



**REPORT OF
11th PAY REVISION COMMISSION
ANDHRA PRADESH**

2020

Volume-I



ASUTOSH MISHRA, IAS (Retd.)

Pay Revision Commissioner



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Pay revision of the State Government employees is an important quinquennial exercise for recalibration of remunerations and other service conditions of the State Government employees. As I near the end of this assignment I look back with gratitude to all the entities, institutional and individual, who made my job easier.

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EXECUTIVE SUMMARY

1. **Pay Scale:**

- a) The Master Scale concept is retained with 32 Grades and 83 stages (increased from 81 stages). The Master scale is formulated with the following features:
 - i. Annual increment to range from 3% of the pay in initial stages to 2.34% at the end.
 - ii. Periodicity of increase in increment is recommended to be 3 years up to stage 72 in the Master Scale, 4 years for stage 73-80 and 2 years thereafter.
- b) The New Pay Scale is evolved by merging 100% of Dearness Allowance (as on 01.07. 2018) with Basic Pay and adding the fitment benefit.
- c) The 'Minimum Pay' for the lowest paid employee is to be ₹.20,000/- per month.
- d) The 'Maximum Pay' in the Master scale is worked out to Rs1,79,000/- p.m. which represents a Maximum to Minimum ratio of 8.95.
- e) In the event of stagnation in pay scale, grant of up to 5 stagnation increments is recommended.

2. **Fitment:**

The Commission recommends a fitment benefit of 27 % on Basic Pay.

3. **Date of Effect of New Pay Scale:**

The new pay scales may come into effect from 1.7.2018. Government may however take a view regarding the date from which the monetary benefit would accrue keeping in view its resource position and the various demands thereon.

4. **Dearness Allowance:**

- a) The existing practice of revising the Dearness Allowance (DA) twice a year, on 1st January and 1st July, in tandem with the sanction of DA by the Government of India may be continued.
- b) Since the Central rates of DA are based on the DA merged scales of 1.1.2016 while in the State DA is recommended to be fully merged on 1.7.2018, the Commission recommends a conversion factor of 0.91 for sanction of DA from 1.1.2019. It means that for every 1 % increase in DA sanctioned by the Government of India, the DA to be sanctioned by the State to its employees would be 0.91% starting from 1.1.2019.

5. **House Rent Allowance:**

- a) HRA may be allowed at the following rates
 - (i) @ 30% of basic pay subject to a ceiling of ₹.26,000/- p.m. for employees shifting from Hyderabad on bifurcation of State.
 - (ii) @ 22% of pay basic pay subject to a ceiling of ₹.22,500/- p.m. in cities with population above 10 lakh
 - (iii) @ 20% of pay basic pay subject to a ceiling of ₹.20,000/- p.m. in cities with population of above 2 lakh and up to 10 lakh.
 - (iv) @ 14.5% of pay basic pay subject to a ceiling of ₹.20,000/- p.m. in cities with population of above 50,000 and up to 2 lakh
 - (v) Rest of the employees @12% subject to a limit of ₹.17,000 p.m.
- b) Additional HRA in lieu of rent free accommodation is retained at 8 % of basic pay, but the monetary ceiling is recommended to be increased from ₹.2,000/- to ₹.2,600/- p.m.

6. **City Compensatory Allowance:**

For the purpose of grant of City Compensatory Allowance, the Commission has recommended two slab rates, one for Visakhapatnam and Vijayawada and the second for the 12 other Municipal Corporations . The quantum of allowance is increased for all the pay ranges (Municipal Corporations of Visakhapatnam and Vijayawada ₹400-1000 and other Municipal Corporations ₹,300-750).

7. **Advance Increments**

The Commission has recommended not to grant in the normal course any special increment for possessing higher qualifications.

8. **Loans and Advances**

- a) The Commission has recommended that the Government tie-up with financial institutions for grant of House Building/Personal Conveyance loans and link up repayment to salary disbursement. Back-ended subsidy of 2.5% has been recommended on such loans;
- b) Pending such tie up, revised eligibilities, amounts and floating rate of interest linked to Repo Rate have been recommended in respect of all types of advances;
- c) It is recommended that the eligibility for 'Advance for purchase of Personal Computer' may be increased to a maximum of 3 times during the entire service career subject to a minimum gap of 7 years between the purchase of two successive computers and complete repayment of previous computer advance.

9. Leave Benefits:

- a) Additional 5 days Casual Leave has been recommended in favour of non-teaching women employees on par with the teaching women employees;
- b) Child Adoption Leave up to 180 days is recommended for woman employee having less than two surviving children if she legally adopts a child up to one year of age. Subject to the same conditions, paternity leave up to 15 days may be extended to 'single' male employees (unmarried/widower/divorcee) within a period of 6 months of child adoption;
- c) Child Care Leave has been recommended to be increased to 180 days in a maximum of three spells. It may also be extended to 'single' male employees (unmarried/widower/divorcee);
- d) Special Casual Leave of up to 7 days in a year is recommended for orthopedically challenged employees needing to change prosthetic aides. Same duration of Special Casual Leave has also been recommended for Nursing staff working in high risk ward;
- e) Revised rates have been prescribed for Ex-gratia Allowance payable to the employees who are granted extra-ordinary leave for the treatment of certain diseases.

10. Medical Benefits:

- a) In order to ensure financial sustainability of EHS, the quantum of employees' contribution should be increased in steps over a period of time along with similar step-up in the Government contribution;
- b) The pending claims of the network hospitals should be settled expeditiously by releasing additional funds to the Arogyasri Trust;
- c) The facility of Annual Health check-up may be extended to the Pensioner and his/her spouse;
- d) The Dr. YSR Arogyasri Trust may hold talks with a few hospitals in Hyderabad, Bangalore and Chennai, empanelled by the concerned State Governments, for inclusion under the EHS;
- e) Medical Allowance to Service Pensioners / Family Pensioners is recommended to be enhanced to ₹.500/- p.m.

11. Special Pays:

The quantum/rate of Special Pay for the existing category of employees has been recommended to be suitably enhanced. In respect of a few categories we have recommended its discontinuance.

12. **Other Allowances:**

- a) Mileage Allowance is recommended to be increased to ₹.15.50 per k.m. for petrol driven vehicles, ₹.11.50 per k.m. for diesel driven vehicles and ₹.6.40 per k.m. for motor cycles/ scooters.
- b) Rates of Daily Allowance and Lodging Charges may be enhanced by 33 % to ₹.300-600 per day for tours inside the State and ₹.400-800 per day for tours outside the State
- c) For the purpose of payment of lodging charges a fresh classification of places, inside and outside the State, has been drawn up and lodging charges have been fixed from ₹.300/- to ₹.1700/- per day.
- d) Conveyance charges to Court Masters and Personal Secretaries to Hon'ble Judges of A.P. High Court/ APAT has been increased to a maximum of ₹.5000/- per month.
- e) Fixed Travelling Allowance enhanced to a maximum of ₹.1700/- per month from the existing ₹.1200/- per month. The rates applicable for minimum 20 days touring in a month have been rationalised pro rata compared to the rates fixed for minimum 15 days touring in a month. Several new categories of employees from the Departments of Animal Husbandry, Cooperation, Sericulture, School Education and Panchayatiraj/Tribal Welfare Engineering have been recommended to be added to the list to get FTA.
- f) The limit for Tuition Fee reimbursement has been enhanced to ₹.2500/- per annum per child, subject to a maximum of two children.
- g) Funeral Charges of deceased employee has been recommended for increase to ₹.20,000/-.
- h) Special Compensatory Allowance payable for working in the Tribal areas has been increased from the existing minimum and maximum of ₹.500/- per month and ₹.1275/- per month respectively to ₹. 700/- per month and ₹.1800/- per month.
- i) Substantial increases have been suggested in Uniform Allowance, Uniform Maintenance Allowance and Stitching Charges.
- j) Enhanced admissibility of Risk Allowance has been suggested and new categories have been added to the existing list of employees eligible for 'Risk Allowance' in the Departments of Animal Husbandry and Forest.
- k) 'Ration Allowance' has been recommended at enhanced rates. New categories have been suggested for inclusion in the Insurance Medical Service and HM&FW departments.
- l) Increases have been recommended in 'Emergency Health Care Allowance', PG Degree and Diploma Allowance, Non Private Practice Allowance, Tribal Allowance and Rural Allowance for several categories of employees in Medical related Departments.

- m) 'Readers Allowance' to Visually Challenged teacher and lecturers is recommended to be enhanced by 33 percent, up to a maximum of ₹. 1200/- per month.
- n) 'Delhi Allowance' / 'Special Compensatory Allowance', to the staff working in the Andhra Pradesh Bhavan at New Delhi, has been recommended to be enhanced to 15% of Basic Pay subject to a maximum of ₹.5000/- per month.
- o) 'Special Gratuity Allowance' to drivers of AP Bhavan has been recommended to be increased to ₹.30/- per hour subject to a ceiling of 100 hours in a month.
- p) 'Conveyance Allowance' to physically challenged employees has been enhanced to 10% of Basic Pay subject to a maximum of ₹.2000/- per month.

13. Pensionary Benefits:

In respect of pensionary benefits our recommendations are the following:

- a. To consolidate pension/family pension with dearness relief as on 1.7.2018. 27% of the basic pension/family pension is to be treated as fitment benefit.
- b. To continue the existing provision of full pension after 33 years of qualifying service with 5 years of service weightage. Similarly no change is recommended in the formula for fixation of pension/family pension.
- c. A revised scale of additional quantum of pension starting from 70 years of age has been suggested
- d. If a government servant dies while in service, enhanced family pension is recommended to be paid to his dependants for a period of up to 10 years without any upper age limit. In case of death after retirement the enhanced family pension should be payable for a period of seven years or up to the date on which he would have attained 67 years, had he survived, whichever is earlier.
- e. The conditions of 45 years age limit in respect of unmarried/widowed/divorced daughter of family pensioners may be rescinded and the stipulation regarding having children may be altered so as to exclude widowed/divorced daughter having a child who has attained 25 years of age or started earning.
- f. To allow Dearness Relief on both the basic pensions (Service and Family) received by the same pensioner.
- g. The quantum of minimum pension/ family pension is recommended to be increased to ₹.10000/- p.m.
- h. The maximum amount of Gratuity payable at the time of retirement is recommended to be enhanced from ₹.12 lakh to ₹.16 lakh.
- i. The maximum limit for Death Relief amount on the death of a service pensioner/ family pensioner is recommended to be enhanced to ₹.20,000/-.

- j. The financial assistance is recommended to be increased to the level of minimum service pension/family pension (₹.10,000 per month) with dearness relief thereon after 1.7.2018.
- k. The existing ceiling limit of commutation at 40% of basic pension and provision regarding restoration of commuted portion of pension after 15 years should be continued.

14. Work Charged Establishment:

The scales of pay of Work Charged establishment have been rationalised keeping in view the qualifications prescribed at the entry level and the service conditions.

15. Full Time Contingent Employees and Contract Employees:

- i. The Commission recommends a remuneration of ₹.20,000/- p.m. (i.e. the minimum pay of Last Grade Employees in the proposed RPS) plus DA to the Full-time Contingent/Daily Wage/ Consolidated Pay/NMR employees whose services have not been regularized and who are already drawing a remuneration of ₹.13,000/- p.m. + DA in the 2015 RPS.
- ii. In respect of Contract employees also the remunerations may be fixed at the minimum of the time scale, in the now revised pay scale, of the equivalent category in regular employment in the Government.
- iii. The revision in remuneration in respect of these employees may be given effect to simultaneously (with effect from the same date) with the regular Government employees.

16. Home Guards:

- i. They may be paid Daily Allowance at the rate of 1/30th of the Minimum Pay (in the Revised Pay Scale recommended in this report for the Police Constables) plus Dearness Allowance thereon at the rates applicable to the Government employees from time to time.
- ii. The Home Guards may allowed to draw TA/DA at the rates applicable to Police Constables when they are sent on bandobaust duty to a place which is more than 8 km. from their normal place of duty.

17. Automatic Advancement Scheme:

The existing scheme of AAS may continue with the following modifications:

- (1) The present SPP Scale -II/SAPP Scale-II, eligible after 24 years of service in the same post, may be rechristened as SPP Scale -IIA/SAPP Scale-IIA
- (2) An employee, on completion of 30 years of service in a particular post, may be granted one increment in the SPP Scale IIA/ SAPP Scale IIA, as the case may be, which shall be called the Special Promotion Post Scale II-B/ Special Adhoc Promotion Post Scale II-B.
- (3) The benefit of Automatic Advancement Scheme may be continued up to and inclusive of Grade-25 in the revised scales i.e., ₹.76730-162780.

18. Human Resources to Meet Contemporary Requirements of Governance

- a. Each department should draw up a Recruitment Plan, updated on annual basis, containing details of existing vacancies in staff and officers, vacancies likely to arise in future due to retirement/ promotion etc. and phase wise recruitment to be made through APPSC / DSC or through Contract.
- b. In future Contract staff may be appointed only against positions which are temporary in nature and not against permanent positions. Those of the qualified Contract employees, who have been appointed on merit after following transparent and competitive recruitment process, may be regularised in service against available vacancies in permanent posts.
- c. Outsourcing should be only of services such as cleaning and maintenance, security/ watch and ward, bill collection, managing reception desks, supply of vehicles/drivers etc. These functions should be outsourced to Agencies on competitive tendering and in future no individual personnel should be hired on outsourcing basis.
- d. Gaps in training should be identified, department wise, by a Committee constituted under the auspices of the Andhra Pradesh HRD Institute, Bapatla and budgetary support provided for planning and conducting induction/ refresher training programmes for different categories of employees.
- e. General Administration (Services) Department may constitute a Committee to review, in a time bound manner, the Service Rules of all the departments in consultation with the respective Heads of Departments. While doing so adequate attention should be given to the aspect of career planning.
- f. Executive staff at the field level may be provided with mobile phones with CUG connectivity to quicken the process of decision making, problem solving and to monitor progress.
- g. Increasing number of 'Government to Citizen' (G2C) services should be brought under the umbrella of '**Mee Seva**'.

19. Financial Implication:

The financial implication of the Commission's recommendations is estimated to be of the order of about ₹.3,181 Crore.

CHAPTER-1

INTRODUCTION

01.01. The Government of Andhra Pradesh have so far constituted ten Pay Revision Commissions (PRCs). The last PRC (10th PRC) submitted its report on 29-05-2014. The pay scales recommended by the 10th PRC have been under implementation since 01-07-2013 with monetary benefit from 02-06-2014. The Employees' Associations have represented to the Government to constitute the Eleventh Pay Revision Commission for a relook at the remunerations and other service conditions of the Government employees and suggest changes. Thereupon the Government, vide G.O.Ms.No.75, General Administration (SC.A) Department, dated: 28.5.2018, constituted the 11th Pay Revision Commission and appointed Sri Asutosh Mishra, IAS (Retd) as Pay Revision Commissioner. The Government notified the following Terms of Reference for the Commission:

- (i) To evolve the principles which may govern the structure of emoluments and the conditions of service of various categories of employees of the State Government, Local Bodies and Aided Institutions, Non-teaching staff of the Universities including Acharya N.G.Ranga Agricultural University, Jawaharlal Nehru Technological University, Work charged employees and full-time contingent employees, which have a financial bearing taking into account the total packet of benefits available to them and suggest changes therein which may be desirable and feasible;

The Commission, however, shall not deal with the teaching staff in Government Colleges and Government Aided Private Colleges drawing UGC/AICTE and ICAR scales. The Commission shall also not deal with the officers of A.P. State Higher Judicial Service and A.P. State Judicial Service who are drawing Pay Scales as recommended by the First National Judicial Pay Commission.

- (ii) To examine as to what extent the existing DA may be merged in pay and to evolve consequent new set of pay scales merging DA therein and to suggest the mode of fixation of pay in the Revised Pay Scales.
- (iii) To study the Automatic Advancement Scheme as modified from time to time keeping in view the anomalies that have arisen during the implementation of the said scheme and also to examine whether the said scheme should continue in its present form and to make the recommendations in this regard.
- (iv) To examine the need for various Special Pays, Compensatory and various other Allowances and other perquisites in cash or kind now allowed and to make recommendations regarding their continuance or otherwise and if

continuance is recommended what modifications, if any, are deemed desirable with regard to their rates, terms and other conditions which should govern them in future.

- (v) To examine and review the existing pension structure for pensioners and make recommendations which may be desirable and feasible.
- (vi) Review of the existing human resources of all departments in tune with the contemporary requirements including contract/outsourcing personnel particularly in the context of State bifurcation.
- (vii) To give its recommendations on any other matter referred to it by the State Government during the tenure of its office.
- (viii) In formulating its recommendations, the Commission may take in to account the overall financial position of the State.

01.02. The Pay Revision Commission assumed office on 09-07-2018 and commenced its work on 16-07-2018 after allotment of suitable office space. The Commission canvassed information in Proformas I,II,III and IV relating to the organisational structure, pay scales assigned from time to time, details of Special Pays and Allowances and methods of appointment etc. in respect of various categories of employees working in different Heads of Departments. It also issued a Press note on 20-07-2018 requesting the Service Associations/ Individuals/ Pensioners' Associations and employees of Local Bodies including Zilla Grandhalaya Samsthas, Aided Institutions, Universities etc. to put forth grievances before the Commission by 30-08-2018. Later, on the request of several Associations, the period for submission of grievances was extended to 21-09-2018. The Commission also sent a Questionnaire covering various aspects of the 'Terms of Reference' to the Service Associations, Unions, Secretaries to Government and all Heads of Departments soliciting their views and suggestions. The Heads of Departments were also requested to appoint a Liaison Officer to deal with the Commission and to furnish a copy of the latest service rules. With a view to provide wider access and transparency to the whole process the Commission put up the Questionnaire and the Proformas mentioned above in the public domain by placing them on the A.P. Finance department portal.

01.03. To start with, the Commission visited the Districts of East Godavari, Visakhapatnam, West Godavari, Kurnool, Anantapuramu, Vizianagaram and Srikakulam and interacted with various Associations and officials at the District level. This enabled the employees at the grass root level, who could not travel to the State capital, to express their grievances and aspirations before the Commission. In all 301 written representations were submitted to the Commission raising various aspects of pay fixation and service conditions. A total of 55 meetings were organised over a period of

47 days with 297 Service Associations, Unions and individuals, who had given written representations, to discuss in detail the issues raised by them. These meetings were commenced on 17-12-2018 and continued till 29-03-2019. These meetings were found to be extremely useful. Many of these meetings were attended by the Heads of Departments and other senior Officers who clarified the departmental views on the issues raised before the Commission. The Office Bearers of Employees' Unions/Associations made very valuable contribution in these meetings. The issues raised in the written representations and during discussions in the meetings and otherwise were analyzed and the views of the Commission on them have been indicated at relevant places in this Report. The Report consists of six volumes containing, inter alia, the following:

01.04. Volume-I : Commission's recommendations regarding Pay Scales, fitment formula, Pensionary benefits, Allowances and other service benefits of employees;

Volume-II : Recommendations of the Commission on the representations received from serving employees about enhancement in their pay scales, pay parities with other categories and anomalies in the pay scales assigned previously;

Volume-III : Departmental Schedules containing existing pay scales and revised scales recommended by the Commission to various categories of Government employees;

Volume-IV: Views of the Commission on representations submitted by the University employees regarding revision of pay scales. It also contains Schedules containing existing and revised pay scales recommended by the Commission for different categories of University employees who receive State Government pay scales;

Volume-V : Copies of orders relating to constitution of the Pay Revision Commission, copies of questionnaire canvassed by it soliciting suggestions/views of various stake holders, copies of various formats in which basic information about the organisational structure and functions of various Government Departments/ Universities, details of their employees, service rules and pay scales etc. were called for. Details of meetings held by the Commission have also been given.

Volume-VI: Supplemental Report of the Commission on the Pay Structure/Scales and other service benefits to be made applicable to the employees of PTD.

CHAPTER-2

PAY REVISION COMMISSIONS – AN OVERVIEW

02.01. Periodic Revision of compensation structure of the employees is a regular feature in most Organisations. Such revisions are necessitated mainly due to the erosion of purchasing power (due to inflation) of the monetary compensation in the hands of the employees. Changes in the qualification and skill-set requirements of the employees, alterations in the conditions of service as well as the need of the organization to remain competitive and attractive in the job market also play a role. Generally, in a Governmental set up, the need and extent of such wage revisions are examined by independent Pay Revision Commissions (PRCs) headed by individuals who are not in active government service. The PRCs are mandated to take into account the expectations of the government employees relating to their pay/allowances/other service benefits/pension packets and consider as to what extent their genuine aspirations can be accommodated in a rational wage structure duly keeping in mind the various competing demands on the financial resources of the government.

02.02. The State Government of Andhra Pradesh (combined State) had, since its formation in 1953, constituted ten Pay Revision Commissions (PRCs). The present PRC is the first one constituted after bifurcation of the erstwhile State into Andhra Pradesh and Telangana on 2nd June, 2014. The Central Government, on the other hand, has so far constituted seven PRCs for its employees. A chronological table showing the sequence of constitution of PRCs at the State level is given below:

PAY REVISIONS IN ANDHRA PRADESH

Sl. No	PRC	Date of Constitution	Date of Submission of Report	Time Taken	Date of Implementation	Financial Implications (₹. Cr.)
1	1958	NA	NA	NA	NA	NA
2	1965	NA	NA	NA	NA	NA
3	1974	06-06-1974	29-06-1975	13 months	1-1-1974 with monetary benefit from 1-1-1975.	7.50
4	1978 Pay Scale + Pensions	01-01-1978	17-09-1979	1 year 8 months	1-4-1978 with monetary benefit from 1-3-1979	31.15
5	1986	10-05-1985	13-07-1986	1 year 2 months	1-7-1986	75.00

6	1993	03-05-1991	08-04-1993	1 year 11 months (Universities non-teaching staff included)	1-7-1992 with monetary benefit from 1-4-1993	210.50
7	1999 Pay Scales + Pensions	01-02-1998	21-07-1999 (Govt. Emp.) 25-08-1999 (Universities)	1 year 6 months (Govt. and University Employees)	1-7-1998 with Monetary benefit from 1-4-1999	1257.82
8	2005 Scales + Pensions	23-02-2004	30-06-2005	1 year 4 months	1-7-2003 with Monetary benefit w.e.f. 1-4-2005	1199.62
9	2010	07-07-2008	November, 2009	1 year 4 months	1-7-2008 with monetary Benefit from 1.2.2010	1629.78
10	2015	28.02.2013	29.05.2014	1 Year 3Months	1-7-2013 with monetary Benefit from 02.06.2014	3599.00

02.03. The 1st PRC was constituted in 1958 under the Chairmanship of the then Finance Minister Sri K.Brahmananda Reddy. The 2nd PRC was set up in 1965 under Justice N.D. Krishna Rao while the 3rd was in 1974 headed by Sri R. Prasad, ICS (Rtd). The subsequent Pay Commissions were constituted under the Chairmanships of retired IAS officers, namely A. Krishna Swamy (4th PRC), Sri K. Subrahmanyam (5th PRC), Sri D. Shankaraguru Swamy (6th PRC), Sri R.K.R. Gonela (7th PRC), Sri J. Rambabu (8th PRC), Sri C.S. Rao (9th PRC) and Sri P.K. Agarwal (10th PRC).

02.04. It is also notable that the 6th, 7th and 8th PRCs were followed by Anomalies Committees constituted to resolve anomalies perceived to be arising out of the pay structures recommended by the preceding PRCs. The report of a similar Committee constituted in the aftermath of implementation of the 9th PRC recommendations was aborted by the announcement of constitution of the 10th PRC by the State Government. However no Anomalies Committee followed the 10th PRC.

02.05. Pay Revision in a highly hierarchical and multi-functional organization like the Government is a very complex and elaborate exercise. Needless to say, the PRCs make a conscious effort to rectify anomalies in the existing pay structure which are brought to

their notice and/or which they observe suo moto during the course of their analysis of the horizontal relativities and vertical spacing in pay structure of various categories of posts. This Commission is aware that the “anomalies” pointed out by certain segments of employees post revision of pay-scales by a PRC may be either genuine or merely perceptual. Suffice it to say that while in the former case a fresh view may have to be taken, in the latter case the alteration in pay scale or its relative position with reference to other pay-scales might have arisen out of a conscious, objective and reasoned view taken by the PRC and should not therefore be regarded as an anomaly and should not ordinarily brook any interference. The 9th PRC dwelt elaborately on this issue and gave some suggestions and this Commission fully endorses its views.

