 210—10—280 (M). Rs. 270—10—350 (M). Rs. 185—10—295 (M).
Assistant. Rs. 200—10—300—15—450 (C).	Senior Clerk/Aval Karkun. Rs. 195—10—245 (M). Rs. 185—10—245 (M). Rs. 145—8—185 (M). Rs. 145—8—185—10—215 (M). Rs. 160—10—300 (C).
Lower Grade Clerk/Typist. Rs. 120—5—160—E.B.—5—180—8—212—E.B.—8—260—10—270 (C).	Clerk/Typist. Rs. 100—3—130—E.B.—4—170 (M). Rs. 120—5—160—E.B.—5—185—6—203—E.B.—6—245 (C).
Stenographer. Rs. 250—10—350—15—500 (C) Higher Grade. Rs. 350—20—470—E.B.—20—550—25—600 (C) Selection Grade. Rs. 200—8—280—E.B.—8—320—10—350 (C) Lower Grade.	Stenographer. Rs. 160—6—190—8—230—E.B.—10—320—15—350 (M). Rs. 200—8—280—E.B.—8—320—10—350 (C).
Havildar. Rs. 87—2—107 (C).	Havildar. Rs. 80—2—100 (M).
Daftary. Rs. 77—2—97—E.B.—2—107 (C)	Daftary. Rs. 70—1—80—E.B.—2—100 (M).
Naik. Rs. 77—1—87—E.B.—1—92 (C).	Naik. Rs. 70—1—80—E.B.—1—85 (M).
Peon. Rs. 72—1—82 (C).	Peon. Rs. 65—1—75 (M).

4. We have not been able to know how and under what circumstances these distinctions in pay structure of the Secretariat office staff and the staff outside the Secretariat were introduced. We, however, find that similar distinction to some extent, exists in the Central Government and in some State Governments also. It is obvious that some of the ministerial staff in the Secretariat, is preferentially paid as compared to staff outside the Secretariat. Grievance is made that employees of similar categories and doing the same work are paid less than their Secretariat brothers. It is also pointed out that Superintendents of the larger sections in attached offices or offices of the subordinate departments shoulder responsibilities equal to those of the average Superintendent in the Secretariat. Justification, if any, for higher rates for above mentioned pay scales has, therefore, to be examined for each category of staff on the basis of (1) Nature of work; (2) Responsibility; (3) Qualifications required; (4) Method of recruitment and (5) Historical background for such preferential treatment, if any.

5. As regards clerks, it is obvious that their work is of routine type involving receipt, despatch, typing, etc. The work is of simple nature and there is no scope for differentiation as regards onerousness of duties or responsibilities from one office to the other. The minimum qualification for Clerks in Secretariat or outside offices is Secondary School Certificate Examination. Prescribed age limit is also between 18 to 24 years. Recruitment to clerical posts for all offices in Greater Bombay including Secretariat, is made through the Public Service Commission on the result of a common competitive examination. In mofussil offices, Clerks are recruited without competitive examinations and by the Heads of Department. In our view, there is no justification for having different scales of pay for Clerks in the Secretariat offices, and outside offices. There appears no justifiable reason as based on nature of work, responsibility, qualifications or recruitment method for higher pay scales for Clerks in the Secretariat. The fact that clerks in the mofussil are appointed by Heads of Department without competitive examination also would not justify such distinction. If considered necessary, competitive examinations for clerks in mofussil offices also can be provided for. Similarly, there does not appear any difference in the nature of work, duties and responsibilities in the case of typists and clerks.

6. The case of Assistants and Superintendents in our view, however, stands on a separate basis. The posts of the Assistant in the Secretariat are entry posts. They are filled on the basis of competitive examinations with the quota of 25 per cent. for entry by promotion from the cadre of the clerks. The posts of Senior Clerks (called noting assistants in some offices) in other offices are filled by promotion of lower division clerks. The posts of Assistants are basic posts from which all higher appointments viz. Superintendents and Under Secretaries and in some cases, even Deputy Secretaries are made.

7. We are informed that previously there were two scales for Assistants (Junior Assistants on Rs. 165—300 and Senior Assistants on Rs. 260—350) and that with a view to attract persons of higher calibre, Government sanctioned a combined scale of Rs. 200—450 since 1962. An Assistant is required to note on cases and has to submit the file complete with relevant information to the Officers through the Superintendent, and present intelligent appreciation of the facts, for their orders. They deal with case work involving collection of relevant data such as old references, precedents, facts and figures relevant to the cases. Minimum qualification for admission to competitive examination is a University Degree. In our view, the nature of work and the extent of responsibility is also of a high order.

8. It has to be recognised that recruits to Secretariat have to be drawn from a wide field and for this purpose competitive recruitment is provided for as "it is necessary to build up in the Secretariat a permanent staff of such quality which in due course will contribute a substantial proportion of qualified candidates for supervisory posts of Superintendents and the higher-grade Secretariat Officers". It is expected that

the cadre of Assistants should consist of personnel of higher degree of intellectual attainments with developed ability and deliberative faculty.

9. Posts of Superintendents are supervisory posts. Besides supervising the work of staff in the section under them, they are also required to handle important cases themselves. At present, there are more than 15 scales of Superintendents in various offices of the Maharashtra Government. Some posts (for instance in Education, Police and Forest Department) are gazetted posts and as such, are in Class II service. The scales for Superintendents in mofussil offices are not invariably lower than the scales obtained in the Secretariat. Superintendents in some offices are Class II Officers having a mofussil scale of Rs. 270—715 which is higher than the City scale of Secretariat Superintendents of Rs. 370—665. In the Central Secretariat also, there is difference in the pay scales of Secretariat Superintendents (known as Section Officers) and of the Superintendents in other departments. In the Secretariat, the posts of Superintendents are filled by promotion from the cadre of Assistants, while in non-Secretariat offices, they are filled by promotion of Upper Grade or Senior Clerks. We have pointed out the distinction between an Assistant in the Secretariat and an Upper Grade Clerk in outside offices as regards method of recruitment and minimum qualifications and nature of work. Necessarily the post of Superintendent in the Secretariat has to be ranked at higher levels while determining pay scales, considering the level of staff from which the posts of Superintendents are filled in by method of promotion. It is generally recognised that work in the Secretariat at higher levels, is of a more difficult and responsible character and also to some extent more arduous and requires personnel of higher calibre. Under these circumstances the posts of Superintendents and Assistants in the Secretariat have to be classed separately for purposes of pay scales and distinguished from Superintendents and Upper Grade or Senior Clerks in Non-Secretariat Offices. In our view, there is no discrimination involved in making such distincton and the grouping can be considered as justified on rational grounds.

10. When pay scales are determined according to nature of duties and responsibilities, the question of discrimination does not arise. These posts if they are allowed higher pay scales the same will be not because of the mere fact that they belong to Secretariat office or because they are members of the Secretariat service, but because they are called upon to perform work demanding higher ablity and responsibility. If there is any other office in which similar posts with equal or higher degree of responsibility exist then equal or higher pay can be fixed as has actually been recommended by us for such posts.

11. We are not in favour of having separate Secretariat pay scales as such, as will appear from the fact that we are proposing to make no distinction in pay scale in the case of clerks in the Secretariat and in non-Secretariat offices. We see no significance in having scales office-wise or region-wise. Our terms of reference also enjoin that pay scales should be determined with reference to onerousness of duties and levels of responsibility. Impliedly, considerations of office and region have to be discarded in the process of determination of pay scales. It appears that much of the misunderstanding will be removed if Government considers the appropriateness of designating Superintendents in the Secretariat as Section Officers which is the nomenclature obtained in the Central Government.

12. In 1908 a Committee, presided over by Sir James Meston (as he then was), dealt with the pay and prospects of clerks in the Secretariat of the Government of India and certain other offices. At that time the clerical establishment of the Secretariat was divided into two divisons; first and second, the former comprising of those clerks who were required to deal with the higher class of clerical work and the latter those who were employed on work of routine character. The Committee fixed the initial pay for the first Division Clerk at Rs. 140 per month having regard to the value of his work, his experience and standing. The Second Division they regarded as standing on different footing because its work was assumed to be of simple and routine character. Their pay was, therefore, fixed at Rs. 60 with maximum at Rs. 200. In recognition of

the importance and responsibility of the work done by the Superintendents whom the Committee described as the repositories of the experience and traditions of their departments, the Committee recommended that they should be granted the rank of gazetted officers. The Committee also emphasised that the Secretariat stood on a footing of its own different from any other offices in India and that it required in its clerical staff a higher degree of intelligence, a broader outlook and a more discriminating critical faculty than could be expected in other offices. From the above account, it will be clear that it is rational to class the posts of Superintendents and Assistants separately and as distinguished from the posts of Upper Grade or Senior Clerks and Superintendents in other offices.

13. The Second Pay Commission (in paragraph 27—Report page 117), while comparing the Lower Division Clerks in the Secretariat with those in non-Secretariat Offices has also observed "As regards duties and responsibilities we do not think that the work of routine clerks dealing with receipts, despatch and typing etc. can differ significantly between one office and another. Thus by the criteria discussed above, defferential in the rates of remuneration of Lower Division Clerk does not appear to be justified" and fixed uniform pay scales for both categories.

14. As regards comparison between Assistants in the Secretariat and Upper Division Clerks (Senior Clerks in Maharashtra Government) we may further reproduce the observations of the Second Pay Commission (at page 130 paragraph 18) that "Upper Division Clerks in administrative offices have claimed parity with the Assistants in the Secretariat. We consider that this is not justified as the Assistant's work is more complex and requires greater ability and in our view moreover recruitment qualifications will also be different". In fact in Maharashtra Government the recruitment qualifications are different as has already been stated above.

15. Stenographers in the Secretariat of the Maharashtra Government are recruited through the State Public Service Commission by competitive Examination. For outside offices, they are recruited through Employment Exchanges. There is a claim for parity with pay scales in the Secretariat. Stenographers attached to higher officers come in contact with administrative work and are entrusted with additional work involving some correspondence and some assistance to their respective officers in matters of routine work. These responsibilities are in addition to the work they put in as Stenographers. Their duties are often highly exacting and they work under direct supervision of the officer. Stenographers who work as Personal Assistants to Ministers and to the Secretaries to Government have more onerous duties and responsibilities as compared with Stenographers attached to highest officers in other offices. The distinction thus deserves to be noted and absolute parity is not possible or justified. At lower levels, however the duties and responsibilities vary according to officers to whom they are attached. We have dealt with their question on this basis.

16. It is sufficient at this stage to state that there can be difference in duties and responsibilities between apparently similar posts or posts with similar designation and as such, there will be different pay scales for such posts. It should be realised that this difference is due to nature of work and not because some persons are employed in the Secretariat while others are employed in non-Secretariat Offices. Once the principle that pay should be determined on the basis of nature of duties and responsibilities is accepted, each case has to be examined on its own merit and there remains no significance or necessity for having a classification like "Secretariat scales", or "Non-Secretariat scales". Continuance of such categorisation of pay scales on the basis of departments or establishments or geographical regions is bound to result in discontent and uncalled for friction among the services and employees. It may be mentioned that Maharashtra Government Employees' Federation has also unequivocally expressed "That there is no valid justification for giving different treatment in the matter of pay scales to the Secretariat services and posts in attached offices in Bombay City and elsewhere and that the pay scales should be based on the functions and responsibilities of various posts."

CHAPTER 11

SPECIAL PAYS

The terms of reference require this Commission *inter alia* to review special pays sanctioned in various offices and establishments under government and submit recommendations for their abolition or their further continuance at existing, enhanced or reduced rates. The Commission has also been asked to suggest principles for regulating the grant of special pays in future.

2. The pay-structure of the public services in Maharashtra is made up of a number of standard pay-scales applicable to different cadres of services and classes of posts in accordance with the levels of responsibilities. As the differentials in the pay-scales are provided to correspond to different levels of duties and responsibilities of the posts, it is necessary to maintain a balance between them. Any imbalance between them, in relation to any one or more classes of Government servants calls for adjustments in their emoluments. The most common causes for such imbalance are (1) reduction in the real earnings on account of postings in areas of high cost of living, and (2) the need for compensation for specific addition to normal duties and responsibilities of a Government servant or the onerousness of carrying on duties in very unhealthy or isolated places of postings. The employee is compensated for (1) by grant of C.L.A. and H. R. A., and for (2) by the grant of special pay.

3. Every addition to duties and responsibilities is not always of a permanent nature or is not heavy enough to justify a serarate higher pay scale. Grant of special pay is resorted to, in such cases, so as to achieve the desired effect of differentiated remuneration without committing the public exchequer to a needless, permanent and heavier liability. The grant of special pay pre-supposes that the officers to whom it is paid have full time employment already. The Central Pay Commission has observed that "the central idea of a special pay is that it is the most satisfactory way of compensating such addition to work or responsibility or such greater arduousness of duties as is recognizable enough to merit additional remuneration, but not considerable or in some cases of such a permanent nature, as to justify placing the post in question in a higher grade. In other words, it is, broadly speaking, a flexible system of differentiated remuneration between the two grades".

4. Special pay is defined in B. C. S. Rules 9 (49) as meaning an addition of the nature of pay to the emoluments of a post or of a Government servant, granted in consideration of—

(*a*) Specially arduous nature of duties, or

(*b*) Specific addition to the work or responsibility, or

(*c*) Unhealthiness of the locality in which the work is performed.

The grant of special pay is at present regulated on the basis of the above broad principles.

A very common case in Government departments calling for the grant of special pay is the one in which an employee is called upon to hold, temporarily, one or more independent posts at a time or to look after the current duties of another post in addition to his own. The grant of special pay in such cases of combination of appointments is regulated under B. C. S. Rule 609.

5. From the provisions made in the B. C. S. Rules, it appears that the practice of granting special pay in accordance with the principles mentioned above, has been in vogue for a very long time. The quantum of special pay admissible to an employee who satisfies the requirements of B. C. S. R. 9 (49) is usually determined as a specified percentage of pay or an amount fixed in relation to pay. After the general revision of

pay-scales in 1931, the special pays were reviewed in 1936 on the basis of the working guides prescribed in the note prepared by the special Officer, Mr. C. G. Freke, on the subject. The general principles enunciated by him were :—

(*a*) No special pay should be given for small or not very definite increase in responsibility.

(*b*) If the increase in responsibility is not very large, special pay should be about 10 % of the average pay.

(*c*) For considerable increase in responsibility, special pay upto 20 % may be allowed.

After the general revision of 1947, the special pays were again reviewed in 1952, generally on the basis of the criteria recommended by Mr. Freke. It was then decided that where special pays are sanctioned, on percentage basis, to posts for more than 8 years they should be converted into fixed amounts. Special pays granted to touring Government servants for double establishments were discontinued, and where revision of pay scales resulted in substantial increase in pay, the special pays were either reduced or abolished, on the ground that the pay scales of the posts were determined after taking all these factors into account.

When the revision of pay scales was undertaken in 1962, Government intended to review the cases of special pays but it seems that this review did not materialise. Therefore, though a portion of D. A. was merged in pay, the special pays fixed previously on percentage basis, were continued at the same percentage rates. This has evidently resulted in a higher special pay for the same nature of work.

6. In the Questionnaire issued by us, we invited the comments of eminent public men, service organisations etc., in regard to the question of continuance or otherwise of the existing special pays. Particulars of all special pays granted at present in different Government departments have also been collected together with the reasons for their grant and justification for their continuance. The total number of posts which carry special pays in the various departments, is as follows:—

Department.	Total Number of Posts carrying special pay				
	Class I.	Class II.	Class III.	Class IV.	Total.
Agriculture and Co-operation Department ..	46	9	756	7	818
Buildings and Communications Department ..	15	33	105	....	153
Education and Social Welfare Department ..	67	8	352	20	447
Food and Civil Supplies Department	4	2	57	1	64
Finance Department	7	31	441	....	479
General Administration Department	18	9	186	3	216
Home Department	43	410	15,499	4	15,956
Industries and Labour Department	16	3	112	....	131
Irrigation and Power Department	23	91	335	....	449
Law and Judiciary Department	15	2	311	2	330
Maharashtra Legislature Secretariat	1	....	15	4	20
Rural Development Department	4	1	33	....	38
Revenue and Forests Department	36	35	1,192	....	1,263
Urban Development and Public Health Department..	17	199	186	3	405
Total ..	312	833	19,580	44	20,769

7. From cases of special pay reported to us by the Departments, it is observed that the special pays are at present granted for the following main reasons :—

Reasons.	No. of posts.
(1) Arduous work	8,812
(2) Additional duties and responsibilities	6,647
(3) Handling Cash	1,639
(4) Confidential work	32
(5) Accounts work	450
(6) Typing/steno allowance	458
(7) Deputation	73
(8) Technical work	2,416
(9) Work in unhealthy surroundings	109
(10) All-India Services under their regulations	24
(11) For other reasons	109
Total ...	20,769

8. Replies received to the Questionnaires from the officials and non-officials generally favour the continuance of the system of special pays. They suggest that the special pays should be continued and are justified in the following cases :—

(1) Whenever there is a departure from the normal work or if the work involves risk to life.

(2) For additional qualifications in technical and scientific subjects.

(3) For work of a higher order.

(4) As an incentive to attract suitable persons.

(5) As a compensation for the lack of amenities.

It is further suggested that special pays should be in terms of fixed amounts and not on percentage basis, and that they should not be permanently attached to posts. If special pays require to be permanently attached to certain posts, it is better in their opinion, to revise the pay scale of the posts. A few replies advocate complete abolition of all special pays either by prescribing higher pay scales or by creating additional posts to absorb the increase in work.

9. In the first place, special pays are usually given for specific addition to duties which is of a temporary nature. It is also given to avoid the creation of separate categories of posts with little or no chance of higher promotions e.g. special pays given to clerk-typists or clerk-cashiers. It is found that it is not advisable or economical to merge these special pays into separate pay-scales. This would give rise to a multiplicity of pay-scales and also cause difficulties in inter-departmental transfers and frustration to the staff from lack of promotional facilities. We, therefore, agree with the view of the Central Pay Commission that special pay is the most satisfactory way of compensating specific and sizable addition to work and responsibility of a Government servant. Besides being an economical arrangement, grant of special pay is administratively very convenient in certain circumstances and also serves as an incentive to the employees. We have therefore no hesitation in recommending continuance of the system of special pays, and do not support the suggestions for their wholesale abolition.

10. The basic principles for grant of special pay stipulated in B. C. S. R. 9 (49) are quite sound in themselves and should be acceptable. Many suggestions (some of which are mentioned above) have been made for widening the scope of these principles. We, however, feel that the existing principles are sufficiently broadbased and would

cover many of the circumstances justifying the grant of special pay. Others like possession of higher scientific, technical or professional knowledge than that required for the post are more adequately and equitably recognised, by the grant of additional increments and not by special pay. Similarly, grant of special pay for work of "higher order" would lead to administrative complications and the discretionary determination of "higher order" which work should normally be recognised by quicker promotions and not by special pays. The expression "specially" used in B. C. S. Rule 9 (49) is of relative import and also vague. It would be better if it is fully explained. The expression should clarify that it refers to strenuous duties as compared to the normal duties and responsibilities of a post and duties involving hazards and risk to life. B. C. S. R. 9 (49) also provides for the grant of special pay for performing duties in unhealthy surroundings, as for example, duties in the leprosy section of the Medical Department.

11. As mentioned earlier, it is noticed that 20,769 posts carry special pays in one form or other. In several cases, special pay appears to have been allowed as a result of *ad hoc* decisions in the course of creation of new departments and new posts. In our view, the number of cases for special pay can be considerably reduced by a strict application of the letter and spirit of B. C. S. Rule 9 (49). The system of special pays has no doubt to be flexible but too liberal a grant of special pays is apt to reduce it to a scheme for distribution of favours. The Central Pay Commission has observed that "there is a widespread belief that whatever the theoretical basis of the system of special pay may be, it is in practice, largely a system of exercise of official favouritism. From this general belief flow other ideas about the special pays that they serve no public purposes; that they involve avoidable expenditure of public funds, and that they cause much heart burning among Government servants themselves, etc. The higher the level at which a special pay is granted, the more suspect it is, and the more disliked." We therefore recommend that the special pay should not be granted as a matter of course on a superficial scrutiny of the proposal but should be given with special jealously, in the least number of cases. As a rule, a Government servant should not be allowed to have more than one special pay.

12. For purposes of a critical scrutiny, it is necessary to establish uniform norms and criteria on the basis of the experience of cases over a long period. Though the B. C. S. Rules have prescribed general principles to regulate the grant of special pay, the quantum of special pay to be sanctioned in each case is largely a matter of discretion. Every effort should be made to determine the degree and extent of additional responsibility as accurately as possible and special pay fixed in proportion to it. From this point of view, it is desirable that a central agency, preferably the Finance Department, should exercise proper check on the proposals. It has been suggested to us that the powers to sanction special pay should be delegated to heads of offices also, but we feel that unless the grant of special pay is strictly in accordance with the norms prescribed by Government, this control should not be decentralised.

13. Compensation by way of special pay should be considered only when the additional duties and responsibilities are such as would merit additional remuneration but not so much, or of such a permanent nature, as would justify the grant of a higher pay-scale. If the duties and responsibilities are of such higher order and onerousness or are of such character as to form a separate level of responsibility, it would be appropriate that the posts with such characteristics should be covered by an appropriate higher pay-scale instead of granting special pay. To put it negatively, special pay being a differential for giving effect to the principle of equality between two employees or posts, the differentiating characteristic should not be of a nature justifying separate treatment and separation from the class to which it belongs.

14. If there are number of posts, more or less of a similar class, carrying special pay, it would be desirable to treat them as a separate category and to prescribe a separate pay-scale for them. In the case of isolated posts also an attempt should be made to fit them in appropriate grade. That the post is an isolated one carrying no standard pay-scale should not be a ground for granting special pay.

15. It must be appreciated that the grant of special pay is a temporary arrangement and should not ordinarily be attached to a post as a permanent arrangement. All special pays should, therefore, be reviewed from time to time to ensure that they do not continue on permanent basis. If special pay, in any case, tends to continue permanently, the need for reducing the amount of special pay should be considered.

16 It is necessary that the amount of special pay should not be large or disproportionate to the scale of pay of the class of employees concerned. A disproportionate special pay has the result of disturbing both the pay structure and the relativities of pay between different posts. In cases of special pay covered by B.C.S.R. 9(49), the quantum of special pay may differ from case to case depending on the degree and extent of addition to duties and responsibilities as also on the pay of the person concerned but we feel that it should in no case be allowed to exceed 20 % of the average pay of the post. Ordinarily, where the increase in responsibilities is not very large, special pay be fixed only at about 10 % of the average pay. It should be ensured that the sum of pay plus special pay does not normally exceed the minimum pay of the higher post as that would tend to make special pay more attractive than promotion.

17. We are of the opinion that the special pay should, as far as possible, be in terms of fixed amounts and not expressed as a percentage of pay because there appears to be no reason why the special pay based on increase in the work and responsibilities should go on increasing in proportion to the pay drawn. The percentage should only be resorted to, to determine the initial amount of special pay, which should then be specified in fixed amount.

18. So far as the special pay admissible in the cases of combination of appointments is concerned, it has been represented to us that the percentages of special pay admissible under B. C. S. R 609 should be increased in view of the general increase in the work in Government offices and the cost of living. We do not consider that these considerations should affect the amount of special pay admissible on combination of appointments. The general revision of pay scales would take care of the other factors and there would automatically be an increase in special pay as it is based on the grade pay. It should also be mentioned that the recent merger of the bulk of D.A. in pay, has already enhanced all special pays expressed in terms of percentages of pay. We, therefore, suggest that where the revision of pay scales has resulted in substantial increase in pay, the special pay may either be reduced or abolished.

19. Another suggestion so far as the grant of special pay under B. C. S. R. 609 is concerned, is that it should be admissible even in cases of combination of two or more posts of equivalent status. It appears that there is no uniform practice in this connection. In some cases, this is already admissible if the arrangement is for a term exceeding two months. As the justification for special pay is that the quality of responsibility which an Officer is called upon to undertake is higher than the quality of responsibility he has ordinarily to undertake in his own post, special pay for doing the additional work of a post of equivalent responsibility can be justified only where such additional responsibility involves extra hours of work for the officer concerned.

20. The other types of special pay which are granted for doing work not expected normally from the Government servant concerned, like special pays granted to clerk-typists, clerk-cashiers, account-clerks, etc. are intended to obviate the necessity of creating special scales of pay for each of these small categories. In these cases, the system of special pays gives flexibility to the administration and avoids the creation of small compartments in an office. We feel, therefore, that these special pays are justified and should be continued.

In regard to Steno-typists however we do not see why a separate pay-scale should not be prescribed. The Steno-typists are promoted to the posts of Stenographers and therefore should be grouped with that cadre with a distinct scale.

21. In the light of what is stated above, we would formulate the following principles for regulating the grant of special pays :—

(1) The basic principles for grant of special pays should be those stipulated in B. C. S. R. 9(49) and these should be very strictly enforced by a Central Authority like the Finance Department.

(2) Special pays should not be sanctioned as a matter of course but as an exception and with due vigilance and care regarding their necessity.

(3) While granting special pay it should be ensured that the increase in work and responsibilities, is not so much or of such a permanent nature as to justify a separate pay scale.

(4) Ordinarily special pay should be 10 % of pay and in no case exceed 20 % and should be expressed in terms of fixed amounts.

(5) Where the revision of pay scales has resulted in substantial increase in pay, the special pay may be reduced or abolished.

(6) Special pays should be reviewed periodically to ensure that they are not granted on *ad hoc* basis and get attached to posts permanently without exceptional reasons.

22. In the light of the above principles, we have reviewed the cases of special pays referred to us by the various departments. Some of the employees have claimed increase in the special pays attached to certain posts while some others have claimed special pays for posts which do not at present carry special pays. The number of such cases is too large to be dealt with individually in the present discussion. These cases have been considered while commenting upon the pay schedules of the department concerned separately. At this stage it is necessary to make one observation. For purposes of proposing continuance or discontinuance of existing special pays, or sanctioning new special pays, or for proposing change in the rates of existing special pays, we did not have sufficient and satisfactory material. We have proposed discontinuance of special pay in cases where on examining the set-up of the department and duties and responsibilities of the office we were convinced that continuance of special pay was not necessary. But in cases where we have proposed continuance, we are not absolutely sure that our decision is correct. In reaching to such conclusion we were more guided by the proposals of department and the general idea of the duties of the office. We had no method for checking or scrutinising of the various reasons put forward for continuance of special pays and also the appropriateness of the rates. It was impossible for us to scrutinise 20,769 cases with all thoroughness. We are not sure if our proposals for continuance of special pays in all cases we have recommended and their rates are correct. Our conclusions should be considered as being *prima facie* appropriate on material supplied to us, which we should say was quite scanty and of vague character and we had to act on this material as administrative heads backed up their proposals. We however noticed a general tendency of proposing special pays without regard for their propriety in some cases. We would therefore strongly recommend that Government should appoint an official committee of administrative experts who would examine each case of special pay fully and in details.