02.06 Successive PRCs, in their quest to rationalize the pay structure and put in place an ideal pay matrix, have taken many major decisions. One decision which needs special mention is the concept of Master Scale introduced by the 1993 PRC. The Master Scale considerably simplified the pay structure by prescribing a single ladder of pays in incremental steps, of which pay-scales attached to particular posts/designations were only segments. This ensured that the increment earned after reaching any particular stage of the scale is the same across the whole governmental set-up, irrespective of the department or category of the employee. It also greatly reduced the number of pay scales thereby aiding easier establishment of horizontal relativities.

02.07. Successive Pay Commissions, since the 7th Commission (constituted in 1998), have been asked to submit their recommendations on the pension structure in tandem with their views on the pay matrix of serving employees.

02.08. Another major landmark in the past pay revision exercises has been the recommendation of the 5th Central Pay Commission to permit 100% neutralization of the increased cost of living to all sections of government employees. The rationale advanced by the 5th CPC was that a lesser degree of neutralization for a segment of employees would result in persistent erosion of their real wages and this, in turn, would cause distortion in the maximum-to-minimum pay ratio. This principle has been endorsed by the subsequent Central Pay Commissions as well. This rationale has also been adopted by the subsequent State PRCs. In fact, the Dearness Allowance (D.A) allowed to the State Government employees is at present being calculated by multiplying a conversion factor, recommended by the PRCs, to the D.A. percentage sanctioned to the Central Government employees at six-monthly intervals i.e., on 1st January and 1st July of every year.

02.09. A distinct difference in the pay revision exercise of the State Government vis-à-vis that of the Central Government has been the frequency of such revisions. While at the initial stages of formation of the State, PRCs were constituted once in 7-9 years (except the 4th PRC), the 7th and 8th PRCs were formed at 6 yearly intervals and the frequency for the 9th, 10th and 11th PRCs has got further reduced to 5 years. In contrast the Central Government Pay revisions are of late (since the 4th CPC) being implemented at a constant interval of 10 years. It is debatable as to what should be considered as an

ideal frequency for pay determination/revision. A shorter frequency has both merits and disadvantages. On the positive side it permits better alignment of the pay matrix with the ever changing working environment, job content and qualification/skill levels required for various government services. On the flip side such frequent exercises have the potential to raise expectations and give scope for inter-department/inter-cadre disputes. We leave it to the discretion of the Government to take a considered view in this regard.

CHAPTER-3

STATE OF ECONOMY OF ANDHRA PRADESH: AN OVERVIEW

03.01. A democratically elected popular Government in our country is enjoined by the Directive Principles of State Policy to strive to promote the welfare of the people by securing and protecting, as effectively as it may, a social order, in which justice - social, economic and political - shall inform all institutions of national life. The State shall direct its policy in such a manner as to secure the right of all men and women to an adequate means of livelihood, equal pay for equal work and within limits of its economic capacity and development, to make effective provision for securing the right to work, education and to public assistance in the event of unemployment, old age, sickness and disablement or other cases of undeserved want. The State shall also endeavour to secure to workers a living wage, humane conditions of work, a decent standard of life, and full involvement of workers in management of industries. In the economic sphere, the State is to direct its policy in such a manner as to secure distribution of ownership and control of material resources of community to subserve the common good and to ensure that operation of the economic system does not result in concentration of wealth and means of production to common detriment. In short, inclusive and sustainable growth, ensuring welfare and development of the people, are the primary goals of the Government. These goals are to be achieved through implementation of appropriate policy measures and programmes through the instrumentalities of the State, namely the Departments/Institutions set up by it and their employees. There is therefore a need to attract and retain adequate number of good quality staff in various positions of the Government for effective programmes implementation and service delivery. However this costs financial resources. If the outgo on remuneration to the staff increases disproportionately, it would obviously imply that the tax payer's money is used increasingly to meet government's operational expenses and not to finance capital infrastructure. This trend could hurt the productive capacity of the economy and make job creation even more difficult. There is therefore an imperative need to strike a fine balance between the above mentioned competing claims on the financial resources of the State.

03.02. It is well known that the award of any Pay Commission puts additional stress on the financial resources of the concerned Government and the report of this Pay Commission would be no exception. The Pay Commission award, involving rise in pay and allowances, also creates inflationary pressure on the economy and impedes the goal of fiscal consolidation.

03.03. Keeping in mind the above contextual background the Government has mandated this Commission to formulate its recommendations duly taking in to account the overall financial position of the State. We now proceed to present some relevant aspects of the State's economy.

03.04. The erstwhile State of Andhra Pradesh was bifurcated into Telangana and the residuary State of Andhra Pradesh on 2nd June, 2014. The journey of Andhra Pradesh post bifurcation has been quite eventful. On the one hand, the government has put in all its efforts to plan and implement a fresh vision of socio-economic development for the State, while simultaneously exploring all possible avenues for raising financial resources on the other. The various kinds of deficits inherited by the newly created State have presented it with a daunting challenge to fulfil its development and welfare goals.

Economic Growth Performance - GSDP Growth

03.05. Andhra Pradesh has registered GSDP growth rates of 9.20% during 2014-15, 12.16% during 2015-16, 8.34% in 2016-17, 10.11% in 2017-18, 4.45% in 2018-19 (FRE) and 8.16% in 2019-20 (AE) at constant (2011-12) prices. The GSDP has risen from Rs.4.44 lakh crore in 2014-15 to Rs.6.72 lakh crore in 2019-20 (AE), representing a jump of nearly 51% in 5 years. As seen from the Table below, since 2014-15 the new State has achieved growth rates which are higher than that at the all India level, except in the year 2018-19. The average annual growth rate over the 6 year period since the formation of the residual Andhra Pradesh State has been at 8.74%, which is far ahead of the corresponding national figure of 6.83%. The State needs to nurture and sustain this growth momentum through appropriate policy reforms and supportive capital expenditure.

Table 1 : GSDP/GDP at Constant (2011-12) Prices (Rs in Crore)

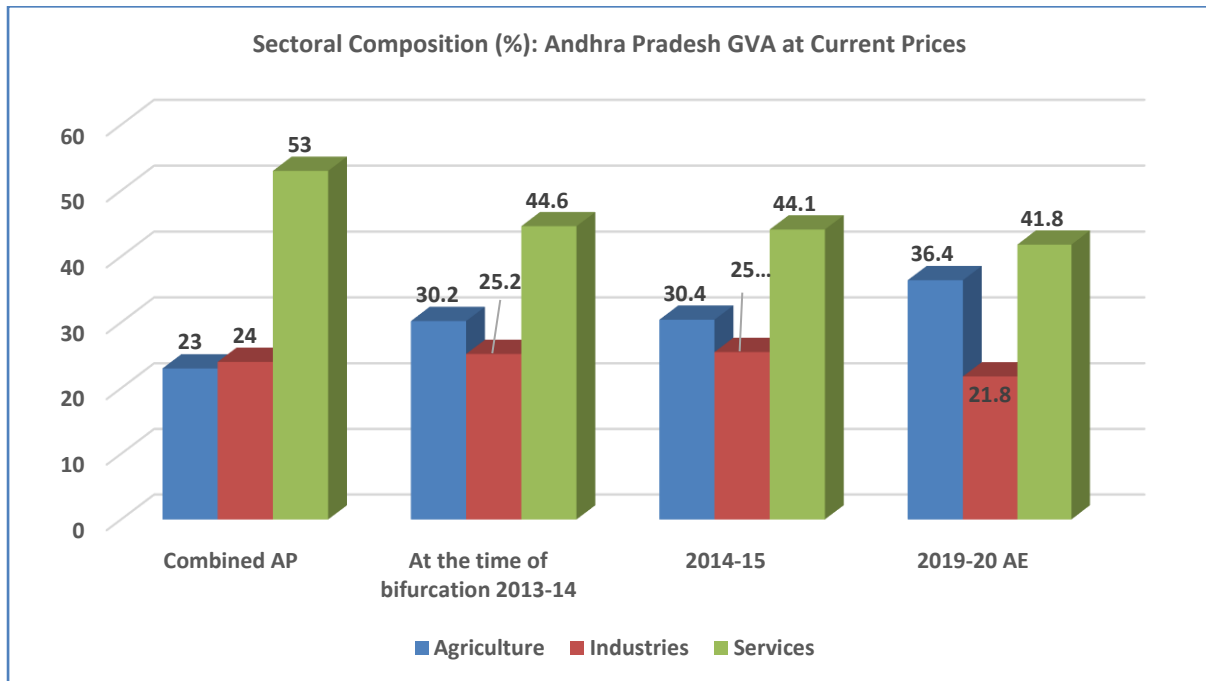
Year	Andhra Pradesh		India	
	GSDP	% Growth	GDP	% Growth
2012-13	3,80,629		92,13,017	
2013-14	4,07,114	6.96	98,01,370	6.39
2014-15	4,44,564	9.20	1,05,27,673	7.41
2015-16	4,98,607	12.16	1,13,69,495	8.00
2016-17 (TRE)	5,40,212	8.34	1,23,08,193	8.26
2017-18 (SRE)	5,94,841	10.11	1,31,75,160	7.04
2018-19 (FRE)	6,21,301	4.45	1,39,81,426	6.12
2019-20 (AE)	6,72,018	8.16	1,45,65,951	4.18

AE= Advance Estimates, FRE= First Revised Estimates, SRE= Second Revised Estimates TRE= Third Revised Estimates

03.06. It is pertinent to note that the growth in GSDP of Andhra Pradesh has mainly come from the agriculture sector. The contribution of agriculture & allied sector has increased to 36.40% in 2019-20 (AE) from 30.22% at the time of bifurcation in 2013-14 (it was 23% for the combined state in 2013-14). On the other hand the contribution of

the services sector has decreased to 41.80 % in 2019-20 (AE) from 44.61% at the time of bifurcation in 2013-14 (it was 53% for the combined state in 2013-14). Figure 1 depicts the structural composition of the State economy and its changes, subsequent to the bifurcation, for the years 2013-14, 2014-15 and 2018-19(AE).

Figure 1: Structural Composition (%) of State Economy post Bifurcation



Per Capita Income (PCI)

03.07. Per Capita Income is one of the most important macro-economic variables which indicates the standard of living of the people. It determines the purchasing power of the people which has an impact on the revenue receipts of the exchequer. The PCI of the State has been increasing consistently over the last three years and has reached a figure of Rs.1,69,519 during 2019-20 AE) with a growth rate of 12.14% over 2018-19 (FRE) at current prices. In spite of this growth the PCI is the lowest among the Southern States as indicated in the table below:

Table 2 : Per Capita Income (at Current Prices) of Southern States and All India (Rs.)

States	2014-15	2015-16	2016-17 (TRE)	2017-18 (SRE)	2018-19 (FRE)	2019-20 (AE)
Andhra Pradesh	93,903	1,08,002	1,20,676	1,39,680	1,51,173	1,69,519
Telangana	1,24,104	1,40,840	1,59,395	1,80,494	2,04,488	2,28,216
Tamil Nadu	1,28,372	1,40,441	1,54,272	1,71,583	1,93,750	2,14,237
Karnataka	1,30,024	1,48,110	1,70,133	1,87,649	2,10,887	2,31,246
Kerala*	1,35,537	1,48,011	1,66,205	1,83,435	2,04,105	N/A
All India	86,647	94,797	1,04,659	1,14,958	1,26,408	1,35,050

(*Kerala: full data is not available)

- 03.08.** The reasons for lower per capita income in Andhra Pradesh are:
- lower rate of urbanisation (29%),
 - inadequate contribution from the industries and services sectors,
 - loss of the economically productive city of Hyderabad post bifurcation, and
 - existence of both drought prone and cyclone prone areas in the State.

Impact of Bifurcation

03.09. The nature of reorganization of erstwhile Andhra Pradesh State was quite unique and unprecedented when one considers the unjust and unfair manner and the undue haste with which it was carried out. Bifurcation of the State has had a big impact on the finances and growth trajectory of the residuary State of Andhra Pradesh. The broad issues are as indicated below:

- The State has to construct a new capital city with all the essential infrastructure including the Raj Bhavan, Secretariat, High Court, Assembly, Council, all Government offices, residential houses for the Chief Minister, Ministers, Judges, MLAs, Officers and other employees etc.;
- The State has to create new institutions, including State level institutions, since nearly 95% of the State level institutions were located in Hyderabad, now accruing to Telangana;

- iii. Assets were allocated on geographical location basis whereas debt liabilities were distributed on population basis. Hence, the liabilities inherited by Andhra Pradesh are more (i.e. 58.32%) whereas the revenues are less than 50% of the combined State;
- iv. Refund of taxes is to be shared between Andhra Pradesh and Telangana on population basis (58.32:41.68) whereas deferred tax collections have been allocated on location basis. This has caused a huge loss of about Rs.3,800 crore;
- v. The residuary Andhra Pradesh State has inherited both drought prone and cyclone prone areas;
- vi. Existence of very low urban population (29%) when compared to that of Telangana State (39%);
- vii. Andhra Pradesh, being a predominantly agricultural state, with large informal sector, has much less revenue raising potential.

03.10. Though Hyderabad was declared as the joint capital for both States, it became difficult to run the administration of the State from there. Hence a temporary Secretariat had to be constructed at Velagapudi (Guntur district) in the new capital i.e. Amaravati. The government, with all its offices and functionaries, shifted to Velagapudi and nearby locations around Vijayawada. Guntur in October, 2016. The government offices, which have shifted to Amaravati, are housed in temporary rental spaces thus adding to the establishment expenses.

Fiscal Situation of the State

03.11. The bifurcation of erstwhile Andhra Pradesh has had severe adverse effects on the finances of the residuary State of the Andhra Pradesh. The State finances have been under severe stress on account of bludgeoning expenses and shrinking of revenue base due to various factors such as increase in the establishment costs, interest payments, welfare commitments and loss of capital city as a major commercial hub. This fiscal stress is the result of expenditure commitments rising faster than revenue receipts and lesser than promised and anticipated flow of funds from Government of India.

A. Trends in Revenues

03.12 In 2014-15 revenue receipts were Rs.65,695 crore, which have increased to Rs. 1,10,871 crore in 2019-20 RE. Trends in revenue receipts and the same as percentage of the GSDP of Andhra Pradesh are given in Table 3 and Table 4 respectively.

Table 3: Revenue Receipts (Rs. Crore)

Item	2013-14 [^]	2014-15 Jun- Mar	2015-16	2016-17	2017-18	2018-19	2019-20 RE
Total Revenue Receipts	1,10,719	65,695	88,648	98,984	1,05,062	1,14,671	1,10,871
Tax Revenue	64,124	29,857	39,922	44,181	49,813	58,107	57,447
Non-Tax Revenue	15,473	8,181	4,920	5,193	3,814	4,396	3,324
Total Own Revenue	79,597	38,038	44,842	49,374	53,627	62,503	60,771
Tax Devolutions	22,132	11,446	21,879	26,264	28,675	32,711	28,224
Grans-in-aid from GOI	8,991	16,211	21,927	23,346	22,761	19,457	21,876
Total Transfer from GOI	31,123	27,657	43,806	49,610	51,436	52,168	50,100

[^] Figures for 2013-14 pertain to the united Andhra Pradesh State

Table 4 : Revenue Receipts as percentage of GSDP (at Current Prices)

Item	2013-14 [^]	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 RE	
GSDP (Rs. Crore)	7,45,782	5,24,976	6,04,229	6,84,416	7,93,186	8,62,957	9,72,782	
Total Revenue Receipts	14.8	12.5	14.7	14.2	14.5	13.2	13.3	11.4
Tax Revenue	8.6	5.7	6.6	6.5	6.3	6.7	5.9	
Non-Tax Revenue	2.1	1.6	0.8	0.8	0.5	0.5	0.3	
Total Own Tax Revenue	10.7	7.2	7.4	7.2	6.8	7.2	6.2	
Tax Devolutions	3.0	2.2	3.6	3.8	3.6	3.8	2.9	
Grans-in-aid from GOI	1.2	3.1	3.6	3.3	2.9	2.3	2.2	
Total Transfer from GOI	4.2	5.3	7.2	7.2	6.5	6.0	5.2	

([^]Figures for 2013-14 are for the combined State)

03.13. The percentage of the State's own tax revenue to GSDP in the residuary State of AP has decreased to 6.2 % in 2019-20 RE from 10.7 % in 2013-14 in the combined State. It clearly shows the sharp decline in revenues due to the loss of tax base arising from bifurcation. It may be noted that the increase in total revenue receipts is due to increase in tax devolutions as per XIV- FC recommendations and not due to the State's own tax revenues. Since the major contribution to GSDP of the residuary State is from agriculture and allied sectors and contribution from the service sector is low, the tax to GSDP ratio is low and tax earning capacity is also low.

B. Trends in Aggregate Expenditure

03.14. The revenue expenditure has increased from Rs.79,474 crore in 2014-15 (June-March) to Rs. 1,26,339 crore in 2018-19 RE. The capital expenditure has more than tripled from Rs.6,520 crore in 2014-15 to Rs.20,398 crore in 2018-19 RE. The composition of the expenditure and the same as percentage of GSDP is given in Table 5 and Table 6 respectively.

Table 5: Composition of the Total Expenditure (Rs. in Crore)

	2013-14	2014-15 June-March	2015-16	2016-17	2017-18	2018-19	2019-20 RE
Revenue Exp.	1,10,374	79,474	95,950	1,16,178	1,21,214	1,28,569	1,37,518
Interest payments	12,911	7,903	10,130	11,712	13,846	15,342	16,393
Pensions	13,682	6,138	11,249	12,872	16,236	18,112	21,749
Salaries*	-	18,122	27,862	31,610	33,590	35,685	39,403
Capital Exp.	15,281	6,523	14,172	15,181	13,491	19,976	12,845
Capital Disbursements	7,285	9,099	38,640	34,776	55,081	13,571	19,038
Total Exp.	1,36,629	95,839	1,49,435	1,66,699	1,46,960	1,63,960	1,74,757

*Salaries includes Regular Salaries, Wages, Grants in Aid Salaries, and Other Contractual Services.

Table 6: Expenditure as percentage of GSDP

	2013-14	2014-15 June- March	2015-16	2016-17	2017- 18	2018-19	2019-20 RE
Revenue Exp.	14.8	15.1	15.9	17.0	15.3	14.9	14.1
Interest Payments	1.7	1.5	1.7	1.7	1.7	1.8	1.7
Pensions	1.8	1.2	1.9	1.8	2.0	1.9	2.2
Salaries	-	3.5	4.6	4.5	4.1	3.8	4.0
Capital Exp.	2.0	1.2	2.3	2.2	1.7	2.3	1.3
Capital Disbursements	1.0	1.7	6.4	5.1	6.9	1.6	2.0
Total Exp.	18.3	18.3	24.7	24.4	18.5	19.0	18.0

03.15. The increase in the revenue expenditure was mainly due to the bifurcation of the State as the capital and the Government offices were shifted from Hyderabad to Amaravati. Also the pay and allowances of the serving employees and the pensions of retired government servants were revised in 2015-16. It is pertinent to note that the expenditure on salaries and pension has been hovering around 85-90% mark of the State's own revenue during the period 2015-16 to 2018-19 and shot up even more to marginally exceed the same during 2019-20. It constitutes roughly about 55% of the total revenue of the State. This position leaves little leeway for the State to make any meaningful outlay from its own revenue resources on capital works and welfare measures. It is therefore largely dependent on central devolution, market borrowings and external financial assistance for its capital expenditure. The following Table depicts the above position.

Table 7: Expenditure on Salaries and Pensions as Percentage of State's Revenue and Expenditure

Year	Expenditure on Salaries and Pensions as % of		
	Own Revenue	Total Revenue	Revenue Expenditure
2014-15 (June- March)	63.8	36.9	30.5
2015-16	87.2	44.1	40.8
2016-17	90.1	44.9	38.3
2017-18	92.9	47.4	41.1
2018-19	86.1	46.9	42.6
2019-20 RE	100.6	55.1	44.5

C. Expenditure on subsidies

03.16. The Government have announced a large number of schemes involving subsidies in the budget for the year 2020-21. These include the following major schemes involving substantial financial commitments:

- (i) YSR Rythu Bharosa scheme (Rs.3615Cr.)
- (ii) Ammavodi (Rs.6000 Cr.)
- (iii) YSR Asara (Rs.6300 Cr.)
- (iv) Naadu-Nedu (Edn.) (Rs.3000 Cr.)
- (v) Jagananna Vasati Deevena (Rs.2000 Cr.)
- (vi) Jagananna Vidya Deevena (Rs.3009 Cr.)
- (vii) YSR Arogyasri (Rs.1900 Cr)

D. Trends in Fiscal Indicators

03.17. The combined State of Andhra Pradesh enacted the Fiscal Responsibility and Budget Management Act (FRBM) in 2005, mandating elimination of revenue deficit and limiting fiscal deficit to 3 per cent of the GSDP. These limits were adhered to till 2013-14. From 2014-15 the State could not adhere to the fiscal indicators due to bifurcation of the State and the various concomitant commitments.

03.18. The revenue deficit has increased from Rs.13,776 crore in 2014-15 to Rs.26,647 crore in 2019-20 RE and the fiscal deficit has increased from Rs.20,745 crore in 2014-15 to Rs.40,493 crore in 2019-20 RE. The fiscal indicators of the State are given below.

Table 8: Fiscal and Revenue deficit (Rs. in Crore) and as percentage of GSDP

Item	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 RE
GSDP	7,45,782	5,24,976	6,04,229	6,84,416	7,93,186	8,62,957	9,72,782
Fiscal Deficit	-18,050	-20,745	-21,862	-30,909	-32,372	-35,441	-40,493
% to GSDP	-2.4	-4.0	-3.6	-4.5	-4.1	-4.1	-4.2
Revenue Deficit	344	-13,776	-7,302	-17,194	-16,151	-13,899	-26,647
% to GSDP	0.05	-2.6	-1.2	-2.5	-2	-1.6	-2.7
Outstanding Public Debt as a % of GSDP	22.2	28.3	27.8	28.5	28.2	29.8	31.1

Note: *Un-apportioned amount of Rs.33,478 crore from 2014-15 to 2015-16 and Rs.23,483 crore from 2016-17 included.

03.19. The revenue deficit grants awarded by the XIV-FC to Andhra Pradesh have been much lower than the actual revenue deficit. While the XIV-FC awarded Rs.22,112 crore towards post devolution revenue deficit grants to AP for the period 2015-2020, the actual revenue deficit would be Rs.81,193 crore for the said period. Since the scope to increase tax revenue is limited, the State is more dependent on transfers/assistance from the Centre and market borrowings to meet its expenditures. This is exposing the State finances to market volatilities.

Table 9: Revenue Deficit (Rs. in Crore)

Year	Revenue Deficit Grant recommended by XIV-FC	Actual Revenue Deficit	Revenue deficit after receiving RD grant
2015-16	6,609	13,911	7,302
2016-17	4,930	22,124	17,194
2017-18	4,430	20,581	16,151
2018-19	3,644	17,543	13,899
2019-20 (RE)	2,499	29,146	26,647
Total	22,112	1,03,305	81,193

03.20. It is important to note that in its terms of reference the XV-FC has been mandated to consider if revenue deficit grants should be given at all. If the XV-FC declines to recommend the award of revenue deficit grants, then the financial position of the State could be weakened severely.

E. Public Debt

03.21. Andhra Pradesh has been facing a peculiar situation regarding public debt. The residuary State is left with lower revenue base but much higher commitments resulting in the persistence of revenue deficit since 2014-15, as explained above. In order to meet the deficit the State is forced to borrow, which is the main reason for increase of debt of the State.

03.22. Borrowing per se is not undesirable provided it is used for productive purposes. While this may be a desirable goal, the actual utilization of borrowed resources may not necessarily be used only for productive purposes for various reasons. This is particularly true of a new State where the commitments are large and the aspirations of the people about service delivery are high. Nevertheless, the accumulation of debt liabilities, if left uncontrolled, could pre-empt a large portion of revenues of the State towards debt servicing, causing macroeconomic and financial instability.

03.23. The outstanding Public Debt of Andhra Pradesh was Rs.2,00,171 Crore on the appointed day i.e. 2.6.2014, which included an un-apportioned loan of Rs.33,478 crore. Later, the CAG apportioned some amount leaving a balance of Rs.23,483 crore in 2016-17 accounts and Rs.17,031 crore in the 2017-18 accounts. The total outstanding debt as on 31.3.2020 works out to 31.1% of GSDP (Current Prices). The position relating to the last four years is given in Table 10.

Table 10: Outstanding Public Debt of the State (Rs. in crore)

Year	GSDP	Public Debt	% to GSDP
2016-17	6,84,416	1,94,862	28.5
2017-18	7,93,186	2,23,706	28.2
2018-19	8,62,957	2,57,510	29.8
2019-20 (RE)	9,72,782	3,02,203	31.1

Source: GSDP figures as per Andhra Pradesh Socio-Economic Survey 2019-20.

03.24. The outstanding debt has increased from Rs.1,94,862 crores in 2016-17 to Rs.3,02,203 crores in RE 2019-20 and further estimated to grow to Rs.3,48,998 Crores in 2020-21.

Table 11: Sustainability of Interest Payments

	2013-14	2014-15 June- March	2015-16	2016-17	2017-18	2018-19	2019-20 RE
Revenue Receipts	1,10,719	65,695	88,648	98,984	1,05,062	1,14,671	1,10,871
Interest payments	12,911	7,916	10,130	11,697	13,847	15,342	16,393
Interest payments as % of Revenue receipts	11.7	12	11.4	11.8	13.2	13.4	14.8

03.25. Andhra Pradesh had a shortfall of resources to a tune of Rs.16,078 crore in its very first year after bifurcation i.e. in 2014-15. This amount has been certified by the CAG. Though the Government of India had agreed to bridge this resource gap for 2014-15, subsequently it has delayed the release of a substantial part of this amount. An amount of Rs.12,909 crore is yet to be released by Government of India. Because of the delay in the release of this amount, the State Government has had to depend on borrowings, which has affected its fiscal position.

Major Demands on Resources of the State

a) Creation of Parallel Institutions in Andhra Pradesh

03.26. Creating new institutions in the residuary State of Andhra Pradesh is one of the major issues as nearly 95% of the State level institutions in the combined State are located in Hyderabad and by virtue of their location the benefit of these institutions went to Telangana. The A.P. Re-organisation Act, 2014 recognised 107 such institutions (Schedule 10 of the Act). There are certain institutions that are outside Schedule 10 like the State Election Commission, State Information Commission, State Police Recruitment Board, and Lokayukta. Normally a newly created State would face such a problem. However, in the case of Andhra Pradesh, the existing State, which became the residuary State, has been deprived of the capital that housed all State level institutions and hence the need to replicate them in its residuary territorial jurisdiction.

b) Construction of new Capital City

03.27. The residuary State of Andhra Pradesh, comprising of 58.32% of the population, lost the advantages of having a driver of economic growth, job creation and revenue mobilization offered by a large metropolis like Hyderabad. The service sector, coupled with the manufacturing sector, contributed largely to the prosperity of the undivided State. Hyderabad city, being a commercial and financial centre, even today continues to house almost all corporate offices of the industrial and commercial enterprises existing in residuary Andhra Pradesh. Most of the institutions of higher education, specialized tertiary healthcare facilities, almost all institutions and establishments of the Union government and several public sector investments of the Union and State governments are located in Hyderabad city and surrounding areas, and are consequently inherited by the Telangana State. In addition, all specialized administrative and training facilities, which were located in Hyderabad city, also remained in Telangana.

03.28. The State Government has to construct essential new capital city infrastructure. This is an opportunity as well as a challenge. It is an opportunity to create new growth centre for the residuary Andhra Pradesh State with world class infrastructure and living standards. At the same time, it is challenging in terms of resource mobilisation.

C) Covid-19 Pandemic

03.29. In addition to all the above items of expenditure the State Government is saddled with the unforeseen contingency of fighting the rampaging Corona virus which requires considerable resources, manpower, time and effort in mobilising public health care facilities. Moreover, the Covid-19 pandemic is likely to impede the growth momentum of the State in the short and medium term.

Summary

03.30. In the preceding paras we have attempted to provide some indication of the State's economic position. Obviously, the fiscal balance of the State has been severely hit post bifurcation, which was beyond the control of the State Government. The State has moved from a position of revenue surplus to revenue deficit for a prolonged period. The structure of the economy has shifted from predominantly services to significantly agricultural, thereby reducing the revenue raising potential even further. In addition to these fiscal disabilities, the State has been saddled with the responsibilities of building its capital city. The newly elected State Government also has the bounden duty to fulfil the promises made in its election manifesto, which is likely to increase the financial commitments of the State even further. All these factors are likely to put substantial stress on the fiscal situation of the State.

03.31. Keeping the above indicated large picture of the State's economy in mind, we have treaded cautiously in attempting to strike a balance between the need of the State to judiciously spend its fiscal resources on its welfare and development goals on the one hand and the need for attracting meritorious and talented individuals to the Government service on the other. Our recommendations have been designed accordingly.

CHAPTER-4

CONTEXT AND APPROACH TO PAY REVISION

04.01. It is imperative in a task of the nature entrusted to this Commission that its context and setting is well comprehended and the broad approach to be adopted for the exercise is clearly developed. The previous Pay Commissions, both at the State as well as the Central level, have amply articulated the underlying principles which have guided them in the exercise of pay revision and the present commission is fortunate to have the benefit of being enlightened by their wisdom.

THE CONTEXT

04.02. In a developing country like India, Government is a complex organization with myriads of departments, goals, functions and roles. Its core philosophy is to develop the geographical territory it governs and to promote the welfare of all citizens through formulation and implementation of sustainable policies, plans, programmes and efficient delivery of public services. Employees constitute the physiology of the organic entity called the Government and they give meaning and expression to its governance effort.

04.03. Governance itself has undergone radical transformation since the independence of the country. The latest tenet of “Minimum Government with Maximum Governance” lends emphasis on removal of all avoidable red tapes, controls and bottlenecks. The effort is to make service delivery more efficient through the use of appropriate technological aids, improved communication tools and better access to relevant information. Government’s role has shifted from a controller to a facilitator and regulator. All this presupposes that people possessing the desired skill sets and aptitudes for adopting to newer methods and tools of governance are attracted to the Government service. Since wage structure and service conditions contribute significantly to the employee satisfaction level, they need to be decent enough for talented people to join and continue in the Government service.

04.04. Added to the above is another important structural change in the Indian economy. Our country embarked on a path of economic liberalization in 1991. Since then the economy has become more market driven and service oriented. The role of the private sector has expanded and foreign investments, both direct and institutional, have started flowing in. Newer job opportunities with high remuneration packages are available in the market. The private sector jobs have thus arrived as big competitors to government employment and have been attracting highly qualified and talented youths. The 7th CPC commissioned a study by IIM, Ahmedabad to compare the compensation packages in selected job profiles. The study revealed that while at lower levels the salaries in the private sector are much less compared to their counter parts in the Government, in the upper segments the position is exactly reverse. In fact, it is observed that there are

now many private employers in India who offer as much or higher packages, within the first 3-5 years of entering into service to talented candidates fresh from the campuses of elite educational institutions, than that offered by the Government to officers in the top echelons of Government Service.

04.05. Having said this, this Commission is of the view that salaries alone should not be regarded as the benchmark to compare the attractiveness of different jobs. Government employment provides many non-monetary benefits e.g., stability and security of service tenure, unique opportunities for contributing to public policies which affects everybody's life, assured career progression and most importantly social status and dignity for being a part of the Government. Added to this, there are perquisites such as subsidized housing, free or subsidized transport facility, hassle free access to government services, reimbursement of medical expenses, pensionary benefits etc. which enhance the attractiveness of Government service. Of late many private sector jobs have ended in desolation and misery for scores of employees who have been thrown out of employment, with very little or no notice. Nevertheless the wage level has its unique psychological appeal and social connotation. Purchasing power is an economic enabler. The remuneration packages and career advancement schemes for Government employees should therefore have to keep in mind the benefit levels availing in the comparable private sector jobs.

04.06. Another major context which this Commission has examined is the evolution of State pay-scales vis-à-vis the Central pay-scales. As alluded to elsewhere in this Report, the Central Government has of late been revising the pay structure at intervals of 10 years (the last four being with effect from 1.1.1986, 1.1.1996, 1.1.2006 and 1.1.2016). The State Government on the other hand has been engaging in this exercise once every 5 years. There has however been no clamour among the State Government staff to adopt the Central Government pay-scales. This could be due to the scope for more frequent fitments and rectification of anomalies that the State's periodicity of pay revisions affords.

04.07. The total number of Government employees involved in the present exercise of pay revision and their hierarchical composition are given in the following table:

TABLE
PAY GRADE-WISE DISTRIBUTION OF EMPLOYEES AS ON 30.06.2018

10th PRC Pay Grade	10th PRC Pay Scale	Number in position	% of total employees in the Grade
1.	13000-40270	19436	4.91
2.	13390-41380	6612	1.67
3.	13780-42490	1650	0.42
4.	14600-44870	10758	2.72

5.	15030-46060	7057	1.78
6.	15460-47330	4306	1.09
7.	16400-49870	47567	12.02
8.	17890-53950	16309	4.12
9.	18400-55410	35	0.01
10.	19500-58330	3663	0.93
11.	21230-63010	45280	11.44
12.	22460-66330	35153	8.88
13.	23100-67990	10434	2.64
14.	24440-71510	3883	0.98
15.	25140-73270	3436	0.87
16.	26600-77030	3752	0.95
17.	28940-78910	86088	21.75
18.	29760-80930	33727	8.52
19.	31460-84970	5053	1.28
20.	35120-87130	26073	6.59
21.	37100-91450	11633	2.94
22.	40270-93780	5091	1.29
23.	42490-96110	3517	0.89
24.	46060-98440	1228	0.31
25.	49870-100770	1117	0.28
26.	52590-103290	656	0.17
27.	56870-105810	266	0.07
28.	61450-105810	347	0.09
29.	66330-108330	353	0.09
30.	73270-108330	304	0.08
31.	80930-110850	252	0.06
32.	87130-110850	691	0.17
Total		3,95,727	100.00

04.08. Out of these the first five most populated grades constitute more than 60% of the number of employees in service. The major categories of employees in these five grades are given below:

Sl. No.	Grade	% in total employees	Major Categories
1.	17	21.75	Asst. Section Officer (SC), Spl. Category Steno, Office Superintendent, Accountant, Junior Accounts Officer, Deputy Statistical Officer, Deputy Tahsildar, School Assistant, Auditor, Sub Inspector of Police, P.H.Nurse, Sub Registrar, Panchayat Secretary Gr.-I, GST Officer
2.	7	12.02	Junior Accountant, Junior Assistant, Junior Steno, Typist, Junior Auditor, Field Assistant, Mechanic, Store Keeper, Fireman, Work Inspector Gr-III, Librarian (High School)
3.	11	11.44	Secondary Grade Teacher, Asst. Inspector of Fisheries, Police Head Constable, Pharmacist Gr-II, Multi-Purpose Health Assistant,, Panchayat Secretary Gr-II, Work Inspector Gr-III, Excise Head Constable, Nurse
4.	12	8.88	Senior Assistant, Senior Accountant, U.D. Typist/ Steno, Agriculture Extension Officer Gr-II, U.D. Revenue Inspector, Senior Auditor, Sanitary Inspector, Health Inspector/ Visitor, Deputy Surveyor
5.	18	8.52	Librarian Gr-II, Agricultural Extension Officer Gr-I, Asst. Registrar Co-operative societies, Veterinary Livestock Officer, Divisional PRO, Head Nurse, Fireman, Municipal Commissioner Gr-III, Excise Inspector, Divisional Accounts Officer, Extension Officer (PR&RD)

THE APPROACH

04.09. Salaries and perquisites are paid to employees as a reward for the work turned out by them. The quantum of remuneration constitutes one of the major incentives for the employees to discharge their duties with integrity, sincerity and efficiency. In view of this an ideal wage structure should optimize the cost of service delivery while adequately incentivising increase in outputs of employees. Viewed from this perspective an ideal system of pay structure and service conditions should in our view possess the following core characteristics:

1. It should be simple, easily comprehensible, unambiguous as well as equitable,
2. It should ensure horizontal parity and vertical progression.

3. At its bottom-most point it must offer at least need-based minimum wages to the employees,
4. It should be decent enough to attract talented people possessing requisite skills to the government service and be able to retain them,
5. It should be flexible enough to accommodate and adjust to the cost of living,
6. It should have scope for career progression and commensurate pay hikes,
7. It must take into account the employer's capacity to pay,
8. It should eliminate past anomalies and not give scope for fresh ones, and
9. It should incentivise merit through performance evaluation of employees.

04.10. The above mentioned principles have broadly informed this Commission's approach to the present exercise in recommending what would be the appropriate pay structures for the employees. The Commission is conscious of the fact that the pay-scales assigned to various categories of employees should broadly reflect their entry level qualifications and skills, span of control, nature and complexities of responsibilities handled, professional risks involved, geographical jurisdiction etc. In short, it is a combination of factors which determines an appropriate pay packet for any category of employee. It would therefore be naive to lay undue emphasis on any single factor like entry level academic qualification or the entrance examination through which the initial recruitment takes place etc. as the sole determinant for fixing pay parities. Such demands from certain categories have therefore been taken into consideration by the Commission but viewed from a larger perspective.

04.11. Successive PRCs have in the past fine-tuned and refined the horizontal relativities as well vertical spacing among various categories of employees. During such exercises the PRCs have also thoroughly examined the pre-existing discrepancies and anomalies pointed out by the employee organizations or noticed suo moto and ironed them out. This Commission's approach has been to alter the existing pay scales when some obvious gross omission or anomaly has crept in or any illogicality or distortion in pay equations is evident from a reading of the relevant Service Rules and assessment of the job profiles. A similar approach has been adopted wherever any substantive alteration in entry level qualification, skill level, job content etc. have taken place. The specific position and approach of the Commission in such cases has been adequately explained at the appropriate places. However, while doing so, a conscious effort has been made to ensure that no fresh anomalies crop up.

04.12. The Commission has also evolved certain inter and intra departmental relativities, details of which have been enlisted in the introductory part of its Report in Volume-II. For doing this, the Commission has identified some cohorts of Departments which have near similar characteristics, such as the Uniformed Departments (Police, Excise, Fire Services, Prison and Correctional Services, Transport, Forest), Engineering Departments (Panchayat Raj, Roads and Buildings, Tribal Welfare, Municipal, Water

Resources, Rural Water Supply, State Ports, Town & Country Planning, Electrical Inspectorate, Boilers and Factories), Welfare Departments (Social, Backward Class, Tribal, Women, Differently Abled Welfare etc.), Departments in the Higher Education Sector (Intermediate, Collegiate and Technical Education), Departments related to the Health Sector (Health and Family Welfare, Ayush, Animal Husbandry, Insurance Medical Service, Institute of Preventive Medicine) and similar others and drawn pay relativities among them. To cite some examples, among the uniformed departments, the Police department functionaries from Constable up to the level of Inspector have been given one grade pay advantage considering the comparatively more arduous and pervasive nature of their job profiles. The Commission has also reduced the gap between the Medical and Veterinary doctors and removed the disparity in the pay scales of the Veterinary and Ayush doctors.

04.13. The Commission has consciously preserved and further strengthened the existing relativities in pay scales of the administrative positions of Assistant Director, Deputy Director and Joint Director of different departments for fostering better administrative harmony. As far as the pay scales applicable to the categories of Additional Director and Director are concerned, we have adopted a similar approach and enhanced the pay scales in a few cases to promote inter-departmental parity and harmony among departments having similarity in nature of functions, span of control, departmental size etc. It is worth mentioning that the Commission has rationalised the pay scales of certain commonly designated categories like Administrative Officer, Statistical Officer, Librarian, Pharmacist etc. working across various departments of the Government.

04.14. The Commission has consciously reduced the variations in pay scales among different categories recruited through the APPSC Group-I and Group-II examinations. We have also improved the pay scales of the Ministerial Service employees commensurate with the enhancement of their entry qualification and skill levels which is expected to improve their operational efficiency.

04.15. Yet another aspect which needs mentioning is that the Commission observed in many cases, that posts which have been bracketed together under the same class and category in the relevant Service Rules, have been assigned different pay scales/grades. In all these cases they have been brought on par. Another type of anomaly observed is that in quite a few cases the feeder and promotion posts carry the same pay scales. In these cases the anomaly has been resolved by making necessary revision in pay scales of the promotion categories.

04.16. One general approach adopted by the Commission is that in respect of all the Departments, we have analysed together the entire vertical hierarchy of posts as per the relevant Service Rules and conducted the exercise of pay scale assignment in a holistic manner to obviate chances of fresh anomalies.

CHAPTER-5

RECOMMENDED PAY STRUCTURE

05.01. The basic components of remuneration of a State Government employee are the following:

1. Basic Pay
2. Dearness Allowance
3. House Rent Allowance (H.R.A)
4. City Compensatory Allowance (C.C.A.)

05.02. In addition, certain categories of employees enjoy the benefit of Special Pay/Special Allowances in order to compensate for the arduous or risky nature of work that they perform, handling additional responsibilities or working in challenging climatic environment etc. As an elementary starting point the Commission deemed it apt to look at the remuneration of employees across Governments of Southern States and the Central Government. There is no gain saying the fact that even though the designations of employees in different States/Centre may be the same, their responsibilities, jurisdictions, spans of control, entry qualifications etc. may materially vary rendering comparisons misleading. The Commission therefore selectively picked up certain basic categories of employees where such dissimilarities in working indices are likely to be minimal. The result of such an exercise is given in the following table:

Table-1

COMPARATIVE EMOLUMENTS OF SELECTED CATEGORIES IN CENTRAL GOVERNMENT AND SOUTHERN STATES

Cadre	Emoluments at minimum of scale	Amount (₹) as on 30-06-2018				
		Andhra	Central Govt.	Karnataka	Tamil Nadu	Kerala
Group D (Grade-1)	1. Basic Pay	13000	Abolished	17000	15700	17000
	2. D.A.	3542		321	1099	2890
	3. HRA	2600		2720	1000	1500
	4. CCA/ Transport Allowance	250		400	180	350
	Total	19392		20441	17979	21740
Jr. Asst. (Grade-7)	1. Basic Pay	16400	18000	21400	18500	21100
	2. D.A.	4469	1260	404	1295	3587
	3. HRA	3280	2880	3424	1200	1500
	4. CCA/ Transport Allowance	250	2610	400	180	350
	Total	24399	24750	25628	21175	26537

Sr. Asst. (Grade- 12)	1. Basic Pay	22460	21700	27650	19500	26500
	2. D.A.	6120	1519	522	1365	4505
	3. HRA	4492	3472	4424	1200	1500
	4. CCA/ Transport Allowance	350	5119	400	180	350
	Total	33422	31810	32996	22245	32855
Addl. Secy./ E-in-C (Grade- 32)	1. Basic Pay	87130	131100	104600	128900	93000
	2. D.A.	23741	9177	1975	9023	15810
	3. HRA	17426	20976	16736	4300	3000
	4. CCA/ Transport Allowance	700	16377	450	720	500
	Total	128997	177630	123761	142943	112310
Note: 1.Allowances calculated @ rates applicable to Class Y cities						
2. DA due but not released has also been taken into account						

NOTE: HRA – considered for a place having population of 5-50 lakh,
CCA – considered for a Municipal Corporation City

05.03. These results indicate that as on 30.6.2018

- (i) In the categories of Group-D employees and Junior Assistants the total remuneration was the highest in Kerala;
- (ii) In respect of Senior Assistants, except for in Tamil Nadu, there is marginal difference in pay scales among the rest of the compared Government employees;
- (iii) At the level of Engineer-in-Chief, the employees of the Central and Tamil Nadu Governments enjoy comparatively much higher pay packets.

05.04. The parameters that define a pay structure are the following:

1. Configuration of the pay array
2. Minimum pay
3. Maximum pay
4. Ratio of maximum to minimum pay
5. Number of pay grades
6. Span of pay scales
7. Number of incremental increments
8. Quantum of increments
9. Horizontal and vertical relativities/ equations among pay scales

05.05. The following two tables exhibit the above mentioned elements across

- a) Previous PRC recommendations in the State of Andhra Pradesh
- b) Different Southern States and Government of India

Table-2

Pay Scales recommended by earlier PRCs in Andhra Pradesh

PRC	Year/ Type of Scale	Master Scale - Parameters						
		No. of Grades	No. of Stages	Minm. Pay	Maxm. Pay	Maxm/ Minm	No. of Incremental Increments	Range of Increment %
6 th	1993 Master	32	71	1375	10380	7.549	13	1.71-3.84
7 th	1999 Master	32	71	2550	19675	7.716	13	1.85-3.86
8 th	2005 Master	32	84	3850	30765	7.991	27	2.72-2.33
9 th	2010 Master	32	80	6700	55660	8.307	26	3.02-2.37
10 th	2015 Master	32	81	13000	110850	8.527	26	3.04-2.33

Table-3

Pay structure in neighbouring Southern States and Central Government

Government	Effective from	No. of Grades	No. of Stages	Min. Pay	Max. Pay	Max/ Min	Nature of Pay Structure Array
A.P.	1.7.2013	32	81	13000	110850	8.527	Master Scale
Karnataka	1.7.2017	25	92	17000	150600	8.559	Master Scale
Kerala	1.7.2014	27	83	16500	120000	7.273	Master Scale
Tamil Nadu	1.1.2016	32	Pay matrix	15700	225000	14.331	Pay matrix with different stages
Central Govt.	1.1.2016	19	Pay matrix	18000 (Min. starts with Group-C posts)	250000	13.889	Pay matrix with different stages

05.06. From Table-2 the following conclusions emerge:

- 1) The last five PRCs have found merit in adopting the concept of Master Scale;
- 2) All categories of government employees have been fitted into 32 grades of pay scales, which number has remained constant since the 1993 PRC. This implies that no fresh vertical hierarchy has been created in the Master Scale nor any two or more pay grades have been merged;
- 3) The number of incremental increments as well as the quantum of increments (in percentage term) have increased after the 7th PRC. In specific terms, the frequency of rise in increments has reduced from 5 years in the 6th & 7th PRC to 3 years in the 8th, 9th, and 10th PRCs. This has resulted in greater monetary incentives to the employees;
- 4) In the 6th and 7th PRCs the increment percentages have steadily increased as one goes up along the pay ladder whereas in the subsequent PRCs the same have been moderately tapered off at higher stages. Apparently this has been done to avoid undue blowing up of basic pay at the higher stages of the Master scale;
- 5) Another distinctive feature is the elongation applied to the total spans of individual pay scales, first in the 2005 PRC and then again in the 2010 PRC, with the ostensible intention of avoiding stagnation.

05.07. Table-3 shows that whereas three major Southern States of Kerala, Karnataka and Andhra Pradesh have adopted the concept of Master Scale, Tamilnadu has implemented the pay matrix structure (with differing pay stages) on the same pattern as that applicable to the Central Government employees. Another distinctive aspect lies in the degree of disparity between the maximum and the minimum pay stages (as reflected in their ratio) of the Central Government and Tamilnadu on the one hand and the three Southern States mentioned above on the other. Yet another widely differing feature is the substantially high apex pay in the Government of India and in Tamilnadu. It is however pertinent to note that the reports of the PRCs of different States and the CPC (Central Pay Commission) have been implemented from different dates by applying different fitment factors. It is also to be kept in mind that the total package of monetary benefits including the Pay/Special Pay, Allowances/ Special Allowances and other benefits have to be taken into account for the purpose of objective comparison of the remuneration packets and pay structures and these differ vastly from State to State and the Center.