23. Deputation Allowance or special pays to Government Servants on deputation :

There are about 73 cases of special pays granted to Government servants on deputation. It is a practice at present to grant special pay upto 20 % of the grade pay to a person who is deputed to another office or cadre. The practice however is not uniform. The grant of special pay presupposes that the deputation entails additional duties and responsibilities for which the person is required to be compensated. In most cases, however, the deputation involves only change in the office. It cannot be said that in all cases there is an increase in the normal work and responsibilities of the

person concerned. When a person is deputed outside his own cadre, it is usually in view of his special qualifications or his suitability for the work. Even if there is no perceptible increase in work or responsibilities on deputation, the view usually held in support of the special pay is that there is no reason why a person who has settled down in his own line of work and has been performing normal duties of his post should go out of his cadre and undertake new work unless there is sufficient inducement for it. The question about the need for grant of special pay arises in such cases. We would suggest that while considering cases of this type, the requirements of B. C. S. R. 9(49) should not be lost sight of and each case should be decided on merits. We would not recommend grant of special pay in all such cases, as a matter of course. If the duties are of a kind outside the normal duties of the service, the test should be whether the addition to the normal work is really so material as to justify the grant of special pay in order to secure a satisfactory discharge of the duties. At present, this special pay is granted, as a matter of course, even where the only change is the change in office and not in work. Instances have come to our knowledge where special pays have been justified on the ground that district staff has to work in Head Offices and in other cases, on the ground that Head Office staff has to work in district or taluka places. Such indiscriminate grant of special pays on deputation has given rise to favouritism and misuse of powers. Special pay on deputation should not be given unless the deputation really involves specific addition to duties and responsibilities. The Government of India in their orders dated 29th August 1966 have directed that " deputation allowance will not be admissible to Government employees who go on deputation/foreign service to ex-cadre posts which carry identical, equivalent or lower scales of pay " and equivalent scales have been defined as those which have the same minimum and maximum or where one scale is a segment of the other. It seems necessary that similar procedure should be adopted by the Maharashtra Government in respect of their employees.

CHAPTER 12

COMPENSATORY LOCAL ALLOWANCE

1. We are concerned here with the allowances which are intended to meet the high cost of living in certain specially costly cities. As observed by the Second Central Pay Commission, compensatory local allowance is intended to compensate only that element of expensiveness of cities which is not covered by Dearness Allowance.

Existing rules and pattern of compensatory local allowance disclose the following significant facts :—

(1) Employees are divided into two groups namely, Gazetted and non-gazetted, with different rates. Importance has been given to status and not so much to pay slab of the employee.

(2) Compensatory Local Allowance is permissible only to employees who have their place of duties in cities which are classed as A, B or C class on the basis of population according to Census of 1961. Cities having a population of over 10 lakhs are classed 'A', over 5 lakhs as 'B' class and over 1 lakh as 'C' class.

(3) Gazetted Officers in Bombay City get Rs. 50 for the pay range upto Rs. 500 and Rs. 75 for pay range of Rs. 550 to 1,499 and Rs. 100 for pay range of Rs. 1,500 and above. In the case of non-gazetted officers the minimum rate of Compensatory Local Allowances for Bombay City is Rs. 7·50 for pay range below Rs. 76 and maximum rate is Rs. 75 for pay range of Rs. 500 to Rs. 999. For Nagpur and Poona the minimum rate is Rs. 5 for pay below Rs. 76 and maximum Rs. 10 for pay range of Rs. 200 and above. Compensatory Local Allowance is payable according to place of duty and not strictly according to place of residence (as in the case of House Rent Allowance).

2. The system of paying Compensatory Local Allowance is of long standing. We have tried to ascertain how originally the rates of Compensatory Local Allowance were fixed and on what basis changes were introduced from time to time. We learn that the State Governments have been following the Central Government in the matter of pattern and rates of allowances subject to modifications necessitated on certain special circumstances obtaining in the State. Even the Reports of two Central Pay Commissions do not throw sufficient light for ascertaining how the figures of Compensatory Local Allowance were originally calculated.

3. Rates of Compensatory Local Allowance and House Rent allowance were determined separately in the year 1948. Thereafter the rates were again revised in the year 1962. Special expensive cities or towns were classified in three categories as 'A' area—Greater Bombay (with population of more than 10 lakhs), 'B' area—Poona and Nagpur (population exceeding 5 lakhs), 'C' area—Ahmednagar, Akola, Amravati, Kolhapur, Malegaon, Nasik, Sangli, Miraj, Sholapur and Ulhasnagar with population exceeding 1 lakh. In 1962, when the Maharashtra Government decided to merge a portion of dearness allowance in basic pay, some change was effected in the rates and pattern of Compensatory Local Allowance and House Rent allowance. It will be noticed that the Governmnt of Maharashtra has broadly accepted the rates of Compensatory Local Allowance as sanctioned by Central Government except in one matter. The revised rates were not made applicable to both Gazetted and non-Gazetted employees uniformly, according to pattern of the Government of India. Separate rates of Compensatory Local Allowance have been sanctioned to Gazetted and non-Gazetted employees. This was presumably because this adoption of uniform rates would have resulted in the reduction of rates already admissible to Gazetted Officers.

4. For purposes of this allowance, population has been considered as a broad index of special expensiveness of a locality. Employees dispute appropriateness of the population criterion. It is urged that the classification of cities or towns for purposes of this allowance should be based on the level of cost of living as indicated by the cost of living index. It has to be appreciated that cost of living index numbers do not indicate relative expensiveness of all the cities. These index numbers only indicate changes in the cost of living at a place for which they are compiled. Cost of living index number for Bombay will only indicate changes which have taken place in the cost of living in Bombay with reference to the base year of that index. There are different base years for indices constructed for different places. In Maharashtra, at present, seven cost of living indices are compiled for different cities and towns. Even in the case of indices for which there is the same base year, the changes in the cost of living reflected by each index number will not give idea of the relative cost of

living of other places. The fact that index number of any particular place has risen higher as compared to index number of other places with the same base year will not justify an inference that the former place is more expensive than the latter.

5. It is true that for exact measurement of expensiveness of a city and determination of relevant extent of such expensiveness at present there is no standardised norm. It is a fact of experience and observation, however, that cities and towns with bigger population are generally more costly and on the basis of this assumption, the scheme of Compansatory Local Allowance is usually worked out. It is possible that there may be some pockets where inspite of smaller population, living may be more costly. Such places should be considered as exceptions and these instances should not come in the way of taking population of the places as a general criterion, for determination of Compensatory Local Allowance.

6. The Second Pay Commission has explained that the Compensatory Local Allowance is intended to compensate only that element of expensiveness of cities which is not covered by the dearness allowance.

It follows that rate of Compensatory Local Allowance should be determined after considerations of the expensiveness of the city with reference to average cost of living in the State. The problem is, what is that average cost of living as expressed in money value or what is the ratio or relativity between such average cost of living for the whole State and in the expensive cities, for determining the extra element of expensiveness which is not covered by dearness allowance ? In the absence of such information it is impossible to determine precisely, the rates of Compensatory Local Allowance for different cities and towns and suggest suitable modification. Employees' Associations urge that compensatory local allowance should be suitably increased or even doubled because of soaring high prices. Submissions of the employees do not seem to make any distinction between Compensatory Local Allowance and Dearness Allowance when they press such a demand.

7. Payment of Compensatory Local Allowance as distinguished from dearness allowance is justified on the ground that the former is intended to compensate that element of expensiveness which is not covered by dearness allowance. Nobody has so far attempted a definition or description of this extra element. The genesis of Compensatory Local Allowance as explained by First Pay Commission is that it was based on the principle that differentiation has to be made " between officers with all India service liability and serving on uniform rates of pay in costly as well as less costly areas and establishments recruited on definite zonal scales of pay when pay scales themselves contained an element of differentiation for the higher cost of living ".

8. In fact we feel it relevant to observe that during the last few years the expensiveses of mofussil areas is increasing and there are grounds to believe that difference in costliness of living in different towns is getting reduced, particularly in the case of middle Class families and also working class families. This is our impression which we consider as realistic though we have no facts or figures with us to substantiate the same. For arriving at a definite conclusion, survey of family budgets is essential.

9. In the absence of required data or any standard for measuring relative expensiveness of the city with reference to average cost of living and particularly with reference to aforesaid element of extra expensiveness, it is difficult for us to say if any significant change has taken place in the above matter and to form new appropriate rates for Compensatory Local Allowance. Moreover, the change and its extent has to be ascertained in " that element of expensiveness of city which is not covered by dearness allowance." For example, at present Gazetted Officers on Rs. 500, having their offices in Bombay city get compensatory local allowance of Rs. 50. If we are asked to increase this amount then it is necessary to be satisfied that in respect of the element of extra expensiveness which is not covered by dearness allowance, expeness have increased in proportion to the increase asked for in the Compensatory Local Allowance. Same reasoning will apply when proposal is made to reduce the rate of Compensatory Local Allowance on the ground that relative expensiveness has gone down below the existing level.

10. The employees and even some of the Heads of Departments have urged that these allowances may be sanctioned according to pay slabs and at fixed rates instead of percentage basis, because, according to them a slight change in the monthly pay, involves fresh calculations in respect of several

employees every month. We do not think that the established practice need be changed merely because it involves some extra trouble in making calculations of Compensatory Local Allowance : *prima facie*, pattern of rates either on fixed rate basis or percentage basis is evolved by the administration for good reasons. In fact, some employees are sure to be prejudiced if percentage basis, as applied to them presently, is changed to fixed rate basis. We find that even in Government of India, percentage basis has been adopted. We do not, therefore, see any justification to recommend the change asked for.

11. It has been urged that present rates have no relation to cost of living index, and as such the Compensatory Local Allowance rates should be increased by 25 % in the case of officers drawing pay of more than Rs. 500 and Rs. 50 in the case of other employees. We have already explained the distinction on the basis of which Compensatory Local Allowance and dearness allowance are paid. General increase in the cost of living as indicated by the cost of living index would make out a case for increase in dearness allowance. For increase in Compensatory Local Allowance, an increase in that element of expensiveness in costly cities which is not covered by dearness allowance has to be substantiated and also a standard measure for ascertaining of Compensatory Local Allowance on that basis has to be evolved. In the absence of material for coming to definite conclusions on above points and the absence of norms for deciding the extent of increase, it is not possible for us to recommend an increase as has been asked for.

12. It has been urged that the rules and the rates regarding grant of Compensatory Local Allowance should be revised and brought on par with those of Central Government, in all respects. The present pattern is more or less on the pattern of Government of India, excepting for the distinction made between Gazetted and non-gazetted employees and change made by the Government of India in the year 1965. Some of the employees have urged for removal of difference in pattern of rates provided for Gazetted and non-Gazetted staff and providing uniform rates to both the groups of employees on uniform basis, according to pay slabs. In our view, there is no reasonable basis to presume that a Gazetted Officer living in Bombay necessarily spends more than a non-Gazetted officer though receiving the same pay. It cannot also be a valid principle that if a Gazetted officer spends more, he should be compensated by paying him more than what is paid to a non-Gazetted officer. We, therefore, recommend the removal of this distinction and the providing of Compensatory Local Allowance at uniform rates to both the Gazetted and non-Gazetted employees.

Application of the proposed rates will result in a reduction of the amount of Compensatory Local Allowance which some Gazetted officers at present stationed in Bombay city are drawing. In such cases, the Government may provide that the reduction will be spread over three years or so.

After giving our thought to all the aspects of the question, we propose that general scheme of Compensatory Local Allowance should be continued as at present subject to modifications stated hereafter.

We propose Compensatory Local Allowance as stated below :—

Statement indicating the proposed rates of Compensatory Local Allowance

Bombay		*Poona and Nagpur*	
Below Rs. 150 ..	10 % of pay subject to a minimum of Rs. 7·50 and maximum of Rs. 12·50.	Below Rs. 250 ..	7½ % of pay subject to a minimum of Rs. 6 and maximum of Rs. 15.
Rs. 150 and above ..	8 % of pay subject to a minimum of Rs. 12·50 and maximum of Rs. 75.	Rs. 250 and above ..	6 % of pay subject to a minimum of Rs. 15 and maximum of Rs. 50.

Since we have proposed discontinuance of city scales, all employees presently governed by city scales and opting for new scales proposed by us will get the Compensatory Local Allowance and employees with city scales not opting for new scales will not receive Compensatory Local Allowance. Employees who have no opportunity to opt for new scales, because of absence of change in the city scale by which they are presently governed will be entitled to receive Compensatory Local Allowance as proposed above.

CHAPTER 13

HOUSE RENT ALLOWANCE

House Rent Allowance is an allowance towards defraying house-rent granted in localities where such rents are high or granted in lieu of free quarters. The first is intended to compensate employees who are stationed in certain cities, where level of rent is specially high. The second is allowed only to such staff whose duties require them to reside near their place of work for being available for duty at all times, and are, therefore, entitled to rent-free quarters, but for whom Government have not made such quarters available. In some cases, as in the case of Class IV employees working in the city of Bombay, free quarters or house-rent allowance is given as supplement to pay. The House Rent Allowance is not paid as compensation for the general high cost of living which is compensated by Dearness Allowance and C.L.A. but is intended to meet a part of the specially high cost of hiring residential accommodation.

2. At present there are two types of pay scales for employees of the Maharashtra Government they are described as (*a*) Mofussil Scales, (*b*) City Scales (in Greater Bombay only). Employees covered by mofussil scales are alone entitled to C.L.A. and H.R.A. Employees on City scales are not entitled to these allowances. We have separately proposed the abolition of city scales and proposed common uniform scales. If our recommendation is accepted, all employees will hereafter be uniformly getting these allowances according to the scheme and pattern of the rules governing them.

3. As observed by First Pay Commission, " uniform common scales can be framed only on the assumption that in costlier cities, the basic scales will be supplemented by suitable house rent or other allowances.". In the case of C.L.A. the population of a city is considered as adequate index to special expensiveness. The same criterion is used for existing pattern of House Rent Allowance. Cities are classified into three categories viz. :—

'A' Area	..	Greater Bombay (with population over 10 lakhs). (*Note.*—Thana City is included in 'A' Area because of its contiguity to Greater Bombay).	
'B' Area	..	Nagpur Poona	(with population over 5 lakhs).
'C' Area	..	Ahmednagar Akola Amravati Kolhapur Malegaon Miraj Nasik Sangli Sholapur Ulhasnagar	(with population exceeding 1 lakh).

The existing classification is based on the Census figures of 1961.

4. In the case of all Gazetted Government servants and non-Gazetted servants whose pay is Rs. 250 or more, the allowance is based on the actual rent paid minus 10 % of the Government Servant's pay subject to limits prescribed by the rules. The allowance is not admissible to those who occupy accommodation provided by Government, to those whom accommodation has been offered by Government and who have refused it, or those who have not been allotted residential accommodation but are in occupation of accommodation allotted to other Government servants. The accommodation must be of the type suitable to the status of the officer from the view point of rooms in the house, size, locality, general amenities and rent, and should have been approved by the prescribed authorities. Such authorities can limit their approval to such reduced rates as they may consider reasonable and the reduced rent then forms the basis of calculation of House Rent Allowance.

5. In the case of Government servants whose pay does not exceed Rs. 250 per month, the allowance is payable at the prescribed rates even if they share accommodation allowed to other Government servants provided the relationship of husband, wife, father, mother, son or daughter does not exist between two Government servants.

The Government servant concerned has to give a certificate that the amount actually spent by him on house rent is not less than 10 % of his pay plus the amount of allowance paid to him and that no portion of the accommodation is sub-let to or occupied normally by adults other than those belonging to his family. An employee with pay upto Rs. 250 is exempted from giving such certificate.

6. An officer residing in a hotel or boarding houses or residing and boarding with a private family as a paying guest is also eligible for the allowance according to proportion of the rental charges which the prescribed authority, allocates on the basis of accommodation occupied and the comparative cost of similar accommodation elsewhere. An officer living in a house owned by him is also eligible for house rent allowance. In such cases, the rental value of the house as assessed in municipal records, is taken as the rent paid by him for private accommodation for purposes of this allowance. A house owned by the father or mother of a Government servant is treated as his own for the grant of house rent allowance.

7. When Government makes available to Government servants residential accommodation owned or leased by it, the scale of accommodation, except at the Government servant's request, is not to exceed that which is considered appropriate to the status of the occupant. In such a case, he has to pay rent on the basis of standard rent or 10 % of his monthly emoluments, whichever is less and also pay taxes which are not in the nature of house tax or property tax.

8. It appears that it has been the policy of the then Bombay Government and the present Maharashtra Government, to generally follow the pattern of H.R.A. as is adopted by the Central Government except in one major respect, namely, the uniformity in the rates of H.R.A. for both the Gazetted and the non-Gazetted employees. In the Maharashtra State the rates are different.

9. The present pattern of rates of House Rent Allowance is as follows :—

I. GAZETTED OFFICERS

Pay Range	*House Rent Allowance*	
'A' Area (Bombay City)		
	Percent	
Below Rs. 500	15	(Since 1964 Thana City is included in this category for purposes of H.R.A.).
Rs. 500—999	12½	
Rs. 1,000 and above	10	
'B' Area (Poona and Nagpur)		
All gazetted officers	7½	
'C' Area (Ahmednagar, Akola, Amravati, Kolhapur, Malegaon, Nasik, Sangli, Miraj, Sholapur and Ulhasnagar)		
Below Rs. 301	Rs. 10.	
Rs. 301 and above	5 per cent.	

II. NON-GAZETTED GOVERNMENT SERVANTS

'A' AREA (BOMBAY CITY)

Below Rs. 76	Rs. 10.
Rs. 76—99	Rs. 15.
Rs. 100—125	Rs. 20.
Rs. 126—499	15 % subject to a minimum of Rs. 20.
Rs. 500—999	12½ %.

'B' AREA (POONA AND NAGPUR)

Below Rs. 76	Rs. 7·50.
Rs. 76—99	Rs. 10.
Rs. 100—199	Rs. 15.
Rs. 200 and above	7½ %.

'C' AREA (AHMEDNAGAR, AKOLA, AMRAVATI, KOLHAPUR, MALEGAON, NASIK, SANGLI, MIRAJ, SHOLAPUR AND ULHASNAGAR)

Below Rs. 76	Rs. 5.
Rs. 76—145	Rs. 7·50.
Rs. 146—300	Rs. 10.
Above Rs. 300	5 per cent.

10. Under existing orders H.R.A. equal to 15 % of pay is admissible without production of rent receipt to Government servants drawing pay upto Rs. 250. Also, Government servants in the pay range of Rs. 251—499 stationed at 'A' and 'B' class cities can claim a lump H.R.A. of Rs. 20 and Rs. 15 respectively without production of rent receipt. Thus, the position is that on pay of Rs. 250 H.R.A. admissible in 'A' class city is Rs. 37·50 (15 % of pay). Without production of rent receipt a Government servant drawing pay over Rs. 250 will get H.R.A. of Rs. 20. The position under the Government of India was also the same till November 1965 when they liberalised their H.R.A. rules and allowed H.R.A. at 15 % of pay subject to a minimum of Rs. 20 to all Government servants drawing pay between Rs. 150 to Rs. 500 without production of rent receipt. Therefore, at present under the Government of India orders a Government servant drawing pay of Rs. 400 can draw H.R.A. of Rs. 60 p.m. without production of rent receipt ; while under the Government of Maharashtra such a Government servant can draw H.R.A. of only Rs. 20 without production of rent receipt. It has been represented to us that Government of India rule should be adopted by the State Government also.

The Government of India rule seems to be unduly liberal. Also, under it when the pay increases over Rs. 500, the H.R.A. will be drastically reduced if the Government servant is not paying rent over 10 % of his emoluments. Under the existing orders in respect of Maharashtra Government servants claiming H.R.A. without production of rent receipt, the reduction in H.R.A. is gradual from Rs. 37·50 to Rs. 20 and then nil. We are not, therefore, in favour of following the Government of India in this respect. We would suggest continuance of the existing rule and allow minimum H.R.A. of Rs. 20 to those drawing pay between Rs. 251 to Rs. 499 without production of rent receipt.

11. It is further suggested that House Rent Allowance, like C.L.A., should be related to pay slabs with fixed rates and should not be rated on percentage basis. We have dealt with this suggestion in chapter on C.L.A. This practice of assessing House Rent Allowance on percentage basis also exists in the pattern of House Rent Allowance of the Central Government. Percentage basis helps to remove the inequalities between the employees. Employees should not be concerned with the pattern unless it has prejudicial effect on the allowance itself. They have not indicated how they are aggrieved by pattern of percentage basis that is at present adopted. Some of the Heads of Departments object only on the ground of inconvenience in making calculations every time when there is a change in pay. But this contingency will also be common to a pattern providing fixed rates according to the slabs of pay.

12. Employees have urged that presently sanctioned rates have no relation to cost of living index and that the allowance should be raised by at least 25 % in the case of officers drawing pay over Rs. 500 and by 50 % in the case of persons drawing pay below Rs. 500 and that many more towns should be brought within the scheme of House Rent Allowance instead of confining it to areas classed as A, B or C. It has been emphasised that, an account of acute shortage of housing accommodation which is presently not limited only to a few cities and towns, but felt even in small towns and villages, the present scheme of House Rent Allowance should be made applicable to all towns with population of more than 15,000. A suggestion has also been received that House Rent Allowance at 15 % should be made payable to Government servants working in different places irrespective of its population. It has also been brought to our notice that as soon as a Government employee is transferred, the house owner increases the rent and the next Government employee has to pay such increased rent and that in this way, the spiral goes on as a result of transfers, resulting in increasing rent at every change of tenant for the same accommodation.

Submission has also been made that following the classification adopted by the Government of India, Poona should be raised to the status of B-1 City. Presently the Central Government has bracketed Poona with Bombay for purposes of House Rent Allowance by granting it B-1 status.

13. Employees have also made some constructive suggestions for removal of hardships arising from scarcity of residential accommodation. It is suggested that the Government should undertake a programme of constructing quarters. It is also suggested that as landlord increases rent on transfers of employees, Government should requisition such premises and freeze rents. It is also urged that some employees are in occupation of big bungalows which are more than sufficient to accommodate an average family, and are paying only standard rent or rents at the rate of 10 % of pay. It is suggested that such big bungalows should be divided in smaller blocks and made available to more employees.

14. The need for continuation of the scheme of House Rent Allowance is not disputed by any section of opinion. Though in earlier period when the system of paying allowances besides basic pay was introduced, only Compensatory Local Allowance or House Rent Allowance was payable, with the change in the economic conditions and rising costs of living since Second World War, the three allowances namely—Dearness Allowance, Compensatory Local Allowance and House Rent Allowance have become part of the pay structure for offering monetary relief to the employees. Dearness Allowance is intended to neutralise in part, upto a certain level of pay, the general average increase in cost of living. Other allowances are supplement to Dearness Allowance. Though expenditure for rent is taken into account while calculating cost of living for purpose of cost of living index numbers, rents in certain cities are abnormally high as compared with the general level of rent in other areas and as such, provision for payment of house rent as supplement to Dearness Allowance is essential in the present circumstances.

15. The first important problem is about criterion to be adopted for selecting towns and cities for payment of House Rent Allowance. At present such cities or towns are classified on the criterion of population. Employees have urged that this test of population is not a safe guide and that House Rent Allowance should be made payable on the basis of levels of rent prevailing in different places.

It is not disputed that level of rent is generally influenced by growth of industries, concentration of offices, acute housing shortage, growth of commerce and trade or political or geographical location and also administrative importance of the place. These reasons are also contributory causes for growth of population. Afore-mentioned factors, other than population, which influence level of rents, however, cannot serve as appropriate standards for classification of areas for purposes of House Rent Allowance as these factors are of very general character. Only a survey of rents can be a safe guide. A periodical enquiry into the levels of rent, at places with high percentage of Government employees and schedule of prevailing rates prepared on the basis of such enquiry can be the only precise measure for application of the scheme of House Rent Allowance and determination of rates to be made applicable. However, at present, no such surveys are available. Under the circumstances, the criterion of population is alone available for use. It has been so adopted and is in long use, in both the Central and the State Governments.

16. It is possible that in some places, with lower population than the proscribed limit, levels of rent may be higher and in such exceptional circumstances there should be no objection to include the particular city or town in a particular group irrespective of the criterion of population. There should be, however, satisfactory material for holding, that there is higher level of rent in these places, notwithstanding the fact that the population is below the required limit. Such exceptions have been made in the past. Previously Nagpur and Lucknow having population below 5 lakhs according to the 1951 Census, were admitted in ' B ' Class cities, some cities with population of less than one lakh were also admitted in ' C ' Class, by the Government of India, because of abnormal scarcity of residential accommodation. It is also possible that in cities within the same population range, there are variations in levels of rent.

17. A broad classification of cities for purpose of House Rent Allowance is necessary. If House Rent Allowance is made payable to all employees irrespective of such classifications and irrespective of the place of duty, House Rent Allowance will lose its significance and propriety, and will take the character of Dearness Allowance. It has, therefore, to be accepted that inspite of some infirmities and in the absence of better standard of measure like results of rent survey and rent indices, criterion of population is the only practical measure and guide, for arranging a pattern of House Rent Allowance. Presumption can be safely drawn that level of rents rise with significant rise in population.

With the change in economic conditions, people from rural areas are migrating to urban areas. Due to expansion of Government activities econnected with Five-Year Plans and steps taken for developing industrial areas even in smaller urban centres, the number of office employees and other general population is increasing with rapid strides, even in smaller towns. Availability of better educational facilities is also another important factor for adding to the population in such places. Existing housing accommodation cannot cope with this increasing demand.

18. During our visits to different places for hearing oral evidence and discussion of the problems, responsible Government officers from these places and also representatives of organisations of employees have brought to our notice the difficulties experienced by employees as a result of shortage of housing accommodation at places which are not presently included in the list of places for which House Allowance is admissible. We are convinced that there are difficulties in securing accommodation in district headquarters and various municipal towns and that employees suffer a heavy burden of expenditure on rent which can be considered disproportionate to their earnings. We have reached a conclusion that some relief in the form of House Rent Allowance should be made available to the employees who have their place of duties is some of the places presently not included in the classified areas. We cannot accede to the proposal that all employees wherever working should get House Rent Allowance as a result of general rise in the cost of living. Any such course if adopted will be fundamentally opposed to the principle on which the scheme of House Rent Allowance is based. House Rent Allowance is not Dearness Allowance and cannot have uniform application. It cannot be assumed that rents have abnormally risen at all places uniformly. The scheme of House Rent Allowance can be made applicable only to places where rents are considered as being abnormally high and acute shortage of accommodation is experienced in securing accommodation. There is no definite material with us that pressure on accommodation in places with population below 50,000 is abnormal and rents are specially high as a result of concentration of offices or for any other reasons. It seems, therefore, that there is no case for extension of the scheme of House Rent Allowance to cities with population below 50,000.

19. The rates of House Rent Allowance were revised by the Maharashtra Government in 1962. As stated earlier, this revision followed similar revision by the Central Government.