Configuration of the pay array

05.08. As has been stated earlier, the 1993 Pay Revision Commission introduced the concept of Master Scale which is a ladder of increasing pay stages, of which the individual pay scales assigned to various posts are segments. All the government employees across various departments are fitted into one or the other of such pay scales duly keeping the horizontal relativities in mind. During discussions with the Employees' Associations, individual employees and various government departments the following common suggestions were received:

1. The Master Scale with 32 Pay Grades and span of 80-82 stages should be continued. (The A.P.T.F. suggested reduction of Pay Grades to 30);
2. Annual increments should be granted at a rate of 3%;
3. The periodicity of increase in increments should be three years;

Views of the Commission:

05.09. The Master Scale stands out for its simplicity and equitability. Irrespective of the pay-scale, once an employee reaches a particular stage in the pay ladder he/she becomes entitled to the same increment. Over the past nearly 25 years this pay structure has found unstinting acceptance from all sections of employees as well as successive Pay Revision Commissions. As has been stated above, this time also all the Employees Associations have unequivocally supported continuance of the Master Scale. **The Commission therefore recommends continuance of the Master Scale concept.**

Minimum Pay:

05.10. In devising any pay structure the most rudimentary question that poses itself is "What should be the minimum stage of the starting grade of pay catering to the lowest rung of employees in the organizational hierarchy?"

05.11. In this connection the Commission finds that the wage structure can be broadly divided into three categories, namely the basic "minimum wage" which provides bare subsistence and is at the poverty-line level, the "fair wage" at a slightly higher level and finally the "living wage" which is at a comfort level. The dividing lines between these three cannot be drawn with precision but there are well accepted norms which broadly distinguish one category of pay structure from another.

05.12. The Fair Wages Committee, in its report published by the Government of India, Ministry of Labour, in 1949, defined the "living wage" as under:

"The living wage should enable the male earner to provide for himself and his family not merely the bare essentials of food, clothing and shelter but a measure of frugal comfort including education for the children, protection against ill health, requirements of essential social needs and a measure of insurance against the more important misfortunes including old age."

05.13. The Committee's view regarding "minimum wage" was as follows:

"The minimum wage must provide not merely for the bare sustenance of life but for the preservation of the efficiency of the worker. For this purpose the minimum wage must also provide for some measure of education, medical requirements and amenities."

05.14. The Indian Labour Conference (ILC) in its 15th Session (1957) suggested that the minimum wage should be need based and should ensure the minimum human needs of the industrial worker. The ILC fixed the following norms for fixing the need-based minimum wages.

1. The standard working class family should be taken to comprise of husband, wife and two children. The total consumption units for the family should be reckoned as 3 consisting of husband 1 unit, wife 0.8 unit and the two children @ 0.6 unit each. The earnings of women, children and adolescents in the family should be disregarded.
2. The minimum food requirement should be calculated on the basis of intake of 2700 calories for an average Indian adult of moderate activity, as recommended by Dr. Aykroyd, the first Director of the Department of Nutrition, FAD.
3. Clothing requirement should be estimated on the basis of per capita consumption of 18 yards (16.5 meters) per annum, which would add up to a total of 72 yards (66 meters) per annum (or 5.5 meters per month) for the average worker's family of four members.
4. Minimum rent charged by the Government in any area for houses provided under the subsidized Industrial Housing Scheme for low-income groups should be counted towards the housing need.
5. Fuel, lighting and other miscellaneous items of expenditure should constitute 20% of total minimum wage.

05.15. To the five components mentioned above, a sixth was added by the Hon'ble Supreme Court in *Raptakos Brett Vs Workmen case of 31-10-1991*. The Hon'ble Court observed,

"Keeping in view the socio-economic aspect of the wage structure, we are of the view that it is necessary to add the following additional component as a guide for fixing the minimum wage in the industry:-

(vi) children education, medical requirement, minimum recreation including festivals/ceremonies and provision for old age, marriages etc. should further constitute 25% of the total minimum wage."

The Hon'ble Court also observed that, "*....the wage structure which approximately answers the above six components is nothing more than a minimum wage at subsistence level. The employees are entitled to the minimum wage at all times and under all circumstances.*"

05.16. The 6th and 7th CPC as well as the 9th and 10th State PRCs have adopted the ILC norms with some adjustments for arriving at the minimum pay.

05.17. The 5th CPC had looked at another way of estimating the minimum pay and that is to calculate the percentage growth in per capita income at constant prices since the date of implementation of the last PRC and apply the same growth to the existing minimum pay to arrive at the new minimum. The logic is that if the income average of a typical Indian citizen living in the State has grown by a particular margin due to economic development, the least paid employee of the State should also have a claim to at least an equivalent degree of enhancement in his/her pay. The same methodology was adopted by the 6th, 7th and 8th Pay Revision Commissions in Andhra Pradesh also.

Views of the Service Associations

05.18. Almost all the Employees Associations have contended that the ILC norms should be adopted for the purpose of calculation of Minimum Pay. They have also suggested that the family for this purpose should be deemed to comprise of 4 members i.e., the husband, wife and two children. Majority of the Associations of Employees have, after taking into account 4 consumption units in a family, calculated the minimum pay as per ILC norms at figures ranging from ₹.24,000 to ₹.26,000. Some of them have also argued that the non-food items included in the consumption basket need to be reviewed since present day requirements of dignified living have converted many yester-year items of comfort into essential items of consumption today. They have represented for inclusion of cost of fuel in the calculation of minimum pay. During discussions with the Employees Associations a fervent request was made to include a provision in the Minimum Pay calculations towards the cost of present day communication facilities i.e. charges for cell phone use which has become an essential ingredient of modern day living.

Views of the Commission

05.19. The Commission is of the view that the ILC norms, along with the other supplemental components, as stated above, lay down a normative approach to the estimation of minimum pay and is the most standard approach for estimating the 'Minimum Pay'. Having adopted this view, the Commission examined the demand of the employees to consider the family size, for the purpose of calculation of minimum wages, as 4 consumption units comprising of the husband, wife and two children. Some Service Associations even suggested to include the two parents of the wage earner also in the family. It was also pointed out that the amended Service Rules now provide for a maximum age limit of 42 years for direct recruitment of general category candidates (with statutory concession for the reservation categories) into the Government service, and by this age most new entrants will have two children.

05.20. The Commission notes that the concept of 'Minimum Pay' is associated with the very first stage of the Master Scale ladder and is the entry level pay drawn by employees in the Last Grade Service for which the academic qualification is a pass in class VII. Even at the minimum admissible age of entry into Government service, i.e. age 18, most aspirants would have acquired this qualification. In a study commissioned by the 5th CPC it was found that the average age of entry into Government service is about 25 years. Taking all these into account the Commission is of the view that the percentage of people joining the Last Grade Service above the age of 25 would be very small. The increase in the maximum permissible age of entry into Government Service, cited by the Service Associations, is intended only to afford an opportunity to the otherwise age barred people to be considered for appointment to government service. Coupled with this, with the growing trend of nuclearisation of families, increase in average age at marriage and wide scale adoption of small family norm, it is pretty likely that a person entering into Government service is unmarried or, if married, would have not more than two children. Also, more often than not, (s)he would not have the responsibility of supporting her/his parents as they would still be in the economically productive age group. Moreover the existing norms also discount the income, if any, of the spouse notwithstanding the increasing participation of women in the work force. It would therefore be prudent to follow the ILC norms in this regard.

05.21. Having arrived at the above conclusion, as per the ILC norms, a standard family of 4 including 2 parents and 2 children would constitute 3 consumption units i.e., 1 unit for the husband, 0.8 unit for the wife and @0.6 unit for each child. Hence the Commission adopts the 3 C.P.U. norm which were also followed by the 6th and 7th CPCs as well as the 9th and 10th State PRCs.

05.22. The Commission has estimated the minimum pay (see Table-4 below) as follows:

- a) The average monthly prices (for the twelve months ending with 30-06-2018), of food, clothing and detergent products specified by the 15th ILC and prevailing in the State of Andhra Pradesh, have been sourced from the Directorate of Economics and Statistics, Andhra Pradesh. The price indicated for each product is the average of prices of various items that are included in the product. The Commission has adopted the Central Series data since these data go into the calculation of figures for AICPIN, which in turn form the basis for arriving at the Dearness Allowance admissible.
- b) The per diem consumption per unit has been adopted from the Aykroyd prescription.
- c) The quantities consumed by a family of 3 C.U. per month have been arrived at for each food product and multiplied by their respective average prices, as at (a) above, to arrive at the monthly product wise cost.

- d) The cost of clothing and detergent have been arrived at based on the ILC norms cited earlier.
- e) The cost of food, clothing and detergent products obtained, as above, has been divided by 0.8 to arrive at a total, of which 20% provides for expenses on fuel, electricity and water. The component of housing has not been considered by the Commission since expenses towards that are adequately compensated for by the grant of House Rent Allowance, which is applicable to all the employees.
- f) The Commission finds that the Seventh CPC has moderated the Apex Court (*Raptakos Brett Vs Workmen case*) prescribed provision of 25% to cover education, recreation (ceremonies/ festivals), provision for old age, marriages and medical expenses to 15% stating that expenses on educational and medical necessities are being separately provided for through separate and exclusive allowances and facilities and need not be included here. In respect of Andhra Pradesh State also medical expenses are either reimbursed or taken care of through a Health Card Scheme which facilitates cash-less treatment and therefore need not be separately provided for. There is also a facility for reimbursement of tuition expenses in respect of children of Class-IV employees and non-Gazetted officers. However the maximum limit of such reimbursement is at a modest level compared to that in respect of the Central government employees. We therefore think it proper to make some provision for this factor in the minimum wage structure also. Another factor that weighs in with the Commission is with regard to the request of the employees for making a suitable provision for the expenses on mobile communication with access to data, the use of which has become ubiquitous in all sections of our society and has also become an essential requirement for transactional efficiency, emergency aid, operational convenience and enhancement of professional capacity. Hence, this Commission is willing to make a slightly higher provision of 17% towards the Raptakos factors and mobile communication. The cost estimated from (e) above is therefore divided by 0.83 to arrive at a total, of which 17 percent is towards recreation including ceremonies and festivities, marriages and communication.
- g) The cost estimated from (f) above is ₹.20,046 which is rounded off to ₹20,000.

05.23. The detail calculation is shown in the following Table:

Table-4
Need based Minimum Wage

Sl. No.	Items	Unit	Per Day PCU *	Per Month for 3 CU	Average price per unit from 01-07-2017 to 30-06-2018 (in Rupees)	Total cost per month as on 01-07-2018 (in Rupees)
1	Rice	Kg	0.475	42.75	39.98	1709.15
2	Dal- Toor/Urad/Moong	Kg	0.080	7.20	78.63	566.14
3	Raw Vegetables	Kg	0.100	9.00	31.89	287.01
4	Green Leaf Veg	Kg	0.125	11.25	76.25	857.81
5	Other Veg- Onion, Potato, Tomato	Kg	0.075	6.75	23.00	155.25
6	Fruits	Kg	0.120	10.80	196.28	2119.82
7	Milk	Ltr	0.200	18.00	46.86	843.48
8	Sugar/Jaggery	Kg	0.056	5.04	47.45	239.15
9	Edible Oil	Kg	0.040	3.60	135.61	488.20
10	Fish	Kg		2.50	142.76	356.90
11	Meat	Kg		5.00	543.74	2718.70
12	Egg (Number)	No.	1	90	4.51	405.90
13	Detergents- Bath & washing soap/ powder etc.	₹./ month				389.66
14	Clothing	Mtr		5.5	395.18	2173.49
15	Total (1-14)					13310.66
16	Fuel, Electricity, Water etc.					3327.67
17	Total - (15) divided by 0.8					16638.33
18	Additional expenditure on recreation, ceremonies/ festivals, children education, provision for old age/marriages and communication					3407.85
19	Total- (17) divided by 0.83					20046.18
22	Minimum Pay (after rounding off)					20000.00

Note: PCU – Per Consumption Unit

CU - Consumption Unit

(Source: Directorate of Economics and Statistics, Andhra Pradesh)

05.24. The Commission cross checked the above results by applying the alternative method of 'Constant Relative Income Approach' adopted by the 5th CPC. We find from the data furnished by the Directorate of Economics and Statistics, Government of Andhra Pradesh that the per capita GSDP i.e. per capita income at constant prices for 2012-13 and 2017-18 are ₹.68,865 and ₹.1,06,864 respectively. This represents a growth of nearly 55% over a period of 5 years. Applying this growth to the minimum pay of ₹.13,000 fixed as on 01-07-2013, we arrive at a figure of ₹.20,150 which is very close to the estimation of minimum pay based on the ILC norms. **Taking into account the above mutually reinforcing results arrived at by two different methods, the Commission recommends a minimum pay of ₹.20,000 per month with effect from 01.07.2018, which implies a rise of nearly 53.85% over the existing minimum pay of ₹.13,000 per month.**

Maximum Pay

05.25. The Employees' Associations have suggested Maximum Pay ranging from ₹.1,73,720 to ₹.2,55,580.

05.26. In fixing the maximum pay, the Commission has been guided by the consideration that government employment in the top echelons should be attractive enough for the promising youth to not only enter the service but remain there till superannuation. For obvious reasons the apex level of pay-scale cannot match the remuneration package offered to the top executives in the private sector but must be commensurate with the social status and dignity that attach to government functionaries at the highest level. The Commission is however conscious of the equitability factor, that is to ensure that the increase in wages (in percentage terms) due to pay revision does not vary widely between the minimum and the maximum pay levels. **The Commission accordingly, in tune with the enhancement of the minimum pay level from ₹.13,000 to ₹.20,000 recommends the apex pay as on 01.07.2018 at ₹.1,79,000 which implies a moderate increase in the disparity quotient to 8.95.**

Grades, Increments and Pay-scales:

05.27. As observed from Table-2, right from the 6th PRC onwards there has consistently been 32 grades of pay scales. This is a clear indication of the fact that these scales have adequately captured the nuances of the horizontal and vertical relativities across various categories of government employees. This Commission has also not received any forceful representation from any section of employees for creation of fresh pay-scales or merger of existing scales. **Hence the Commission is unwilling to disturb the existing broad historical relativities among various categories and accordingly recommends to retain the 32 segments/ grades (1 to 32) in the revised Master Scale.**

05.28. The Commission finds that the State Government has issued orders vide G.O.Ms.No. 147, Finance (HRM IV) Department dated 30-06-2014 enhancing the age of superannuation of public services from 58 to 60 years. The Commission also observes that the State Government has granted a higher level of fitment compared to that recommended by the 10th Pay Revision Commissions (43% permitted against 29% recommended). Since the pay scales recommended by the PRC were designed for accommodating the levels of fitment recommended by it, the enhanced actual fitment has resulted in pushing up the basic pay of employees by several stages in their respective pay scale ladders. **Hence, in order to minimise the possibilities of stagnation of employees, the Commission recommends to increase the number of stages in the Master Scale from 81 to 83, with 82 increments, including 26 incremental increments. For the same reason, the spans of certain Grades of Pay Scales (Grades 4 to 32) have also been enhanced by two stages each. Along with these modifications we recommend continuance of the existing provision of up to five Stagnation Increments to provide adequate cushion for such of the employees who hit the maximum of their pay scales, either due to joining Government service at an early age or getting faster promotions.**

05.29. In response to the request of the Employees' Associations the Commission considered the possibility of keeping the incremental increment percentage at a uniform level of 3% over the entire span of the Master Scale but found that it would bloat up the maximum pay by a large margin resulting in an inflated disparity quotient between the maximum and minimum pay stages when compared to the present. Moreover this would result in a much larger financial implication for the Government in both salaries as well as pensionary outgo. **Hence the Commission favours a gradually tapering incremental increment percentage, starting from 3%, as one goes up the Master Scale ladder. We also recommend a Master Scale structure in which the increments go on rising in absolute term, at three yearly intervals (except towards the fag end where a four yearly interval has been recommended), as one goes up the ladder. With the aforementioned parameters the new Master Scale recommended by the Commission is as follows:**

20000-600-21800-660-23780-720-25940--780-28280-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540-3610-154980-3900-170580-4210-179000 (83 stages)

05.30. A comparative table showing the existing Master Scale and Pay Scale segments as well as the corresponding new ones that this Commission recommends for bringing into effect from 01.07.2018 are as follows:

**Table-5
Master Scale and Segments**

Grade	Existing Pay Scale (₹)(Stages)	Grade	Revised Pay Scale (₹)(Stages)
Master Scale	13000-390-14170-430-15460-470-16870--510-18400-550-20050-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910-2020-84970-2160-91450-2330-100770-2520-110850 (81)	Master Scale	20000-600-21800-660-23780-720-25940--780-28280-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540-3610-154980-3900-170580-4210-179000 (83)
1	13000-390-14170-430-15460-470-16870--510-18400-550-20050-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-40270 (41)	1	20000-600-21800-660-23780-720-25940--780-28280-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-61960 (41)
2	13390-390-14170-430-15460-470-16870--510-18400-550-20050-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-41380 (41)	2	20600-600-21800-660-23780-720-25940--780-28280-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-63660 (41)
3	13780-390-14170-430-15460-470-16870--510-18400-550-20050-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490 (41)	3	21200-600-21800-660-23780-720-25940--780-28280-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360 (41)
4	14600-430-15460-470-16870--510-18400-550-20050-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-44870 (41)	4	22460-660-23780-720-25940--780-28280-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-72810 (43)
5	15030-430-15460-470-16870--510-18400-550-20050-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060 (41)	5	23120-660-23780-720-25940--780-28280-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-74770 (43)

6	15460-470-16870--510-18400-550-20050-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-47330 (41)	6	23780-720-25940--780-28280-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730 (43)
7	16400-470-16870--510-18400-550-20050-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870 (41)	7	25220-720-25940--780-28280-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-80910 (43)
8	17890--510-18400-550-20050-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950 (41)	8	27500-780-28280-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-87480 (43)
9	18400-550-20050-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-55410 (41)	9	28280-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720 (43)
10	19500-550-20050-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330 (41)	10	29980-850-30830-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-94500 (43)
11	21230-590-21820-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010 (41)	11	32670-920-33590-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-101970 (43)
12	22460-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-66330 (41)	12	34580-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-107210 (43)

13	23100-640-23740-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990 (41)	13	35570-990-36560-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-109910 (43)
14	24440-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-71510 (41)	14	37640-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-115500 (43)
15	25140-700-25840-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270 (41)	15	38720-1080-39800-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-118390 (43)
16	26600-760-28120-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-77030 (41)	16	40970-1170-43310-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-124380 (43)
17	28940-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910 (39)	17	44570-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-127480 (41)
18	29760-820-30580-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910-2020-80930 (39)	18	45830-1260-47090-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580 (41)
19	31460-880-33220-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910-2020-84970 (39)	19	48440-1350-51140-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-137220 (41)

20	35120-950-36070-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910-2020-84970-2160-87130 (36)	20	54060-1460-55520-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540 (38)
21	37100-1030-39160-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910-2020-84970-2160-91450 (36)	21	57100-1580-60260-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540-3610-147760 (38)
22	40270-1110-42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910-2020-84970-2160-91450-2330-93780 (34)	22	61960-1700-65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540-3610-151370 (36)
23	42490-1190-46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910-2020-84970-2160-91450-2330-96100 (33)	23	65360-1830-70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540-3610-154980 (35)
24	46060-1270-49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910-2020-84970-2160-91450-2330-98440 (31)	24	70850-1960-76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540-3610-154980-3900-158880 (33)
25	49870-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910-2020-84970-2160-91450-2330-100770 (29)	25	76730-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540-3610-154980-3900-162780 (31)
26	52590-1360-53950-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910-2020-84970-2160-91450-2330-100770-2520-103290 (28)	26	80910-2090-83000-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540-3610-154980-3900-166680 (30)
27	56870-1460-58330-1560-63010-1660-67990-1760-73270-1880-78910-2020-84970-2160-91450-2330-100770-2520-105810 (26)	27	87480-2240-89720-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540-3610-154980-3900-170580 (28)

28	61450-1560-63010-1660-67990-1760-73270-1880-78910-2020-84970-2160-91450-2330-100770-2520-105810 (23)	28	94500-2390-96890-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540-3610-154980-3900-170580 (25)
29	66330-1660-67990-1760-73270-1880-78910-2020-84970-2160-91450-2330-100770-2520-108330 (21)	29	101970-2540-104510-2700-112610-2890-121280-3100-130580-3320-140540-3610-154980-3900-170580-4210-174790 (23)
30	73270-1880-78910-2020-84970-2160-91450-2330-100770-2520-108330 (17)	30	112610-2890-121280-3100-130580-3320-140540-3610-154980-3900-170580-4210-174790 (19)
31	80930-2020-84970-2160-91450-2330-100770-2520-110850 (14)	31	124380-3100-130580-3320-140540-3610-154980-3900-170580-4210-179000 (16)
32	87130-2160-91450-2330-100770-2520-110850 (11)	32	133900-3320-140540-3610-154980-3900-170580-4210-179000 (13)

05.31. The assignment of pay scales to the different categories of employees would be as recommended by the Commission in Volumes II, III and IV of this Report.

CHAPTER-6

FIXATION OF PAY IN THE REVISED PAY SCALES

06.01. Having decided the new grades of pay scales corresponding to the existing ones the next question that obviously comes up for consideration is the formula that should govern the fixation of pay in the revised pay scales.

06.02 It has been stated earlier in the report that an ideal pay structure must be flexible enough to adjust to the changes in the cost of living. The Fifth Central Pay Commission (CPC) strongly advocated the desirability of completely neutralizing the effect of inflationary rise in prices, as reflected in the officially measured price index numbers, right up to the highest level of pay in the Government employment, thereby reversing the earlier trend of regressively graded neutralization at the higher levels. Thereafter successive CPCs as well as most State level PRCs have adopted the same principle.

Representation of Employees' Associations:

06.03. The members of staff have advocated the following:

- i) Complete neutralization of the effect of inflation by merging the Dearness Allowance with Pay;
- ii) Allowing a fitment ranging from 60-70%

The Commission's view:

06.04. The historical trend of fitment percentages recommended by the last four PRCs have been as follows:

PRC	Mini- mum Pay	% Increase in Minimu m Pay	Dearness Allowanc e merged (%)	Fitment (%) recommende d by PRC	Ratio of Fitment to D.A. merged	Col.(3) - (Col.4+ Col.5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1993	1375					
1999	2550	85.45	66	20	0.30	0
2005	3850	50.98	30	10	0.33	11
2010	6700	74.03	42	27	0.64	5
2015	13000	94.03	63	29	0.46	2

06.05. The Commission's approach to the question of pay revision has been amply elucidated in Chapter-4 of the Report. The Commission reiterates that:

1. The increase in Basic Pay at the minimum level should be such as to fully compensate for the rise in prices of the essential items of human consumption;
2. It should also accommodate certain new items of expenditure which have to be incurred for a decent and dignified living in a modern civilised society;
3. The quantum of rise in wages in percentage terms should be uniform across all segments of employees in the interest of fairness and equity;
4. The fitment benefit should be allowed so as to bridge the gap between the increase in Minimum Pay, as determined in the previous chapter based on the ILC norms, on 01-07-2018, over that fixed as on the date of implementation of the last RPS (i.e. 01-07-2013) less the neutralization of inflationary impact on prices of essential items of consumption effected through the merger of Dearness Allowance with Basic Pay. Based on this principle, in the present case the fitment works out to 23%.
5. However, pending receipt of Report of this Commission, on the request of the service associations the State Government has already approved an Interim Relief @ 27% of Basic Pay with monetary benefit from 01-07-2019 vide G.O.Ms. No.60 Finance (PC & TA) Department dated 06-07-2019. Government has further ordered that the Interim Relief shall be adjusted against any benefit that may accrue to the employees on account of revision of scales of pay and other allowances as a result of Government's decision on the Report of the Pay Revision Commission.

06.06. Keeping in view the fact that the Government has already approved an Interim Relief of 27%, which is higher than the fitment percentage arrived at by the Commission based on the ILC norms, as mentioned above, the Commission deems it proper to recommend a fitment benefit of 27%.

06.07. Based on the above, the Commission recommends the following formula for pay fixation in the revised scales:

- a) The existing Basic Pay in the pre-revised scales may be taken into account;
- b) Dearness Allowance admissible as on 01.07.2018 (as per AICPIN figures) may be calculated @ 30.392% on (a) above;
- c) A fitment benefit of 27 % of (a) above may be arrived at;

- d) The revised basic pay in the new pay-scale applicable to the post shall be fixed at the stage next above the figure arrived at after adding (a), (b) and (c) above or alternatively by multiplying the figure at (a) above by a fitment factor of 1.57392;**
- e) If an employee's pay, when fixed as above, falls short of the minimum in the relevant revised pay scale, it shall be fixed at the minimum of the scale.**
- f) If the amount so fixed exceeds the maximum of the appropriate revised scale, the difference shall be treated as personal pay and should be absorbed in future pay increases or in stagnation increments (maximum five) sanctioned, if any.**

06.08. The Commission recommends that the pay fixation in the revised pay-scales take effect from 01.07.2018. The Commission however deems it appropriate to leave the decision, regarding the date from which monetary benefit of such fitment should be given, to the Government depending on its resources position.

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CHAPTER-7

ALLOWANCES

07.01. Allowances are an integral part of the pay packet of employees and are paid to them for various reasons. These can be broadly classified as follows:

- a) Major allowances to protect their real wages;
- b) Allowances to take care of specific expenses which are incidental to their employment;
- c) Allowances as a measure of compensation for facing the challenges or risks faced by them in their working environment;
- d) Allowances meant to incentivise certain employees who either acquire higher qualifications/skills which enhances their working capabilities or who discharge duties involving higher responsibilities compared to their peers in the same category or discharging the duties of arduous nature.

07.02. The three major allowances which are linked to the quantum of pay are:

- 1) Dearness Allowance
- 2) House Rent Allowances/Additional House Rent Allowance
- 3) City Compensatory Allowance.

I. Major Allowances

1) Dearness Allowance:

07.03. Dearness Allowance (D.A.) is the cost of living adjustment allowance paid to the Government employees. The quantum of D.A. to be released is being determined by linking it to the twelve monthly moving average of All India Consumer Price Index Number (AICPIN) measured by the Labour Bureau, Government of India. The 3rd and 4th Central Pay Commissions (CPC) recommended for a graded neutralization of the increase in price index. The 5th CPC, however, recommended that the practice of differentiated neutralization of inflationary impact be dispensed with and 100% neutralisation be applied uniformly across all grades of employees. The same principle has been retained by the 6th and 7th CPCs. The Government of India follows a practice of revision of D.A. bi-annually, on 1st January and 1st July. Most State Governments follow this Central pattern.

07.04. The 10th PRC at the State level recommended for 100% neutralization of the cost of living index by merging the entire Dearness Allowance payable as on 1.7.2013 in pay. The Dearness Allowance granted to the State Government employees subsequent to this date are given below:

Sl. No	Date of effect after 2015 RPS	Rate of D.A. sanctioned by Central Govt. in pre-revised pay scale as per 6 th CPC (%)	Rate of D.A. sanctioned/ payable by State Govt. (%)	Cumulative (%) of D.A. sanctioned/ Payable
1	1.1.2014	10	5.240	5.240
2	1.7.2014	7	3.668	8.908
3	1.1.2015	6	3.144	12.052
4	1.7.2015	6	3.144	15.196
5	1.1.2016	6	3.144	18.340
6	1.7.2016	7	3.668	22.008
7	1.1.2017	4	2.096	24.104
8	1.7.2017	3	1.572	25.676
9	1.1.2018	3	1.572	27.248
10	1.7.2018	6	3.144	30.392

07.05. The Employees' Associations have requested for continuation of the present practice of periodic increases in Dearness Allowance commensurate with the same announced by the Government of India.

07.06. We accordingly recommend that future releases of Dearness Allowance after 1.7.2018 should be in tandem with declaration of Dearness Allowance instalments by the Government of India by following a conversion factor worked out below:

07.07. The Government of India, basing on the recommendation of the 7th CPC, have ordered for merger of Dearness Allowance as on 1.1.2016 in the basic pay whereas the merger now recommended by this Commission would be applicable on 1.7.2018. Since the dates of merger of Dearness Allowance differ from the Central Government to the State Government, the

$$\text{Conversion Factor} = \frac{12 \text{ monthly Moving average of AICPIN as on 1.1.2016}}{12 \text{ monthly Moving average of AICPIN as on 1.7.2018}}$$

$$= \frac{261.4}{287.2} = 0.91$$

(AICPIN- All India Consumer Price Index Number, Source: Labour Bureau, Govt. of India)

07.08. This would mean that for every 1% rise in Dearness Allowance announced by the Central Government for its employees after 01-07-2018, i.e. from 01-01-2019, the State Government should enhance the same by 0.91%.

2) HOUSE RENT ALLOWANCE (HRA)

07.09. House Rent Allowance (H.R.A.) is a major component of the pay packet of an employee and is paid to him to meet part of his/her expenses on living accommodation at the work place. Increasing urbanization, demand-supply mismatch in the rental housing market as well as inflationary impact in the economy all combine together to push up the house rents. There is therefore a need to compensate the employees for this rising cost.

07.10. The progression in the H.R.A. granted to State Government employees in the past has been as shown below:

Sl. No.	Year	Cities	HRA percentage	Ceiling Limit
1	1986 PRC	a) Hyderabad and 9 towns with Population > 2 lakh b) Tirupathi & 14 District Hqrs. Towns c) Other Places	20% 12.5% 10%	Rs.1000/-
2	1993 PRC	a) Hyderabad and 11 Major Towns b) 13 Dist. Hqrs. towns c) Other Places	16% 10% 8%	Rs.1000/-
3	1994 Revision	a) Hyderabad and 13 major towns (population > 2 lakhs) b) 12 Dist.Hqrs. towns & 41 other towns (Population > 50,000 c) Other Places	20% 12.5% 10%	Rs.1000/-

4	1999 PRC	1994 classifications and rates continued	—	Rs.2,000/-
5	2005 PRC	a) Hyderabad and 19 other Municipal Cities/towns b) 76 identified towns c) Other places	20% 12.5% 10%	Rs.3000/- (Later enhanced to Rs.4,000/- by OMC)
6	2008	Hyderabad classified as A1 City (population > 50 lakhs)	30%	Rs.6,000/-
7	2010 PRC	a) Hyderabad (population >50 lakhs) b) 16 Major cities (population > 2 lakh c) 55 towns (population > 50,000) d) Other Places	30% 20% 12.5% (later enhanced to 14.5%) 10% (later enhanced to 12%)	Rs.12,000/ Rs.8,000/- Rs.8,000/- Rs.8,000/-
8	2015 PRC	a) Hyderabad (population >50 lakh) b) 21 Major cities (population >2 lakh c) 84 other towns (population > 50,000) d) Other Places	30% 20% 14.5% 12%	Rs.20,000/ Rs.15,000/ Rs.15,000/ Rs.15,000/

07.11. Government have implemented the above mentioned recommendations of the 10th PRC vide their order issued in G.O.Ms.No.48, Finance (HR.V-PC.I) Department dt.30.4.2015. Subsequently, responding to the representation of the A.P. Non-Gazetted Officers Association Government, in G.O.Ms.No.195, Finance (H.R.VI & FTR) Department dt.12.12.2017, have enhanced the HRA of employees working in the District headquarters towns of Srikakulam, Machilipatnam and Chittoor from 14.5% to 20%. These orders were made effective from 1.1.2018.

07.12. Another major decision of the State Government in the matter of granting a special dispensation relating to HRA for certain section of employees needs to be taken note of. The erstwhile State of Andhra Pradesh was reorganized into Telangana and the residuary State of Andhra Pradesh on 2nd June, 2014. Thereafter, in the year 2016, the Government of Andhra Pradesh decided to locate its new capital city in Amaravathi. Accordingly a decision was taken to shift the State Secretariat and offices of Heads of Departments and other State Level Offices to Amaravathi/ nearby places. With a view to avoid hardship to the employees of these offices, who had to migrate from Hyderabad to Amaravathi, it was decided by the Government in June, 2016 to allow them to continue to draw the existing rate of HRA @ 30% of basic pay subject to a ceiling of Rs.20,000/-. Initially these orders were made applicable for a period of one year, but subsequently they have been extended from time to time up to 30th June, 2021.

Representation of Employees:

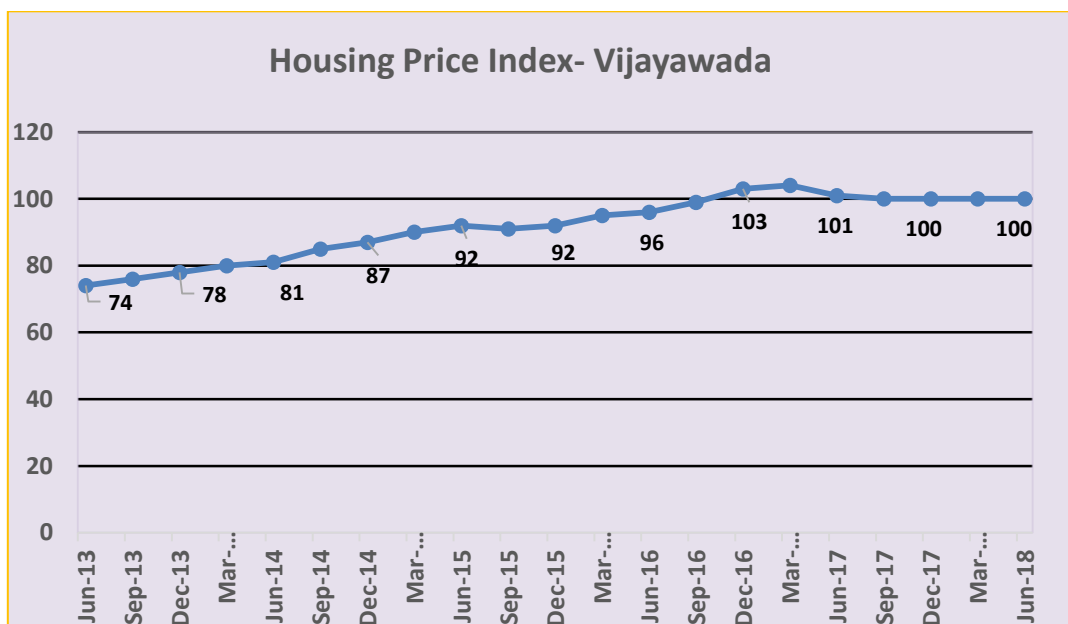
07.13. The Commission has received a large number of suggestions relating to HRA from the Employees' Joint Action Committees as well as almost all the Employees' Associations. The most common demand is for grant of HRA @ 30%/ 35% for the CRDA area and Visakhapatnam, 25% for cities with population more than 2 lakh and District Head Qrs towns and 20% and 15% respectively for the next two existing population slabs. It is also requested to do away with the ceiling limit on HRA admissible. Yet another common request has been to enhance the peripheral limits of towns/ cities for the purpose of application of HRA slabs from the present level of 8 k.m. to 15 k.m. on the ground that with increasing urbanisation habitations around these administrative units have grown beyond the 8 k.m. limit.

Analysis and Recommendations:

07.14. Andhra Pradesh State has been traditionally following a different set of classification of population slabs and cities, as compared to the Central Government, in the matter of grant of House Rent Allowance to its employees. As such it stands on a separate footing. Two major factors unique to the State of Andhra Pradesh have meaningfully impacted the issue of House Rent Allowance. Both have arisen out of the reorganisation of the erstwhile State of Andhra Pradesh and consequent shifting of the State capital to Amaravathi. Firstly, large number of Government employees and others, closely associated with Governmental functioning, have relocated from Hyderabad and set up their residences in nearby cities and towns like Vijayawada, Guntur, Mangalagiri and other nearby places. This has imposed substantial demand on the available housing

stock, thereby pushing up their rental value. Secondly, many Government employees, who worked in the State Secretariat, Heads of Departments and other offices in Hyderabad, have had to maintain two establishments, one for their family in Hyderabad and one near the new State Capital. They have therefore represented for enhanced compensation in the shape of HRA to cope with this disruption. The Government have responded to this request by continuing to pay the same rate of HRA, as was applicable in Hyderabad, to such employees.

07.15. With the above background in mind, the Commission has referred to the Housing Price Index (RESIDEX) for Vijayawada city, compiled by the National Housing Bank, a wholly owned subsidiary of the Reserve Bank of India. The RESIDEX is calculated on the basis of quarterly moving average prices of properties. It is observed that the Residex has gone up from a figure of 74 for the June 2013 quarter (date of implementation of 2015 RPS) to 100 in the June 2018 quarter (reference date for the 11th PRC), a rise of nearly 35% (please see chart below). The Commission assumes that the rental value of residential properties, being a function of the average price of residential property assets, would have gone up by at least that proportion during the same 5-year period.



07.16. We observe that the present HRA slabs are based on population figures (as per the 2011 census) and feel that this is an appropriate and objective criterion since rental value at a place is a function of the level of economic activities and demand-supply equation for housing at that place and both these factors are to a large extent influenced by the population of the place. Hence we intend to retain the same criterion. Moreover,

each of the present HRA slab rates contains a limiting value. This helps avert a blow up of the HRA admissible as one goes up the Basic Pay stages, since HRA entitlement is being calculated as a percentage of the Basic Pay. Hence the request of the Employees Associations for eliminating the limits on the quantum of HRA admissible is not justified. In order to fix these limits realistically the Commission has kept in view the prevailing rentals for residential houses in the types of cities included in different population slabs.

07.17. Keeping the above aspects in view, we recommend the following structure for HRA entitlement:

- (i) The employees of Secretariat, Heads of Departments and other offices, who had to migrate from Hyderabad on shifting of Government Offices to the State Capital(s), may continue to draw HRA @ 30% of Basic Pay subject to a maximum of Rs.26,000/- per month. Government may review the position from time to time keeping the availability of official and/or private accommodation in the the Capital City area in view;**
- (ii) The Commission however does not subscribe to the view of certain sections of employees that the same rate of HRA should be allowed for the staff recruited/ posted newly after shifting of the capital, for such employees have faced no unexpected disruption and have joined at Amaravathi with full knowledge of all the extant service conditions;**
- (iii) Employees in cities having a population above 10 lakh may be allowed HRA @ 22% of Basic Pay subject to a maximum of Rs.22,500/- per month;**
- (iv) Employees in cities, which either have a population of more than 2 lakh and up to 10 lakh or which are District Head Quarters towns, may draw HRA @ 20% of Basic Pay subject to a maximum of Rs.20,000/- per month;**
- (v) Employees in cities having a population above 50,000 and up to 2 lakh may be allowed HRA @ 14.5% of Basic Pay subject to a maximum of Rs.20,000/- per month;**
- (vi) Rest of the employees may be permitted to draw HRA @ 12% of Basic Pay subject to a maximum of Rs.17,000/- per month.**

07.18. The aforesaid prescription is presented below in the following Table:

Names of places	Slabs of HRA
Employees who had to migrate from Hyderabad on shifting of capital	@ 30% of Basic Pay subject to a maximum of Rs.26,000/- per month
1.Greater Visakhapatnam Municipal Corporation, 2.Vijayawada	@ 22% of Basic Pay subject to a maximum of Rs.22,500/- per month (where population is above 10 lakh)
1.Srikakulam, 2.Vizianagaram, 3.Kakinada, 4.Rajahmundry, 5.Eluru, 6.Machilipatnam, 7.Guntur, 8.Ongole, 9.Nellore, 10.Tirupathi, 11.Chittoor,12.Ananthapuramu, 13.Proddatur, 14.Kadapa, 15.Kurnool, 16.Nandyal	@ 20% of Basic Pay subject to a maximum of Rs.20,000/- per month (where population is more than 2 lakh and up to 10 lakh or District H.Qrs. towns)
1. Palasa, Kasibugga (Srikakulam Dist.) 2. Parvathipuram 3. Bobbili (Vizianagaram Dist.) 4. Tuni, 5.Samalkot, 6. Pithapuram 7. Mandapet, 8. Amalapuram (East Godavari Dist.) 9. Tadepalligudem, 10. Tanuku, 11.Bhimavaram, 12.Narasapur, 13.Palakole (West Godavari Dist.) 14. Jaggaiahpet, 15. Nuzvid, 16.Gudivada, (Krishna Dist.) 17. Macherla, 18.Piduguralla, 19. Tadepalle, 20. Mangalagiri, 21.Sattenapalle, 22.Vinukonda, 23.Narasaraopet, 24.Chilakaluripet, 25. Tenali, 26. Ponnur, 27. Bapatla, 28.Repalle (Guntur Dist.) 29. Markapur, 30. Chirala, 31.Kandukur (Prakasam Dist.), 32. Kavali 33. Gudur, 34.Venkatagiri (Nellore Dist.) 35. Badvel, 36.Jammalamadugu, 37. Pulivendla, 38. Rayachoti, 39.Rajampet, (Kadapa Dist.) 40. Yemmiganur 41. Adoni, 42. Dhone (Kurnool Dist.), 43. Rayadurg, 44. Guntakal, 45. Tadipatri 46. Dharmavaram, 47. Kadiri, 48. Hindupur (Anantapur Dist.) 49. Srikalahasti, 50. Madanapalli, 51. Nagari, 52. Puttur, 53. Punganur and 54. Palamaner (Chittoor Dist.)	@ 14.5% of Basic Pay subject to a maximum of Rs.20,000/- per month (where population is above 50,000 and up to 2 lakh)
All other places	@ 12% of Basic Pay subject to a maximum of Rs.17,000/- per month

07.19. The Commission is not in favour of increasing the limit of peripheral areas around cities/towns from the present level of 8 k.m. for two reasons. Firstly, it has been the experience in the past that the Urban Local Bodies generally merge the Gram Panchayats/ habitations, which have urban characteristics and which are appurtenant to its existing boundaries, with them. Secondly, the same 8 k.m. limit norm is also reckoned for the purpose of entitlement of FTA, Travelling Allowance and Daily Allowance.

Additional HRA in lieu of Rent Free Accommodation:

07.20. Certain categories of employees belonging to specific departments of Government are officially required to reside at the site of their respective work places or institutions e.g., project sites, hospitals etc. for the smooth and convenient discharge of their duties and/or meet emergencies. In view of such compulsions Government have declared that employees manning such positions would be entitled to rent-free accommodation. The list of Government servants entitled to rent free accommodation is as per Annexure-XIII of the Manual of Special Pay & Allowances and includes certain categories of staff of the Anti-Corruption Bureau, Education Department, Engineering Departments, General Administration Department, Medical Department, Police Department and Prisons Department. In cases where the Government is not in a position to provide such rent free residential facility, the concerned employees would have to make his/her own arrangement for a residential accommodation in a nearby habitation and commute as and when required to his/her place of work. To tide over this inconvenience employees are being granted Additional HRA in lieu of rent-free accommodation.

07.21. The Additional HRAs recommended in the past have been as follows:

Pre-1999	₹.150/- per month
1999 PRC	₹.250/- per month
2005 PRC	₹.500/- per month
2010 PRC	@ 8% of basic pay subject to a ceiling of ₹.1000/- per month
2015 PRC	@ 8% of basic pay subject to a ceiling of ₹.2000/- per month

Recommendation:

07.22. Keeping in mind the general increase in cost of living, including the cost of housing, the Commission recommends that the Additional HRA in lieu of rent free official accommodation entitled as per rules may continue to be granted @ 8 % of basic pay subject to a ceiling of ₹.2,600/- per month.

3) City Compensatory Allowance

07.23. As the title suggests, City Compensatory Allowance (CCA) is paid as a measure of financial assistance to meet the additional cost of living of such of the employees who are posted in identified large urban centres. The rationale behind this allowance lies in the fact that Dearness Allowance, which is sanctioned to all the employees irrespective of their places of posting, does not adequately take care of the relatively higher expenditure that such employees have to incur on education, transport and other service needs of self and family. It was first sanctioned in the combined State of Andhra Pradesh to the employees in Hyderabad and Secunderabad in the year 1966. In 1979, it was extended to the employees working in Visakhapatnam and in 1993 to those posted in Vijayawada. The 1986 PRC recommended adoption of the 4th Central Pay Commission rates of CCA. The 1993 PRC, while retaining the structural basis of the scheme, recommended some enhancement in the rates keeping in view the increase in the cost of living. Subsequently, the allowance was further extended to the employees working in the towns of Guntur, Rajahmundry and Warangal with effect from 1.9.1994. The PRC 1999 recommended following the same classification of cities and rates of CCA as approved by the Government of India based on the recommendations of the 5th Central Pay Commission. Subsequently the PRC 2005 expanded its ambit to the other Municipal Corporations. The 2010 and 2015 PRCs also recommended continuance of the same parameters for grant of CCA while enhancing the rates. As per these recommendations CCA was allowed in 13 Municipal Corporation towns in the State. Subsequently, Government have extended the allowance to Srikakulam also.

Representation of Employees

07.24. We have received several suggestions for modification of this allowance. Some of them are as follows:

- a) CCA should be doubled and extended to all District Head Qrs;
- b) Many Associations have requested that Transport Allowance should be granted in lieu of CCA. Some have also requested for Transport Allowance in addition to CCA;
- c) CCA should be allowed as a percentage of Basic Pay without any upper ceiling limit.

Analysis and Recommendations

07.25. As has been stated above, CCA is applicable in all the Municipal Corporation towns which are relatively larger urban centres in which the cost of living is also comparatively higher. The 13 such towns, where CCA is applicable now, include all the District Head Qrs, towns except Srikakulam, Machilipatnam and Vizianagaram. Out of these only Srikakulam has been constituted into a Municipal Corporation.. The Commission finds that the earlier Pay Commissions did not recommend the grant of Transport Allowance, either in lieu of or in addition to CCA. It is seen that the State is already implementing a well functioning system of providing subsidised bus passes on APSRTC transport in large Corporation areas and it is available to all non-gazetted

officers. CCA is an additionality to this subsidy. Moreover a part of the expenses on fuel costs for transport is taken care of in the formula adopted for estimating the minimum pay. **Hence the Commission is not in favour of recommending Transport Allowance. Accordingly we recommend continuance of CCA at the enhanced (revised) rates given in the following table. We have also included the Municipal Corporation of Srikakulam in the list of towns where CCA would be admissible.**

Pay Range		Greater Visakhapatnam and Vijayawada Municipal Corporations (₹.)		Other Municipal Corporations (12 Nos)* (₹.)	
Existing	Revised	Existing	Revised	Existing	Revised
Pay Up to ₹.16,400	Pay up to ₹.25220	250	400	200	300
Pay above Rs.16400 and upto ₹.28940	Pay above ₹.25220 and upto ₹.44570	350	600	300	450
Pay above ₹.28940 and upto ₹.37100	Pay above ₹.44570 and upto ₹.57100	450	700	350	525
Pay above ₹.37100	Pay above ₹.57100	700	1000	500	750

***The other municipal corporations eligible for City Compensatory Allowance are 1.Ananthapuramu 2.Chittoor 3.Eluru 4.Guntur 5.Kakinada 6.Kadapa 7.Kurnool 8.Nellore 9.Ongole 10.Rajahmundry 11.Srikakulam and 12.Tirupathi**

The employees of Secretariat, Heads of Departments and other Government offices, who have migrated from Hyderabad on reorganisation of the State and shifting of the capital to Amaravathi, are at present being permitted the CCA rates hitherto applicable for Hyderabad city. They may now be permitted the rates applicable to Visakhapatnam and Vijayawada Municipal Corporations, as recommended above, which stand enhanced to the level of CCA admissible for Hyderabad city at the time of State reorganisation.

Other Allowances

07.27. There are a host of allowances other than the three major ones viz. D.A., H.R.A. and C.C.A. dealt with by us earlier in the chapter. Once sanctioned these allowances tend to be regarded as a kind of entitlement. Also sometimes, due to the changed job profile, certain new categories of employees may deserve payment of existing or new types of allowances. The Commission had a fresh look at the rationale for continuance of each of the allowances now in vogue, the appropriateness of the categories of employees who receive these allowances as well as the reasonableness of their quantum. It also considered the claims of employees who requested either for enhancement of their existing allowances or for fresh grant of allowances. In this context the Commission was guided by the underlying principle behind F.R.44 of the Government which states that *“Subject to the general rule that the amount of compensatory allowance should be so regulated that the allowance is not on the whole a source of profit to the recipient, the State Government may grant such allowances to any Government servant under its control and make rules prescribing their amounts and the conditions under which they may be drawn”*.

07.28. The Commission has recommended increase in the existing rates of allowances wherever it thought appropriate. It has also excluded certain categories and included new categories in the lists of various types of allowances. The Commission did not find any merit in respect of claims made by certain other categories of employees for extension of the allowances /sanctioning of new allowances and if they are not specifically included they should be deemed to have been not acceded to.