20. In 1965, the Government of India further liberalised the House Rent Allowance rates for Poona City by classifying it as ' B-1 ' City and bracketting it with Bombay City for purposes of House Rent Allowance. As the policy of the then Bombay Government and also of the present Maharashtra Government has been to follow as far as possible the pattern of Government of India in these matters and in our opinion justifiably so, we suggest the adoption of this modification by the Maharashtra Government. Further as from the point of view of scarcity of housing accommodation and high rents, Poona and Nagpur stand in the same position, we recommend that the rates of House Rent Allowance admissible for the Bombay City should be held admissible for both the cities of Poona and Nagpur.

21. For the reasons which we have explained in great length in the earlier paragraphs, we recommend the extension of House Rent Allowance scheme to towns with 'A' class Municipalities with population over 50,000. The following towns will be included in the House Rent Allowance Scheme as a result of our recommendation :—

(1) Aurangabad, (2) Barsi, (3) Bhusawal, (4) Chandrapur, (5) Dhulia, (6) Gondia, (7) Ichalkaranji, (8) Jalgaon, (9) Jalna, (10) Kalyan, (11) Nanded.

22. *House Rent Allowance in lieu of Free Quarters.*—The other type of House Rent Allowance is in lieu of rent free quarters. Rent free quarters are allowed only to such staff as are required to reside on the premises where they have to work and is intended to be a facility considered necessary for proper discharge of their duties. There are, however, some exceptions and free quarters are provided as supplement to pay or substitute for special pay etc. which would have been granted but for providing of free quarters. Some employees are provided with quarters with reduced rents. Sections 1 and 2 of Appendix LV of Bombay Civil Services Rules Manual Volume II give a list of Government servants who are given rent-free quarters or quarters at reduced rates and those drawing House Rent Allowance in lieu of rent freee quaters. Rent concessions have also been sanctioned to class IV Government servants in Bombay City. Most of Class IV Government servants working in City of Bombay are provided with rent free quarters in the Government Chawls. Class IV Government employees in Bombay City, not provided with such Government quarters are paid house rent allowance at Rs. 10 per month. However, this seems special for Bombay City and it does not appear to be an accepted policy of Government that all Class IV servants in the State should get rent free quarters. As all Government employees will be entitled to a House Rent Allowance according to rates recommended by us when stationed in Bombay, the practice of paying House Rent Allowance of Rs. 10 in lieu of rent free quarters to Class IV servants in Bombay under a different scheme may be discontinued. Those at present occupying rent-free quarters provided by Government will, of course, not be eligible for the House Rent Allowance. The Central Pay Commission has observed that " The residence should be rent free only if the nature of duty or conditions under which they have to be performed are such that higher scale of pay or special pay etc. would be granted but for the concession of rent free quarters ". We are in agreement with the above observations.

23. We have considered the cases of groups of employees who presently enjoy the concession of rent-free quarters. Subject to the general principle enunciated above, we recommend that Government employees who are having the concession at present, may continue to enjoy such concessions but new employees to be recruited hereafter should not be admitted to these concessions unless the required conditions for granting of such concessions enunciated above are strictly fulfiled. Any exception to be made, should be in very special circumstances and with special sanction of the Government.

It would similarly appear that in a considerable number of cases, the concession of rent free quarters or allowance in lieu thereof or providing quarters at reduced rates, may not be in conformity with the recognised principle, that rent-free quarters should be provided only if the nature of duties requires an employee to have his residence in the premises. We suggest, therefore, that all these cases should be re-examined by Government and the anomalies or elements of injustice, if any, removed.

24. Some of the employees in occupation of Government quarters and who are not entitled to rent free quarters have urged that the present rates of recovery of house rent at 10 % of their pay should be reduced to 7½ % of pay in view of the high cost of living. Those who are occupying Government quarters at reduced rents, have also submitted that recovery of rents from them should be further reduced. We see no justification for these demands. All employees are expected to spend 10 % of their pay for their residence. In the present circumstances of shortage of residential accommodation, the employees in occupation of Government quarters are certainly at advantage as compared to others who have to live in substandard premises and still pay much higher rents. As regards those who are occupying Government quarters at reduced rents, we are not acquainted with the detailed reasons or circumstances which have originally influenced the fixation of these reduced rents. Cases with genuine hardships may, therefore, be examined individually by Government.

25. It is also urged that when accommodation allotted to the Government servants is not of the standard prescribed for its class and is of the type intended for the officer of lower grade, rate of rent for such accommodation should be the maximum rent that would have been paid by such lower officer for whom such accommodation is actually intended and not on the basis of the pay of the occupying officer, who is drawing higher pay. The grievance *prima facie* deserves consideration. But it is possible that low paid employees for whom quarters are intended were paying rent at concessional rates and that such considerations may not become available to high paid offices. Government may examine such cases and grant adequate relief if considered appropriate.

26. Since we have proposed discontinuance of city scales, all employees, excepting those who are under city scales and do not opt for the new scales proposed by us and continue to be governed by their existing scales, will be considered entitled to House Rent Allowance. Employees whose scales have not been changed in the revision and for whom there is no occasion for opting for new scales, will also receive House Rent Allowance to the extent proposed by us. Only those in city scales, not opting for new scales inspite of such opportunity, will not get the House Rent Allowance.

27. To conclude, we propose the following scheme of House Rent Allowance :—

I. For Bombay, Poona and Nagpur.

(Thana City to be included because of its contiguity to Bombay City)

Pay Range	*Proposed rates*
Below Rs. 100	Rs. 15.
Rs. 100—499	15 % subject to a minimum of Rs. 20.
Rs. 500—999	12½ %.
Rs. 1,000 and above	10 %.

II. For Ahmednagar, Akola, Amravati, Aurangabad Barsi, Bhusawal, Chandrapur, Dhulia, Gondia, Ichalkaranji, Jalgaon, Jalna, Kalyan, Kolhapur, Malegaon, Nanded, Nasik, Sangli, Miraj, Sholapur and Ulhasnagar.

Pay Range	*Proposed rates*
Below Rs. 100	Rs. 8.
Rs. 100—300	8 % subject to a minimum of Rs. 10 and maximum of Rs. 20.
Above Rs. 300	6 % subject to a minimum of Rs. 20 and maximum of Rs. 50.

28. Before we conclude this chapter, we would like to make some observations on the Government scheme of House Rent Allowance in the background of present day economic conditions. It is a well-known fact that at present house owners exploit employees by taking advantage of their helpless position and deny the availability of the accommodation unless arrangement is reached as will give the landlord the desired rent, though contrary to the intentions of existing law relating to Rents. There are instances of blackmarketing in rents and such practices cannot be ignored or encouraged. The spiral of increasing rents will not stop and the difficulties of the employees will not be alleviated with a mere liberalisation of House Rent Allowance for Government servants. Moreover liberalisation of House Rent Allowance to Government servants to a further higher level, will have its impact on other people who are in occupation of tenanted premises. In this regard, the case of Bombay city

stands absolutely on separate and unique footing. In Bombay, hiring of new accommodation is almost impossible for a middleclass employee. Even for high grade officers Government has to requisition private flats. In Bombay, House Rent Allowance even if liberalised will only add to the total emoluments of the employees, but under no circumstances it will be a successful measure for securing accommodation.

29. Under conditions as are prevailing in mofussil areas or in Bombay City and considering the resources of the State, and the nature and principles on which scheme of House Rent Allowance is based, we feel that it will not be possible to secure real relief in respect of housing accommodation to the employees by any further liberalisation of rates of House Rent Allowance. The concession like House Rent Allowance have their limits and the same are determined by the pay range of the employees. How much an employee should spend on accommodation has to be determined reasonably. Such limitation on expenditure for residential accommodation should determine the expenditure on house rent. At present, an employee getting pay of Rs. 100 per month receives Rs. 20 per month as House Rent Allowance for Bombay City and Rs. 15 per month for Nagpur or Poona and Rs. 7 for other places in 'C' Class area. This House Rent Allowance is over and above 10 % of the pay of the employee which he is expected to spend from his pay towards rent. The present allowance rates thus enable the employee with Rs. 100 as his pay to hire accommodation for a rent upto Rs. 30 in Bombay and Rs. 25 in Nagpur or Poona. Similarly, officers in Bombay with pay of Rs. 1,000 with provision of 10 % of pay for House Rent Allowance can hire a flat at rent of Rs. 200. The expenditure thus comes to 20 % of pay on residential accommodation, and should be considered a reasonable limit. In 'B' areas, an employee is enabled to spend 17½ % of his pay, and the same should be considered quite adequate. Thus though the rates of House Rent Allowance by themselves are not inadequate considered from a theoretical point of view of suitability, these are not in any way in conformity with the actual rents charged. Therefore, if existing rates are not enough to relieve the distress of employees in securing residential accommodation, other methods and remedies will have necessarily to be devised or explored.

30. Though not covered by our terms of reference we feel persuaded to make some suggestions for alleviating the distress of employees particularly of lower-income groups in the matter of housing facilities. In the present conditions, any scheme of House Rent Allowance will not solve the difficulties which employees have to face in the matter of housing accommodation. It is essential particularly for protecting employees in low-paid brackets that Government should take appropriate steps for removing the distress. The first necessity is to provide housing facilities at reasonable rates. Not only there are difficulties in getting accommodation, but even where houses become available, they are very often in distant and inconvenient places, and are also generally below the standard from the view point of living space, lighting, ventilation and other amenities. Such conditions of living are bound to affect efficiency. It appears to be the policy of the Government to insist on industries to provide for accommodation of industrial workers. As the biggest employer similar responsibility rests on Government in providing accommodation to its employees, particularly in the lower income groups. No doubt, the usual conditions of service do not impose any such responsiblity on Government. But, existing economic and special conditions demand that Government should take such interest in its employees on humanistic and special considerations and also in the interest of efficiency of administration. With prevailing high cost of construction, private parties do not find it profitable and are reluctant to undertake construction for giving on rent particularly when other avenues of earning more profits are available to them under the existing inflationary conditions. The Government have several schemes for improving housing conditions for people of low-income groups such as subsidised industrial housing scheme, the low-income housing scheme, the slum clearance scheme and middle-income group housing scheme. All these schemes benefit those who want to own houses. Government employees who serve the Government with conditions of transferability are not in any way benefitted by these schemes. Under the various schemes 36,266 tenements were constructed at the end of the Second Plan, and by the end of the Third Plan 36,400 more tenements have been constructed in urban areas. Under rural housing schemes about 7,000 houses have either been constructed or improved. During the Fourth Plan, the target is for construction of 58,585 tenements. The Fourth Plan outlay is provisionally estimated to be Rs. 33·16 crores for housing and Rs. 5·84 crores for urban development. It will not be out of place to expect that either as part of these schemes, or separately from them, a scheme should be drawn up for constructing houses or flats for being let out to employees

on reasonable rents. At least, a scheme of constructing kutcha buildings (with life of about 15 years) can be undertaken for the time being, if financial position does not permit immediate construction of permanent houses or blocks. Such a scheme is not likely to be completely unprofitable but even if it be so from financial point of view, in our view it will be worthwhile on social and administrative grounds. When Government is subsidising private sectors for various schemes and other cooperative efforts, there is equally a strong case for subsidising a scheme for providing facilities to its own employees.

31. Any scheme of Housing is likely to take some time for its implementation and may not relieve the employees from their immediate distress. Following measures can be usefully taken without much cost to Government :—

(1) Employees should be given proper assistance for enforcing the provision of the rent laws. Government employees cannot undertake litigation and have neither time nor money for this purpose. Legal machinery from the office of the Government Pleader (at district places) can be made available free of cost. The provision of rent control laws are sufficiently liberal for helping Government employees both for allotment of housing accommodation and fixation of fair rent. Government should consider in this connection whether they could not freeze the rents, at the level of rents paid by the employee previous to his vacating the premises as a result of his transfer or for any other reasons by suitable amendments in existing rent laws.

(2) At present, much hardship in the matter of accommodation is due to frequent transfers. We understand that such transfers take place after every three years, even in the case of Class III employees. Government can consider if these rules for transfers cannot be relaxed for employees of lower levels at least till shortage of accommodation is removed and Government is in a position to provide accommodation under its own housing schemes. While transfers demanded by administrative needs or necessity must be ordered, transfers made merely as a result of routine procedure should be avoided in view of housing difficulties.

CHAPTER 14

TRAVELLING ALLOWANCE

There are over 200 rules in the Bombay Civil Services Rules regulating the drawal of travelling allowance of Government servants. We doubt whether there are so many rules on the subject in any non-Government Office. While we have examined only the important rules, as they stand at present, we would suggest to Government to consider the feasibility of simplifying and reducing the number of rules after taking into account the travelling allowance rules of some semi-Government or private organisations, employing large staff.

2. *Basic Principles of Travelling Allowance.*—The basic principles on which the rates of travelling allowances are determined are that they should not be a source of profit to the Government servants, but that they should be sufficient to protect him from monetary loss while travelling in the discharge of his duties. We consider that these principles are sound. On behalf of employees also, changes in rates of allowances admissible have been justified on the ground that the present arrangements do not conform to the latter principle and not on the ground that the underlying principles are not sound.

3. *Different classes of Travelling Allowance.*—We confine ourselves only to the following classes of allowances, which affect many Government employees :—

(i) Travelling Allowance on tour and transfer.

(ii) Permanent Travelling Allowance.

(iii) Conveyance Allowance.

From the papers received by us, it appears that some time back Government had formulated proposals of revision of these allowances though no decision thereon was reached. We have considered these proposals as also the remarks of Heads of Departments, representatives of Associations and others. Generally, the suggestions were that we should follow the Central Government rules. The various suggestions received are mentioned at the appropriate places.

4. The present position in regard to the above mentioned travelling allowances is as follows:—

For the purpose of calculating Travelling Allowance, Government servants are divided into following three grades:—

(1) First Grade : All Government servants drawing pay over Rs. 800 per month.

(2) Second Grade : All Government servants drawing pay between Rs. 800 and Rs. 220 per month.

(3) Third Grade : Remaining Government servants.

This gradation is made on an *ad-hoc* basis and has nothing to do with classification of services viz. Class I, Class II etc. Thus, a 'Class I' Officer will not necessarily be a 'Grade I' Officer.

I. TRAVELLING ALLOWANCE ON TOUR.

Class of accommodation and rates of incidental charges for journeys on tour.

Grade.	Class to which entitled.	Incidental charges.
Rail Journey :—		
(*i*) First Grade Officers of All India Services drawing pay over Rs. 1,600 per month.	Air-conditioned First Class ..	1 Paisa per Kilometer to be deducted from incidentals under (*ii*) below.
(*ii*) Other First Grade Officers ..	First Class ..	.. 35 paise for every 10 Kilometers or part thereof if it exceeds 5 Kilometers.

[illegible]

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Rates of Daily Allowance

Grade.	Special rates.		Ordinary rates for other places.
	Bombay-Nagpur.	Aurangabad and Poona.	
1	2	3	4
	Rs. Ps.		Rs. Ps.
(*a*) *First Grade :—*			
Pay of Rs. 800 per month or more ..	12·00	As in Column 2.	10·00
(*b*) *Second Grade :—*			
(*i*) Pay above Rs. 550	8·83		7·50
(*ii*) Pay between Rs. 351 to Rs. 550 ..	6·62	As in Column 2.	5·62
(*iii*) Pay between Rs. 220 to Rs. 350 ..	6·25		4·75
(*c*) *Third Grade :—*			
(*i*) Pay above Rs. 190	5·25	4·08	3·50
(*ii*) Pay between Rs. 146 to Rs 190 ..	3·87	3·06	2·62
(*iii*) Pay between Rs 86 to Rs. 145 ..	2·50	2·00	1·75
(*iv*) Pay upto Rs. 85	2·00	1·69	1·50

When a Government vehicle is used by officers for tour they lose 1/4th Daily Allowance on the days on which they use Government vehicle and do not return to headquarters on the same day. If the Government servant returns to headquarters on the same day the amount of daily allowance admissible to him is regulated as follows:—

If the absence from headquarters does not exceed 6 hours. Nil.

If the absence from headquarters exceeds 6 hours but does not exceed 12 hours. 3/4th Daily Allowance.

If the absence exceeds 12 hours. ... ... 3/4th Daily Allowance.

5. When two or more Government servants travel in a Government vehicle, every one of them will be entitled to the reduced daily allowance. This is the position whether the Government vehicle is at their disposal or not.

Government has fixed certain charges for use of Government vehicle for private work.

Government servants permitted to use a Government vehicle on tour is also permitted to take with him one member of his family and one private servant without paying charges for the use of the vehicle. If more persons accompany the Government servant, the charges for use of the Govenment vehicles are to be recovered.

6. The chauffeur of a Government vehicle if absent from headquarters for at least one night, gets full daily allowance for absence exceeding 12 hours and only ½ daily allowance for absence exceeding 6 hours to 12 hours (after absence for one night in both the cases). He is not entitled to draw any daily allowance on the last day of the journey.

II. *Travelling Allowance on transfer.*

7. Travelling Allowance on transfer is not admissible unless the transfer is in public interest (and not at the employee's request) and the Government servant is entitled to 'Pay' during the period occupied by the journey.

The actual travelling allowance on transfer admissible for various modes of journey is as follows:—

Mode of Journey	For Government Servant.	For members of family.
1. By Rail	One fare of the class to which he is entitled *plus* an allowance for incidental expenses at four times the prescribed rate (according as a Government servant belongs to the first, second or third grade).	One fare for each adult member of his family and one-half fare for each child for whom the fare is payable if they accompany him.
2. By Steamer ..	Double the single fare of the class in which he is entitled to accommodation.	One fare for each adult member of his family and one-half fare for each child for whom the fare is payable if they accompany him.
3. By road in a hired conveyance.	Two mileages at the rate to which his grade entitles him.	One mileage if one member of the family accompanies the Government servant and a fourth one, if more than one member of his family accompany him.
4. By road in motor vehicle plying regularly for conveyance of passengers.	Three fares	One fare for every adult member of his family and one half for each child for whom such fare is payable if they accompany him.

In the case of journey by rail or steamer, in addition to travelling allowance for personal journeys, a Government servant is entitled to actual cost of carriage by goods train, steamer or other craft, of personal effects upto prescribed maximum. He may also draw packing charges for personal effects actually carried subject to prescribed limits. The limits prescribed are as follows:—

Grade of Government Servant.	If not possessing family (in Kilograms)	If possessing family (in Kilograms).	Rate of packing charges per kilogram.
1. First Grade	2,240	3,360	2 Paise per kilogram.
2. Second Grade	1,120	1,680	2 Paise per Kilogram.
3. Third Grade	675	825	1 Paisa per Kilogram.
4. Fourth Grade			

III. *Permanent Travelling Allowance.*

8. A permanent travelling allowance is given to those Government servants, whose duties involve extensive travel over a wide area. Whenever there is extensive travelling over a limited area, a conveyance allowance is usually given. The permanent travelling allowance is granted, in lieu of all travelling allowances including daily allowance and therefore a Government servant in receipt of permanent travelling allowance, cannot ordinarily draw any other form of travelling allowance when travelling within his sphere of duty.

9. The permanent travelling allowance is fixed on an average basis, after taking into consideration the ordinary travelling allowance that the officer has drawn during a period of six months or a year of touring. It is understood that the existing basic rates of permanent travelling allowance to various officers from Class IV to Heads of Departments mentioned in Appendix XXII of Bombay Civil Serviies Rules Volume II and Bombay Civil Services Rule 383-B were fixed in 1941. In 1949 an increase of 75 per cent. over the basic rate in all permanent travelling allowances of less than Rs. 80 per month and 50 per cent. in the case of others (subject to a minimum of Rs. 140 per month) was allowed. While sanctioning a permanent travelling allowance, the minimum days of touring are always stipulated and if that minimum touring is not done, permanent travelling allowance is proportionately cut.

IV. *Conveyance Allowance.*

10. A conveyance allowance is granted to a Government servant whose pay has not been fixed with special reference to the expenditure likely to be incurred on touring in the performance of his duties, and whose duties involve, an extraordinary amount of travelling within a limited area. The amount of the conveyance allowance is usually based on (i) the status of a Government servant, (ii) number of miles he is required to cover on duty within the limited area, (iii) the type of vehicle maintained, if any, by the Government servant. Since these Government servants are required to travel extensively on duty within a short distance of their headquarters, they are not eligible for any other travelling allowance under the normal rules. The rates of the conveyance allowance as prescribed, are mentioned in Appendix XXIII of the Bombay Civil Services Rules and Bombay Civil Services Rules 387 to 394.

OUR RECOMMENDATIONS

We have considered the problems arising from the present pattern and rates of different kinds of travelling allowance and have come to the conclusions given hereinafter.

11. *Travelling Allowance on tour.*—In regard to Travelling Allowance on tour the following points arise :—

(i) Grade of the Officer,
(ii) Class of accommodation to which the officer is entitled ;
(iii) Rate of incidental charges for journey by (*a*) rail, (*b*) air, (*c*) road, or (*d*) steamer ; and
(iv) Rate of daily allowance, depending upon the place of halt viz. whether the halt is at a costly place like Bombay, Poona, Nagpur, or Aurangabad, or any other place in the State, or at a place outside the State.

At present, Government of India officers drawing pay over Rs. 1,600 per month are eligible to travel by air. Under Maharashtra Government orders, officers drawing pay of Rs. 1,000 per month and over are eligible to travel by air. We feel that these rules are fair and do not need any change.

In regard to air-conditioned rail travel, at present officers of the All-India Services drawing pay over Rs. 1,600 per month are eligible to travel by air-conditioned first class. It has been suggested to us that officers drawing pay over Rs. 1,000 per month may be allowed to travel by air-conditioned class because (*a*) present day 1st class compartments are the old second class compartments and hence crowded ; (*b*) these officers are eligible to travel by air and since air conditioned first class rail fare and air-fare are more or less equal, the proposal will not involve much extra expenditure to Government ; (*c*) generally these officers are State-level officers and are required to undertake frequent and long distance touring. On a careful consideration of these suggestions, we feel that there need be no objection to lower this limit of pay for purposes of journeys on tour. Accordingly we recommend that State Government officers drawing pay over

All representations sent to us and all the witnesses who appeared before us have urged that the present rates of daily allowance have no relevancy to the present-day expenses of staying away from headquarters. It has also been emphasised that the Govrnment servants, on tour, do not always get accommodation in Government rest houses. Suggestions have, therefore, been made that (i) Government should have different rates of daily allowance for those staying in Government rest houses and those staying in hotels, and (ii) actual expenditure incurred for lodging, supported by vouchers, should be reimbursed.

We called for information about boarding and lodging charges in various hotels in Bombay, Poona, Kolhapur, Sangli, Aurangabad and Nagpur. It seems that the minimum charges of two meals of ordinary type, at any place these days, are about Rs. 3 per day.

After taking into account this information as well as the rates of daily allowance fixed by the Government of India, we suggest the following rates of daily allowance:—

Grade.	Existing rate.	Proposed ordinary daily allowance rates.
	Rs. P.	Rs.
1st Grade :—		
Pay of Rs. 800 and above	10·00	15
2nd Grade :—		
(*a*) Pay above Rs. 550	7·50	10
(*b*) Pay between Rs. 351 to Rs. 550	5·62	8
(*c*) Pay between Rs. 220 to Rs. 350	4·75	6
3rd Grade :—		
(*a*) Pay above Rs. 150	2·62 and 3·50	5
(*b*) Pay between Rs. 100 and Rs. 150	1·75 and 2·62	4
(*c*) Pay upto Rs. 100	1·50 and 1·75	3

The above rates would apply to all places in the State, except those where special daily allowance rates have been sanctioned at present, for meeting the expensiveness of these places. The names of such places, the existing special rates of daily allowances and the revised rates recommended by us are shown in the table below:—

Grade.	Existing special rate admissible at		Proposed special rates of Daily Allowance at Bombay, Nagpur, Poona and Aurangabad.
	Bombay.	Nagpur, Aurangabad and Poona.	
	Rs. P.	Rs. P.	Rs. P.
1st Grade :—			
Pay of Rs. 800 and above	12·00	12·00	18·00
2nd Grade :—			
Pay above Rs. 550	8·83	8·83	14·00
Pay between Rs. 351 to Rs. 550	6·62	6·62	10·00
Pay between Rs. 220 to Rs. 350	6·25	6·25	9·00
3rd Grade :—			
Pay above Rs. 150	3·87 and 5·25	3·06 and 4·08	6·50
Pay between Rs. 100 to Rs. 150	2·50 and 3·87	2·00 and 3·06	5·00
Pay upto Rs. 100	2·00 and 2·50	1·69 and 2·00	4·00

16. Under the existing orders, half daily allowance is sometimes admissible to Government servants on tour. It is given in addition to incidentals. The idea underlying the grant of half daily allowance instead of full daily allowance is that part of the expenditure on the day of arrival or departure would be met from the incidentals admissible to the Government servants.

We have now recommended revised rates for payment of incidentals on the basis of hours spent on travel. In the light of those recommendations, we feel it necessary to liberalise the present rule regarding grant of half daily allowance to them. We recommend that these Government servants should be held eligible to draw full daily allowance at place of halt on the day of arrival and also on the day of departure, even where the Government servant has interrupted his halt with a journey to out-stations. However, only half daily allowance may be granted in respect of place of halt from which a Government servant departs for headquarters on the same day on which he arrives at it.

17. Suggestions have been made for revising the existing rule so that the Government officer who performs the journey in Government vehicles is given the full daily allowance and not 3/4th of the allowance admissible otherwise. We, however, feel that one of the items on which a Government servant on tour, has to incur expenditure is transport at the place of halt. This expenditure is avoided when the Government vehicle is available to him and hence a reduction in daily allowance is *prima-facie* justified.

We, however, feel that the rule regarding reduction of daily allowance should be applicable only to gazetted officers and not to subordinate staff since such staff would generally be taken by the officers with them in the car, for administrative convenience.

18. Some Class IV employees have represented that when they travel by Government vehicle while accompanying officers or Ministers, they are not given any incidentals as otherwise admissible to them when the journey on tour is by rail.

We feel that it is not necesary to give incidentals except in the form of daily allowance when the journey is done by a Government vehicle. If our recommendations in the above paragraphs are accepted, they would now draw full daily allowance without reduction of one-fourth daily allowance.

We would not suggest any other change in the rules regarding the terms and conditions for the use of Government vehicles.

19. At present, daily allowance at full rates can be drawn only for the first ten days of a continuous halt on tour. If the tour exceeds the period of ten days, then for the next twenty days the daily allowance is given at the three-fourths of the normal rate and for the next sixty days, at half the rate. In exceptional circumstances, the Rule is relaxed to grant full daily allowance for stays exceeding the limits laid down therein. Similarly for officers whose nature of duty is such that they are required to stay away on tour for periods exceeding the normal limits, general exemption is given. The principle underlying the ten days' limit seems to be that the expenditure of a Government servant becomes less as the stay increases, one of the assumptions being that hotel charges for longer periods (on monthly basis) are cheaper than on daily basis. One witness has observed as follows :—

> "The idea that an officer who plans to stay out for more than ten days does not have to depend wholly on the local services but will transport part of his regular establishment to his camp, now no longer holds water.....Expenses of touring.....do not go down from the eleventh day".