07.29. We have classified all the allowances into six broad groups. While doing this, allowances of similar nature, particularly those having overlapping scope, have been clubbed together. In case an employee becomes eligible for two or more of such overlapping allowances he/she would be entitled for only the higher/highest among them and not all of them. The specific categories for which this aspect has to be taken into account has been indicated by us while discussing the individual allowances.

07.30. We now proceed to examine each of the allowances:

A. Allowances for meeting expenses incidental to employment

A.1. Travelling Allowance:

07.31. Travelling Allowance is paid to Government employees to defray the expenditure incurred on journeys to-and-fro to the place of official duty located outside his/her Head Quarters. The allowance should be such as to ensure a reasonably comfortable means of travel commensurate with the status of the concerned official.

Representations received

07.32. Many Employees' Associations have requested for a doubling of the present rates of Daily Allowance. The A.P. Co-operative Employees' Association has suggested that the existing provisions relating to eligibility for mode of travel may be continued and that travel in all types of Express trains may also be permitted. They have also requested for enhancement of mileage allowance to ₹.20 per k.m. for diesel vehicles, ₹.30 per k.m. for petrol vehicles and ₹.10 per k.m. for motor cycles. The Forest Department Employees have requested for lodging charges @ ₹.1000-1500 per day and conveyance charges of ₹.200 per day for attending to Courts.

Analysis and recommendations:

07.33. We proceed to deal with the various elements of determining the entitlements for Travelling Allowance one by one.

Grades of Employees

07.34. The existing and recommended grades of employees for the purpose of Andhra Pradesh Civil Services (Travelling Allowance) Rules shall be as follows:

Grade	Existing pay scale [(₹.) with and Grade]	Recommended revised Pay scale [(₹.) with and Grade]
Grade - I	49870-100770 (Gr.25) and above	76730-162780 (Gr.25) and above
Grade - II	28940-78910 to 46060-98440 (Gr.17 to 24)	44570-127480 to 70850-158880 (Gr.17 to 24)
Grade - III	Rest of the employees	Rest of the employees

07.35. The Commission is of the view that the gradation of employees for the purpose of grant of travelling allowances should be based on his/her relative functional position in the official hierarchy and this is truly reflected by the pay scale assigned to the category of post he/she is holding. As such the Commission recommends that for the purpose of grant of various allowances under the Andhra Pradesh Civil Services (Travelling Allowance) Rules, discussed herein below, the higher pay scale, if any assigned under the Automatic Advancement Scheme, should not be taken into account.

07.36. Entitlement to travel for official work by different modes of conveyance

Mode of travel	Existing Provision	Recommendations
By Air	<p>(a) All employees drawing pay-scale of ₹.66330-108330 (Grade-29) and above are eligible</p> <p>(b) All India Service officers and Heads of Departments are eligible irrespective of scale of pay</p> <p>(c) In exigencies of work Officers up to the rank of Deputy Secretary may be allowed air travel outside the State by the concerned Secretary</p> <p>(d) Head of Department may permit officers not below the rank of Deputy Director to travel by air outside the State in exigencies of work</p> <p>(e) All India Service officers in PB 4 with Grade Pay of ₹.12000/- and those in HAG+ and State Government Officers drawing pay in the scale of ₹.87130-110850 are permitted to travel by Business/Club class while other eligible Officers are allowed to travel by Economy Class in Aero planes</p> <p>(f) Such of the employees who are eligible to travel by air shall also be eligible to travel in A.C. 1st class or a lower class by train</p>	<p>(a) All employees drawing pay in the corresponding pay-scale of ₹.101970-174790 (Grade-29) and above may be permitted</p> <p>(b) This provision may be continued</p> <p>(c) This provision may be continued</p> <p>(d) Same provision may be continued</p> <p>(e) All India Service officers placed in level 14 and above of the Central Government pay matrix and State Government Officers drawing pay in the scale of ₹133900-179000 (Grade-32) may be permitted to travel by Business/Club class. Other Officers eligible for air travel may be allowed to travel by Economy Class.</p> <p>(f) This facility may be continued</p>
By Train	<p>(a) All employees drawing pay-scale of ₹.28940-78910 (Grade-17) and above are eligible for journey by 1st class.</p>	<p>(a) All employees drawing pay-scale of ₹.44570-127480 (Grade-17) and above may be allowed to travel by 1st class, A.C. II/III Tier or A.C. Chair Car.</p>

	<p>Other employees shall be eligible for travel by 2nd class. Employees eligible to travel by 1st class can also travel by A.C. II/III Tier or A.C. Chair Car. Employees eligible to travel by 2nd class may also travel by Sleeper class</p> <p>(b) 'Tatkal' charges shall be reimbursible only when</p> <p>(i) The journey is between the originating and terminating stations (of the train);</p> <p>(ii) sufficient time is not available for the purchase of regular tickets well in advance and a certificate to that effect is furnished by the controlling officer</p> <p>(c) Service charges paid for online booking of railway ticket shall be reimbursed</p> <p>(d) Employees are permitted to travel by all types of Express trains e.g. Super-fast, Sampark Kranti, Satabdi, Rajdhani, Garib Rath, Duranto etc</p> <p>(e) All the above eligibilities shall be equally applicable to journeys performed on official tours, transfers or on grant of Leave Travel Concession (LTC) facility</p>	<p>Other employees shall be eligible for travel by 2nd class/ Sleeper class</p> <p>(b) 'Tatkal' tickets are now being issued by the Indian Railways for the actual distance of travel, instead of end-to-end, subject to the distance restriction applicable to the train. Hence it is recommended that 'Tatkal' charges may be paid to the employees for the actual distance travelled on duty subject to certification by the controlling officer that sufficient time was not available for booking the regular ticket</p> <p>(c) This provision may be continued</p> <p>(d) This provision may be continued</p> <p>(e) Same provision may be continued</p>
Travel by APSRTC Buses	(a) Employees belonging to Grade-I and Grade-II of Annexure-I of Andhra Pradesh Civil Services	(a) The existing provision is not consistent with the Government's extant orders

	<p>(Travelling Allowance) Rules are eligible to travel by Air Conditioned buses of APSRTC irrespective of whether the places are connected by rail or not. Employees belonging to Grade-III are permitted to travel by APSRTC buses of any type except Air Conditioned buses even when the places are connected by train.</p> <p>(b) In such cases the bus fare shall be reimbursed without limiting it to train fare by the eligible class</p> <p>(c) Journeys performed by private buses/ hired taxis shall not be reimbursed</p>	<p>relating to gradation of employees and related facilities for travel by A.C. classes in trains. It is therefore recommended that all employees drawing pay-scale of ₹.44570-127480 (Grade-17) and above may be permitted to travel by Air Conditioned buses of APSRTC and rest of the Employees may be permitted to travel by APSRTC buses of any type except Air Conditioned buses irrespective of whether the places are connected by rail or not.</p> <p>(b) This provision may be continued.</p> <p>(c) This provision may be continued</p>
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07.37. The Commission further recommends that the above mentioned eligibilities for travel by train and APSRTC bus may be made equally applicable to journeys performed on official tours, transfers or on grant of Leave Travel Concession (LTC) facility.

07.38. It is observed that in many cases Airline/ Train tickets are booked through travel agencies who charge abnormally high service charges. To obviate this and derive benefit of scale economy it is recommended that the Government invite competitive tenders/ quotations from reputed travel agencies and after due negotiations fix standardised rates of service charges for booking of tickets. A panel of such agencies may be identified for this purpose and communicated to all the Government departments.

Mileage Allowance

07.39. In terms of Rule 18, 20(1) and 23(3) of the Andhra Pradesh T.A. Rules 1996, when a journey on official duty is performed between places not connected either by train or by a regular public motor service, the employee is eligible for mileage allowance calculated on the distance by the shortest route to meet the cost of journey. Further the place visited must be situated outside a radius of 8 k.m. from the headquarters or from one camp place to another. The rates of such mileage allowance are specified in Annexure-I of A.P. Civil Services (T.A.) Rules

07.40. In view of the increase in the cost of transport, the Commission recommends the following revised rates of mileage allowance:

Grade	Existing rate	Recommended revised rate
Grade-I	₹.7/- per K.M.	₹.9.00 per K.M.
Grade-II	₹.6/-per K.M.	₹.7.80 per K.M.
Grade-III	₹.5/- per K.M.	₹.6.50 per K.M.

Mileage Allowance for using own conveyances

07.41. As per rule 24 of Andhra Pradesh T.A. Rules 1996, employees who are entitled to maintain and use motor car, motor cycle/ scooter as indicated in Annexure-IV of the rules, may perform the journeys, while on tour, in their own motor car, motor cycle/ scooter, as the case may be, between the places connected by train/ road provided that the distance travelled exceeds 8 K.M. **For the purpose of Annexure IV the Commission recommends that the following category of officers may be authorized to maintain their own conveyances as shown below:**

Category	Officers	Nature of Conveyance
1	Officers who are drawing pay in the revised scale of Pay of ₹.57100-147760 (Grade-21) (Corresponding to ₹.37,100-91,450) and above	One Motor Car
2	Officers who are drawing pay in the revised scale of Pay of Rs38720-118390 (Grade-15) and above but below the Revised scale of Pay of ₹.57100-147760 (Grade-21)	One Motor Cycle/ Scooter

07.42. In G.O.Ms. No.150 Finance(HR-VI-TFR-A&L-TA) Department dated 11-12-2015 Government, while accepting the recommendations of the 10th PRC, have approved the rates of Mileage Allowance payable to employees, who are entitled to maintain their own vehicles, @ ₹.13/- per k.m. for petrol driven Motor Cars and ₹.9/- per km for diesel driven Motor Cars. As regards Motor Cycles / Scooters the rate approved is ₹.5/- per km.

07.43. This Commission, keeping in view the increase in prices of petrol and diesel, and maintenance cost between June, 2013 and June 2018, suggests increase from ₹.13/- per k.m. to ₹.15.50 per km for Petrol driven vehicles and from ₹.9/- per km to ₹.11.50/- per km in the case of diesel driven vehicles. As regards, motor cycle/ scooter the increase would be from ₹.5/- per km to ₹.6.40 per k.m.

07.44. The officer using his own motor car should furnish a certificate stating whether he used Petrol driven car or Diesel driven car along with the claim for mileage allowance.

Daily Allowance

07.45. Daily Allowance is intended to cover the cost of boarding over and above what the employee would have incurred had he remained at Headquarters, cost of accommodation and the cost of hiring a conveyance for the local journeys undertaken for which no mileage allowance is admissible. The existing rates of Daily Allowance are as follows:

Grade	D.A. for tours within the State	D.A. for tours to any place outside the State
Grade-I	₹.450/-	₹.600/-
Grade-II	₹.300/-	₹.450/-
Grade-III	₹.225/-	₹.300/-

07.46. Requests have been made to increase the Daily Allowance substantially to meet the increase in cost of stay while on tour. The Commission accepts the need for upward revision of this allowance.

07.47. Keeping in view the continuing rise in prices, the Commission recommends the following revised rates of Daily Allowance:

Grade	D.A. for tours Within the State	D.A. for tours to any place Outside the State
Grade-I	₹.600/-	₹.800/-
Grade-II	₹.400/-	₹.600/-
Grade-III	₹.300/-	₹.400/-

Reimbursement of Lodging Charges for places within or outside the State:

07.48. Government servants are normally expected to stay in Government accommodation while on tour wherever it is available. In case, the employees could not secure accommodation in Government Travellers bungalows/ Guest houses, they are eligible for the reimbursement of lodging charges in Corporations and Metro cities where the cost of private lodging charges are relatively high. The present ceiling limits for such reimbursement are given in the following table:

**Existing maximum ceiling limits for reimbursement of lodging charges
(Amounts in ₹.)**

Grades	At Municipal Corporations within or outside the State except those cities shown separately at columns (3) and (4)	At Hyderabad	At Delhi, Mumbai, Chennai, Kolkata, Bengaluru
(1)	(2)	(3)	(4)
I	750	1000	1300
II	450	700	785
III	300	450	525

Analysis and recommendations:

07.49. It is observed that no recommendation was made by the 9th and 10th PRCs regarding the limits of lodging charges reimbursable for places other than the Municipal Corporations/ Metro cities. Since there is every possibility of an employee visiting such centres on official tour, the Commission has now included this category in the table of rates. The Commission further recommends that for the purpose of classification of Metropolitan/Municipal Corporations for fixation

of maximum limits of lodging charges, the eight large Corporations having population of more than 50 lakhs as per the 2011 census, namely Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad, Pune and Ahmedabad may be viewed on the same footing at a higher slab rate while the limit for the other places may be fixed at relatively lower levels as given below:

Lodging Charges (per day)

Grades	At places within or outside the State except for cities shown under column (3) and (4)	At Municipal Corporations within or outside the State except those cities shown separately at column (4)	At Delhi, Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad, Pune & Ahmedabad
(1)	(2)	(3)	(4)
I	750	975	1700
II	450	585	1020
III	300	400	685

Conveyance Charges outside the State

07.50. Taxi/ Auto charges incurred by the Govt. employees while on tour to any place outside the State, from the arrival point to the place of stay and vice-versa are reimbursable to them subject to production of actual vouchers or a certificate of payment (vide rule 40 (6) of T.A. rules).

07.51. Vide G.O. Ms No.150 Finance(H.R.-VI-TFR-A&L-TA} Dept. dated 11-12-2015 Government employees are also eligible to claim actual Taxi or Auto fare, subject to a maximum of ₹.600/- per day, for visiting the offices of Govt. of India and Ministries or any other office, situated at the places outside the State, while on tour. In such cases they have to furnish a certificate to the effect that Govt. vehicle was not provided to them.

07.52. The Commission feels that the maximum ceiling of ₹.600/- referred to above should be increased to ₹.750/- per day. The Commission also recommends continuance of the facility provided under rule 40 (6) of A.P. Civil Services (T.A) rules as cited above.

Transfer Travelling Allowance

Charges for the transport of personal effects.

07.53. As per rule 58 of the T.A. rules Govt. employees may transport their personal effects up to the following maximum limits consequent on transfer involving change of station.

Grade of the Govt. employee	Maximum weight that can be transported
Grade-I	5000 Kilograms
Grade-II	4000 Kilograms
Grade-III	3000 Kilograms

The Commission recommends that these limits of maximum weight may be continued.

07.54. Normally employees are expected to transport their personal effects by goods train. However, the employees are permitted to transport the personal effects by a public transport company or even by a private lorry in which case the actual cost of transport of personal effects has to be limited to the amount admissible had the personal effects been transported by goods train.

07.55. Since it is difficult to officially obtain from the Indian Railways the freight charges for transport of equivalent weight of personal effects by goods train, the 9th and 10th PRCs have recommended unit rates for allowing the claims. Citing the revised haulage rates fixed by the Government of India in 2009, the 10th PRC had recommended a maximum permissible rate of ₹.0.005 per kg per km towards haulage charges of personal effects. The Government, while accepting this maximum rate per kg per km, permitted a maximum entitlement of ₹.20/- per km, ₹.18/- per km and ₹.12/- per km for transport of the maximum weight of 5000 kg, 4000 kg and 3000 kg respectively by the Grade-I, II and II employees. **This Commission recommends an increase in the limit for the rate of haulage of household goods as shown in the following table while retaining the maximum weight permissible at the same level.**

Grade	Maximum Weight permissible	Maximum Rate permissible
I.	5000 Kgs.	₹.0.006 per kg/per km subject to a maximum of ₹.30/- per k.m.
II.	4000 Kgs.	₹.0.006 per kg/per km subject to a maximum of ₹.24/- per k.m.
III.	3000 Kgs.	₹.0.006 per kg/per km subject to a maximum of ₹.18/- per k.m.

07.56. Further these charges may be allowed irrespective of the mode of transport of personal effects between the two places i.e. either fully or partly by rail or by road provided they are transported by the shortest route.

Packing/ loading and unloading/ unpacking charges

07.57. In addition to the payment of charges towards the cost of transport of personal effects, Government employees are allowed actual expenses towards packing/ loading and unloading/ unpacking of personal effects subject to a maximum limit.

07.58. Keeping in view the impact of inflation this Commission recommends the following revised rates of the packing/loading and unpacking/unloading charges against each grade.

Grade	Transfer within the State				Transfer outside the State	
	Transfer within the zone		Transfer outside the zone			
	Existing	Revised	Existing	Revised	Existing	Revised
Grade-I	₹.750 (at each end)	₹.1000 (at each end)	₹.1500 (at each end)	₹.2000 (at each end)	₹.7000 (₹.9000 for those in the revised pay-scale of ₹.56870-105810 (Grade-27) & above)	₹.9300 (₹.12000 for those in the revised pay-scale of ₹.87480-170580 (Grade-27) & above)
Grade-II	₹.450 (at each end)	₹.600 (at each end)	₹.900 (at each end)	₹.1200 (at each end)	₹.5500	₹.7300
Grade-III	₹.300 (at each end)	₹.400 (at each end)	₹.600 (at each end)	₹.800 (at each end)	₹.4500	₹.6000

Disturbance Allowance or lump sum grant on transfer

07.59. At present in the case of transfer of an employee from any place within the State to Delhi/ any other place outside the State or from Delhi/ any place outside the State to any place within the State, the employees are eligible for the payment of this allowance at the following rates :

Grade - I	:	₹.15,000/-
Grade - II	:	₹.11,250/-
Grade - III	:	₹. 7,500/-

07.60. Taking into consideration the increase in prices, the Commission recommends the following revised amounts:

Grade - I	:	₹.18,750/-
Grade - II	:	₹.14,000/-
Grade - III	:	₹.9,375/-

07.61 Applicability of Travelling Allowance Rules to the All India Service Officers serving in the affairs of the State

The Commission recommends continuance of the following existing Government Orders in this regard:

- (i) All India Service officers drawing pay in the Junior time scale of pay shall be treated as Grade-II officers while the other All India Service officers shall be treated as Grade-I officers for the purposes of regulation of travelling allowance.**
- (ii) All India Service officers serving in the affairs of the State may be allowed an option to choose either the rules of Government of India or the State Government for regulating their travelling allowance while on tour or on transfer or while availing Leave Travel Concession facility.**

Fixed Traveling Allowance (FTA)

07.62. According to Rule-12(1) of the Andhra Pradesh Civil Services (Travelling Allowance) Rules a fixed travelling allowance may be granted to Government employees who are required to tour for some minimum period within a specified area. Accordingly Annexure II of the said rules lists the categories of posts for which FTA is admissible and

Annexure III specifies the rates of FTA, the minimum number of days on tour and the jurisdictional area for such tours. Depending on the changes in the touring requirements of various posts under the Government the list of officers deserving FTA may undergo alteration. Similarly the rates of FTA need revision in order to take care of the increased cost of travel

07.63 The existing rates of Fixed Traveling Allowance are as follows:

Classification	Details	Minimum number of days required to be toured in a month	Rates of Fixed Traveling Allowance to be allowed if the jurisdiction is		
			Within the Mandal (₹.)	Within three Mandals but in one Revenue Division (₹.)	Revenue Division (₹.)
I.	Officers on a pay scale up to and inclusive of ₹.17890-53950 (Grade-8)	15 days	600	700	800
		20 days	775	900	1000
II.	Officers on a pay scale of ₹.18400-55410 (Grade-9) and above	15 days	750	900	1000
		20 days	900	1000	1200

Requests of employees

07.64. A general request has been received from many categories of employees for enhancement of presently allowed rates of Fixed Travel Allowance. Requests have also been received from several Employees Associations for inclusion of certain categories in the ambit of FTA.

Analysis and recommendations

07.65. Fixed Traveling allowance is admissible only to such of the categories of posts which require regular touring for a minimum period in a month within the jurisdiction. It is not correct to extend the same to others just to overcome budgetary restrictions imposed on expenditure on Travelling Allowance. The earlier PRCs also observed that it is not desirable to extend F.T.A. to any more categories since it would ultimately result in loss of budgetary control on this item of expenditure. PRC 1999 further observed that it is not in the interests of employees themselves as some of them, depending on the exigencies of work, may have to tour more extensively in some months. On such occasions Fixed Traveling Allowance will be less than the amount of T.A. & D.A. for which they are entitled to as per rules. PRC 2005, while endorsing the same view, suggested to Govt. Departments to identify the categories who, in their view, should be allowed Fixed Traveling Allowance in place of regular T.A. & D.A. and that such cases could be examined by the Govt. on merits.

07.66. The Commission observes that rates of F.T.A. now in existence are not pro rata on the minimum number of days required to be toured in a month. For instance, for the officials grouped under Classification-I, the rate per day works out to ₹.40/-, ₹.46.66 and ₹.53.33 for minimum tour days of 15 within a Mandal, in three Mandals and in a Revenue Division respectively whereas the same figures for minimum tour days of 20 work out to ₹.38.75, ₹.45 and ₹.50 respectively. Similarly for Classification-II the corresponding figures are ₹.50/45, ₹.60/50 and ₹.66.66/60 respectively for 15 days/20 days minimum tours. These rates are unfair to those officials who have to tour for more number of days. This Commission therefore, while recommending a suitable increase in the F.T.A. keeping in view the general increase in the cost of touring, also recommends rationalised slab rates to be made admissible keeping the average daily rates same for both 15 and 20 days of minimum touring as follows:

Revised rates of fixed travel allowance

Classification	Details	Minimum number of days required to be toured in a month	Rates of Fixed Traveling Allowance to be allowed if the jurisdiction is		
			Within the Mandal (₹.)	Within three Mandals but in one Revenue Division (₹.)	Revenue Division (₹.)
I	Officials on a pay scale up to and inclusive of ₹.27500-87480 (Gr.-8)	15 days	780	900	1050
		20 days	1040	1200	1400

II	Officials on a pay scale of ₹.28280-89720 (Gr.-9) and above	15 days	975	1170	1275
		20 days	1300	1560	1700

07.67. If the jurisdiction is more than a Revenue division regular T.A., D.A. and mileage allowance as per rules has to be allowed.

New Categories of posts for Fixed Travelling Allowance

07.68. The Commission has examined the representations received by it for the sanction of Fixed Travelling Allowance to various categories of employees working in the field. We have also examined the requests received from some Heads of Departments for similar inclusion. After due consideration **the Commission recommends inclusion of the following categories in the list of employees eligible for grant of Fixed Travelling Allowance under Rule 12(1) of A.P. Travelling Allowances Rules, 1996.**

Sl. No.	Name of the Department	Designation of posts	Remarks
1.	Animal Husbandry Dept.	Livestock Assistant, Junior Veterinary Officer, Veterinary Livestock Officer	Those working in Muffasil Offices
2.	Cooperation Department	Senior Inspector of Cooperative Societies.	
3.	Sericulture Dept.,	i) Technical Assistant.	
		ii) Technical Officer	
		iii) Asst. Sericulture Officer	
4.	School Education Dept.	Mandal Education Officer	
5.	Panchayat Raj, Irrigation and Tribal Welfare Engineering Dept.	Assistant Executive Engineer, Assistant Engineer	

07.69. Several changes in designation of posts which are eligible for Fixed Travelling Allowance have taken place necessitating revision in the Annexure-II (Rule 12(1) of the A.P. Travelling Allowance Rules 1996). The revision of the Annexure is required not only to include new category of employees now recommended for inclusion, but also to incorporate the changes in the new designations and the departments which have since taken place. The Finance Department may initiate an exercise in this regard.

Leave Travel Concession

07.70. At present the eligible categories of government employees [as specified in Annexure VII of the Andhra Pradesh Civil Services (Travelling Allowance) Rules] are permitted to avail leave travel concession once in a block of four consecutive calendar years, along with their family members. Out of the four years, this concession has to be availed to go to “Home Town” during the first block of two years. During the second block of two years the employees can avail this concession to visit any place within the State (including Home Town). The eligibilities for travel by train and APSRTC buses for the purpose of official tours on duty are equally applicable to journeys performed on Leave Travel Concession (LTC) also.

Representation of employees

07.71. Several employees associations have requested for a more frequent LTC facility. Some have requested to pay lump sum amounts towards leave travel concession without insisting on production of vouchers/ tickets. There are also suggestions to allow more number of visits to places outside the State. Yet another request is to permit employees to avail the concession to go outside the country once in their service career. There is also a request to include parents in the definition of ‘family’.

07.72. This Commission feels that since most of the employees are required to work on Government duty outside their home places, LTC (Home Town) facility is allowed as an incentive to enable them to travel to their home places, along with their families, at Government cost. Similarly visit to any place in the State at Government expenses is a facility made available to enable them to visit some relatives/friends or on leisure. At present an employee can avail LTC to go to his Home Town during the first block of 2 years and during the subsequent 2 year period (s)he can travel to anywhere in the State. In both the cases the quantum of reimbursement is linked to the actual amount spent on fare. Hence, if instead a lump sum amount is permitted, it would be like grant of one more allowance without any justification. This Commission is therefore not inclined to recommend the payment of any lump sum amount towards LTC. The Commission also feels that the present frequency of LTC facility is adequate and needs no change.

07.73. In G.O.Ms.No.98, Finance (TA) Dept., dt.21.5.2011, responding to the representation of the Joint Action Committee, Government have permitted the employees to avail Leave Travel Concession to visit any place outside the State, but within the country, once during the entire service career. This facility can be availed during the second Block period of two years subject to the condition that the journey shall be limited to a maximum distance of 3500 K.Ms (to and fro) and to a maximum claim of ₹.18,750/-. **Keeping in view the prevailing railway fares, the Commission recommends enhancement of the maximum limit for the amount that can be**

claimed for reimbursement from Rs18750/- to ₹.25,000/-. The Commission also feels that the present limitation on the distance of travel for such claims is redundant and may therefore be dropped.

07.74. As far as the request for foreign travel is concerned, we find that such a facility is not available even for the Central Government employees. The 7th CPC, before which this request was placed, did not agree with the same. Nor have we come across any similar facility being available in any other State. Hence we do not recommend the same.

07.75. As per the earlier prevailing rules if the journeys are performed by the employees by air, the claim was to be restricted to the amount admissible had the journey been made by train/ A.P.S.R.T.C. buses. In G.O. Ms. No.151 Finance (TA) Dept. dated 4-5-2010 Government have ordered that the employees, who are entitled to travel by air while on official tours, are permitted to travel along with their families by air and claim the actual amount paid for the journeys performed within the State under L.T.C. facility also. Subsequently in the year 2011 Government have permitted employees to travel anywhere in India once during their service. **The Commission recommends that the provision relating to permissibility of air travel, as stated above, should also be extended to such journeys 'anywhere within the country', subject to the same limitation of claim amount (₹.25,000/-) as mentioned above.**

A.2. Concessional Bus Pass facility to the NGOs:

07.76. In G.O.Ms. No. 650, G.A. (Ser. Wel. I) Dept., dated 09-11-2010 orders were issued for implementing the recommendations of the 9th Pay Revision Commission regarding continuation of the concessional bus pass facility to Government employees. In terms of this order both Gazetted and Non-Gazetted employees drawing salary in a scale of pay up to ₹.14860-39540 (RPS 2010) and working in Visakhapatnam and Vijayawada were made eligible for availing facility of concessional bus pass to travel in APSRTC city/ suburban services. Under this scheme while the State bears 2/3rd of the cost of monthly general bus pass the employee has to bear 1/3rd of the cost. The 10th Pay Revision Commission, while recommending further continuation of the facility on the same terms, also suggested that the facility should be extended to other Municipal Corporations in the State where the A.P.S.R.T.C. is operating city services. Subsequently after reorganisation of the erstwhile Andhra Pradesh State and shifting of the State administration to the new capital at Amaravati (Velagapudi), responding to the representation of the A.P. Secretariat Association, Government have issued orders in G.O.Ms. No. 33, G.A.(Services Welfare) Dept. dated 15-03-2017 extending the concessional bus pass facility to the Class-IV, Contract, Outsourcing, Non-gazetted and Gazetted employees (not provided with Government vehicles) of Andhra Pradesh Secretariat at Velagapudi. This facility has been made operational from the Vijayawada

and Guntur Municipal Corporations to the CRDA area. Later, through G.O. Ms. No. 117, G.A.(Services Welfare) Dept. dated 24-08-2017 similar dispensation was extended to the employees of all Heads of Departments operating from Guntur and Vijayawada.

07.77. This Commission recommends to extend the existing facility, as mentioned above, to all categories of employees, namely Class-IV, Contract, Outsourcing, Non-gazetted and Gazetted employees (not provided with Government vehicles) working in the limits of Visakhapatnam, Guntur, Vijayawada, State Secretariat at Velagapudi and all other Municipal Corporations in the State where A.P.S.R.T.C. is running city bus services. The benefit of the scheme may be restricted to employees drawing pay in the now revised pay scale up to and inclusive of ₹.45830-130580 (Grade-18).

A.3. Remuneration to the Drivers, Roneo Duplicating Operators and Lift Operators for attending to the Official duties on holidays:

07.78. In terms of para 7 (d) and (g) of the Andhra Pradesh Manual of Special Pay and Allowances the Drivers of Government Vehicles and Lift Operators working in the Secretariat Departments, who perform official duties on a holiday and if a compensatory holiday could not be granted in lieu thereof, are allowed certain per diem remuneration. This remuneration has been enhanced from time to time basing on the recommendations of the PRCs. Subsequently the Roneo Duplicating Operators have also been granted similar consideration. At present as per G.O.Ms. No. 169 of Finance (TA) Department dated 11-12-2015 this remuneration has been fixed @ ₹.110/- per day and is applicable to Drivers of Government vehicles, Roneo Duplicating Operators and Lift Operators of all Government Departments.

07.79. The Commission recommends that, subject to the conditions governing this allowance being satisfied and formalities such as furnishing of certificate to be issued by the controlling officer being fulfilled, the remuneration to the Drivers and Lift Operators for attending to official duties on holidays be increased to ₹.150/- per day. Since Roneo machines are no longer in use, the earlier allowance under this heading admissible to Roneo Operators is being recommended for discontinuation.

A.4. (a) Uniform Allowance and Uniform Maintenance Allowance:

07.80. This allowance is admissible to employees who are officially required to wear prescribed uniform while discharging their duties.

07.81. Representations have been received requesting for enhancement of Uniform Allowance as well as Uniform Maintenance Charges by 1.5 time. Requests have also been

received from Laboratory Technicians, Pharmacists, Multi-Purpose Health Staff, Radiographers, ECG Technicians, Ophthalmic Para Medical Officers, X-Ray Attendants, Teaching Staff in Medical Institutions, Hospital Attendants in Animal Husbandry Department and Public Prosecutors for fresh inclusion in the list of categories eligible for uniform allowance.

07.82. Taking into account the approximate cost of the uniform including prescribed dress accessories the following enhanced rates of Uniform Allowance are recommended:

Sl. No.	Category of Employee	Existing Rate ₹. p.a.	Revised Rate ₹. p.a.
1.	(a) For employees belonging to uniformed services, (viz) Police, (except Grey hounds, S.I.B. Personnel, C.I.D., & Dist. Spl. Branches), Prohibition & Excise, Forest, Fire & Emergency Services, Prisons & Correctional Services, Transport, Legal Metrology and Ports Departments and the employees belonging to Municipalities.	3000	4500
	(b) For the Operational Staff in “Grey Hounds” and S.I.B. Units of Police Department	7500	11000
	(c) For the Staff in C.I.D. and Dist. Special Branches covered by G.O.(P) No.511, Fin (TA) Dept., Dt. 11-06-04.	450	675
2.	For the Nursing personnel working in all the Medical Departments, i.e. Medical Education, Health, Family Welfare, Institute of Preventive Medicine, Insurance Medical Services & Ayush Departments	2250	3500
3.	For the employees of High Court, Andhra Pradesh Administrative Tribunal and other courts for whom wearing black coat is compulsory as per orders of the H.C./ APAT/ other courts	1500	2250
4.	For the staff who have to wear Apron Compulsorily in Laboratories / Dispensaries / Hospitals etc.	750	1125

07.83. In respect of Sl. Nos. 1, 2 and 3 above the categories of posts, for which Uniform Allowance is to be paid, is given in the Annexure. In respect of the staff working in the Laboratories / Dispensaries / Hospitals etc. covered by Sl.No.4 Government, vide G.O. Ms. NO.175 Finance (HR-VI) Dept dated 15-12-2015, have ordered that the categories of posts for which this allowance is payable may be notified by the respective administrative departments of Government in consultation with Finance Department. As such the categories mentioned above in Medical and Health Department and Animal Husbandry Department, requesting for fresh inclusion, can approach their respective Heads of Department for consideration of their coverage, in case they are departmentally required to wear Aprons, under Sl. No. 4 of the Table above. **In respect of Public Prosecutors the Commission recommends fresh inclusion in the list with an allowance of ₹.2500/- per annum.**

07.84. In respect of the staff belonging to Protocol Department and Raj Bhavan, for whom separate dresses are prescribed, the existing procedure of supplying the uniform is recommended to be continued for Officers and other employees. Similarly, in the case of staff belonging to A.P. Bhavan, New Delhi, for whom separate dresses are prescribed for summer season and winter season, the existing procedure of supply of dress to the class IV employees is recommended to be continued. In respect of the other staff Summer/Winter Uniform Allowance is being paid in terms of G.O.Ms.No.410, G.A.(GH.I) Dept.,dt.12-10-2001. The relevant rates in vogue are as shown below (G.O. Ms. No. 175, Finance dated 15-12-2015):

- a) Summer Uniform Allowance at ₹.1,125/- per head per annum.
- b) Winter Uniform Allowance at ₹.1,500/- per head per annum.

07.85. The Commission recommends an increase in the above allowances at the following rates:

- a) **Summer Uniform Allowance at ₹.1,500/- per head per annum.**
- b) **Winter Uniform Allowance at ₹.2,000/- per head per annum.**

Uniform Maintenance Allowance

07.86. It follows automatically that the employees receiving Uniform Allowance should be given an allowance for the proper upkeep of those uniforms. The 9th PRC recommended rationalisation of the then existing Kit Maintenance/ Dhobi Allowance in various Departments. It recommended simple slabs of Uniform Maintenance Allowance to replace both the above allowances which had different frequency and different quantum of admissibility for different categories of employees even within the same Department. The rates of Uniform Maintenance Allowance approved by the Government,

after taking into account the recommendations of the 10th PRC, are as shown in the Table below. **Taking into account the general increase in costs we recommend enhancement in the payment of Uniform Maintenance Allowance from ₹.150/- p.m. to ₹.200/- p.m. to all categories of employees who have to wear Uniforms as specified in items (A), (B) and (C) of Annexure-I (please see below) and the staff of Raj Bhavan, A.P. Bhavan (Delhi), Protocol Department etc. to whom Uniform is supplied. Similarly this allowance is enhanced from ₹.75/- p.m. to ₹.100/- p.m. for all other categories who have to wear only Aprons / Coats etc. [vide item (D) of Annexure-I and Staff of Laboratories/ Dispensaries / Hospitals etc.]**

Category of Employees	10th PRC	Recommended
Category (A), (B) and (C) of Ann-I, Raj Bhavan, A.P. Bhavan, Protocol Dept.	₹.150/- p.m.	₹.200/- p.m.
Category (D) of Ann-I	₹.75/- p.m.	₹.100/- p.m.

ANNEXURE-I

List of Posts for which Uniform Allowance is Admissible

(A) Uniformed Services

(i) Police Department (other than "Grey Hounds" & "S.I.B").

- a. Superintendent of Police (Non Cadre) and equivalent ranks.
- b. Additional Superintendent of Police (Non Cadre) and equivalent ranks.
- c. Deputy Superintendent of Police and equivalent ranks
- d. Inspector of Police and equivalent ranks
- e. Sub-Inspector of Police and equivalent ranks
- f. Assistant Sub Inspector of Police and equivalent ranks
- g. Head Constable and equivalent ranks
- h. Police Constable and equivalent ranks

(ii) "Grey Hounds" Unit of Police Department

- a. Group Commander
- b. Squadron Commander
- c. Assault Commander D.S.P. (Communications)
- d. Dy. Assault Commander/ Inspectors (Communications)
- e. Asst. Assault Commander/ S.I &ASI (Communications)
- f. Sr. Commandos, H.C (communications), H.C. (Dog Squad)
- g. Jr. Commandos, P.C/F.E. (communications) Dog Boys, P.C.(Dog Squad)
- h. S.I.B. Personnel
- i. Staff in C.I.D. and District Special Branches

(iii) Prisons & Correctional Services Department:

- a. Additional Inspector General.
- b. Deputy Inspector General.
- c. Superintendent of Jail and equivalent ranks.
- d. Deputy Superintendent of Jail and equivalent ranks.
- e. Jailors and equivalent ranks.
- f. Deputy Jailors and equivalent ranks.
- g. Assistant Superintendent, Borstal School

- h. Assistant Matron
- i. Chief Head Warder
- j. Head Warder
- k. Warder

(iv) Prohibition & Excise Department

- a. Deputy Commissioner
- b. Assistant Commissioner
- c. Prohibition and Excise Superintendent
- d. Assistant Excise Superintendent
- e. Prohibition and Excise Inspector
- f. Prohibition and Excise Sub. Inspector
- g. Excise Head Constable
- h. Excise Constable
- i. Tree Markers
- j. Drivers

(v) Forest Department

- a. Forest Range Officer
- b. Deputy Range Officer
- c. Forest Section Officer
- d. Forest Beat Officer
- e. Assistant Beat Officer
- f. Keeper (lion) / Head Animal Keeper
- g. Animal Keeper / Mahavit
- h. Zoo Sergeant
- i. Watchman
- j. Gate Keeper

(vi) Transport Department:

- a. Deputy Transport Commissioner
- b. Regional Transport Officer / Secretary to R.T.A.
- c. Motor Vehicles Inspector
- d. Assistant Motor Vehicles Inspector
- e. Transport Head Constable
- f. Transport Constable

(vii) Legal Metrology Department

- a. Senior Inspector
- b. Inspector
- c. Maistry
- d. Manual Assistants

(viii) Fire & Emergency Services Department

- a. Director
- b. Additional Director
- c. Regional Fire Officer
- d. Divisional Fire Officer
- e. Assistant Divisional Fire Officer
- f. Station Fire Officer
- g. Leading Fireman
- h. Firemen and equivalent ranks
- i. Driver Operator

(ix) Ports Department

- a. Port Conservator
- b. Assistant Port Conservator-cum-Wharf Supervisor

(B) Staff of Municipalities

- a. Sanitary Inspector
- b. Maternity Assistants
- c. Health Visitor / Health Assistant
- d. Sanitary Maistries

(C) Nursing Personnel

- a. Nursing Superintendents
- b. Head Nurses
- c. Staff Nurses
- d. Auxiliary Nurse Midwives/ Maternity Assistants
- e. Ayas
- f. Sister Nurse
- g. Health Visitor
- h. MNO/FNO

(D) Judicial Staff

(i) Staff of A.P. High Court

- a. Court Master,
- b. Court Officer,
- c. Section Officer
- d. Scrutiny Officer
- e. Accounts Officer
- f. P.S to Hon'ble Judges,
- g. P.S. to Registrar
- h. Driver of the Vehicles of Hon'ble Judges & Registrars
- i. Office Subordinate (Attender) attached to the Hon'ble Judges & Registrars.

(ii) Staff of A.P.A. T.

- a. Section Officer
- b. Scrutiny Officer
- c. Court Officer
- d. Court Master
- e. P.A to Hon'ble Chairman, Vice Chairman, Members and Registrar.
- f. Driver of the Vehicles of Hon'ble Chairman, Vice Chairman, Members and Registrar.
Office Subordinate (Attender) attached to the Hon'ble Chairman, Vice Chairman, Members and Registrar.

(iii) Staff of Special Court Under AP Land Grabbing (Prohibition) Act

- a. P.Ss to Hon'ble Chairman and Members
- b. P.As to Hon'ble Chairman and Members
- c. Court Master
- d. Court Officer

(b) Stitching charges for the Uniform:

07.87. Government grants stitching charges to employees belonging to Class-IV Services, General Sub-ordinate Services and Work Charged employees who have to compulsorily wear uniforms as per rules and who are supplied clothes for the uniform by the Government. In G.O. Ms. No.161, Finance (HR.VI- TFR-A&L-TA) Dept. dated 11-12-2015, Government have issued orders fixing the stitching charges @ ₹.240/- per pair per annum in respect of male employees and ₹.65/- per blouse in respect of women

employees. Keeping in view of general increase in the costs, **the Commission recommends the enhancement in the stitching charges to 350/- per pair/per annum in respect of male employees and ₹.100/- per blouse in respect of women employees.**

A.5 (a) Conveyance Allowance to Certain categories of employees

07.88. Vide Annexure III of Manual of Special Pay and Allowances, as amended from time to time, the holders of certain categories of posts are required to maintain a conveyance of their own i.e. Motor car, / Motor Cycle / Bicycle as these officials are required to travel in their jurisdiction for due discharge of their official duties. Such employees are allowed conveyance allowance at different rates. They are not eligible for T.A. & D.A. as per A.P. Travelling Allowance Rules.

07.89. The PRCs of 1999, 2005, 2010 and 2015 had recommended certain increase in this allowance. The 9th PRC reviewed the list of categories eligible for Conveyance Allowance and in consultation with the concerned Departments recommended for deletion of certain categories from the list. Government have also issued orders effecting such deletions. We have gone through the list and find that it contains several posts which are location specific i.e. positioned in the city of Hyderabad. Obviously these categories were included considering the geographical size of jurisdictional areas in Hyderabad City. These categories automatically delete themselves post bifurcation of the erstwhile Andhra Pradesh State and shifting of the capital of the residual Andhra Pradesh State to Amaravati. The Commission also observes that the Police Department functionaries deputed to the Prohibition and Excise Department are deployed only at the office of the Commissioner of Excise and not in Mufassil offices. Similarly there is no Excise Academy set up yet in the new Andhra Pradesh State.

07.90. Taking the above mentioned aspects into account and after reviewing the list, the Commission recommends the following pruned list to be retained for the purpose of grant of Conveyance Allowance. The rest of the categories from out of the existing list, which have not been mentioned below, are recommended to be deleted:

Fire Services Department

- a) Working in Fire Stations**
- (i) Assistant District Fire Officer
(Former Asst. Divisional Fire Officer)**
 - (ii) Station Fire Officer**

Police Department

- | | |
|---|---|
| a) Town Police Stations | (i) Inspector of Police |
| | (ii) Reserve Inspector of Police |
| | (iii) Sub-Inspector of Police |
| | (iv) Reserve Sub-Inspector of Police |
| | (v) Head Constable |
| | (vi) Police Constable |
| b) For those working at other places | (i) Inspector of Police |
| | (ii) Reserve Inspector of Police |
| | (iii) Sub-Inspector of Police |
| | (iv) Reserve Sub-Inspector of Police |
| | (v) Asst. Sub-Inspector of Police |
| | (vi) Asst. Reserve Sub-Inspector of Police |
| | (vii) Head Constable |
| | (viii) Police Constable |

07.91. For these categories the rates of Conveyance Allowance may be increased as follows:

- a) For maintaining a Motor Car / Motor Cycle: 20% increase over the existing rate rounded off to the nearest Ten Rupees subject to a maximum of ₹. 1250/- p.m.**
- b) For maintaining Bicycle: ₹.360/- p.m. uniformly.**

07.92. The Commission further recommends that the above list may be reviewed from time to time by the Finance Department and in case it is found that any of the above functionaries have been provided with official vehicle, the entitlement of Conveyance allowance may be withdrawn for that category.

(b) Conveyance Allowance to Blind, Hearing Impaired and other Differently Abled employees:

07.93. While accepting the recommendations of the 10th PRC, the Government in G.O. Ms. No. 159, Finance (H.R.VI) Department dated 11-12-2015, issued orders sanctioning Conveyance Allowance to the 'Blind and Physically Handicapped' employees. In this order the existing allowance was increased to 10% of Basic Pay subject to a maximum of ₹.1350/- per month. The Associations have requested to

enhance the maximum limit to an amount ranging from ₹.4000 - 7000 p.m. **This Commission recommends for an increase in this allowance to all Differently Abled employees, irrespective of the nature of impairment, to 10% of basic pay subject to a maximum ceiling of ₹.2000/- per month.**

(c) Conveyance charges to the staff of Protocol Department:

07.94. The Department of Protocol had made a request to the 9th PRC for sanction of fixed conveyance allowance to the staff of the Department on the ground that sufficient number of Government vehicles or hired vehicles were not available to go to the Airport/ Railway Station etc. to receive the VIPS, Guests and other dignitaries and also to see them off. Hence they engaged private conveyances at their own cost.

07.95. The 9th PRC had observed in its report that ordinarily whenever any official work is entrusted to any staff member either a Government Vehicle or a hired Vehicle is provided by the Government. The Commission further observed that when, due to exigencies of situation, Government/hired vehicle are not available, the conveyance charges actually incurred may be reimbursed subject to a maximum of ₹.400/- per month . The same was recommended to be enhanced to a maximum of ₹.1000/-p.m. by the 10th PRC.

07.96. **We are of the view that in such cases the Protocol staff concerned may be reimbursed mileage charges admissible for the type of vehicle owned and used by him/ her for such official duty. This would be admissible only in case it is not possible to provide a Government/ officially hired vehicle.**

(d) Conveyance Charges to the staff of Cultural Affairs Department:

07.97. A representation was made by the staff members of Cultural Affairs Department before the 9th PRC stating that they have to stay very late in the night when Cultural Programmes are conducted by the Department. For going back home on such occasions they have to incur huge expenditure as they are not provided with Government vehicles. The 9th PRC reasoned that normally beyond 9:30 p.m. there will be inadequate public transport and therefore it will be very difficult for the Staff Members to reach their residences. The Commission, therefore, recommended payment of Conveyance Charges not exceeding ₹.50/- to the staff members who are actually held up due to the Programme organized by the Department on any day, provided they are actually retained beyond 9-30 p.m. subject to the condition that the payment of these charges is certified by the superior officer. This was recommended to be raised to ₹.100/- per occasion by the 10th PRC. It is not known whether any order was issued by the Government on this recommendation.

07.98. The Commission is of the view that the facility of hiring transport online is available now. It should therefore be possible for the Cultural Affairs Department to provide Government or hired vehicle(s) (at Government cost) for dropping off the staff involved in organising the cultural functions as and when they end late in the night. The Commission therefore recommends abolition of this Conveyance Charge.

(e) Conveyance charges to the Court Masters and Personal Secretaries to the Hon'ble Judges, Chairman and Members of A.P. High Court and A.P. Administrative Tribunal.

07.99. As per the orders issued in G.O.Ms.No.173, Finance (H.R.VI-TFR-A&L-T.A.) Dept.,dt: 15-12-2015 the Court Masters and Personal Secretaries to the Hon'ble Judges of High Court of Judicature, Hon'ble Chairman/ Vice Chairman and members of A.P.A.T are allowed Conveyance charges at the rate of ₹.110/- per trip with an outer limit of ₹.4400/- p.m. for visiting their residences on official work.

07.100. In view of increase of Auto charges, the Commission recommends to increase the conveyance charges to ₹.150/- per trip (to-and-fro) with an outer limit of ₹.5000/- p.m.

A.6. Ration Allowance:

07.101. Ration Allowance is sanctioned to the employees working against the categories of posts in the departments detailed in Annexure VII of Manual of Special Pay and Allowances. This allowance is paid for the purpose of providing some extra nutrition to certain categories of employees who need the same on account of the special and arduous nature of duties performed by them.