We feel that the circumstances under which the ten days' limit was fixed, no longer exist and there is an urgent need for liberalising this limit. We accordingly suggest that the limit for full daily allowance for continuous halt on tour should be extended to 15 days.

20. *Travelling Allowance on transfer.*—Regarding travelling allowance admissible on transfer, the observations of the Central Pay Commission are reproduced below:—

"Several organisations of employees have complained that apart from inconvenience of various kinds, and dislocation of the education of children, transfer from one station to another involves an employee expenditure which is not fully reimbursed. Leaving aside Railway staff who are governed by special rules, the allowances for incidental expenses are at the rate of 48, 32 and 16 pies per mile for Grade I, Grade II and Grade III employees respectively; and Grade IV employees are allowed 2 third class passenger fares. The allowance thus increases with the distance to be covered on transfer; and when the distance is very short, the amount of the allowance is also small. There are two kinds of expenses involved in a transfer, one on the transport of personal servants and on food etc. in the course of the journeys; and the second, on setting up a household afresh, and on getting children admitted to new schools, and the like. The expenditure on the former items certainly increases with the distance of the station to which the transfer is made but that on the latter is the same, whether the transfer is to a place of score of miles, or many hundred miles, away. The present system of allowance for incidentals does not take this into account, and this operates particularly harshly in the case of Class III, and some sections of Class II staffs, who are usually not transferred to very distant places. We recommend that the present rates of allowance for incidentals should be halved, but that in lieu of the other half an employee should be allowed half a month's pay, subject to limit of Rs. 150. The proposed scheme would be more favourable than the present scheme, except when in the case of Grade I officers, the transfer is to a place exceeding 1,200 miles, and it is only Grade I, and a relatively small number of Grade II, officers who have such long distance transfers".

Under our existing rules a Government servant on transfer is eligible for the following:—

(i) Fare for the class to which he is entitled for self and family.

(ii) When the journey is by rail—4 times the incidental admissible.

(iii) When the journey is by road or sea—Double the incidental admissible.

(iv) Actual cost of transport of kit by rail or road subject to certain weight limits.

(v) Packing charges—At 2 Paise per kilogram for 1st and 2nd grade and 1 Paisa per kilogram for 3rd grade Government servant.

Similar allowances were admissible under the old Government of India orders. However, in pursuance of the recommendations of the Central Pay Commission, the Government of India now grants in place of terms (ii) to (v) above, lump payment of half month's pay depending on the pay of a Government servant subject to a maximum of Rs. 150 *plus*, the following:—

(i) By Rail	...	2 times the rates of incidentals (as against 4 times previously admissible).
(ii) By Road	...	1 road mileage (as against 2 mileages previously admissible).
(iii) By Steamer	...	1 Steamer mileage (as against 2 previously admissible).

From our discussions with several witnesses, we find that adoption of the Government of India rule will be generally acceptable to the State Government officials. This rule will not be advantageous only to those Grade I officers who are liable to be transfered to long distances viz. places exceeding 1,300 kilometers. No officers are likely to be transferred to such long distance. We, therefore, recommend that Government should follow the Government of India Rule.

21. *Road Mileage.*—Certain high officers of Government are allowed to tour by road and are granted road mileage @ 14 Paise, 28 Paise or 36 Paise per kilometer depending upon the grade of the officers and the mode of transport used. These rates, we understand, have remained unchanged since 1949. The cost of maintenance of motor vehicles or motor cycles have increased since then, though exact percentage of increases in the cost of maintenance is not known. The Director of Transport has reported to us that the cost of maintenance of a 14 to 18 H.P. car is about 47 Paise per kilometer. Though it is not necessary for Government to meet the entire cost of maintenance of a vehicle (like insurance, depreciation and taxes, etc.), since the vehicle is not used throughout for office work only but also for private work, we feel that on merits there is justification for increasing the existing rates of road mileage. After careful consideration of the evidence before us, we recommend the following revised rates of road mileage:—

	Motor-car.		Motor-Cycle.		Any other means of conveyance.	
	Existing rate.	Proposed rate.	Existing rate.	Proposed rate.	Existing rate.	Proposed rate.
1st Grade Officer	36 P.	40 P.	....	....	....	....
2nd Grade Officer	28 P.	40 P.	14 P.	20 P.	14 P.	20 P.

We do not feel that there is now any justification for continuing the difference in mileage rate for motor car between Grade I and Grade II officers. In the old days, the Grade I officers generally used bigger cars and the cost of maintenance was more. Now as bigger cars are not available and both Grade I and II officers have to depend upon utility cars or second-hand cars, the maintenance charges are the same for both. We recommend therefore, that the mileage rate for motor-car should be uniform for both Grade I and II officers and fixed at 40 Paise per kilometer as suggested by us.

22. *Permanent Travelling Allowance.*—It has been represented to us that the rates of Permanent Travelling Allowance are not adequate as they were fixed as long back as in 1949 and should therefore be increased after taking into account the present day cost. One suggestion was that all Permanent Travelling Allowances should be abolished and officers should be allowed ordinary travelling allowance.

It has also been suggested that permanent travelling allowance may be sanctioned for a period of 8 months only, covering the fair reason of the year and if any Government servant drawing permanent travelling allowance is required to tour during the rainy season, he may be allowed to claim travelling allowance as admissible on tour.

There have also been suggestions for the removal of the penal clause in the rules governing the drawal of permanent travelling allowance. It was pointed out to us that there is a disparity in the rates of permanent travelling allowance sanctioned to gazetted officers in the same district with identical jurisdiction and same element of touring.

We understand that the Acountant General, Bombay, had some time back pointed out to Government that the present rates of Permanent Travelling Allowance are out of tune with the actual levels of expenditure on travelling in respect of many posts for which Permanent Travelling Allowances have been sanctioned. He, had, therefore, suggested that instead of sanctioning any further increase in the rates of Permanent Travelling Allowance on an *ad-hoc* percentage basis, Government should refix them on the basis of actual expenses incurred at present on touring. While we feel that there is much force in the Accountant General's suggestion and recommend that Government should undertake a review of the present system and rates of Permanent Travelling

Allowance in the light of present day changes in the administrative set up and the present day expenses on touring, we feel that it would be wrong to wait for such a review and not make any revision in the present out of date rates. We, therefore, recommend that the present rates of Permanent Travelling Allowance should be increased on an *ad-hoc* basis by 25 per cent.

23. *Conveyance Allowance.*—In regard to coveyance allowance, also, there is need to increase the rates, because of increase in the cost of transport and the maintenance of vehicles. Therefore, after taking into account the Government of India Scheme, we recommend the following schedule of rates.

Average monthly touring on official duty.	Proposed rates of conveyance allowance	
	By car.	By any other conveyance.
(In Kilometers)	Rs.	Rs.
201—250	50	25
251—450	90	45
451—600	120	60
601—800	150	
801—1,200	180	
1,201 and above	225	

24. We would also suggest that the Cycle Allowance may be increased from Rs. 4 per month to Rs. 6 per month in view of increase in the cost of maintenance of and repairs to cycles.

25. We were requested to consider whether it is proper to deny the conveyance allowance during leave or joining time. We feel that merely because the officer is on leave or on joining time he would not dispose of his car or other vehicle except perhaps when he is to be transferred to a post to which conveyance allowance is not attached. However, since during leave or on joining time the journey by car or other vehicle which the Government servant may perform would not be on Government duty, it is not necessary that during the above periods, he should be allowed full conveyance Allowance. We feel that when the officer is on leave, and there is likelihood of his being reposted, on return from leave, to a post to which conveyance allowance is attached, he may be granted conveyance allowance at 25 per cent. of the sanctioned rates provided the vehicle was maintained during the period. Similarly, during joining-time period also, the conveyance allowance at 25 per cent. of the sanctioned rates may be granted in such cases.

CHAPTER 15

FIXATION OF PAY OF EXISTING EMPLOYEES IN THE NEW SCALES

We have been asked under our terms of reference to propose the most appropriate method or methods to be adopted for the fixation of pay of existing employees in the new scales recommended by us. This has always been a complicated and controversial subject. The controversy arises because of the fact that the question is closely interlinked with the question of grant of immediate benefit to employees as a result of general revision of pay structure.

2. The following are some of the suggestions received by us on this point from various organisations of employees :—

(*i*) Maharashtra State Government Employees Confederation has proposed that the pay should be fixed on a point-to-point basis subject to the condition that in no case should refixation involve any reduction in the emoluments of the Government servant and that a minimum benefit of Rs. 25 should be available to each employee as a result of refixation.

(*ii*) The Maharashtra Engineering Services Association has suggested that the initial pay should be fixed after allowing one increment for each completed year of service for the first three years of service and thereafter one increment for every two completed years of service subject to the condition that every officer, on refixation, receives a pay increased in amount by at least the difference between the minimum of the existing scale and the minimum of the revised scale.

(*iii*) The Vidarbha Federation of Secondary School Teachers, Nagpur, considers that the just method to be adopted for fixation of pay would be to add the difference between the minimum of the existing scale and the minimum of the revised scale to the present salary of the employee.

3. Broadly, there are three methods by which the pay of existing employees is fixed in the new scales of pay prescribed during the revision and rationalisation of pay-structure :—

(*a*) Fixation at the appropriate stage as prescribed in Bombay Civil Services Rules 41 and 44.

(*b*) Point to point fixation.

(*c*) Fixation at appropriate stage as in (*a*) above, with additional increments by way of weightage according to length of service.

4. The first Central Pay Commission expressed the view that in the matter of fixation of pay in the new scales an employee is not entitlied to claim as a right any concession beyond increase in the existing pay, on the basis of point to point calculation. The said Commission, however, considered various alteratives, and not feeling satisfied with the metnod provided for in the Fundamental Rules 22 and 23 of the (Central Government) favoured the grant of weightage to persons with longer service, in the form of advance increments, and proposed the following method :—

The initial pay may be fixed at the stage in the proposed scale next above the pay an employee is drawing in the present scale. To this should be added special increments at the rate of one increment in the proposed scale for every three completed years of service subject to a prescribed ceiling. It prescribed different ceilings for the different pay scales.

5. The Second Central Pay Commission recommended the following method :—

" The initial pay of the employee who has been brought over to the revised pay scale may be fixed on a point-to-point basis subject to the following conditions viz. that in no case should additional employment payable as a result of fixation should exceed (*i*) Rs. 5 in the case of revised scale ending at Rs. 100 or less provided that the resulting benefits may be allowed to go up to Rs. 7·50 in respect of persons who have served for more than 10 years in the same scale, (*ii*) Rs. 10 in the case of revised scale ending at 200 or less but above Rs. 100, (*iii*) Rs. 20 in the case of revised scale ending at Rs. 300 or less but above Rs. 200 and so on upto a maximum ceiling of Rs. 50. It also suggested that no benefits may be allowed to officers whose emoluments were more than Rs. 1,100 per month. "

It would appear that the First Central Pay Commission had accepted the method of fixation in appropriate stage with additional weightage for period of service, while the Second Pay Commission adopted point to point fixation. There is, however, a common feature in both the methods of fixation viz. the ceiling on the maximum benefit. The Second Pay Commission has also restricted the benefit resulting from fixation to employees whose present emoluments are not above Rs. 1,100.

6. Various considerations arise in making a choice of any of these methods.

Fixation of pay at the appropriate stage in the new scale under Government Rules is the easiest method which is normally adopted when the employee is to be brought over to the new scale or posted in a higher office involving change in his scale of pay. During revision and rationalisation of the scales of pay and proposing of new scales of pay it is not intended that scales of pay of the employees should be automatically and necessarily raised. Wherever scales of pay are improved the change is particularly made on consideration of recruitment position or on economic or social considerations. Allowing an increase in the salaries of the high placed officers by giving advance increments on the basis of weightage for past service only because their scales of pay are being revised in the process of rationalisation will be against the spirit of our recommendations. We are of the view that an Officer above Rs. 1,100 need not be provided with immediate benefit as a result of revision. We are not, therefore, proposing immediate benefit as a result of fixation for employees drawing pay above Rs. 1,100. We are equally reluctant to raise the emoluments of employees getting pay above Rs. 500 in the form of advance increments according to length of service. For employees getting pay above Rs. 500 and below Rs. 1,100 in our view, the formula of " initial fixation at next stage " can be appropriately applied as giving reasonable benefit. We have, however, proposed that when the existing pay is lower than the minimum of the revised scale, the employees referred to above will be fixed at the minimum of the revised scale irrespective of the limit of benefit. In our view the formula of " Fixation at next stage " in the case of employees drawing pay below Rs. 500 would not give required relief and as such it becomes necessary to consider the quantum of relief and also the method by which the same should be made available. It is, therefore, necessary to consider further which of the two methods should be adopted for this purpose.

7. In the " point to point fixation " which has been generally demanded by the employees, the fixation of existing employees in the new scales has to be effected " by placing each individual at that stage in the new scale to which he would have risen by length of the service if he had entered the department on the new scale ". For giving effect to this method it is necessary to assume that new scales had been in force from the commencement of the service of each employee. In this context the First Central Pay Commission has observed (in paragraph 69 at page 44 of their report) " We are unable to accede to this claim (point to point fixation) and we see no justification for it. It seems to us right to presume that except in the lower grades, the revised scales of 1933 were not inadequate with reference to the then prevailing price level or cost of living. Unless this assumption can be displaced the claim made by the services cannot be sustained ". The above observation can also appropriately apply to the revision of pay structure effected by Maharashtra Government in 1962. Apparently the First Commission rejected the point to point formula also on the consideration of heavy cost which would have been involved in adopting that method.

8. The Second Central Pay Commission has not specifically characterised the method of " point to point fixation " being a measure giving retrospective effect to the revised pay structure. It has considered that method as implying " comparison with the pay admissible at the present stage of an employee's service in the grade and fixation of pay on the revised scale at the stage corresponding to one reached for the present scale ". The Second Central Pay Commission has not fully accepted the formula and has made its recommendations with certain reservations in the following words : " We have carefully examined the implications of the formula in relation to the pay-scales we are recommending and have come to the conclusion that in the present case there should be no objection to accepting the principles, subject, however to certain limiting conditions meant to safeguard, on the one hand, the interest of the employee and to ensure on the other, that he does not derive as a result of the mechanical application of the formula, benefits of a size which, considering the economic and other relevant factors, would in our judgment, be excessive ". They have accordingly recommended the scheme with limiting conditions and ceilings on benefits as has been described in earlier paragraphs.

9. The alternative method of " fixation at next stage with advance increments according to the length of service " is also intended to confer suitable benefit as a result of fixation. These benefits are moderated, and equitably distributed by giving weightage according to the length of service put in by different employees. In this scheme of fixation also, benefit is limited by putting a ceiling on the maximum benefit.

10. When maximum benefit is restricted by prescribing a limit according to grades of pay or emoluments, the choosing of any of the two schemes from the point of view of monetary gain will stand on the same footing. It is appropriate that employees particularly in lower grades should get some benefit as a result of fixation during such general revision of pay structure. Question relating to prescribing of the maximum limit of benefit and extent of benefit to be made available for different grades of employees has to be decided on various considerations and particularly the financial position of the State. In point to point fixation difficulties arising from financial considerations are met by restricting increase in emoluments by putting a limit. But there are other difficulties which, in our view, present serious obstacles for accepting this method.

11. In the method of point to point fixation, the employee receives benefit according to the difference in the initial stage of the existing scale and new scale, and size of increments. Besides, the employee gets further benefit if the maximum of the new scale is higher than that of the existing scale. However, when revision of pay structure is also undertaken for purposes of rationalisation, the point to point basis of fixation can give rise to various anomalies and inequalities in distribution of benefits. In the process of the rationalisation of pay structures for purposes of reducing multiplicity of pay scales and framing of the pay structure in the context of duties and responsibilities of the different posts, the various pay scales are " broad banded " by a common standard pay scale. In such cases there is varying difference between the initial stages of the existing scales and that of the revised scale and also at times, in the size of increments. Application of point to point principle under such condition gives rise to serious inequities and in some cases the employees may not get any benefit. The examples given below will illustrate the point :—

Existing scales		*New scale Proposed*
(1) Rs. 210—10—290 (2) Rs. 200—10—300 (3) Rs. 220—10—300	.. .. ..	Rs. 220—10—290—15—320.

Employee in the existing scale (2) drawing pay of Rs. 260 in the seventh year of his service will receive, after fixation of his pay in the new scale, Rs. 280 while the employee in group (1) drawing pay of Rs. 270 in the seventh year of service will also be fixed in the same pay scale at Rs. 280. The employee in group (3) will not get any benefit as a result of fixation. When broad banding has been effected and the above three categories are grouped together for being governed by one common scale on the basis of more or less similar nature of duties and responsibilities, there can be no valid ground in making differentiation in conferring benefits as a result of fixation for their past services when each of the employee in above three categories has equal length of service. The extent of benefit will also be different according to the rate of increment in grade of the pay scale, and this will result in an employee drawing a higher pay getting a larger increase on account of his past service than another drawing a lower pay.

12. We have given our anxious thought to the method of fixation adopted by various Pay Commissions and Pay Committees and find the formula proposed by the First Central Pay Commission, considered broadly, more suitable and appropriate.

13. We propose to restrict the benefit as a result of fixation to employees drawing pay below Rs. 1,100 and limit it to " fixation of pay at the next stage " to employees drawing pay above Rs. 500 and below Rs. 1,100. It is further proposed that employee drawing pay above Rs. 500 and upto Rs. 715 shall receive the benefit of fixation at next stage subject to condition that in no case the increase in pay shall be less than Rs. 10. The Government by its Resolution No. PAY 1065/3480-V, dated the 1st April 1965 sanctioned a temporary additional pay of Rs. 5 per month to Government servants drawing

basic salary upto Rs. 715 in the case of revised scales of pay and upto Rs. 650 in the case of unrevised scales of pay with the further direction that this temporary additional pay will be absorbed in the increase in basic pay that may result from the recommendation of the Pay Commission. We have proposed condition of minimum benefit in the context of above direction and also for providing a moderate benefit considered as necessary incident of revision of pay structure in the crase of employees in the above pay range. After the initial pay of the employees is so fixed the tempoary increase of Rs. 5 in pay shall be considered as merged in the pay arrived at as a result of fixation in the new scale. If as a result of fixation, and for compliance of the condition of minimum benefit the employee becomes eligible to receive anything more and above the stage in which he is fixed, such excess amount shall be paid as personal pay to be absorbed in the next increment.

The limitation regarding benefit from fixation had to be proposed in the context of its suitability and the financial burden it involved. As regards groups of employees up to pay range of Rs. 500 we have proposed next stage and weightage, with a limit of Rs. 20. For pay ranges between Rs. 500 and Rs. 1,100 we have proposed next stage subject to a limit of Rs. 30 with the proviso that in case the amount so determined falls between two stages, the employees shall be fixed in the lower stage and the balance shall be absorbed in future increments. We realise that the above limitation will not take some of the employees very far and the benefit will be of a limited character. The limitation will not affect employees on pay scales with increments of Rs. 30 or less. It is our intention that the benefit of next stage should be available to employees with comparatively lower levels of income. Employees with increments of Rs. 30 or less would be recipients of this benefit and this would be in accordance with the general spirit of our recommendation. In the pay ranges between Rs. 500 and Rs. 1,100 there are scales with increments of Rs. 40 or even Rs. 50. We consider it inappropriate that benefit of such magnitude at such higher level of incomes should be made available.

14. It is further proposed that the employees drawing pay not exceeding Rs. 500 should be allowed weightage for the past service in the form of advance increments at the rate of one increment for every three completed years of service subject to a maximum of 4 increments and that in no case the increased basic pay shall be less than Rs. 8 and more than Rs. 20 in the case of employees receiving pay below Rs. 100 and less than Rs. 10 and more than Rs. 20 in the case of employees receiving pay on and above Rs. 100 and not exceeding Rs. 500. The above limiting conditions regarding maximum benefit will not apply when the present pay of the employee is fixed at the minimum of the new scales. We have noticed the possibility as observed by the First Central Pay Commission that if employees now in service are to be placed in the proposed scale at the stage next above the present stage it may happen that where the minimum under that scale is considerably higher than the minimum under the existing scale the employees with several years of service and the employees with one or two years' service come to the scale at the same point and also particularly where increments are small. As observed by the said Commission " considering the fact, that the benefit given during the process of fixation is only a concession and not a right, such exceptional instances should not lead to a rejection of the method which otherwise is considered suitable from the point of view of the employees and financial position of the State ". We are aware of the fact that uniformity in the proposed benefits is likely to be disturbed because of the scheme of dearness allowance in respect of rates of Dearness Allowance for different slabs of pay as prevailing on 1st April 1966 and as from 1st July 1966. Such situations are inevitable and no method can be devised for bringing about absolute uniformity. The limit of benefit proposed by us should be appreciated in the context of the circumstance that the increased pay of the employees will also result in increased Dearness Allowance in some cases according to the scheme of Dearness Allowance as prevailing on 1st April 1966 and in all cases according to scheme of Dearness Allowance as has come into effect from 1st July 1966. We have considered the question whether benefit should be limited with reference to the basic pay or with reference to the emoluments made up of basic pay and Dearness Allowance. It is obvious that not limiting of benefit in terms of emoluments results in conferring double benefit on employees viz., in the basic pay and also in Dearness Allowance. It will be noticed that the scheme of Dearness Allowance as prevailing on 1st April 1966 provides for steep rise in rate of Dearness Allowance for a pay range of Rs. 150 to Rs. 250 and thereafter the rates are on sliding basis. Even in the pattern of Dearness Allowance coming into effect from 1st July 1966 there is substantial difference in the rates as related to different slabs of pay. These features in the scheme of Dearness Allowance are bound to give rise to anomalies and inequalities if benefit to be given as a result of fixation is limited with reference to emoluments instead of actual basic pay drawn on the date of fixation. More complicated problems are likely to arise in the case

of fixation of employees in city scales if emoluments (Basic pay + Dearness Allowance) are adopted as a basis for limiting the benefit of fixation. We have, therefore, considered it appropriate to fix the limit of benefits with reference to pay drawn and not to the emoluments comprising basic pay and Dearness Allowance with full awareness of the fact that the employees will get additional benefit in the form of increased Dearness Allowance. Increase in Dearness Allowance has to be considered an inevitable incident consequent on increase in pay as is contemplated by the recent scheme of Dearness Allowance. This scheme of Dearness Allowance came into effect during the pendency of revision of the pay structure and it can be presumed that such additional benefit was foreseen when the scheme was sanctioned. We are aware that some of the Pay Commissions have limited the benefit resulting from revision of pay structure with reference to the emoluments and not the basic pay alone. In these instances these Commissions were entrusted with authority to formulate their own schemes of Dearness Allowance along with the framing of the pay structure in the course of revision and rationalisation. We were not in a position to formulate our pay structure with freedom to adjust the Dearness Allowance as we would have otherwise considered necessary. Under the circumstances, we were left with the unavoidable choice of limiting the incidence of benefit resulting from revision of pay structure with reference to basic pay (or " fixation pay " in the case of employees on city scales) only and not the total emoluments.

15. We accordingly recommend the following method for fixation of existing employees in the new scales proposed by us. This method is proposed only for those employees who are presently drawing the pay under mofussil scales :—

(*a*) *Government servants drawing pay not exceeding Rs. 500* :—

(1) The pay of the employee shall be first fixed in the new scale at the stage next above his present pay whether or not it is a stage in the new scale.

(2) If the pay is less than the minimum of the new scale, the same should be fixed at the minimum of the new scale. Limiting conditions regarding benefit will not apply in such cases.

(3) If the employee so fixed at the minimum stage is entitled to weightage for past service, he will be given such weightage subject to conditions regarding limit of maximum benefit.

(4) Weightage for past service will be allowed at the rate of one increment for every three completed years of service in the post to which the present scale is applicable subject to a maximum of four increments and subject to further condition that in no case total benefit to be received (by way of fixation in next stage and/or by way of weightage) shall be less than Rs. 8 in the case of employees receiving pay below Rs. 100 and Rs. 10 in the case of employees drawing pay on and above Rs. 100 and further that the maximum benefit in any of the above cases shall in no case exceed Rs. 20. Where the sum of the present pay and the minimum benefit of Rs. 8 or Rs. 10 as the case may be or the sum of the present pay and the maximum benefit of Rs. 20 falls between two stages, the pay of the employee shall be fixed at the lower of the two stages and the difference granted as personal pay to be absorbed in future increments.

(*b*) *Government servants drawing pay above Rs. 500 but not exceeding Rs. 715* :—

(1) The pay of the employee shall be fixed in the new scale at the stage next above his present pay whether or not it is a stage in the new scale subject to the condition that in no case the employee gets less than Rs. 10 by way of minimum benefit and more than Rs. 30 by way of maximum benefit. Where the sum of the present pay and the minimum benefit of Rs. 10 or where the sum of the present pay and the maximum benefit of Rs. 30 falls between two stages the pay shall be fixed at the lower of the two stages and the difference shall be granted as personal pay to be absorbed in future increments.

(2) If the present pay is less than the minimum of the new scale, it shall be fixed at the minimum of new scale. Conditions regarding the maximum benefit will not apply in such cases.

(*c*) *Government servants drawing pay above Rs. 715 but not exceeding Rs. 1,100* :—

The pay of the employee shall be fixed as proposed in the case of employees mentioned at (*b*) above without the provision of minimum benefit of Rs. 10 but with the provision of maximum benefit of Rs. 30.

(*d*) *Government servants drawing pay more than Rs. 1,100* :—

Pay shall be fixed under the provisions of Bombay Civil Services Rule 44. That is to say, pay shall be fixed in the revised scale at the stage equal to the present pay if there is a stage, or if there is no such stage, at the stage next below that pay difference being treated as personal pay to be absorbed in future increments.

Provided that in no case covered by any of the above clauses the pay or pay plus personal pay admissible shall exceed the maximum of the revised scale.

16. We make the following further recommendations on points incidental to pay fixation :—

(*i*) Where a revised scale is prescribed in place of an existing scale and a special pay attached to the post, the special pay should be deemed to be merged in the revised scale and the special pay drawn by the Government servant on the date of change over to the new scale should be treated as part of basic pay for the purpose of fixation of his initial pay. Conversely where the existing scale is split up into a revised scale plus a special pay, the " present pay " of the employee shall be his basic pay on the date of change over reduced by the amount of the special pay. The initial pay of the employee shall thereafter be fixed in the revised scale on the basis of the new " present pay " and he shall be allowed to draw the special pay in addition.

(*ii*) Service for future increment in the case of employees who have been fixed in initial stage and those who have received benefits of advance increments as weightage for past service will be counted from the date of change over to the new scales. In other cases, the employee will draw increments according to his own particular date of increment previous to the revision of the pay.

(*iii*) All the scales proposed by us including those in which no change is proposed should be considered as new scales and benefits of weightage and fixation should be made available as proposed above. Scales where no change is proposed are those where the minimum, the maximum, the period of increment and the rate of increment have not been changed by us.

(*iv*) Subsequent to the merger of Ex-Hyderabad and Ex-Madhya Pradesh territories in the then State of Bombay various posts in these territories were equated with the posts in the State of Bombay. Some of the employees from such merged territory did not opt for the scales of pay provided for the corresponding posts and retained their pre-merger scales. Employees in some cases have described these scales as unequated scales of pay. These scales of pay are also described as unrevised scales of pay distinguished from revised scales of pay which came into existence as a result of revision of scales of pay in 1962. There is another category of scales of pay which are also described as unrevised scales of pay. After the revision of the scales of pay in 1962, some of the Government employees did not opt for the new scales as revised in 1962 and are still continuing on pre-1962 scales of pay. Question of fixation of the initial pay of such employees drawing pay in unrevised scales of pay may arise for consideration, if they choose to opt for the new scales proposed by us. It has to be appreciated that the new scales which we have proposed for different posts and cadres have been formulated with reference to the revised scales of pay as per revision of 1962. In the revision of 1962 the scales of pay were revised mainly by merging a portion of Dearness Allowance. The scales of pay were thus improved by proportionate deduction in Dearness Allowance. Thus there are at present different schemes of dearness allowance as applicable to revised scales and unrevised scales. Employees with unrevised scales cannot, therefore, be brought over to new scales proposed by us in the manner proposed for employees with revised scales of pay unless they are first brought on the post — 1962 revised scales according to the formula laid down in Government Resolution, Finance Department No. RPR-3063/XXVI, dated the 15th February 1963. We, therefore, propose that before the employee with an unrevised scale is brought over to the new scale proposed by us his pay should be first converted into its revised pay equivalent according to the above formula and thereafter he should be fixed in the new scale proposed by us according to the method described above.

(*v*) At present there are some employees on a fixed pay and without a time scale. We have now provided a time-scale for some of them. Such employees should be brought over to the new scales and their initial pay fixed on the basis of the fixed pay according to the method proposed for employees with a time scale, provided that in no case shall the pay admissible be higher than the

pay that would have been admissible if the employee were to render his entire service in the revised scale. In cases where fixed pay is proposed, question of fixation will not arise. These provisions will not apply to employees who are on consolidated fixed pay.

(*vi*) The temporary additional pay of Rs. 5 will be considered as merged and absorbed in the initial fixation of pay of the employee in the new scales. In the case of employees who do not opt for the new scales such absortion of additional pay in the increased basic pay resulting from the recommendations of the Pay Commission would not be possible. It will be for Government to pass appropriate orders in respect of additional pay of Rs. 5 in the case of employees who do not opt for the new scales and in whose case absorption of their additional pay is not possible.

(*vii*) The revision and the rationalisation is not intended to prejudice the employee in his basic pay rate. It is possible that in the process of rationalisation and fixation in the new scales some of the employees may have been adversely affected. Such a possibility is likely to arise particularly in the case of Ex-Hyderabad and Ex-Madhya Pradesh employees whose pay scales were at a higher level. Under such circumstances the employees adversely affected can and should be allowed an option to retain their existing scales of pay.

(*viii*) Where the employee opts to move on to the revised scale from a future date, initial pay fixation from such future date shall be made under normal rules.

(*ix*) It is also possible that because of inadvertance or because of absence of information some scales may not have been dealt with by us. In such cases Government will take appropriate steps to remedy the deficiency and place such employees in proper groups of standard scales proposed by us, and fix them appropriately in such new scales.

Illustrations of fixation of pays of employees in the common time-scales proposed by us are given below :—

ILLUSTRATIONS

Fixation of pay of employees with mofussil scales of pay in the new scales proposed by us.

It is presumed that new scales of pay will come in force with effect from 1st April 1966 :—

(1) A lower Division Clerk is drawing a pay of Rs. 103 in second year of his service in existing scale of Rs. 100—3—130—4—170. His pay will be first fixed at the minimum i.e. Rs. 110 of the new scale of Rs. 110—4—150—5—200 as he draws less than the minimum of the new scale. He receives benefit of Rs. 7 only against necessary minimum benefit of Rs. 10. His pay in the new scale will therefore be Rs. 110 *plus* Rs. 3 as personal pay with effect from 1st April 1966. His service for further increments will be counted from 1st April 1966 and the additional pay of Rs. 5 will be absorbed in the benefit.

(2) A lower Division Clerk draws a pay of Rs. 109 in the fourth year of his service in the existing scale of Rs. 100—3—130—4—170. His pay will be first fixed at the minimum of the new scale of Rs. 110—4—150—5—200 as he draws less than the minimum of the new scale. As he has completed three years of service in the post on existing scale he should be given one advance increment of Rs. 4 at the rate of one increment for every three years of service. Thus, his pay should be fixed at Rs. 114 in the new scale. He is entitled to a minimum benefit of Rs. 10 i.e. he can not draw less than Rs. 119 in the new scale. Therefore his pay should be finally fixed at Rs. 118 and he should be given Re. 1 as personal pay to be absorbed in next increment. The provisional additional pay of Rs. 5 will be merged in his pay so fixed. Service for future increments will count from 1st April 1966.

(3) A lower Division Clerk draws pay of Rs. 146 in the 12th year of his service. His pay will first be fixed at the next stage above Rs. 146 viz. Rs. 150. As he has completed 11 years of service in the post of his existing scale he would get three advance increaments, amounting to Rs. 15 at the rate of one increment for every three completed years of service. Thus his pay should be finally fixed at Rs. 150 *plus* Rs. 15 i.e. Rs. 165. The total benefit is below Rs. 20. In the new scale he will draw a pay of Rs. 165. The increase in his pay will be Rs. 19, (Rs. 165 — Rs. 146). The additional pay of Rs. 5 will be merged in this pay. Date for future increment will be 1st April 1966 as he is given benefit of weightage.

(4) A peon draws pay of Rs. 67 in third year of his service (Rs. 65—1—75). His pay should be first fixed at initial stage (Rs. 70—1—80—E.B.—2—90). But he should get minimum benefit of Rs. 8. He will therefore be fixed at Rs. 75. His pay in the new scale will be Rs. 75. The additional pay of Rs. 5 will be merged in this pay and service for future increments will count from his existing date of increment.

(5) A peon draws pay of Rs. 72 in the eighth year of his service (Rs. 65—1—75). He will be first fixed at the next stage above Rs. 72 viz. Rs. 73. As he has completed seven years of service he would get two advance increments. Thus his pay should be fixed at Rs. 75. He should, however, get minimum benefit of Rs. 8 and should not draw less than Rs. 80. Thus his pay should be finally fixed at Rs. 80 which will be his pay in the new scale. Additional pay of Rs. 5 will be merged in this pay.

(6) An Accounts Officer draws a pay of Rs. 375 in the 8th year of his service in the existing scale of Rs. 270—15—390—15—450—20—490—25—715. His pay will be fixed at the stage next above Rs. 375, namely, Rs. 380 in the new scale of Rs. 300—20—460—20—500—25—650—30—800. As the officer has completed seven years of service he should be given two advance increments amounting to Rs. 40 at the rate of one increment for every three years of service. Then his pay will have to be fixed ordinarily at Rs. 420. This will give him an increase of Rs. 45. But as the maximum increase has to be limited to Rs. 20, his pay is fixed finally at Rs. 380 *plus* a personal pay of Rs. 15 i.e. at Rs. 395. The increase in his pay will be (380 + 15) — Rs. 375 = Rs. 20. The date for counting future increment will be 1st April 1966. The *ad-hoc* increase in pay of Rs. 5 will be merged in this pay.

(7) An officer draws a pay of Rs. 1,000. As he draws pay above Rs. 500 in the scale of Rs. 900—50—1,000—50—1,600—50—1,800, his pay should be fixed at the next stage subject to the condition of maximum benefit of Rs. 30. The next stage is of Rs. 1,050 in the new scale of Rs. 900—50—1,000—50—1,600—50—1,800. He would therefore be finally fixed in the new scale at Rs. 1,000 with Rs. 30 as personal pay to be absorbed in future increment. The service for future increments will count from his existing date of increments and not from 1st April 1966.

(8) An officer draws a pay of Rs. 1,250 in the scale of Rs. 1,200—50—1,600. As his pay is less than the minimum of the new scale of Rs. 1,300—60—1,600, he will be fixed in the initial stage of the new scale. His date of increment will be 1st April 1966 as he is fixed in initial stage.

(9) An officer draws pay of Rs. 1,350 in the existing scale of Rs. 1,200—50—1,600. As his pay is above Rs. 1,100 he cannot be given any fixation benefit at the point of fixation of his pay in the new scale (1,300—60—1,600). He will therefore be fixed at Rs. 1,300 and will be allowed Rs. 50 as personal pay to be absorbed in future increments. His service for future increments will count from his existing date of increment.

(10) An officer draws pay of Rs. 690 in the third year of his service in the existing scale of Rs. 610—40—730—45—865—45—1,000. A special pay of Rs. 100 is attached to the post and the officer receives this special pay.

A new scale of Rs. 710—45—1,100—50—1,150 has been proposed for the existing scale with the recommendation that the special pay of Rs. 100 attached to the post should be discontinued. The special pay which the officer was getting has to be taken into account for initial pay fixation of the present incumbent.

Before the officer is fixed in the new scale the special pay of Rs. 100 will be added to the existing pay of Rs. 690 and the total pay of Rs. 790 will be the pay to be fixed in the new scale. As he receives basic pay above Rs. 500, he has to be fixed in the next stage in the new scale which is of Rs. 800. The officer receives a minimum benefit of Rs. 10. Thus his pay in the new scale will be Rs. 800. His service for future increment will be counted from his existing date of increment. The *ad-hoc* pay of Rs. 5 will be merged in this fixation.

(11) An officer draws pay of Rs. 220 in the 9th year of his service in the scale Rs. 150—8—190—10—270. An identical scale has been proposed. As there is equivalent stage in the proposed scale, the officer will be first fixed at the next stage i.e. Rs. 230. As the officer has completed eight years of service, he should be given two advance increments amounting to Rs. 20 at the rate of one increment

for every three years service. Then his pay will have to be fixed ordinarily at Rs. 250. This will give him an increase of Rs. 30. But as the maximum benefit is limited to Rs. 20, his pay will be fixed finally at Rs. 240. The increase in his pay will be Rs. 20. The service for futuer increments will be counted from 1st April 1966. The *ad-hoc* increase of Rs. 5 will be merged.

(12) Present pay :—Rs. 81 (7th year).

Present scale :—Rs. 75—1—85.

Revised scale :—Rs. 85—2—101—E.B.—2—107—3—110.

He should first be fixed at the next higher stage in the revised scale. his present pay is less than the minimum of the revised scale ; he should therefore be fixed at Rs. 85 i.e. the minimum. As he has put in 6 completed years of service he would get two advance increaments. Thus his pay should be fixed at Rs. 89. He will thereby get an increase of Rs. 8, (Rs. 89 — Rs. 81), which is the minimum admissible. His pay should therefore be fixed at Rs. 89 with the date of next increment on 1st April 1967.

The additional pay of Rs. 5 will be deemed to have been merged in this pay.

(13) Present pay :—Rs. 170 (9th year) *plus* special pay (attached to the post) of Rs. 20.

Present scale :—Rs. 130—5—180.

Revised scale :—Rs. 170—8—250.

The employee's basic pay for purposes of fixation in the revised scale will be Rs. 170 + Rs. 20 special pay = Rs. 190. He should first be fixed at the next higher stage of Rs. 194 in the revised scale. As he has rendered 8 completed years of service in the present scale, he should get two advance increments in the revised scale, i.e. his pay should be fixed at Rs. 210. He will get an increase of Rs. 20, (Rs. 210 — Rs. 190), over his present pay. As the conditions regarding minimum and maximum increases are fulfilled, his pay should be Rs. 210 in the revised scale with date of next increment on 1st April 1967.

Special procedure for fixation of initial pay of Government servants drawing pay in Bombay City Scales of pay.

17. In the Chapter on 'City Scales' we have recommended abolition of the city scales The existing city scales and the mofussil scales will according to our recommendations be replaced by common uniform scales of pay. We have suggested in the earlier section how the employees governed by the mofussil scales should be fixed in the revised common scales of pay. The method for fixation of the employees governed by the city scales, in the revised scales of pay will be slightly different in view of the peculiar nature of the city scales. As the pay in the mofussil scales represents only the basic pay exclusive of Compensatory Local Allowance and House Rent Allowance, the employees in the mofussil scales are entitled to draw Compensatory Local Allowance and House Rent Allowance when they are posted to cities and towns to which the scheme of these allowances is extended. Employees in the city scales are not eligible to draw these allowances as the pay in the city scales is supposed to include elements of Compensatory Local Allowance and House Rent Allowance. Like the mofussil pay, the pay in the common revised scales recommended by us will represent the employees' basic pay. They will get Compensatory Local Allowance and House Rent Allowance in addition, when posted to places to which the scheme of these allowances is applicable. Before, therefore the employees in the city scales of pay, are fixed in the revised scales, theoretically it will follow that the elements of Compensatory Local Allowance and House Rent Allowance should be deducted from the city pay and their pay in the revised scales fixed on the basis of the basic pay included in the city pay.

18. For the purpose of finding out the basic pay included in the city pay it will be necessary to first determine the quantum of the Compensatory Local Allowance and House Rent Allowance included in the city pay and consider whether these constituents can be separated in accordance with a common uniform formula. Since the city scales were prescribed even before the scheme of Compensatory Local Allowance and House Rent Allowance was introduced, a break up of these constituents on any pre-determined basis would hardly be feasible. As, however, the employees on city scales of pay

are not entitled to draw any Compensatory Local Allowance or House Rent Allowance in addition to the city pay, it can be assumed that the city pay includes full Compensatory Local Allowance and amount of House Rent Allowance to which they should be considered eligible, on the basis of rent they are paying or should be presumed to be paying for housing accommodation. The Finance Department has informed us that on transfer of a person on the city scale of pay to the mofussil scale, the mofussil equivalent of his city pay is worked out after deducting 4/5ths of Compensatory factors.

19. If the above assumption were to be accepted, it would naturally call for deduction of full compensatory local allowance and full house rent allowance from the city pay of all Government employees except the Class IV employees (in whose case only the compensatory local allowance has to be deducted) to arrive at the basic pay included in the city pay. As the employees in the city scales of pay will, on coming over to the unified scale, be eligible to draw compensatory local allowance at the full admissible rates over their pay, there should be no objection to deduct full compensatory local allowance from their city pay which would not result in any reduction in their emoluments. Similar deduction in respect of house rent allowance, however, presents difficulty because even if the house rent allowance is deducted from the employees' city pay, it is not certain that everyone of them will be entitled to get house rent allowance over his pay in the revised scale, because a person can draw house rent allowance only if he pays rent at a rate exceeding 10 % of his pay and it is possible that many of them do not pay more than 10 % of their pay as rent. While we will be deducting full house rent allowance from their pay, they will receive no house rent allowance over the revised pay. This requirement of the rule governing the grant of house rent allowance makes it impossible to deduct full house rent allowance from the city pay without affecting the total emoluments. We are not, therefore, in favour of deducting full house rent allowance from the city pay. For the same reason, the formula adopted by Government in individual cases for conversion of city pay into mofussil pay will also not be suitable for our purpose.

20. Safeguarding the employees' emoluments being a very important consideration from our point of view, we have considered if it will be equitable to fix the employee, in the revised pay scale on the basis of his present city pay itself. Such a step would naturally obviate the need for making any deductions on account of compensatory local allowance and house rent allowance and the employee with city scale would thereby get not only the usual increases which an employee will receive on fixation of pay in the revised scale, as a result or our recommendations, but would also be eligible to draw compensatory local allowance and, in some cases, house rent allowance in addition. This would amount to an unjustifiable concession to the city employee as compared to his counterpart in the mofussil scale of pay, and may result only in perpetuating the existing difference in pay of the city employee and the mofussil employee. Besides completely ignoring the fact that the city pay includes such compensatory factors we will be allowing him to draw these allowances on the elements of compensatory local allowance and house rent allowance which already stand included in his city pay. In our opinion this will not therefore be an equitable solution.

21. We have noted that when the question of general revision of pay scales of the State Government employees was under consideration in 1961-62, a decision had been almost taken to abolish the city scales, without deduction on account of house rent allowance. Under this method, the Government servant's total emoluments on fixation in the revised scale would not be less than his city pay.

22. Since much of the difficulty stems from the fact that some of the employees on coming over to the revised scale may not be eligible to draw any house rent allowance, it has to be considered if it would be a better course to fix an employee in the revised scale after first ascertaining whether or not he will be eligible to draw house rent allowance on coming over to the revised scale of pay. Such a course might avoid uncalled for reduction in emoluments. This would no doubt be an elaborate and cumbursome procedure but it would be worth going through it if only to arrive at a just settlement of the issue. But one of the defects of this method would be that the persons drawing the same city pay may not be fixed in the revised scale at an identical stage, the difference being on account of deductions of varying amounts depending on the actual rent paid by the individuals. This may also give rise to new problems. For instance a person who may not be entitled to any house rent allowance at the time of fixation of his pay and has his pay fixed in the revised scale without any deduction on account of house rent allowance, may subsequently become eligible to draw house rent allowance and claim it quite validly. In view of these complications the above method would not be practicable.

23. Though it can be presumed that city scales include an element of house rent allowance, it is difficult to ascertain in definite terms the quantum, which should be considered as being necessarily included in different incremental stages of the city time-scale. Firstly provisions relating to house rent allowance give a right to an employee to claim allowance, only if he is spending more than 10 % of his pay for having residential accommodation and upto a particular limit according to the range of his pay. It is thus an incohate right. Secondly, as stated previously the benefits of these allowances are veiled in the mould of the city scale as a whole in the form of a moderately higher initial stage, higher increments and higher span and higher maximum. The employee receives full benefit of the scale if he reaches the maximum. But it is beyond doubt that the city scale has a composite character. Therefore if the scale has to be split up, for purposes of fixation, it is essential, that the employee should be reimbursed or otherwise compensated for whatever is taken out from his pay. After fixation in new scale, the employee will get compensatory local allowance according to his basic pay. But such is not the case with house rent allowance. If the employee is paying rent which does not exceed 10 % of his pay, be will not receive any house rent allowance. The amount of house rent allowance is also subject to variations according to the quantum of rent paid by the employee, when in excess of 10 % of his pay.

24. We have also considered if we could provide for deduction on the score of house rent, some percentage of the maximum permissible house rent allowance. Firstly, there will be difficulty about fixing the percentage of deduction and secondly such a step will also be objectionable on the ground, that there is no guarantee that employee will be necessarily re-imbursed to that extent. Any method to be adopted, should be such as would cause least prejudice to the employee and at the same time not place undeserved monetary burden on the Government. After having considered all aspects of the problem we have come to the conclusion that it will be appropriate and expedient if only compensatory local allowance is taken into account for purposes of fixation, and subject to observations made by us in the following paras, no deduction is made on account of house rent allowance.

25. It can be presumed that some of the employees on city scales are entitled to free quarters, or in occupation of Government quarters. It is also likely that many of them with longer service are in occupation of houses with rent within the 10 % limit of the pay. At present it is not possible to acquire new premises in Bombay within the limits of permissible house rent allowance. Considering all these aspects, it is possible that the extra burden on the exchequer will not be heavy or at any rate not such as should not be undertaken in the interest of the reform of pay structure. We find from the papers connected with the revision of 1962, that even at Government level there was overwhelming support for the point of view that if a decision was taken to abolish city scales, no deduction should be made for element of house rent allowance comprised in the city scale and that thereafter house rent allownce will be paid on verification. The question regarding giving exemption from verification of rent receipts to employees receiving pay upto Rs. 250 after fixation of the initial pay in new scale does not appear to have come for consideration as the proposal regarding abolition of city scales itself was postponed. Problems regarding exemption are discussed in the following paragraphs.

26. It would follow that, if the amount of compensatory local allowance only is deducted and amount of house rent allowance is not deducted, the employee after his coming over to the new scale will obviously be entitled to receive house rent allowance only after declaration and verification regarding the rent he is paying or presumed to be paying. But in this context, it is necessary to consider the applicability of two rules which presently govern payment of house rent allowance to employees with mofussil scales. We propose to continue these rules for employees with mofussil scales brought over to new general scales. Whether and how far the benefit under the said rules should be made available to employees under city scales when they are brought over to new scales, remains to be considered.

27. Government Resolution Finance Department No. LCA-3063/XXVI, dated 15th February 1963 provides for payment of house rent allowance to employees drawing pay upto Rs. 250 in mofussil scales without obtaining and verification of house rent receipts. It is also further provided that the concession mentioned above shall also be admissible to Government servants in the pay range of Rs. 251—499 stationed at 'A', 'B' class cities if they claim house rent allowance at Rs. 20 per month in 'A' class cities and Rs. 15 in 'B' class cities.

28. In our view, granting of the first concession referred to in above para regarding payment of house rent allowance to employees on city scales to be brought over to new scales without deduction of element of house rent allowance comprised in the scale, will give undeserved benefit to the employees and throw unjustifiable burden on Government. If this concession has to be made available it will be appropriate to effect deduction from the pay drawn in the city scale for the element of house rent allowance, so that it is brought to the form of mofussil scale. Such deduction will not put the employee to loss, as after he is brought over to the new scale he will be receiving the full house rent allowance as permissible without verification and as such will be sufficiently re-imbursed for the deduction made. In our view, it will be fair if only about 50 % of the full permissible house rent allowance is deducted from his existing pay before fixation and thereafter, he is held eligible to receive full house rent allowance on his pay in the new scale without verification. The compensatory local allowance and house rent allowance to be deducted will be according to rates admissible to persons on general scales. In the case of posts which are entitled to rent free quarters, there will be no deduction for house rent allowance as the employee holding the post will not get any house rent allowance after fixation.

29. There are two other points which deserve consideration in the above context and in the light of our proposals for employees in higher pay ranges. In the case of employees with higher pay range, we are proposing that they should be brought over to new scales without any deduction for house rent allowance and that house rent allowance should be made payable on verification. Superficially considered, it might appear discriminatory, that we should provide for deduction in respect of house rent allowance in the case of employees with lower level of income, when employees of higher levels of pay are being exempted from such deduction. It has, however, to be appreciated, that when we propose deduction on account of house rent allowance for employees drawing pay below Rs. 289 i.e. the stage which corresponds after deduction to the common scale pay of Rs. 250 and as such bring these employees on par with mofussil employees, we also propose to guarantee payment of full house rent allowance without verification. Such a concession is not made available to employees in higher pay-ranges. Many of such employees may not receive any house rent allowance or may receive less than the full amount as it is being made payable only after verification. At present an employee under city scales does not get house rent allowance, and under our proposals those drawing pay up to Rs. 289 will be getting full house rent allowance without verification and as such will be benefitted to the extent of 50 % of such house rent allowance. We regard our proposal as being definitely a concession and conferring benefit, to this group of employees.

30. We have also considered if we could propose the giving of above concession on optional basis and have come to the conclusion that our proposals will have to be made applicable to all employees in the group (receiving pay upto Rs. 289) without the option of " Non-decuction for the element of house rent allowance and payment of house rent allowance after verification ". The optional arrangement will disturb the pay structure and will be open to objections referred to in previous paragraphs. Such an optional procedure will give rise to different pay rates for employees who are at present in an identical stage of the time scale. If any employee considers above proposals as being prejudicial to his interest, he will have the option to retain his existing city scale.

31. We, therefore, propose that in the case of employees drawing pay upto Rs. 289 per month 50 % of the house rent allowance which is considered as being included in his present pay should be deducted, along with compensatory local allowance and thereafter he should be brought over to the new scale according to the method and procedure stated hereafter, and on his pay being so fixed at the appropriate stage in the new scale, he should be considered eligible to receive compensatory local allowance and full house rent allowance as will be permissible with reference to the stage in which he is fixed without normal declaration and verification of rent receipt.

The second concession provided by existing rules relates to employees in the pay range of Rs. 251 to Rs. 499. This concession is on optional basis for employees on mofussil scales. In the case of mofussil scales, giving of such concession on optional basis has no bearing on the problem of fixation of initial pay of the employee in the new scale. The arrangement of the pay structure does not get disturbed as the mofussil scales of pay have not the composite character as is the case with city scales. In the case of city scales the concession will have vital impact on the fixation of initial pay of the employee in the new scale. We have taken the view subject to exception referred to above that

house rent allowance should not be made payable without verification unless appropriate percentage of house rent allowance presumed to be comprised in the scale, is deducted from the pay for the purposes of fixing initial pay in the new scale. If some employees opt to the concession and some do not, anomalies in the pay structure will come into existence as envisaged in the previcus paragraph. We, therefore, propose that this second concession cannot be made available to the above mentioned group of employees. In the case of these employees, therefore, like other employees in higher pay-ranges no deduction will be made on the score of house rent allowance and the allowance will be permissible after declaration and verification of rent receipt as sanctioned by the rules in force.

32. We are conscious that in denying this concession to the above group of employees, we are distinguishing them from employees in mofussil scales. If distinction is to be removed the only course will be to withdraw this concession for employees in mofussil scales, also, a course which in our view will be unjustifiable. Classification of employees in mofussil scales and city scales, from the view point of their pay structure is rational and making of this distinction will be reasonable in the context of the separate rules which we have to make for each group considering the nature of their respective pay-structure. Moreover the above concession is in the nature of convenience and facility for administration and not a right of the employee. The employee gets a right to house rent allowance only on verification.

33. We, therefore, propose that in the case of employees on the city scales, within the above mentioned pay range the concession referred to above will not be available. In their case no deduction will be made for house rent allowance from their present pay, for purposes of fixation of their initial pay in the new scale and they will receive permissible house rent allowance on usual verification and declaration according to rules in force.

34. In the case of employees in the city scales drawing a still higher pay also no deduction will be made for house rent allowance for the purpose of fixation of initial pay and they will be entitled to permissible house rent allowance on verification and declaration according to rules in force.

For purposes of ready calculations we have appended at the end of this Chapter, a table showing the present city pays and the actual pays (fixation pay) to be taken for fixation of the employee's pay in the revised common scale. The table covers employees drawing existing pay upto Rs. 289 per month.

35. After the " fixation pay " in the city pay is ascertained, the initial pay in the revised scale may be fixed in accordance with the method recommended by us in paragraphs 15 and 16 above.

It is necessary to prescribe for fixation of employees in city scales conditions regarding minimum benefits and limitations on maximum benefits as has been proposed for employees on mofussil scales. In the case of employees on mofussil scales, the benefit at the point of fixation is ascertained by comparing the pay drawn (to be fixed) with the pay in which he is fixed under the new scale. In the case of employees on city scales, his pay to be fixed in the new scale is arrived at by making deductions for compensatory local allowance and in the case of employees drawing pay upto Rs. 289 a portion of house rent allowance also. The pay so arrived at is the " fixation pay " and on that basis he is fixed in the new scale. The benefit received or to be received at the point of fixation in new scale will therefore have to be ascertained by comparison of such " fixation pay " and the pay to be fixed in the new scale. Such " fixation pay " of an employee in the city scale thus takes the character of mofussil pay and as such, other provisions regarding fixation of mofussil employees will apply uniformly in the case of employees in city scales also.

If the employee does not receive the required benefit, he will be advanced to further stages in the new scale to make up the deficit in minimum benefit. If any balance remains after the adjustable stage in the time-scale, he will be paid the balance as personal pay to be absorbed in future increments. Similarly if benefit has to be limited according to limitations of maximum benefit of Rs. 20 the employee will be adjusted to suitable stage in the time-scale in the manner as detailed in the section regarding fixation of employees on mofussil scales and as will provide the employee with the maximum benefit.

After such fixation, the additional pay will be absorbed in the increase in pay which we have given by providing minimum benefit at the point of fixation as stated above. After such fixation, the employee will draw compensatory local allowance and house rent allowance under the rules in force.

36. If any employee in the city scale whose " fixation pay " is higher as compared to the maximum of the new common scale proposed for him, opts for the new scale, he will be fixed in the maximum of the new scale or otherwise, he will have the option to remain in the existing scale with necessary incidents attached to it.

37. (*a*) In some cases we have retained the present city scales to be continued with eligibility for compensatory local allowance and house rent allowance. In such cases the employee will be given benefit of weightage over his present pay and will be entitled to draw compensatory local allowance and house rent allowance as permissible under the rules without deduction of compensatory local allowance and house rent allowance. The benefit so recommended should be considered as improvement in the emoluments of the employee concerned.

(*b*) The above recommendation will apply *mutatis mutandis* also in cases where a fixed rate of city pay has been retained to be continued as a mofussil rate. The employee will draw house rent allowance and compensatory local allowance as admissible under the rules over the fixed pay.

38. In the context of abolition of city scales and fixation of initial pay, one or two other points arise which require to be considered. In the process of bringing the employee to the revised scale, *prima facie* there will be reduction in the basic pay. Reduction on account of compensatory allowance will be compensated as he will be receiving the same according to his new pay-rate. He will also receive house rent allowance as permissible under the rules. Dearness Allowance, however, poses a different problem. It has to be recognised that Dearness Allowance is a measure of relief against economic distress. The rate of Dearness Allowance is related to a given slab of pay. The existing rate of Dearness Allowance as presently available to the employee cannot be considered as being on level with vested rights as in the case of basic pay or pension. It is appropriate that employee should receive Dearness Allowance in a uniform pattern. Expediency should not override the claim of equality only because in some cases such reduction in Dearness Allowance will take place.

39. Our proposals are likely to be implemented with effect from 1st April 1966. The scheme of Dearness allownce as existing on that date has been substituted by a new pattern with effect from 1st July 1966. Considered in the context of the scheme as in force on 1st April 1966, employees in the pay range of Rs. 150—250 are likely to suffer reduction, if as a result of change-over to new scales they are transferred to the preceding slab. In the new pattern of Dearness Allowance coming into effect from 1st July 1966, the rates are on rising scale upto pay-range of Rs. 1081-1091 as related to different slabs of pay. However, here also there is substantial difference in Dearness Allowance from slab to slab. No change is likely if the basic pay after change-over to new scale falls in the same slab of pay. In most of the cases the slab of pay may not change. It is only in the case of an employee whose present pay is near about the point of change in the slab of pay, that some reduction in the Dearness Allowance can be envisaged. Such reduction will have to be considered in the light of the benefit which will accrue as a result of fixation of the employee in the new scale.

40. We have provided for immediate benefit as a result of fixation in the new scales in the form of weightage for past service for employees drawing pay upto Rs. 500 and the benefit of next stage for employees drawing pay upto Rs. 1,100. There is also provision of minimum increase in pay for employees drawing pay upto Rs. 715. Above benefits will also compensate the employee in those cases where reduction in Dearness Allowance will take place as a result of fixation. Moreover, such reduction of Dearness Allowance will be of transitory character since with increase in pay as a result of future increments, the employee will change over to the new slab and original position will be restored. The employee will also receive the benefit of house rent allowance. Employees who will suffer reduction in present Dearness Allowance will have to consider and calculate the advantage or disadvantage as may accrue to them from this change-over to the new scales from long-range point of view. It is neither appropriate, nor feasible to make separate and distinguishable provisions for meeting such cases. On weighing the benefit, the employees will have the option to opt for new scales or retain the existing scales. Such situations are unavoidable in every revision of pay structure, and cannot justify adopting of discriminatory measures. Such retention of existing scales by the employees cannot be tabooed as adding to the multiplicity of scales. Having given our anxious thought to all aspects of the problem, we come to the conclusion that there is no case for providing of any special measures for protecting possible reduction in Dearness Allowance.

41. The second point relates to retirement benefits. So far, an employee in the city scale was entitled to retirement benefit on the basis of his pay which included compensatory factors representing compensatory local allowance and house rent allowance. Because of separation of the basic pay from the compensatory allowances as a result of fixation in the new scale of pay, the employee in the city scale stands to lose a substantial benefit in the nature of pension. The employee has a right to retain his existing scale and also the incidental right of retirement benefits so long as he continues to serve in the existing post and belongs to his cadre. It is, therefore, fair and just that the employee should be allowed to retain the above benefits even after he is brought over to the new scale intended for his post or cadre. We propose the following method for calcualtion of pension in the case of the existing employees in the city scales of pay.

If the employee continues in the same post or belongs to the same cadre on the date of his retirement as on the date of fixation of his pay in the new scale, the pension should be calculated on the basis of the average pay in the new scale in which he is fixed and also on the basis of the average pay according to his existing scale (assuming that he has not opted for the new scale) and he will be paid pension at the rate which is higher.

In our view the above provisions will adequately protect the interests of the employees in the matter of retirement benefits.

42. In devising a suitable method for fixing the existing employees in the new scales, we have taken adequate precautions for safeguarding their interests. We, therefore, hope that none or very few, if any, will opt to retain their existing scales of pay. It is possible that in some cases the new scales recommended by us may be found unfavourable for some employees in some respects. It is not practicable to provide separate scales in such isolated cases. Under such circumstances if grievances cannot be remedied to the satisfaction of the employees, they may be allowed to retain the present rates of their emoluments. We expect that Government will prescribe suitable time limit for exercising option for retaining existing scales or for coming over to the new scale.

Subject to what has been stated in the foregoing paragraphs, the method and procedure proposed for employees in mofussil scales in common new scales, will apply in the case of employees under city scales.

Illustrations of fixation of pay of employees with city scales of pay in the revised scales are given below :—

ILLUSTRATIONS

1. An officer draws pay of Rs. 130 in the third year of his service in the existing city scale of Rs. 120—5—160—5—185—6—203—6—245. As he is in city scale, compensatory local allowance of Rs. 10 will be deducted from his pay. As he draws pay below Rs. 290 and is entitled to house-rent allowance (full) without verification, 50 % of house rent allowance i.e. Rs. 10 also will be deducted. The remaining pay shall be the " fixation pay " on the basis of which he will be fixed in the new common scale of Rs. 110—4—150—E.B.—5—200. After deductions as above, his fixation pay will be Rs. 110. He should be ordinarily fixed in the next stage at Rs. 114. But he would not receive the minimum benefit of Rs. 10, his fixation pay being Rs. 110. He should therefore draw pay of Rs. 120. He will therefore, be fixed at Rs. 118 with personal pay of Rs. 2 to be absorbed in future increments. He will draw compensatory local allowance and house rent allowance according to his pay in the new scale.

2. *Present pay* .. .. Rs. 135 (4th year of service).
Present scale .. .. Rs. 120—5—160—5—185—6—203—6—245 (City).
Revised scale .. .. Rs. 110—4—150—E.B.—5—200.

Deductions to be made from the city pay.

Compensatory Local Allowance ..	Full C.L.A. of ..	..	Rs. 11
House Rent Allowance ..	50 % of H.R.A. i.e.	..	Rs. 10
			Rs. 21

After deducting Rs. 21 from the present pay, the fixation pay comes to Rs. 114 on the basis of which the employee should be fixed at the next higher stage of Rs. 118.

As he has completed 3 years of service in the existing scale of pay, he is eligible for one advance increment in the revised scale taking his pay to Rs. 122. He will thereby receive an increase of Rs. 8 only over his fixation pay of Rs. 114. As he is eligible for a minimum increase of Rs. 10, his pay should be fixed at Rs. 122 + 2 personal pay to be absorbed in future increment.

The temporary additional pay of Rs. 5 which he receives at present, should be deemed to have been absorbed in the above fixation.

The date of his next increment will be 1st April 1967.

3. *Present pay* :—Rs. 155 (8th year of service).

Present scale :—Rs. 120—5—160—5—185—6—203—6—245 (City).

Revised scale :—Rs. 110—4—150—E.B.—5—200.

Deductions to be made from the city pay.

Compensatory Local Allowance	.. Full C.L.A. of	Rs.	12
House Rent Allowance	.. 50 per cent of Rs. 20 i.e.	Rs.	10
			22

After deducting Rs. 22 from the present pay of Rs. 155, the fixation pay comes to Rs. 133. On the basis of his fixation pay of Rs. 133, he should be fixed in the revised scale at Rs. 134 i.e., next higher stage. As he has completed 7 years service, he is entitled to the weightage of 2 advance increments taking his pay to Rs. 142. As he should get the minimum benefit of Rs. 10 over his fixation pay of Rs. 133, his pay will be fixed at Rs. 142 + Re. 1 Personal Pay to be absorbed in future increment.

The temporary additional pay of Rs. 5 will be absorbed in the above fixation.

The date of next increment will be 1-4-1967.

4. Present pay .. .. Rs. 75 in the 4th year of service.

Present scale .. .. Rs. 72—1—82 (City).

Revised scale .. .. Rs. 70—1—80—E.B.—2—90.

Deductions to be made :—

	Rs. P.
Compensatory Local Allowance	7·50
House Rent Allowance ..	*Nil.*
	7·50

After deducting Rs. 7·50 from his city pay, the fixation pay comes to Rs. 67·50. This being less than the minimum of the revised scale (Rs. 70—90), his pay will first be fixed at Rs. 70 i.e., the minimum. As he has rendered 3 completed years of service, he will get one advance increment over this stage taking his pay to Rs. 71. As against the minimum increase of Rs. 8 admissible to him he will thus get only Rs. 3·50 more than his fixation pay. His pay should therefore be fixed at Rs. 75 *plus* Re. 0·50 personal pay to be absorbed in future increment.

The additional pay of Rs. 5 will be deemed to have been absorbed in the new pay.

The date of next increment will be 1-4-1967.

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Table—*contd.*

Pay drawn in City Scale.	½ H.R.A. to be deducted.	C.L.A. to be deducted.	Pay drawn in City Scale.	½ H.R.A. to be deducted.	C.L.A. to be deducted.
177	11·47	12·50	226	14·70	15·68
178	11·55	12·50	227	14·77	15·76
179	11·62	12·50	228	14·85	15·84
180	11·70	12·50	229	14·92	15·92
181	11·77	12·56	230	14·92	15·92
182	11·85	12·64	231	15·00	16·00
183	11·92	12·72	232	15·07	16·08
184	12·00	12·80	233	15·15	16·16
185	12·07	12·88	234	15·22	16·24
186	12·07	12·88	235	15·30	16·32
187	12·15	12·96	236	15·37	16·40
188	12·22	13·04	237	15·45	16·48
189	12·30	13·12	238	15·45	16·48
190	12·37	13·20	239	15·52	16·56
191	12·45	13·28	240	15·60	16·64
192	12·52	13·36	241	15·67	16·72
193	12·52	13·36	242	15·75	16·80
194	12·60	13·44	243	15·82	16·88
195	12·67	13·52	244	15·90	16·96
196	12·75	13·60	245	15·90	16·96
197	12·82	13·68	246	15·97	17·04
198	12·90	13·76	247	16·05	17·12
199	12·97	13·84	248	16·12	17·20
200	13·05	13·92	249	16·20	17·28
201	13·05	13·92	250	16·27	17·36
202	13·12	14·00	251	16·35	17·44
203	13·20	14·00	252	16·42	17·52
204	13·27	14·16	253	16·42	17·52
205	13·35	14·24	254	16·50	17·60
206	13·42	14·32	255	16·57	17·68
207	13·50	14·40	256	16·65	17·76
208	13·50	14·40	257	16·72	17·84
209	13·57	14·48	258	16·80	17·92
210	13·65	14·56	259	16·87	18·00
211	13·72	14·64	260	16·87	18·00
212	13·80	14·72	261	16·95	18·08
213	13·87	14·80	262	17·02	18·16
214	13·95	14·88	263	17·10	18·24
215	14·02	14·96	264	17·17	18·32
216	14·02	14·96	265	17·25	18·32
217	14·10	15·04	266	17·32	18·49
218	14·17	15·12	267	17·40	18·56
219	14·25	15·20	268	17·40	18·56
220	14·32	15·28	269	17·47	18·64
221	14·40	15·36	270	17·55	18·72
222	14·47	15·44	271	17·62	18·80
223	14·47	15·44	272	17·70	18·88
224	14·55	15·52	273	17·77	18·96
225	14·62	15·60	274	17·85	19·04



CHAPTER 16

CONSUMER CO-OPERATIVE STORES AND SUBSIDISED STORES

Questions relating to amenities to the Government staff are not covered by our terms of reference. We were, however, persuaded to consider the proposal regarding consumer stores in the context of existing unstable market conditions and in particular, instability of prices of essential consumer goods. Since our questionnaire was issued, there has taken place a significant change in the policies of the Central Government and State Government in the matter of arresting upward trends in the prices of essential consumer goods and their distribution to the consumers. The prices of many of the commodities have been regulated and controlled. Rationing has also been introduced in the four big cities in the State namely Bombay, Poona, Sholapur, and Nagpur. There is also the arrangement of fair-price shops for principal foodgrains and sugar, in towns which are not under the scheme of rationing. The Central and State Government have also taken up the question of opening departmental stores. However, the commodities covered by the present schemes form only a part of the family budget, and even in the case of articles or commodities which are covered, the worries of a consumer have not lessened as regards their availability and prices.

2. Proposals for opening of consumer stores have been approached by the employees differently. There is neither wholehearted support nor total indifference. The view of the Maharashtra Government Employees' Confederation will be clear from the following passage which has been reproduced from their Memorandum:

> "In the absence of effective price controls and the continual phenominal rise in prices, it is difficult to see how a section of the population, namely, the class of State Government employees can be immunised from high price fluctuations ..... There is the further danger that the quality of supplies will suffer if the gap between the free prices and fixed or subsidised prices become too wide. There is also the possibility of corruption, leakage, and the exercise of undue influence by officers, etc. Above all, such a system would make the employees unduly dependent upon their employer government. There is a danger that such dependence will be exploited by the authorities to exert unfair influence on the employees and their organisations in the event of disputes. For this reason, workers as a rule are opposed to receive in kind any part of their emoluments from their employers all over the world. Without prejudice to the above, we consider that the facility of subsidised foodgrains etc. be made available to government employees as an amenity without linking up the said facility to the determination of their pay scales."

3. We would stress that the suggestion implied in the proposal has never been intended to be linked up with question of determination of pay scales. Our proposals regarding pay scales have been made independently and irrespective of the suggested proposal regarding consumer stores.

4. There is also no reason to think that providing of the consumer stores will make the employees "unduly dependent upon their employer government". Danger of leakage or corruption is avoidable with appropriate check and vigilance. Apprehensions that such facilities will be exploited by the authorities to exert unfair influence on the employees and their organisations will depend on the nature and shape of the scheme of consumer stores. If such schemes are kept free from Government interference or influence and the organisation is properly regulated by rules and by-laws and given autonomous character with appropriate checks in the matter of accounts and day to day vigilance and supervision, there should be no cause for the imagined fear. The discouraging sentiments expressed by the employees have their source possibly in the experience of employees in some private industrial establishments. Such generalisation in the case of government service may not prove true. There is also no reason

to think that opening of consumer stores would result in making the employees unduly dependent upon the employer. Much would depend on the spirit in which such schemes are launched and implemented and the mutual good relations and co-operation between the employers and employees. The idea of providing consumer goods at subsidised rates as alternative method to Dearness Allowance does not appear feasible and is also not favoured by employees.

5. The main purpose for taking up their question is to remove hardships which employees suffer from artificial scarcity of essential commodities created by anti-social traders. The question has also an importance from the view point of stabilisation of real value of money incomes of Government employees in the context of continuous upward trend and rapid changes in prices of essential consumer goods. The scheme of Dearness Allowance is relatively a long time arrangement and cannot meet the difficulties created by day to day fluctuation in the prices, in the monthly budget of the employee. Dearness Allowance is adjusted to changes in cost of living as indicated by consumer price index number on a somewhat long-term basis. Some period has to elapse for ascertaining if the rise in prices as indicated by index number has stabilised at the increased level. During abnormal period as at present, the Dearness Allowance cannot be adjusted quickly to price levels of different commodities. Distress resulting from violent changes in prices of some of the commodities which are often made scarce by anti-social traders, hoarders, and black marketeers and also through mal-distribution of such articles cannot be warded off by Dearness Allowance alone. Steps taken by Government for checking the above evils would not prove effective unless consumers also fully co-operate and adopt appropriate remedies.

6. Consumer Stores can be either in the form of State-owned subsidised stores or co-operative consumer stores. The idea of supplying articles of food and other essential consumers goods at fixed subsidised prices as an alternative to the system of Dearness Allowance is not acceptable to employees and we would not also suggest such a course. Central Government has gone through that experience when it opened grain shops during Second World War for the railway staff with comprehensive schemes and an imposing organisation for purchase, distribution and supervision. The scheme did not prove successful as a result of "Organisational and human failure, mal-practices, and corruption" and resulted in heavy loss to Railways. The loss in 1947-48 was "for every employee served by the grainshop, Rs. 309 without commensurate benefit to the employees". The Railway Grainshop Committee, 1948 accordingly recommended the abolition of the scheme by gradual stages and gave its verdict against its continuation as a permanent part of Government's administration. The chief problem with such a scheme is of quality control of the commodities sold through the shops. Apart from these administrative difficulties, the whole scheme is open to the general criticism, that government is partial to its own employees when other vast sections of the community are undergoing similar or more economic distress.

7. We are aware of the fact that it is the present policy of Government to compel industries to open such shops for industrial workers and that such shops are being opened. Industries and Government are not comparable in the matter. Industries have localised establishments, with limited number of employees working at one place. The administration of the Government permeates over the whole State area, with offices spread over in big and small cities and towns and even in villages. A scheme or amenity sponsored by the Government has to serve all employees uniformly. A private employer can advance economic interest of his employees exclusively, without being exposed to criticism of partiality. Goversment which is run with revenue collected from taxes, stands for the welfare of the whole society which pays the taxes. No such limitation is imposed on private industry. Financial considerations are also an important problem. In the present state of resources of the State and its financial commitments in connection with Five-Year Plans, in our view such a scheme cannot be considered feasible.

8. The Central Government. as stated above, has already launched the scheme of opening departmental stores. How far these departmental stores will be successful in achieving the intended objective is yet to be proved. Such departmental stores when opened by the Central Government or by the State Government will be available to all persons irrespective of their employment and State Government employees will also be in a position to take advantage of the same.

9. Rationing in big cities has enabled large number of employees to purchase permissible quantities of foodgrains such as cereals, rice, and sugar at controlled rates. At other places, the scheme of fair price shops is in operation. The problem regarding other consumer goods such as clothes, edible oils and other necessities and the problem of maintenance of quality of articles remains to be considered.

10. We are, however, completely in favour of the idea of bringing into existence consumer co-operative stores of Government employees wherever possible. It is appropriate that Government should provide all reasonable facilities and all assistance to such co-operative societies organised by the employees. Opening of employees' co-operative consumer societies will be free from the criticism and the fears expressed in their Memorandum by the Maharashtra Government Employees' Confederation. Such societies can evolve arrangements for supply of essential consumer goods at whole-sale rates. Share capital can be collected by advancing loans to employees for purchasing shares from the provident fund of the employees joining the society, with conditions of reimbursing of the same within a reasonable period. Business capital can be provided by Government as loan with concessional rates of interest.

11. Co-operative venture can alone serve the objective of "creating collective strength for protection against economic exploitation of the economically weaker sections of the community." In recent years, significant progress has been made in setting up such viable consumer co-operative stores by different groups of people. There is no reason why employees should not be encouraged to make similar efforts for avoiding erosion of their income. Such co-operative stores of employees will be a venture of free citizens and more in keeping with present day ideas of status and self-respect of employees, and without a shred of paternalism of the employer. Co-operative societies of the employees can flourish and have healthy growth if there is active participation of the employees themselves.

12. To conclude, we do not approve of the idea of the providing consumer goods at subsidised rates as an alternative method to Dearness Allowance or to revision of pay scales. We are aware that at certain places such co-operative societies of the employees are functioning. Our suggestion for encouraging employees' consumer co-operative stores is intended only to emphasise an urgent need of making such stores popular by granting whatever facilities possible in the context of present day violently fluctuating market conditions.

7. Duties and responsibilities attached to posts were ascertained from replies received from Heads of Departments, and clarifications obtained wherever necessary by oral discussion with the Heads of Departments and other employee witnesses. Methods of recruitment direct or promotional for entrants in the service and to the posts, and necessary qualifications, of each have also been investigated. Promotional facilities and necessity for having departmental examinations for confirmation or promotion have also been considered. Necessity for giving appropriate weightage to different types of scientific and technical services or posts was investigated in the light of supply position of such personnel and recruitment difficulties, problem of turn over and the relative importance in the administration. Services such as Engineering, Agriculture, Veterinary, Medicine and various other professional and scientific or technical services have been considered from the point of view of giving due weightage as compared to services belonging to the general class. We have considered whether the present pay scales of these technical services required any weightage, and where necessary such weightage has been given with due regard to shortage of personnel and the need for making the scales reasonably attractive for efficient personnel and also to the growing importance of technical services in a developing State like ours. In cases where pay-scales have been framed in recent years, presumption is drawn that such newly framed pay-scales were determined after giving necessary weightage and that they were influenced by the recent economic and social factors.

8. We found the designations of posts, highly ambiguous and at times misleading, for ascertaining their work load, duties or responsibilities. Each case had, therefore, to be examined in the light of information supplied by the departmental heads and the facts as ascertained by discussion during evidence. In the process of broad-banding we have suggested modifications in nomenclature of some of the posts, wherever considered necessary, so that they may be appropriately fitted into standard pay scales. Minimum qualifications required for eligibility for admission to different groups and classes of services or posts, though having different levels of responsibility and pay scales, are often identical. In most of the cases, the State Public Service Commission prescribes Graduate Degree as the minimum qualification for eligibility to appear for several recruitment examinations. But standards of examinations vary according to level of the post or nature of employment. Scrutiny was thus necessary for ascertaining the prescribed standards of examination for considering the pay-scales for such services and posts. In the case of recruitment by selection, besides educational qualifications, requirements of experience and age limits assume importance. These factors have also been duly considered. In cases where a Post-graduate degree is insisted upon, the question of giving special weightage had to be looked into.

9. We have also considered the question of giving weightage to posts of hazardous or risky nature. Wherever demonstrable evidence was available justifying special pay, instead of framing a separate pay-scale, the advisability of granting special pay has been considered appropriate, though generally we have taken the view that granting of special pay should be avoided as far as possible and should not be granted unless demanded by administrative necessity. Special pay has been considerd necessary by us only in unavoidable cases.

10. In framing the pay structure, determination of relativities between pay rates of different classes of employees or posts, presented some difficulties. Such questions regarding differentials in pay rates arise in respect of pay rates in the department itself and also between different departments. However, it is difficult and even impossible to attempt with any precision the differentiation in the levels of responsibilities, or in the onerousness of duties and work loads. Therefore, in the absence of glaring differences in pay ranges indicating clear inequality or discrimination, we have retained the existing relativities and have acted on them while providing new standard scales. Border cases have been adjusted by grouping of posts by the method of broad-banding.

11. Standard pay scales proposed by us will reveal that very often, they do not indicate horizontal inter-departmental parity in services or posts of apparently similar levels of responsibility. In our view such inter-departmental parity is not possible to be achieved in certain cases because of difference in the nature of duties or special departmental structure and organization of services. In our view, such parity in every case is not also essential.

12. Work load and job responsibility at different levels could be ascertained without much difficulty in the clerical groups of Class III services and Class IV services. There was also not much difficulty in respect of organized classified services as they are mostly grouped into classes and in some services are further divided into divisions according to nature of duties attached to the post and the mode of their recruitment. Difficulties had to be resolved in the cases of employees with similar qualifications employed in offices and outside in the field work. We have also taken care to provide for reasonably equal promotional prospects for different categories of employees. As far as possible attempt has been made to provide a direct recruitment grade and a further promotional grade. Where promotion grade was not considered possible we have proposed Selection Grade for various categories of posts.

13. We have taken notice of the economic factors and their impact on income of staff; and reasonable weightage has been given in pay-range below the comfort level or the saving level. At the same time, we have given due regard to the principle that remuneration in public service should reflect long term shifts in wage-levels and economic conditions.

14. Our approach to the problem may be summarised as below:—

(1) In the case of higher level employees of specialised class in whose case there are recruitment difficulties rule of "economic principle" has been adopted and also the rule of "fair comparison". The rule of fair comparison has also been used in all other categories of services and posts as far as it was feasible. Both the rules are taken into consideration subject to various qualifications and limitations and are used only as guiding factors and not for rigid application.

(2) In the case of jobs for which there were no comparable counterparts, the pay-scales have been determined on the basis of existing relativities with pay rates of the next higher job and the immediately lower job.

(3) The information collected by us about pay rates in private sectors disclosed variation in pay scales in different offices and concerns for category of posts, in spite of similarity in required qualifications and general nature of duties. Under these circumstances the rate which is below the top level rate and above the lower half rate has been considered as "fair compensation" for the category concerned. We have studied the various awards given by tribunals under which pay scales of comparable jobs have been determined and examined the reasons which influenced the decisions. It has been found that mostly, in determining pay scales in commercial and industrial concerns, prosperity and paying capacity of the employer was a dominant factor with the result that different tribunals determined different rates even for jobs with similar duties and responsibilities. It appears that principle of sharing in the prosperity of the industry was impliedly adopted though only some times expressly mentioned; for categories of low incomes, however, social considerations exercised a dominating influence.

(4) As regards services and posts created in recent years we have presumed that pay scales were fixed with due regard for economic factors existing at the time. Similarly in the case of pay scales revised after 1962 further revision is not considered appropriate unless justified by special reasons indicating prejudice or error.

(5) Our determination of minimum salaries for lowest grade of Class III services and Class IV services has been particularly influenced by the principle that these classes should get income sufficient for healthy and decent living according

to their station of life in the social group to which they belong, besides other recognised principles for arriving at minimum wage. We have proposed a pay scale of Rs. 110—4—150—E.B.—5—200 for Class III employees and a pay scale of Rs. 70—1—80—E.B.—2—90 for Class IV employees at lowest levels in these groups We have proposed no change in the existing maximum salaries which are within rule making power of the State Government viz fixed salary of Rs. 2,500 (City Scale) provided for Principal Judge, City Civil and Sessions Court and pay scales below that of Rs. 1,800—100—2,000 (Mofussil Scale) or similar higher scales for other services and posts. Taking the minimum salary for Class IV employees and maximum salary as basic levels of pays, a Pay Schedule with specific standard pay-scales for different services and posts with due regard for vertical and horizontal relativities, has been evolved.

15. Change in the existing pay standard has not been considered necessary, unless it was considered justified on grounds of change in the economic conditions or for reasons of obvious injustice because of discrimination or error. Pay structure has been determined having due regard to Government's other financial commitments and to its resources and to the pay scales pertaining to corresponding levels of responsibility in various services under the Government and other States. We have adopted the principle that in the process of revision, change in the pay structure has to be with due regard and relationship to existing pay-scales and responsibilities of the post. Any change to be made should be justified on the ground of changed administration, economic or social circumstances, the principle being "Reform is possible within the context of things as they are".

16. In the chapter which follows we have discussed the pay-scales of a few categories of posts which are common to most of the Departments, and in subsequent chapters we have considered in detail the revision of pay-scales of posts which are peculiar to individual Departments. We have also examined therein the question of revision of pay scales which were not revised in the 1962 revision. Before conclusion, we would like to add a few paragraphs regarding the procedure which we have followed for revising and standardising the pay-scales of Gazetted Officers.

(A) *Posts on super-time scales of pay.*

17. In the chapter on "Maximum and Minimum Salaries" we have held that considering the present socio-economic factors as also the financial resources of the State, the existing scales of higher grade posts need not be raised. Consistent with that view we have not recommended any change in the existing super-time scales or rates of pay except to the extent necessary to correct any apparent imbalances or to even out minor differences in pay scales. Cases where changes of a correctional type are found to be necessary will be discussed in the appropriate chapters.

(B) *Class I posts.*

18. The following are Class I scales applicable to some of the important services under the State Government :—

Engineering Service	.. Rs.	650—40—730—45—1,000—50—1,150
Forest Service	... Rs.	650—40—730—45—1,000—50—1,150
Industries Service	... Rs.	650—40—730—45—1,000—50—1,150
Co-operative Service	... Rs.	350—460—30—610—40—720—45—1,000—50—1,100
Education Service	... Rs.	350—400—30—610—40—730—45—1,000—50—1,150
Fisheries Service	... Rs.	350—400—30—610—40—730—45—1,000—50—1,150
Medical Service	... Rs.	350—400—30—610—40—730—45—1,000—50—1,150
Agricultural Service	... Rs.	400—30—610—40—730—45—1,000—50—1,250
Veterinary Service	... Rs.	400—30—610—40—730—45—1,000—50—1,250

The standard scale applicable to most of the non-technical Class I posts is Rs. 350—400—30—610—40—730—E.B.—45—1,000—50—1,100. Prior to the general revision of pay-scales in 1962 the scales of pay of all the services mentioned above ended uniformly at Rs. 1,100. The minimum of the pay scales were also, barring a few exceptions, uniform. In the 1962 revision the maximum of pay-scales of Agricultural and Veterinary Services were raised from Rs. 1,100 to Rs. 1,250 while the maximum of pay-scales of other Services were retained at Rs. 1,100. The minimum of the scales of Engineering and Forest Services were raised from Rs. 500 and Rs. 350 respectively to Rs. 650. The raising of pay-scales in some cases has given rise to demands for similar revision in other cases. As recruitment qualifications prescribed for different services are different, a certain amount of variation at the starting level is unavoidable to meet the supply and demand position. We do not, however, think that such a disparity could be justified at the maximum level. On the recommendation of the Second Central Pay Commission the Government of India has prescribed a uniform scale of Rs. 400—400—450—30—510—700—40—1,100—50/2—1,250 for most of its Class I services. We consider that a revised scale of Rs. 410—30—650—E.B.—45—1,100—50—1,150 with a fixed pay of Rs. 380 during the period of probation will be suitable as a Standard Class I scale.

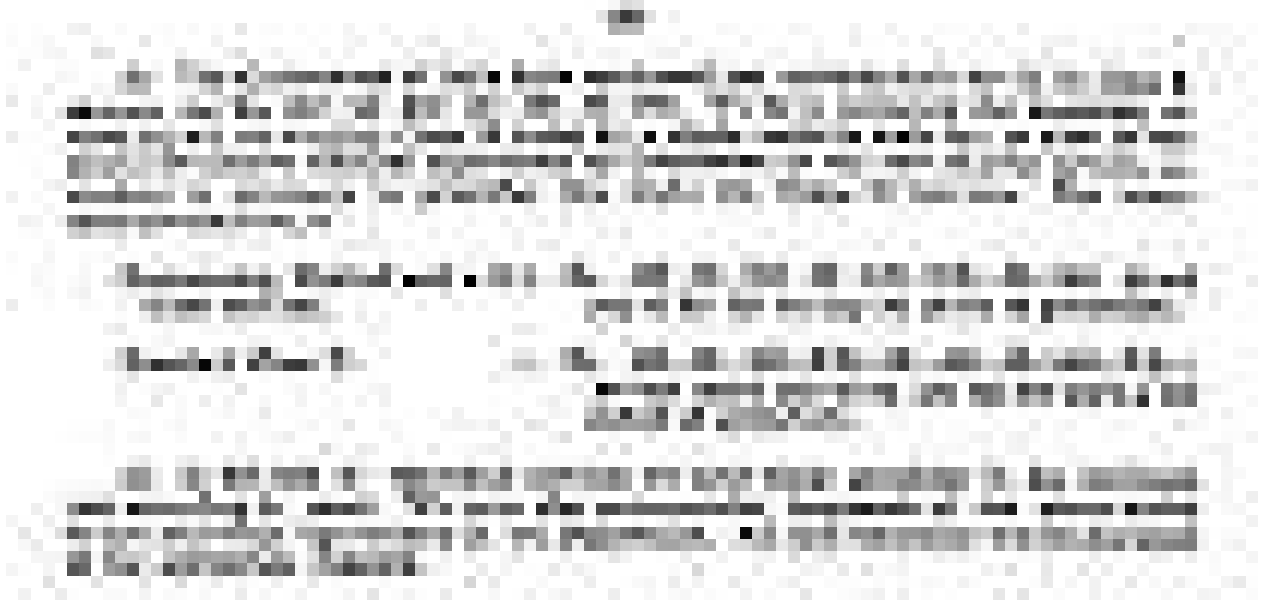
19. While the scale recommended above will be suitable for most of the posts particularly non-technical posts, we have thought it necessary to fix higher minimum for certain technical posts for which there is recruitment difficulty. Pay-scales of such posts are dealt with in the appropriate chapters.

20. In addition to posts on regular Class I scale there are several unclassified posts in several Departments carrying *ad-hoc* scales which are fragments of standard Class I scale. We have examined whether any of such posts could be brought on regular Class I scale and wherever possible we have recommended full Class I scale for them. In other cases fragments of Class I scales have been retained taking into account the average age of entry in the scale, prospects of promotion to higher posts available in the Department, vertical and horizontal relativities etc.

Class II scales.

21. The standard Class II scale adopted in the general revision of 1962 was Rs. 250—270—15—450—20—490—25—715 but several scales varient from the standard pattern have been sanctioned for various services to suit individual needs. The following are some of the important scales in force at present:—

Police Service	...	Rs. 300—300—350—20—550—30—820
Education Service (Technical)	...	Rs. 350—20—550—30—880.
Engineering Service	...	Rs. 300—325—25—575—30—815
Forest Service	...	Rs. 320—360—15—450—20—490—25—740—30—800
Accounts Service	...	Rs. 300—330—15—450—20—490—25—715
Agricultural Service	...	Rs. 300—15—450—20—490—25—765
Veterinary Service	...	Rs. 300—15—450—20—490—25—765
Education Service (Non-Technical).	...	Rs. 250—270—15—450—20—490—25—715
Medical Service	...	Rs. 250—270—15—450—20—490—25—715



CHAPTER 18

PAY SCALES OF COMMON CATEGORIES OF POSTS

Posts such as those of Peons, Naiks, Clerks, Typists and Stenographers are common to all or most of the Departments of Government. In this Chapter we propose to deal with pay scales of such common categories of posts. Pay scales of posts peculiar to individual Departments will be considered in the subsequent chapters dealing with those Departments.

(A) *Class IV Posts.*

2. Common categories of Class IV posts include those of Peons, Attendants, Naiks, Havildars and Daftaries.

3. *Peons.*—Peons are unskilled workers and constitute the largest single category of Class IV employees. Prior to 1947 peons were on varying rates of pay from Department to Department. In the general revision of pay scales in 1947 the then Government of Bombay sanctioned a uniform scale of Rs. 30—½—35 for all peons in the mofussil, the corresponding uniform scale for peons in the offices in the City of Bombay being Rs. 35—½—40. The mofussil scale was the same as the revised scale sanctioned by the Government of India for its Peons and other unskilled workers following the recommendations of the First Central Pay Commission. In the revision of 1962 the scale was revised to Rs. 65—1—75 against the revised scale of Rs. 70—1—85 sanctioned by the Government of India on the recommendation of the Second Central Pay Commission. In April 1965 Government has sanctioned a temporary additional pay of Rs. 5 to be finally adjusted against our recommendations. A newly recruited Peon is thus in receipt of a basic pay of Rs. 70 exclusive of allowances.

4. The Maharashtra State Government Employees' Confederation has suggested a revised scale of Rs. 128—2—168—3—195 for Peons and unskilled workers against the existing scale of Rs. 65—1—75. The revised pay suggested by the Maharashtra Rajya Laghu-vetan Sarkari Karmachari Sangh is Rs. 100—3—115—5—140—8—180. The Employees' Associations have their own reasons for demanding such higher scales but having regard to the limited resources of the State Government and the general economic conditions of the country we are unable to support a pay-scale of the proposed order. Normally a Class IV employee enters Government service at the age of 18 when his commitments are few. Without entering into the controversy relating to "Minimum Wage" (which we want to avoid as we have no jurisdiction on Dearness Allowance) we consider that a minimum basic pay of Rs. 70 should be an adequate remuneration for an unskilled worker at the entry stage. On this basis we recommend a 15 year's scale of Rs. 70—1—80—E.B.—2—90 for the post. The employees will thus start on a salary of Rs. 108 inclusive of current Dearness Allowance and exclusive of Compensatory Local Allowance and House Rent Allowance. In Bombay city all Class IV Employees get rent-free quarters or House Rent Allowance in lieu thereof. The starting Emoluments inclusive of Dearness Allowance, Compensatory Local Allowance and House Rent Allowance (in lieu of rent-free quarters) for a Peon working in Bombay city will be Rs. 130·50; in Poona and Nagpur he will get Rs. 129. We are aware that the rates along with the Dearness Allowance and bonus are higher in textile industries, Life Insurance Corporation, Reserve Bank and other banking companies, and a few commercial and industrial organisations. However, the pensionary benefits and other conditions of service are also important considerations which have to be taken into account for comparison of the emoluments of the lowest paid employee in Government and Private service.

5. For under-age employees appointed as Boy Peons we recommend a scale of Rs. 55—1—60.

6. *Attendants.*—The cadre of Attendants was introduced in 1955 as a measure of economy to replace Peons attached to non-gazetted touring officers. When the cadre was introduced, it had been thought that they would be having only part-time Government work and that a part of their time would be occupied in attending to the personal work of the officers to whom they are attached. As it was expected that they would receive some payment from their officers for the private work done for them, a consolidated rate of pay of Rs. 45 per month was considered adequate and sanctioned. This rate has been increased from time to time, the present rate (i.e. inclusive of the increase given from 1st July 1966) being Rs. 83 per month.

7. We have received suggestions from several quarters for converting the posts of Attendants into those of Peons. All our witnesses including some Heads of Departments were unanimous in emphasising that attendants have not less than 8 hours' work either in office or outside. It is obviously inconsistent to have a category of full-time employees on a pay lower than minimum pay. We fully sympathise with the lot of these employees and find justification for improving their remuneration. There are, however, difficulties for us in accepting the proposal to reconvert the posts into those of Peons. Conversion of posts of Attendants into those of Peons would involve a decision of allowing to non-gazetted officers a facility of having a Peon to attend on them during their tour. Government will have to consider whether such a course would be appropriate. Government will have also to examine whether all non-gazetted officers should have this facility of Attendants and whether any of them could not execute their job efficiently by taking help from staff of Zilla Parishads or of Kotwals available in the villages.

8. As observed earlier, the Attendants were originally intended to be part-time employees and their remuneration was fixed on that basis. It was expected, however, that they would be paid some remuneration by the officers to whom they were attached for tour purpose, for their private work. The position was anomalous in all aspects. When the Attendant accompanied an officer on tour, he should be considered as fully employed for those days. When the officer was in his head-quarters, the Attendant had no prescribed duties. Under the circumstances, the Attendant was not in a position to use his time gainfully, unless his services were utilised by the officer as was expected on payment of some remuneration. Apparently on days when not on tour, the Attendants attend office and do some work, presumably of the Peon, though they have no such prescribed duty.

9. During our discussions with witnesses at different places we were informed that the Attendants work in offices like Peons. This means that the regular Peons must remain idle to that extent. We are not sure whether such practice is obtaining in all offices and all officers take such work from the Attendants. We do not also know definitely whether no Attendant is left free to use his time in his own way when in head-quarters. There is no chart of prescribed duties for Attendants. Whole position requires to be examined by Government. Under these circumstances, we shall not be justified in presuming that every attendant is a peon and proposing the peon's scale for everyone of them. Whatever may be the situation, the patent fact is that the attendants when they work as peons should get the minimum basic remuneration proposed by us for Class IV service. We have not been able to investigate and ascertain which of the attendants are working at present as regular peons or are being utilised only on a part-time basis as was contemplated when this class of service was created. It is, therefore, necessary to investigate the whole question. It will be for Government to consider, after necessary investigation, how many of such attendants can be absorbed as peons. We recommend that attendants who are found eligible for absorption as peons should be given the pay scale proposed by us for the peons.

11. The revised scales proposed by us for other common categories are as follows:—

Designation.	*Existing scale.*	*Proposed scale.*
1. Havildar ...	Rs. 87—2—107 (C). Rs. 80—2—100 (M).	Rs. 90—2—110.
2. Naik ...	Rs. 77—1—92 (C). Rs. 70—1—85 (M).	Rs. 80—2—100.
3. Daftari ...	Rs. 77—2—107 (C). Rs. 70—1—80—2—100 (M)	Rs. 80—2—100—E.B.—2—110.

The posts of Havildars and Naiks are promotional posts for Peons while the posts of daftaries are filled by direct recruitment.

(B) *Clerical posts and clerical supervisory posts.*

12. *Junior Clerks.*—Clerks constitute the largest single group among employees of different grades in the State service. The minimum qualification is S. S. C. Appointment to the post is made by nomination through the Public Service Commission in the case of offices in Greater Bombay and through the Employment Exchange in the case of offices outside Bombay. At present there are three different pay-scales for Clerks as shown below:—

(*a*) Clerks in the Secretariat Departments (with city scale.) — Rs. 120—5—180—8—260—10—270 (C).

(*b*) Clerks in certain Departments in Bombay outside Secretariat (with city scale.) — Rs. 120—5—165—8—245 (C).

(*c*) Clerks in other offices whether in Bombay or in mofussil. — Rs. 100—3—130—E.B.—4—170.

The two-fold distinction between the city scales and mofussil scales on one hand and between the pay scales of clerks in the Secretariat and that of clerks in other offices in Bombay outside the Secretariat on the other has been a constant source of discontent and administrative inconvenience. There was a near unanimity among our witnesses that this distinction should be abolished. In a separate chapter we have recommended that the existing distinction between the city scales and the mofussil scales should be done away with and that there should be uniform scales for all offices in the whole of the State. We have also held that upto the level of junior clerks there is no justification for making a distinction in the pay-scales for the posts in the Secretariat and in offices outside the Secretariat. We, therefore, propose that the abovementioned three scales should be replaced by a single revised scale.

13. The Maharashtra State Government Employees' Confederation has suggested a revised scale of Rs. 200—400 for the lowest category of clerks. We, however, consider that any minimum basic pay for clerks to be recommended should have some relation

to the minimum basic pay admissible to clerks under the Government of India and other State Governments. The following table shows the scales of pay sanctioned by these Governments for their lowest categories of clerks :—

Government of India	Rs. 110—180.
Andhra Pradesh	Rs. 80—150.
Assam	Rs. 125—200.
Gujarat	Rs. 90—170.
West Bengal	Rs. 125—200.
Madhya Pradesh	Rs. 90—170.
Madras	Rs. 90—140.
Mysore	Rs. 80—150.
Punjab	Rs. 60—135.
Uttar Pradesh	Rs. 100—180.

We have noticed that there are a few private companies and Banking organisations paying their junior most clerks fairly high scales higher than those paid even by the Government of India but such high rates are based on the paying capacity of the private employer. A State Government with its limited resources cannot surely compete with such private undertakings.

14. The Second Pay Commission has recommended a scale of Rs. 110—3—131—4—155—E.B.—4—175—5—180 for clerks under the Government of India. They have also recommended a selection grade of Rs. 150—240 for junior clerks wherever the chances of promotion available are comparatively less. Representatives of several Service Associations whom we had occasion to hear in the course of our discussion have demanded provision of a long scale or institution of a selection grade for junior clerks since prospects of promotion available in many Departments are unsatisfactory. Our enquiry has shown that these prospects of promotions vary from Department to Department. We are not sure whether institution of a selection grade will meet the requirements of employees of all Departments in view of the rigid tests applied for grant of a selection grade in the case of each Department. We consider that instead of a selection grade a slightly longer scale designed to include an element of selection grade would be more appropriate. Taking all these factors into consideration we recommend a revised scale of Rs. 110—4—150—E.B.—5—200 for junior clerks in all offices.

15. We are aware that the revised scale as recommended by us would appear unattractive to the existing Junior Clerks in the city scales of pay particularly to the clerks in the Secretariat who are on the scale of Rs. 120—270 (C). Even with the addition of house rent allowance and compensatory local allowance which will be admissible on the revised mofussil scale at the maximum, total emoluments will be less than those now admissible in that scale. Considering the more or less unanimous demands from all sections of opinion and we ourselves having come to the conclusion that those scales are discriminatory and offend sound principles of pay structure in public service, we had no alternative but to recommend abolition of these scales. We have, however, taken care that in the process of fixation of pay an employee on a city scale should not be prejudiced as regards his emoluments. His retirement benefits have been protected. We have also recommended that the existing holders of city scales should be given an option to retain their city scales. We consider that these measures would be adequate to protect the interest of the existing Junior Clerks on city scales of pay.

16. Till April 1957 persons appointed to the posts of clerks and a few other posts used to be granted advance increments if they were graduates at the time of initial appointment or if they had graduated while in service. The object underlying this concession was to attract persons with higher educational qualifications. In April 1957 this concession was withdrawn by Government as recruitment in Bombay city (where bulk of clerks are recruited every year) was sought to be made through the Public Service Commission on the basis of a competitive examination. However, following a recommendation of Shri M. G. Pimputkar who had been appointed by Government as Special Officer for reviewing and reporting on district administration, the concession was restored so far as clerks of the Revenue Department were concerned. In 1964 the question of reviving the concession was reconsidered by some Departments and they were generally of the view that the calibre of S. S. C. holders recruited for various posts in Government offices was low and that it might be advantageous to revive the old practice of offering a higher starting pay to graduates recruited as clerks. We have been asked to express our view in the matter.

17. We are in general agreement with the view underlying Government's decision to discontinue the practice of granting a higher starting pay to graduate clerks viz. that such a practice is inconsistent with the scheme of making recruitment on the basis of merit as determined by means of a competitive examination. In a competitive examination graduates may not necessarily top the merit list and it will be difficult to maintain that a graduate who ranks, say, fifth in the merit list should be given a higher initial start than that admissible to a S. S. C. holder who may have ranked first in the same competitive examination. It is true that this argument would not apply in the case of offices outside Greater Bombay but it would be undesirable to have different rules for different places. Even on merits of the case we do not think that the work entrusted to Junior Clerks is such as would justify provision of special incentives to attract graduates. We believe that with the gradual adoption of Marathi as the State language for all administrative purposes clerks who are S. S. C. holders will turn out to be more and more useful to administration. We understand that there is no practice of giving any weightage in the form of a higher initial start to graduate clerks recruited for service in Central Government Offices and in offices of some State Governments for which we have information. We do not therefore, recommend any higher starting pay for graduate clerks.

19. *Typists.*—Typists are on the scale of pay prescribed for Junior Clerks (viz. Rs. 100—170) and in almost all the Departments they are also borne on the clerical cadre. Under the Central Government as also under other State Governments for which information is available, the pay-scales allowed to Typists and Clerks are the same. In the case of Typists selected for appointment in the Secretariat exclusively for typing work, a special pay of Rs. 15 has been sanctioned. No such special pay is admissible to Typists outside the Secretariat since, in the case of those latter offices, appointments are made for the combined duties of Clerks and Typists. Recruitment difficulties for Typists have been experienced periodically by offices particularly in Greater Bombay but they have not been of any serious nature. In any case, we do not consider it necessary to depart from the present practice of bracketing Typists with Clerks for the purpose of a pay-scale. We accordingly recommend a scale of Rs. 110—4—150—E.B.—5—200 for Typists all over the State.

In the case of Typists in the Secretariat for whom a special pay of Rs. 15 has been sanctioned we have recommended the continuance of the special pay on the ground that the typing work assumes a monotonous character if a person is put on it exclusively.

19. *Cashiers.*—Cashiers are usually on the scale of Junior Clerks and draw in addition a special pay at the rate depending on the amount of cash handled and other responsibilities. This arrangement has been found satisfactory and we therefore, recommend that the same may be continued.

20. *Senior Clerks.*—The post of a Senior Clerk is essentially a promotion post for Junior Clerks though provision does exist in the recruitment rules of one or two Departments for direct recruitment of graduates. The post carries different scales in different Departments. Even in the same Department posts carry several pay scales. The following are the scales of pay in force at present :—

Rs. 145—8—185—10—245
Rs. 145—5—170—6—230
Rs. 145—8—185—10—215
Rs. 145—8—185—10—195
Rs. 145—8—185
Rs. 137—8—185
Rs. 200—10—280 (C)
Rs. 190—8—270—10—320 (C)
Rs. 190—8—270 (C)
Rs. 165—10—255 or 15—300 (C)
Rs. 165—10—245 (C)
Rs. 160—10—270 (C)
Rs. 160—8—200—9—245 (C)
Rs. 160—9—205 (C)
Rs. 150—10—250 (C)
Rs. 120—10—280 (C)

Though there are several scales of Senior Clerks in force at present vast majority of them are on the scale of Rs. 145—8—185 which is only a five year scale. There is a general demand from the Senior Clerks for a uniform scale for all Departments with a sufficiently long span. Almost all the Departments which have two or more scales for their Senior Clerks have also suggested that all such scales be merged into one unified scale. We consider that the demand for one uniform scale for Senior Clerks in all Departments is well justified since in our opinion, the duties performed by Senior Clerks in all the Departments are essentially similar. We also consider that the post of Senior Clerk should have a longer scale having a span of 12-13 years to avoid stagnation. We accordingly recommend a revised scale of Rs. 150—6—190—10—220—E.B.—10—270 for the post of Senior Clerk.

21. The revised scale recommended by us would make a substantial improvement in most of the existing scales. While we ungrudgingly recommend this scale with due regard to the duties and responsibilities which the Senior Clerks have to shoulder, we consider that promotion to this scale should not be made as a matter of course without regard to the competence or capacities of the promotee to carry out the duties for which the scale is intended. In the course of our discussions, the representatives of the Departments in which the present scales for Senior Clerks are comparatively high (e.g. Revenue Department) have told us that it is only after passing a stiff departmental test that the Junior Clerks in those Departments can expect to be promoted as Senior Clerks. While our enquiries have shown that departmental examinations have been prescribed in other Departments also, we are not sure whether provision for such examinations exist in all the Departments and whether promotions to the post of Senior Clerk is conditional to passing the departmental tests. As uniformity of the pay-scale presupposes uniformity of conditions for being eligible for the scale, we suggest that the passing of the Departmental examination should be made a condition for promotion to the post of Senior Clerk on the scale recommended by us.

22. In some offices there are some Clerks who are on scales slightly higher than that of Junior Clerks. Such Clerks are entrusted with work higher than of a routine nature. They are not, however, comparable to Senior Clerks. In such cases we have recommended a revised scale of Rs. 130—5—150—8—174—E.B.—8—190—10—220.

23. *Supervisory posts.*—These consist of posts of Superintendents, Assistant Superintendents, Head Clerks, Heads of Branches and others carrying similar designations suggestive of supervisory functions. With exception in one or two Departments (e.g. Labour Department) the posts are filled by promotion from the lower clerical cadres. There is no uniformity in the designations and pay scales attached to the posts in different Departments. An idea of the multiplicity of pay-scales will be available from the following list of pay-scales applicable to the posts in various Departments:—

Rs. 430—30—610—40—730—45—820
Rs. 330—15—420
Rs. 300—15—345—20—425
Rs. 270—15—435
Rs. 270—10—350—15—380
Rs. 270—10—350
Rs. 260—10—350
Rs. 250—10—350
Rs. 230—10—330
Rs. 230—10—300
Rs. 220—10—320
Rs. 210—10—290
Rs. 210—10—280
Rs. 200—10—300
Rs. 200—10—250—15—295
Rs. 195—10—245
Rs. 185—10—245
Rs. 185—10—235
Rs. 145—8—195—10—245
Rs. 145—8—185—10—215
Rs. 145—8—185—10—195

Rs. 370—20—490 (C)
Rs. 300—15—460 (C)
Rs. 350—20—550 (C)
Rs. 350—20—530 (C)
Rs. 250—15—370—20—490 (C)
Rs. 330—10—350—15—380 (C)
Rs 320—20—440 (C)
Rs. 320—15—410 (C)
Rs. 310—15—370 (C)
Rs. 300—20—400 (C)
Rs. 300—15—390 (C)
Rs. 300—10—350—15—395 (C)
Rs. 300—10—350—15—380 (C)
Rs. 300—10—350 (C)
Rs 275—15—345 (C)
Rs. 270—10—350 (C)
Rs. 220—10—250—15—430 (C)
Rs. 270—10—370 (C)
Rs. 260—15—350 (C)
Rs. 250—15—350 (C)
Rs. 250—10—300—15—330 (C)
Rs. 250—10—330 (C)
Rs. 250—10—295 (C)
Rs. 240—10—290 (C)
Rs. 230—10—370 (C)
Rs. 230—10—280 (C)
Rs. 220—10—330 (C)
Rs. 220—10—320 (C)
Rs. 220—10—300 (C)
Rs. 210—10—290 (C)
Rs. 200—10—300 (C)

Along with pay-scales, organisational set up and staffing pattern vary from Department to Department. While in some Departments the administrative units (called Branches or Sections) are directly under Superintendents in others they are under

Assistant Superintendents, Head Clerks or Heads of Branches, the Superintendents in such Departments being in over-all charge of 2 or more Branches or Sections. The supervisory load of Superintendent also varies from Department to Department as the size of the Branches in various Departments is far from uniform.

24. We have given considerable thought to the question of bringing uniformity in pay scales of Supervisory posts in all Departments of Government by the process of rationalisation but the differences in the administrative set ups of various Departments pointed out above make the task somewhat difficult. In our opinion any attempt at rationalisation of pay-scales of supervisory posts should be preceded by or done simultaneously with standardisation of staffing pattern of Government offices. As we are unable to go into the latter questic , we have had to be content with grouping of posts by the process of broad banding. Following this process and prescribing long scales we have been able to cover the most of existing numerous scales by four scales. The four scales recommended for:—

Level I	...	Rs. 300—15—375—15—475
Level II	...	Rs. 260—10—290—15—410
Level III	...	Rs. 200—10—290—15—320
Level IV	...	Rs. 150—8—190—10—220—E.B.—10—270

25. We have received several requests for suggesting uniform designations for clerical posts as they differ from Department to Department. We also consider that along with the uniform pay-scales which we have recommended for all clerical posts in all Departments of Government, it should be possible and also desirable to prescribe uniform designations for the posts. We suggest the following standard designations for the clerical posts in all Government offices:—

Pay-scale of the post.	*Standard designation suggested.*
Rs. 300—15—375—20—475 Rs. 260—10—290—20—410	Superintendent.
Rs. 200—10—290—15—320	Head Clerk. or Assistant Superintendent (if working under the overall supervision of a Superintendent or there is a separate Superintendent in the office).
Rs. 150—8—190—10—220—E.B.—10—270	Head Clerk (if supervisory). Senior Clerk (if non-supervisory).
Rs. 110—4—150—E.B.—5—200	Clerk. Clerk-Typist (if being utilised both as a Typist and a Clerk) / Typist (if being utilised as a Typist exclusively).

(C) *Store Keepers.*

26. The multiplicity of scales applicable to Store-Keepers in different Departments will be clear from the following table :—

Name of the Department or Office.	*Existing pay-scale.*
Buildings and Communications Department and Irrigation and Power Department.	Rs. 310—15—400 (C) etc.
Directorate of Publicity	Rs. 270—15—390
	Rs. 165—10—255—15—300 (C)
	Rs. 120—5—180
Home Guards	Rs. 300—15—390 (C)
Haffkine Institute	Rs. 250—10—350
... ...	Rs. 160—10—300 (C)
	Rs. 145—5—185—6—245 (C)
Industries Department	Rs. 220—10—350—15—380
	Rs. 100—3—130—E.B.—4—170
Education Department	Rs. 210—10—330
Geology and Mining Department ...	Rs. 200—10—260—15—350
Aviation Adviser's Office	Rs. 200—10—300
	Rs. 160—8—200—9—245
Medical Department	Rs. 195—10—245
Fisheries Department	Rs. 160—10—270 (C)
	Rs. 160—5—190 (C)
Police Department	Rs. 160—8—200—9—245
	Rs. 145—5—160
	Rs. 135—8—156—4—160
Technical Education Department ...	Rs. 145—5—245
	Rs. 115—5—145—8—185—10—195
Agriculture Department	Rs. 145—8—185—10—195
	Rs. 145—8—185
	Rs. 125—5—205
Public Health Department	Rs. 120—5—145—8—185—10—195
Archives Department	Rs. 120—5—180—8—260—10—270 (C)
Labour Department	Rs. 120—5—185—6—245 (C)

The biggest employers of Store Keepers are the Buildings and Communications and Irrigation and Power Departments, Technical Education Department, Police Department, Agriculture Department, Medical Department and Industries Department. The staffing pattern as also scales of pay are more or less parallel to those found in the case of

ministerial staff. At the lowest level is the Store Clerk, an untrained Secondary School Certificate holder on the scale of Junior Clerk. Higher up there are storekeepers on the scale of Senior Clerks or Head Clerks depending upon the size of the Store required to be handled. In a few bigger organisations there are stores Superintendents.

27. No separate recruitment rules are available for the posts of Storekeepers except in a few cases where special knowledge of stores to be handled is required to be possessed by the incumbents. With due regard to the nature of duties and responsibilities attached to the posts in different Departments we have evolved a few common scales to be made applicable to Storekeepers in all Departments. The scales recommended are :—

Rs. 260—10—290—15—410

Rs. 200—10—290—15—320

Rs. 150—6—190—10—220—E.B.—10—270

Rs. 130—5—150—8—174—E.B.—8—190—10—220

Rs 110—4—150—E.B.—5—200

(D) *Steno-typists and Stenographers.*

28. *Steno-Typists.*—Steno-typists are generally attached to junior or lower officers for whom it is not considered necessary to sanction fully qualified and highly paid stenographers. No separate scale of pay has been attached to the post of a Steno-typist which usually carries the lowest scale of a clerk and a shorthand allowance depending on the speed of the incumbent. The prescribed rates of the allowances are Rs. 15, Rs. 30 and Rs. 40 per month, respectively for a shorthand speed of 80, 100 and 120 words per minute. These rates were prescribed several years ago and have continued unchanged. Considerable difficulty is being experienced, it is reported, in recruiting steno-typists on the existing scale and allowances.

29. Steno-typists have represented that they should be given the same scale of pay as is prescribed for stenographers as the nature of duties carried out by both are the same. We are unable to agree that the duties of all stenographers are equally onerous, but we consider that the existing practice of attaching a special pay or shorthand allowance which for all intents and purposes is in lieu of a higher scale of pay is not satisfactory. The existing practice may have some advantage when the Steno-typist is drawn from the clerical cadre of the Department or office and is required, in his own interest, to be kept on that cadre for the purposes of future promotions etc. As most of the Steno-typists are appointed by direct recruitment and as they generally look up for promotion to the post of Stenographers, we do not see any point in continuing the present arrangements. We accordingly recommend a consolidated scale of Rs. 135—5—170—6—188—E.B.—6—200—8—240—10—270 for Steno-typists selected on a proficiency speed test of not less than 80 words per minute.

30. In the case of Steno-typists who are drawn from the clerical cadre of the Department and continue to remain on that cadre for the purpose of promotion etc., we recommend the following revised rates of short hand allowance :—

Shorthand speed.	*Rate of shorthand allowance.*
	Rs.
80 words per minute	25
100 words per minute	40
120 words per minute	50

31. *Stenographers.*—Government has recently revised the pay scales of stenographers all over the State to meet the acute shortage of qualified stenographers. The existing revised scales prescribed for the posts are as follows :—

(i) Higher Grade (for Stenographers attached to Secretaries and Ministers in the Secretariat) with a minimum shorthand speed of 120 words per minute.	Rs. 250—10—350—E.B.—15—500 (C) with a selection grade of Rs. 350—20—550—25—600 (C) for 15 % posts.
(ii) Lower Grade (for Stenographers in the Secretariat and in the Offices outside the Secretariat in Greater Bombay) with a minimum shorthand speed of 100 words per minute.	Rs. 200—8—320—10—350 (C).
(iii) Common scale for Stenographers in the mofussil (with a minimum shorthand speed of 100 words per minute.)	Rs. 160—6—190—8—230—10—350.

The scale of pay referred to at (i) above is in force in Secretariat Departments and a few allied offices and the scales referred to at (ii) and (iii) are applicable to the generality of stenographers in the city and mofussil offices respectively. We find that the maximum of the mofussil scale is higher than the mofussil equivalent of the maximum of the city scale prescribed for lower grade stenographers in the city though the standard of the proficiency prescribed in both the cases is the same. We understand that the higher maximum is intended to cover an element of selection grade which is not specially provided for Stenographers in the mofussil. As stated above, Government has only recently revised the scales of Stenographers. However, the available information shows that recruitment difficulty still persists particularly in Bombay where there is a great demand for Stenographers from private employers. We also feel that further improvement in the scales is necessary since, as a class, the Stenographers have no outlets of promotion. Taking into account all relevant factors we recommend the following revised scales for the Stenographers in the two grades :—

Higher Grade : (for stenographers in the Secretariat with a minimum shorthand speed of 120 words per minute).	Rs. 240—10—290—15—350—E.B.—15—470 (with a selection grade of Rs. 340—20—500—25—575 for 15 % posts).
Lower Grade : (for Stenographers having a minimuum shorthand speed of 100 words per minute).	Rs. 180—6—210—8—250—E.B.—10—330—E.B.—10—350—15—380.

As the distinction between city scales and mofussil scales is being removed, Compensatory Local Allowance and House Rent Allowance will be admissible on the above scales.

32. We have considered whether as in the case of higher grade stenographers in the Secretariat, there should be a selection grade for lower grade stenographers but since as pointed out above, the mofussil scale of stenographers is already inclusive of an element of selection grade, and since we have raised the maximum of the scale further, we do not recommend a separate selection grade for them.

33. A common standing grievance of the stenographers is that they have no prospects of promotion. We have received several representations suggesting that promotional outlets should be provided for stenographers or that absence of promotional prospects should be taken into account in prescribing a scale of pay for stenographers. We have examined this aspect and feel that it would be possible to provide promotional outlets to stenographers only in the case of a few departments e.g. Revenue Department where a fairly large number of higher posts are filled by promotion of ministerial staff. In the case of a large number of Departments (e g. Judicial, Agriculture, Animal Husbandry, and Public Works Departments) the highest post available

for promotion of ministerial staff is that of a Superintendent and the maximum of the revised scale proposed by us for Stenographers is not far below the maximum of the revised scale recommended by us for the posts of Superintendents in these Departments. In the Government of India, the Secretariat Stenographers are provided with promotional avenues to the Secretariat posts. Such organisational matters are not within our terms of reference but Government may consider the representations of these stenographers. The alternative suggestion that the absence of promotional prospects be taken into account while prescribing a scale of pay for stenographers has already been met since, as pointed out above, the revised scale includes an element of selection grade.

(E) *Skilled Workers.*

34. Skilled workers include Turners, Fitters, Mechanics, Electricians, Carpenters and such other categories of employees who are required to bring to bear on their day to day work some amount of skill acquired by them either by undergoing institutional training or by actual practice. The Departments under the State Government which employ a large number of skilled workers are Industries, Technical Education, Agriculture, Dairy Development, Buildings and Communications, Irrigation and Power and Printing and Stationery Departments.

35. The features which were noticed in the case of clerical categories of posts viz. mutiplicity and diversity of pay scales are common to these categories of posts also. As the existing designations and scales are quite numerous, we have not considered it necessary to mention them here. They are shown in the schedules of the respective departments dealt with in the Departmental chapters which follow. In order to enable us to attempt a classification of posts into highly skilled, skilled, semi-skilled and unskilled categories on the basis of skill involved we had called for details of duties and recruitment qualifications in the case of each category of post in all Departments. The information received by us, however, shows that in a large number of cases no recruitment qualifications are laid down and where recruitment qualifications have been prescribed the existing incumbents do not necessarily possess them. The information furnished to us about the duties of various posts is also either vague or sketchy. Designations of posts do not take one any further as they are either general or related to the hierarchical position of the post in the set up. Thus, an "Assistant Fitter" in a bigger industry may be required to possess a higher degree of skill in his line than a "Fitter" in a smaller industry. We have not, therefore, been able to classify the posts obtaining in various Departments on the basis of skills involved. We may mention in this connection that both the First and Second Pay Commissions which had applied considerable thought to this problem had also faced the same difficulty. We reproduce below the observation made by the two Commissions in this regard :—

"A question has been raised whether there are any precise principles with reference to which trades and tradesmen can be graded and whether there is a clear line of demarcation between the semi-skilled and the skilled, and between the latter and the highly skilled. This question was considered by the Vardachariar Commission, and their conclusions are recorded in paragraphs 221-224 of their report. They did not accept the proposal that there should be no separate category designated as "semi-skilled", but observed that it might not be easy to say when exactly a worker crosses the dividing line between Semi-skilled and skilled. As regards classification into skilled and highly skilled, after discussing the various criteria suggested for adoption (such as some theoretical knowledge as well as practical skill, nature of preparatory training, a certificate from a recognized technical institute, etc.) the Commission concluded as follows:—

'We are inclined to think that the basis of differentiation must vary from industry to Industry. In some, theoretical training may be more essential, in the rest apprenticeship or practical experience may be more essential. The classification must, in the last resort, be based upon trade tests. The semi-skilled was generally recognised to be a person who had risen from the ranks of unskilled labour, after he had improved by experience.

Some workers' representatives suggested that particular occupation must be classified as semi-skilled and other occupations classified as skilled. We do not think that this will be a safe method of demarcation. In one and the same line of work, there may be different degrees of skill. It is on this confusion that the workers complained that an occupation classified as skilled in one locality or workshop was classified as semi-skilled in another workshop or locality. The assignment of a particular worker to one category or another must largely be a matter of opinion based on standards recognized in industry. In a matter of this kind, no differentiation can be made between the industrial employees of the Government and those employed in private industry. The differentiation between the skilled and the highly skilled is again a matter of degree, depending to a certain extent also upon experience and purposeful training. The extent to which a man can be trusted to work by himself, or required direction or guidance is also a material ingredient..... . It seems to us that it will be convenient if each important industral establishment will constitute a Board say of three of its officers, to determine the class in which every worker in that establishment is to be based. The classification will of course be reviewed from time to time.'

In substance, these conclusions continue to be valid, and the methods of recruitment and promotion followed in the Central Government's industrial establishments with which we are concerned are generally in accord with these conclusions. Selections for the various grades are usually made on the result of trade tests appropriate to the respective grades, and for promotion from a skilled to a highly skilled grade, passing a trade test is ordinarily a condition of eligibility even though seniority may thereafter influence the selection. Specifications of the tests vary according to the nature of an industry or even according to the nature of operations in different shops within the same industry, and this is as it should be."

36. While we have not been able to classify the posts on the basis of the skills involved, we have tried to bring about some order by following the method of broad banding. In this process we have been guided largely by the grouping suggested by the Departments. We have also tried to improve the scales in view of the increasing demand for this class of workers. The following are the revised scales recommended by us for the skilled, semi-skilled and unskilled posts :—

Skilled	...	Rs. 170—6—200—8—240
	...	Rs. 155—5—170—6—200—8—240
	...	Rs 155—5—170—6—200
	...	Rs. 145—4—165—5—180—E.B.—5—210
	...	Rs. 135—5—170—6—188—E.B.—6—200—8—240
	...	Rs. 135—5—170—6—200
	...	Rs. 125—4—157—E.B.—4—165—5—180
	...	Rs. 125—4—165
	...	Rs. 115—3—130—4—150
	...	Rs. 110—3—128—4—144—E.B.—4—180
	...	Rs. 110—3—128—4—136—E.B.—4—160
	...	Rs. 110—3—128—4—140
	...	Rs 100—3—130—E.B.—3—136—4—160
	...	Rs. 100—3—136—4—140
	...	Rs. 100—3—130
	...	Rs 90—2—100—3—115—E.B.—3—130
Semi-skilled	...	Rs. 80—2—100—E.B.—3—115
	...	Rs. 75—1—80—2—90—E.B.—2—100
Unskilled	...	Rs. 70—1—80—E.B.—2—100

The above scales are in fact parts of only 4 or 5 long scales. The existing scales against which they have been recommended and the extent to which they are an improvement over the existing scales will be clear from the schedule appended to the Departmental chapters.

(F) *Drivers of Motor Vehicles.*

37. In the revision of 1962 pay scales of Drivers were rationalised taking into account the recommendations of the Second Central Pay Commission in this regard. The pay scales adopted then were Rs. 100—3—130—4—150 for Drivers of heavy vehicles and Rs. 100—3—130 for others. A few drivers who could not be brought in the scope of the scheme of rationalisation have continued on different scales. We have now tried to cover all Drivers under the following two scales:—

Rs. 110—3—128—4—144—E.B.—4—180 ...	For Drivers of heavy vehicles and those whose duties are exceptionally arduous.
Rs. 110—3—128—4—140	For others.

CHAPTER 19

SECRETARIAT DEPARTMENTS

We have discussed in detail the set up of Secretariat Departments in a separate chapter. The designations of the various posts in the Secretariat departments, their existing pay scales and the revised scales recommended by us for these posts are indicated in the accompanying schedule. Considerations underlying our recommendations in regard to the pay scales of some of the categories of posts are discussed below:—

Posts common to all Secretariat Departments.

2. *Deputy Secretary* (*Rs. 1,100—1,500 C*).—These posts are filled *either* by appointment of officers belonging to the cadres of—

(i) Indian Administrative Service.

(ii) Maharashtra Engineering Service Class I (only in Irrigation and Power Department and Buildings and Communications Department).

(iii) District Judges (only in Law and Judiciary Department).

or by promotion of Under Secretaries who belong to the Secretariat Subordinate Service.

Since the officers referred to at (i) to (iii) above do not draw pay in the scale of the post, we are confining ourselves here to the discussion of the pay scale of promoted Under Secretaries only.

The Deputy Secretaries have represented that the pay scale of the post should be Rs. 1,100—1,800 as is admissible to the Deputy Secretary under Government of India particularly in view of the fact that an I.A.S. Deputy Secretary under State Government draws his grade pay (Rs. 900—1,800) plus special pay of Rs. 200 per month. We feel that the post of Deputy Secretary is comparable to the posts of Heads of Departments. After taking into account the Government of India pay scale and the pay scale of I.A.S. Deputy Secretaries and on a proper evaluation of duties and responsibilities of the post, we recommend a revised scale of Rs. 1,100—50—1,300—60—1,600 for the post.

3. *Under Secretary* (*Rs. 730—1,180 C*).—These posts are filled in by promotion of Superintendents from Sachivalaya. Also some posts are filled in by appointment of I.A.S. officers or Deputy Collectors or officers of Maharashtra Education Service, etc. We confine ourselves here to the pay scale applicable to the promoted Superintendent. We find that the Government of India scale of the post of Under Secretary is Rs. 900—1,200. After taking this into account and the fact that we have recommended a maximum of Rs. 1,150 for Class I officers, we sugest a revised scale of Rs. 695—45—1,100—50—1,150, i.e. the latter part of proposed Class I scale. We feel that it is but proper that a standard scale is prescribed for the post rather than have a separate scale only for this category of post. For the posts of Assistant Secretaries which are at present in the scale of Rs. 730—1,080 (C), we suggest a revised scale of Rs. 695—45—1,055.

4. *Assistant* (*Rs. 200—450—C*).—We understand that recently a revised scale of Rs. 200—450 (C) has been sanctioned for the post by amalgamating the then existing scales of Junior and Senior Assistants. We do not think it necessary to improve the scale much in view of the fact that the existing scale has only recently been sanctioned. We propose a revised scale of Rs. 180—425 for the post.

5. *Liftman and Darwan (Rs. 87—107 C), Assistant Darwan (Rs. 77—92 C).*— The Liftmen in Sachivalaya have represented that even though their services are treated as "technical", the existing pay scale of Rs. 87—2—107 (C) is not commensurate with the arduous nature of duties performed by them. They have also pointed out that the Liftmen in Life Insurance Corporation, Railways, Banks, etc. receive much higher emoluments. The duty hours in private companies are less than those in Sachivalaya, which are from 9-15 p.m. to 6-15 p.m. (10 hours). They have therefore suggested that their pay scale may be upgraded to Rs. 130—250.

The liftmen in Sachivalaya are selected from Class IV employees in various Secretariat Departments. The pay scale of the posts of Havildar, Darwan and Liftman before and after the 1962 revision are shown below:—

	Before 1962.	*Since 1962.*
Darwan	... Rs. 50—1—55 (C)	Rs. 87—2—107 (C)
Havildar	... Rs. 50—1—55 (C)	
Liftman	... Rs. 45—1—60 (C)	

There were some Liftmen in the scale of Rs. 45—1—50 (C), and Rs. 45—1—55 (C) also. A common rationalised scale of Rs. 87—107 (C) was prescribed in 1962, for Darwans, Havildars and Liftmen.

After taking into account all these facts, we suggest a standard scale of Rs. 90—110 for all these posts.

In regard to Darwans, it has been represented to us that they have 24 hours duty. After the 24 hours duty they get 24 hours off. They, therefore, claim to work longer hours in comparison to their other colleagues. They are also not entitled to any holidays.

It is possible to argue that Darwans are like Watchmen. The Watchmen are given same scale as is given to peons. The existing scale of Darwans is already high compared to the scale of peons and on this ground there seems no case for further upward revision of the pay scale. We however, feel that Government servants should not be required to work for "24 hours continuous duty". If, however, the duty hours of the Darwans are to remain unchanged there is need for an increase in the present special pay of Rs. 2 per month. After taking into account all facts, we feel that the pay scales of Rs. 90—110 for Darwan and Rs. 80—100 for Assistant Darwan with a special pay of Rs. 5 per month for both categories will be adequate.

6. *Packers and Binders.*—These posts in a few Secretariat Departments are in the scale of Rs. 87—107 (C). In the Directorate of Publicity, however, the posts of Head Packers and Packers are in the scale of Rs. 100—135 (C) and Rs. 77—107 (C) respectively. Some Packers have represented that their work is akin to the work of Binders (and not of Packers) at the Government Press and therefore, they sould be granted the same scale as may be granted to the Binders in the Press. There does not seem any valid ground for this claim. In most of the Secretariat Departments, the work done by them is done by the peons from the department itself. It is only because of the heavy work involved in despatching Government orders and circulars in a few departments, that these special posts of Packers have been created. At the most, their work can be compared to that of Packers in Government Press, though from the point of view of physical strain, the work in Press is more arduous. In the 1962 revision, the pay scale of these Packers was revised to Rs. 87—107 i.e. the same as that of Havildars. We see no reason why this equation should be disturbed and suggest the pay scale of Rs. 90—110, i.e. the same as proposed by us for Havildars, for these posts.

7. *Roneo Peons (Rs. 72—82—(C) plus roneo allowance).*—The Roneo Peons have represented that in the Government Central Press, persons working on rota machine are designated as operators and these Rota Print operators are in the scale of Rs. 115—180 (C). They have represented that they may be treated on par with Rota Print Operator.

Under the existing orders the roneo allowance is related to the type of machine (whether electrically operated or hand operated) and the average number of stencils roneoed on each working day. Thus, the allowance admissible is between Rs. 2 per month to Rs. 12·50 per month. When the regular roneo peon is absent on casual leave or short leave of less than 30 days the allowance @ 8 Paise to 50 Paise per day is granted depending upon the type of mahine and the number of stencils roneoed. In view of the method of payment of allowance, it seems that it will not be possible to sanction a separate scale for the posts, except in those offices where the number of stencils roneoed on each working day is large. We would therefore, suggest that the present scheme for grant of the roneo allowance may continue but in the offices where the average number of stencils roneoed on each working day in the last three years has been large (say over 36) and the need for a whole-time operator is felt, a separate scale of Rs. 90—2—110 for both (Electrically and hand operated machine) roneo peon may be sanctioned.

8. We have discussed below some posts which are peculiar to some of the Secretariat Departments.

GENERAL ADMINISTRATION DEPARTMENT

9. In the Administrative Staff Training College the following posts are filled in by appointment of officers of Maharashtra Education Service who draw their grade pay in the parent department *plus* special pay.

(i) Director

(ii) Reader and Research Officer.

The present arrangement may be continued.

For direct recruits, we would suggest the following scales of pay:—

(i) Director: Rs. 1,000—50—1,300.

(ii) Reader and Research Officer : Rs. 560—30—650—45—965.

10. *Square Meal Canteen, Sachivalaya.*—We have proposed standard revised scales for the posts after taking into account the duties of the posts as also the existing scales.

11. *Sachivalaya Canteen.*—The revised pay scales sanctioned in 1962 were not made applicable to the Class III staff. We have, therefore, shown in the schedule the merger scales of pay admissible in 1962 revision and thereafter recommended the revised scales for the posts.

Manager (Rs. 120—170—C).—The pay scale of the Assistant Manager at present is Rs. 75—5—140—E.B.—6—200 (C) i.e. the same as that of Clerks. The maximum of Manager's scale is lower than the maximum of the scale of Assistant Manager. This appears to be anomalous. The Administrative Department has suggested that the post should be equated to the post of Assistant in Sachivalaya.

We, however, feel that the post could be compared to a Senior Clerk in the offices of heads of departments and hence we have suggested a revised scale of Rs. 150—270 for the post.

Class IV posts.—The Department has stated that the employees are on consolidated rates of pay, i.e. dearness allowance is included in the pay. We have not therefore recommended revised scales of pay for them.

12. *Junior Work Study Analyst and Senior Work Study Analyst.*—In the Work Study Unit at present the posts of Analysts are manned by Assistants with special pay of Rs. 30 or by Superintendents without special pay. The Under Secretary in charge of the units is eligible for special pay of Rs. 100 per month. Since the arrangement in regard to non-gazetted staff is said to be unsatisfactory, administrative department proposes to create posts of Junior Work Study Analysts and Senior Works Study Analysts in scales higher than those of Assistants and Superintendents respetively.

From the material available with us, we understand that the Study Units are required to undertake detailed studies or reviews of the organisations and methods of offices including simplification of routines, determination of the best division of duties, establishment of work load standards etc. We understand that persons trained in the job and having high merit and having special aptitude for this type of work are appointed to the post. In view of this special pay of Rs. 100 for the Under Secretary and Rs. 30 for the Assistant was sanctioned.

It seems to us that though the work of these Work Study Units calls for a certain type of aptitude and a certain amount of specialisation, it is not on the whole of such a character as needs to be differentiated by creation of posts outside the standard organisational pattern. We are therefore, unable to recommend the proposal in this case. We have separately recommended that the special pay of Rs. 100 at present admissible to the Under Secretaries in charge of the units should be discontinued.

FINANCE DEPARTMENT

13. *Assistant Insurance Officer (Rs. 450—730—C).*—The post is filled by nomination of graduates with three years' experience of underwriting general insurance business. We suggest a revised scale of Rs. 460—20—500—25—650—E.B.—30—800 for the post.

INDUSTRIES AND LABOUR DEPARTMENT

14. *Technical Assistant (Rs. 300—550—C).*—The post is filled by nomination from among persons possessing a degree or diploma in Textile Technology. The Department has stated that the present incumbent of the post was appointed after granting him 10 advance increments in the scale and that the period of probation was reduced in his case, from 2 years to 6 months. This was done in view of recruitment difficulty. There are also no prospects of promotion. Taking into account all these factors, we have suggested a revised scale of Rs. 300—550 for the post.

LAW AND JUDICIARY DEPARTMENT

15. *Joint Secretary, Law and Judiciary Department and Solicitor to Government* (Rs. 900—1,800—C plus special pay of Rs. 300).—The pay-scale and special pay are personal to the present incumbent. We consider that a revised mofussil scale of Rs. 900—50—1,000—60—1,600—50—1,800 would be adequate for the post.

16. *Assistants in Law and Judiciary Department* (Rs. 200—450—C).—At present there is common recruitment for Assistants in all Departments of the Secretariat and after selection they are appointed in different departments. They are recruited by means of a competitive examination through Public Service Commission. Under these circumstances, a separate scale for Legal Assistants cannot be proposed. If in future such Legal Assistants are separately recruited on the basis of their legal qualifications Government can consider providing of a separate scale for them. In the context of present mode of recruitment, we can only recommend that Legal Assistants to be appointed in Legal Department should be given two advance increments in the scale proposed by us for Assistants. When a separate scale is given to Legal Assistants Government will have to consider upward revision of pay scales of Superintendents in Law and Judiciary Department.