07.102. There are several representations received by the Commission for enhancement of this allowance. Requests have also been received from Nurses working in the Differently Abled Welfare department, Andhra Pradesh Special Police, Radiographers in Medical and Health Department, Pharmacists and Laboratory Technicians etc. for their inclusion in the list of employees eligible for grant of Ration allowance. **Out of these, the Commission is of the view that it is reasonable to allow Ration Allowance newly to the Nursing Staff, ANMs and Health Visitors working in Insurance Medical Service Department (on par with similar categories working in the HM&FW Dept) and Radiographers working under the Health, Medical and Family Welfare Secretariat Department (since they are exposed to radiation and deserve nutritional supplement). We are also recommending a higher amount of Ration Allowance to the existing categories as given in the following table:**

Ration Allowance

Sl. No.	Department and Category	Existing Amount ₹.	Recommended Amount ₹.
1	HEALTH & FAMILY WELFARE DEPARTMENT		
	(i) A.N.M./ MPHA (F)	250/-	325/-
	(ii) Health Visitor	250/-	325/-
	(iii) Public Health Nurse	335/-	435/-
2	MEDICAL EDUCATION DEPARTMENT		
	(i) Staff Nurse	335/-	435/-
	(ii) Nursing Supdt. Gr.I	335/-	435/-
	(iii) Nursing Supdt. Gr.II	335/-	435/-
	(iv) Head Nurse	335/-	435/-
3	AYUSH DEPARTMENT (FORMERLY INDIAN MEDICINE & HOMEOPATHY)		
	(i) Head Nurse	335/-	435/-
	(ii) Staff Nurse	335/-	435/-
	(iii) Senior Sister	335/-	435/-
	(iv) A.N.Ms.	250/-	325/-
4	INSURANCE MEDICAL SERVICES DEPARTMENT		
	i) A.N.Ms.	250/-	325/-
5.	GREY HOUNDS WING OF POLICE DEPARTMENT		
	(i) Group Commander	600/-	800/-
	(ii) Squadron Commander	600/-	800/-
	(iii) Assault Commander/ Deputy Supdt. of Police (Communications)	600/-	800/-
	(iv) Deputy Assault Commanders/ Inspector (Communications)	600/-	800/-
	(v) Asst. Assault Commander/ Sub-Inspector & Asst. Sub-Inspector (Communications)	600/-	800/-
	(vi) Sr. Commandos/ Head Constable (Communications)/ Head Constable (Dog Squad)	600/-	800/-
	(vii) Junior Commandos/ Police Constable Communications/ FE Dog Boys/ Police Constable (Dog Squad)	600/-	800/-
6.	SPECIAL INTELLIGENCE BRANCH PERSONNEL OF POLICE DEPARTMENT		
		600/-	800/-

New Categories recommended for Ration Allowance			
INSURANCE MEDICAL SERVICE			
1.	i) Staff Nurse		435/-
	ii) Health Visitor		435/-
	iii) Head Nurse		435/-
	iv) Nursing Suptd Gr.I/Gr.II		435/-
HEALTH, MEDICAL AND FAMILY WELFARE SECRETARIAT DEPARTMENT*			
1.	i) Chief Radiographer		435/-
	ii) Radiographer		325/-
	iii) Dark Room Assistant		325/-

* These three categories working in all the HoDs under the HM&FW Secretariat Department should be made eligible

A.7. Office Allowance and Maintenance Allowance:

07.103. These allowances are sanctioned to Assistant Public Prosecutor Grade-I and Grade-II and Legal officers of Anti-Corruption Bureau. The present rates were specified in G.O. Ms. No.170, Finance Dept. dt.11.12.2015. The Public Prosecutors' Association has requested for four-fold enhancement of the amounts while the Fire Services Dept. Employees' Association has requested for fresh grant of this allowance for maintenance of fire station and offices. The Commission recommends enhancement of the existing allowance at rates given in the following table. In respect of Fire Service Department however, the Commission is of the view that grant of separate Maintenance Allowance is not called for since these expenses of Fire Stations/ Fire Offices are supposed to be met from out of the regular budgetary provisions.

Sl. No.	Category	Office Allowance (₹. per month)		Maintenance Allowance (₹. per month)	
		Existing	Recommended	Existing	Recommended
1.	Public Prosecutor/ Joint Director	500	650	350	450
2.	Addl. Public Prosecutor Gr. I	450	600	350	450
3.	Addl. Public Prosecutor Gr. II	375	500	350	450
4.	Senior Asst. Public Prosecutor	300	400	350	450
5.	Assistant Public Prosecutor	225	300	350	450
6.	Legal Officers of A.C.B.	225	300	350	450

A.8. Machine Allowance:

07.104. This allowance is given to Copyists, working in the Judicial Department, to whom Typewriters/Computers/Photo Copying Machines have not been supplied by the Government for their official work. But payment of this allowance ceases from the month subsequent to the month in which the above contrivance is provided by the Government. The existing rate is ₹.150/- p.m. as per G.O.Ms.No.154, Fin (HR VI-TFR-A&L-TA) Dept., dt. 11- 12-2015.

07.105. This Commission recommends to continue this allowance at the revised rate of ₹.200/- per month subject to the condition that, as and when access to a Government supplied Computer/ Photo Copier (type writers having gone out of date) is made available, the said allowance shall be withdrawn from the succeeding month.

B. Allowances to compensate for risky or arduous working environment

B.1(a) Special Compensatory Allowance:

07.106. In the year 1971 the State Government issued orders rechristening the then Special Pay admissible in unhealthy localities as “Bad Climate Allowance” and treated it as a Special Compensatory Allowance. After that orders were issued by different departments of Government sanctioning similar allowances.

07.107. With a view to have a comprehensive approach on payment of Special Compensatory Allowance the Government constituted a High Power Committee chaired by Sri K.V. Natarajan, IAS in the year 1990. This Committee recommended payment of Special Compensatory Allowance to the employees working in Scheduled agency areas. The Government accordingly issued orders in G.O.Ms. No.298, Fin. & Plg. (F.W.T.A) Dept., dt.28-12-1991 and G.O.Ms.No.9, Fin. & Plg. (F.W.T.A.) Dept. dt.17-01-1992 for the payment of Special Compensatory Allowance at slab rates linked to the revised basic pay received by an employee as per RPS- 1986. In G.O.Ms.No.228, Fin. & Plg. (FW-TA) Dept. dt.29-05-1993 and G.O.Ms.No.153, Fin. & Plg. (FW-TA) Dept. dt.10-09-1999 orders were issued continuing the said allowance. Thereafter the issue was not examined by any of the PRCs from 1993 to 2005.

07.108. Government, in G.O.Rt.No.1648, G.A.(Spl.A) Dept., dt.24-03-2006, referred the issue of review of the Special Compensatory Allowance to the One Man Commission-2006. Based on its recommendations Government issued orders in G.O.Ms.No.6, Fin. (TA) Dept. dt.12-01-2007 sanctioning the Special Compensatory Allowance at slab rates on the basic pay in RPS- 2005.

07.109. The lists of Villages/ Hamlets in Scheduled areas located in Non-Mandals, Mandal Head Quarters and Hills / Hill tops were detailed in Annexure I, II and III respectively of the said G.O.. Subsequently, in compliance with the orders issued by Hon'ble APAT and Hon'ble High Court of Andhra Pradesh in various O.A.s/ W.P.s, Government issued separate orders extending the Special Compensatory Allowance to the applicants/petitioners claiming to be working in agency areas. Thereafter the PRC 2010 recommended an increase in the rates of Special Compensatory Allowance. The rates were further enhanced in the recommendations of the 10th PRC. The Government however approved different slab rates as per the orders issued in G.O.Ms. No.176, Finance (HR.VI-TFR-A&L-TA) dept. dated 15-12-2015 and they are as follows:

Basic Pay range in RPS- 2015	Rates of Special Compensatory Allowance in		
	Mandal Head Qrs.	Non-Mandals	Hills/ Hilltops
1	2	3	4
Up to ₹.20050/-	₹.500/-	₹.485/-	₹.710/-
₹.20051/- and above up to ₹.26600/-	₹.600/-	₹.600/-	₹.825/-
₹. 26601/- and above up to ₹. 34210/-	₹.725/-	₹.710/-	₹.935/-
₹.34211/- and above up to ₹.41380 /-	₹.875/-	₹.860-	₹.1050/-
₹.41381/- and above up to ₹. 55410/-	₹.950/-	₹.935/-	₹.1125/-
₹.55411/- and above	₹.975/-	₹.1110/-	₹.1275/-

07.110. Requests have been made to this Commission to recommend Special Compensatory Allowance at enhanced rates.

07.111. The Commission is of the view that it is desirable to allow a higher level of compensation to employees who work at the sub-Mandal level compared to those working in Mandal Head Quarters since the quality of physical and social infrastructure as well as transport and communication facilities available etc. would ordinarily expected to be of comparatively lesser standards even though climatic hardships are likely to be similar in nature. Employees positioned at hilltops would obviously deserve to be compensated at a still higher level since the facilities available there to cope up with adverse living conditions would be far less. It is felt that adequate financial incentives should be granted to the employees serving in the remote Agency areas considering the degree of

hardships encountered by them and their family members. The Commission therefore recommends suitable enhancement in this allowance, as shown below, for the employees working at Mandal Head Quarters and further proposes 15% additional compensation for employees working at the sub-Mandal level compared to those at the Mandal level and similarly 30% additionality to the employees working on hilltops. Accordingly the Commission recommends the following increased rates of Special Compensatory Allowance.

07.112. Increased rates of Special Compensatory Allowance recommended are as under :

Basic Pay range in RPS- 2019	Rates of Special Compensatory Allowance in		
	Mandal Head Qrs.	Sub-Mandal Head Qrs.	Hills/ Hilltops
1	2	3	4
Up to ₹.31750/-	₹.700/-	₹.800/-	₹.900/-
₹.31751 and above up to ₹.42140	₹.850/-	₹.975/-	₹.1100/-
₹.42141 and above up to ₹.54060	₹.1000/-	₹.1150/-	₹.1300/-
₹.54061- and above up to ₹.65360	₹.1225/-	₹.1400/-	₹.1600/-
₹.65361 and above up to ₹.87480	₹.1330/-	₹.1525/-	₹.1700/-
₹.87481 and above	Rs1375/-	₹.1600/-	₹.1800/-

07.113. The Commission suggests that the names of Villages / Hamlets outside the Mandal Head Qrs and on hilltops located in Agency areas and covered by G.O.Ms.No.295, Fin (TA) Dept., dt.4-10-2008 and G.O.Ms.No.163, Fin. (TA) Dept., dated 4-6-2009 may be reviewed in consultation with the concerned Project Officers of ITDAs/ Collectors and additions/ deletions/ corrections, if any, notified so as to avoid any disputes in payment of this allowance.

(b) Tribal Area Allowance:

Doctors belonging to Medical & Health Services

07.114. Doctors working in Tribal areas had represented for the sanction of an allowance to meet the extra costs associated with living in those areas. A Task Force Committee constituted by the Government examined the matter. Based on its report

orders were issued in G.O. Ms. No. 411, HM & FW (A2) Dept., dt: 5-11-2001 fixing the rates of Tribal allowance. @ ₹.2000/- p.m. for the male Doctors and ₹.2500/- p.m. for the Lady Doctors working in Tribal areas including Doctors working on Contract basis. Subsequently the different PRCs have recommended for increase in the quantum of this allowance, the last (10th) PRC having recommended for an increase of this allowance to ₹.3000/ p.m. for the male doctors and ₹.3500/- p.m. for the female doctors. However no Government orders were issued.

07.115. The A.P. Government Doctors Association requested to enhance this amount substantially. Keeping in mind the increased cost of living, the Commission recommends that the Tribal Allowance may be allowed at the enhanced rate of ₹.3500/- p.m. to male doctors and ₹.4000/- p.m. to the female doctors posted in Tribal areas.

07.116. The Commission also recommends that the Rural Allowance sanctioned in G.O. Ms. No. 411, HM & FW (A2) Dept., dt: 5-11-2001 and Special Compensatory Allowance admissible to the employees working in Agency areas/ Hill Stations as per the orders issued in G.O.Ms.No.6, Finance (TA) Dept., dt.12/1/2007 will not be admissible to such of the Doctors to whom Tribal Allowance is paid, to prevent grant of multiplicity of allowances of similar nature.

(c) Rural Allowance

Doctors belonging to Medical & Health Services:

07.117. This Allowance was sanctioned by the Government in G.O.Ms,No.411, dt:5-11-2001 as an incentive to encourage the Doctors to work in rural areas. The 10th PRC had recommended an increase in this allowance to ₹.2000/- p.m. for the male doctors and ₹.2500/- p.m. to the lady doctors. This Commission could not find any Government order on this recommendation.

07.118. Requests have been received by this Commission for fresh inclusion of new categories of employees such as Nursing Staff, Multi-Purpose Health Staff, Lab Technicians, Pharmacists, Public Prosecutors, Veterinary Doctors etc. The Commission understands that this Allowance was granted to the medical doctors as a special incentive to persuade them to work in Public Hospitals/ Health Care Units/ Dispensaries located in the rural areas in the background of acute shortage of medical doctors willing to work in such areas given the lucrative opportunities available to them for medical practice in the urban centres. Hence the Commission does not find any justification in enlarging the scope of this allowance to other categories.

07.119. In view of the escalation in prices the Commission recommends to increase the rate of this allowance to ₹.2500/- p.m. in respect of the male doctors and ₹.3000/- p.m. for the lady Doctors working in PHCs and CHCs located in non-tribal rural areas. The Commission again reiterates that if the P.H.Cs / C.H.Cs are located in Tribal Areas, then only Tribal Allowance would be admissible but not Rural Allowance or Special Compensatory Allowance separately.

B.2. Risk Allowance:

07.120. Risk Allowance is sanctioned by the Government to certain categories of employees belonging to Medical and Health, Animal Husbandry, Police, Fire Services, Forest, Ground Water, Ayush, Drug Control, Mines and Geology, Irrigation, and Printing and Stationery Departments and A.P. Text Book Press where they are exposed to occupational risks because of the nature of the jobs that they have to perform.

07.121. With a view to review the Risk Allowance now admissible, the Heads of Departments were requested to furnish the list of new categories of employees, if any, to be covered by Risk Allowance and also to furnish the nature of duties of such posts involving risk.

07.122. The Commission has received a general request for doubling the quantum of Risk Allowance. Specific requests have also been received from several categories. Some of them are Agricultural Extension Officers, employees of Sericulture Department, Health Assistants, Pharmacists, Para Medical Staff, Nursing Superintendent, Laskars of Irrigation Department, Veterinary Livestock Officer etc. Several functionaries, who move/ work in the field, have also requested for this allowance on the plea that they are exposed to the risk of snake bites.

07.123. The Commission is of the view that certain degree of usual professional risk is associated with many jobs in the Government, especially those involving touring at the field level. The intention behind the grant of Risk Allowance is to provide some additional compensation as an incentive to only such of the categories of employees who are exposed to unusual risks which are much higher than that of the average Government employee. The risk perception has to be judged discretely by keeping the job profile of the category concerned and the environment in which (s)he operates in view.

07.124. The Commission, after taking into account the views of the Heads of Departments and the nature of duties being performed by the employees who have requested for risk allowance, has compiled a revised list of categories of posts in various departments that should be eligible for sanction of risk allowance. The said list is appended. The revised rates of risk allowance are also mentioned against each category.

ANNEXURE

Sl. No.	Category	Risk Allowance (₹. per month)		Remarks
		Existing	Recommended	
ANIMAL HUSBANDRY DEPARTMENT (Employees posted in all categories of Hospitals, Poly Clinics, Dispensaries, Rural Livestock Units, Frozen Semen Bull Stations, Centralized Semen Collection Centres, Biological Research Institute and Animal Disease Diagnostic Laboratory)				
1.	Joint Director	-	500/-	
2	Dy. Director	350/-	450/-	
3	Asst. Director	350/-	450/-	
4	Veterinary Asst. Surgeon	300/-	400/-	
5	Veterinary Livestock Officer	-	200/-	
6	Junior Veterinary Officer	150/-	200/-	
7	Livestock Assistant	125/-	160/-	
8	Veterinary Assistant	125/-	160/-	
9	Radiographer	175/-	225/-	
10	Attender	100/-	130/-	
FIRE SERVICES AND DISASTER RESPONSE DEPARTMENT				
1	Station Fire Officer	150/-	200/-	
2	Leading Firemen	100/-	130/-.	
3	Driver Operator	100/-	130/-	
4	Fireman	100/-	130/-	All categories
FOREST DEPARTMENT				
1	Forest Range Officer		225/-	
2	Deputy Forest Range Officer		200/-	
3	Forest Section Officer		175/-	
4	Forest Beat Officer		150/-	
5	Assistant Beat Officer		130/-	
6	Animal Keeper in Zoo	100/-	130/-	

GROUND WATER DEPARTMENT				
1	Driller	300/-	400/- p.m.	This allowance will also be admissible to those who actually work on rigs in Mines & Geology and other Engineering Departments
2	Asst. Driller	175/-	225/- p.m.	
3	Helper	125/-	160/- p.m.	
HEALTH & FAMILY WELFARE DEPARTMENT				
1	Occupational Therapist	100/-	130/-	
2	Theatre Assistant	100/-.	130/-	
3	Technical Assistant (T.B.)	100/-	130/-	
4	Scavenger	100/-	130/-	
5	Lab Technician (Gr-II)	100/-	130/-	
6	Lab Attendant	90/-	120/-	
7	Head Nurse/ P.H. Nurse	125/-	160/-	
8	Staff Nurse	150/-	200/-	
9	Radiographer	175/-	225/-	
10	Dark Room Assistant	150/-	200/-.	
11	X-Ray Attendant	100/-	130/-	
MEDICAL EDUCATION DEPARTMENT				
1	Staff Nurse	150/-	200/-	
2	Nursing Tutor Grade-I	125/-	160/- .	
3	Head Nurse/ P.H. Nurse	125/-	160/-	
4	Chief Radiographer	150/-.	200/-	
5	Radiographer	175/-	225/-	
6	Dark Room Assistant	150/-	200/-	
7	X-Ray/ Dark Room Attendant	100/-	130/-	

8	Mould Technician	100/-	130/-	
9	Physicist	175/-	225/-	
10	Lecturer in Radiological Physics	175/-	225/-	
11	Lecturer in Nuclear Medicine Technique and Radiation Safety Officer	175/-	225/-	
12	Lab Technician Gr-I	100/-	130/-	
13	Lab Technician Gr-II	100/-	130/-	
14	Lab Attendant	90/-	120/-	
INSURANCE MEDICAL SERVICES DEPARTMENT				
1	Chief Radiographer	150/-	200/-	
2	Staff Nurse	150/-	200/-	
3	X-Ray Technician	150/-	200/-	
4	X-Ray Attendant, Dark Room Attendant , X-Ray Assistant	100/-	130/-	
5	Radiographer	175/-	225/-	
6	Dark Room Assistant	150/-	200/-	
7	Lab Technician Gr-I	100/-	130/-	
8	Lab Technician Gr-II	100/-	130/-	
9	Lab Attendant	90/-	120/-	
AYUSH DEPARTMENT				
1	X-Ray Attender	90/-	120/-	Brought on par with same category in Medical & Health Dept.
2	Dark Room Assistant	150/-	200/-	
3	Radiographer	175/-	225/-	
4	Lab Technician Gr-I	100/-	130/-	
5	Lab Technician Gr-II	100/-	130/-	

6	Lab Attendant	90/-	120/-	
7	Staff Nurse	150/-	200/-	
INSTITUTE OF PREVENTIVE MEDICINE				
1	Lab Technician Gr-I	100/-	130/-	
2	Lab Technician Gr-II	100/-	130/-	
3	Lab Attendant	90/-	120/-	
DRUG CONTROL ADMINISTRATION DEPARTMENT				
1	Lab Technician Gr-I	100/-	130/-	
2	Lab Technician Gr-II	100/-	130/-	
3	Lab Attendant	90/-	120/-	
POLICE DEPARTMENT				
1	Sub-inspector	250/-	325/-	
2	Reserve Sub-Inspector	250/-	325/-	
3	Asst. Sub-inspector	175/-	225/-	
4	Asst. Reserve Sub-Inspector	175/-	225/-	
5	Head Constable	175/-	225/-	
6	Police Constable	175/-	225/-	
7	Head Constable (Driver)	175/-	225/-	
8	Police Constable (Driver)	175/-	225/-	
9	Asst. Assault Commando	250/-	350/-	
10	Senior Commando	175/-	250/-	
PRINTING, STATIONERY AND STORES PURCHASE DEPARTMENT				
1	Plate Printer Gr-I	90/-	120/-	
2	Plate Printer Gr-II	90/-	120/-	
3	Offset Cameraman	90/-	120/-	
TEXT BOOK PRESS				
1	Etcher	90/-	120/-	
2	Process Cameraman	90/-	120/-	
3	Process Operator (BMS)	90/-	120/-	

4	Asst. cameraman	90/-	120/-	
5	Process Cameraman (BMS)	90/-	120/-	
6	Stereo Process Hydro Machine Operator	90/-	120/-	
7	Helio Printer	90/-	120/-	
8	Plate Printer	90/-	120/-	
9	Camera Assistant (BMS)	90/-	120/-	
10	Chief Cameraman	90/-	120/-	
IRRIGATION AND COMMAND AREA DEVELOPMENT DEPARTMENT				
1	Workmen working in the Dam Galleries of the Srisaillam, Nagarjuna Sagar and Polavaram Project	6% of Basic Pay with a ceiling of ₹.750/- p.m.	6% of Basic Pay with a ceiling of ₹.1000/- p.m.	G.O.Ms. No.114, I&CAD (Services-V) Dept. dt. 25.08.2012

B.3. Night Duty Allowance:

07.125. This allowance is sanctioned for certain categories of employees in Medical and Printing & Stationery Departments, who are required to work in the night shifts, to meet the cost of snacks, tea / coffee etc. The existing rate is ₹.35/- per night as per the orders issued in G.O.Ms.No.158, Fin. (VI TFRA<A) Dept. dt.11-12-2015 based on the recommendations of the 10th P.R.C. Some of the Associations belonging to Prisons Department, Sericulture Department, Lab Technicians/ Nursing Orderlies/ Theatre Assistant etc of Medical & Health Department, Maintenance/ Project staff of Engineering Departments and Last Grade employees of Judicial Departments have requested for Night Duty Allowance. Existing categories have requested for enhancement.

07.126. It is recommended to increase the rate of Night Duty Allowance to ₹.50/- per night. A revised and comprehensive list of posts for which this allowance is admissible is appended. The claim for this allowance shall be supported by a certificate of the Drawing officer to the effect that the individual actually attended to night duties on the dates for which the claim is made.

Night Duty Allowance

Sl. No.	Category of post
1.	HEALTH & FAMILY WELFARE DEPARTMENT
	(i) A.N.Ms/ Maternity Assistants (M.P.H.S.(F))
	(ii) Staff Nurse/ M.P.H.A.(F)/ P.H. Nurse
	(iii) Head Nurse
	(iv) Pharmacist Grade II
	(v) Radiographer / Dark Room Assistant
2.	MEDICAL EDUCATION DEPARTMENT
	(i) Nursing Superintendent Gr.I/ Gr.II
	(ii) M.P.H.As (F)/ A.N.Ms.
	iii) P.H. Nurse
	(iv) Staff Nurse
	(v) Head Nurse
	(vi) Chief Radiographer
	(vii) Pharmacist Grade II
	(viii) Radiographer/Dark Room Assistant
3.	INSURANCE MEDICAL SERVICES DEPARTMENT
	(i) Staff Nurse
	(ii) Head Nurse
	(iii) Pharmacist Grade II
	(iv) Radiographer/Dark Room Assistant
4.	AYUSH DEPARTMENT
	i) Staff Nurse
	ii) A.N.M
	iii) Nursing Orderly (FNO/MNO)
	iv) Pharmacist/Compounder
	(v) Radiographer/Dark Room Assistant
5.	PRINTING, STATIONERY & STORES PURCHASE DEPARTMENT
	i) Plate Printer Grade I
	ii) Plate Printer Grade II
	iii) Offset Cameraman

6.	TEXT BOOK PRESS
	i) Etcher
	ii) Process Cameraman
	iii) Process Operator (BMS)
	iv) Assistant Cameraman
	v) Process Cameraman (BMS)
	vi) Stereo Process Hydro Machine Operator
	vii) Helio Printer
	viii) Plate printer
	ix) Camera Assistant (BMS)
	x) Chief Cameraman
7.	MUNICIPAL CORPN., VISAKHAPATNAM
	(i) Watchman/ Electrical Inspector/ Pump House Driver

07.127. The Commission recommends that this allowance should be extended to the categories of Head Nurse of Ayush Department and Nursing Orderlies (Male/Female) of Medical Education, Health and Family Welfare and IMS Departments.

B.4(a) Special Allowance to Grey Hounds staff, Special Intelligence Branch Personnel, Counter Intelligence Cell staff and Anti Naxalite Squad of Police Department.

07.128 (i) In G.O.Ms.No.195, Fin. Plg. (FW-TA) Department, dt.24-11-99 orders were issued sanctioning Special Allowance to the following categories of posts belonging to Grey Hounds unit of Police Department. Based on the recommendations of subsequent PRCs the allowance was ordered to be continued, the last such order to continue the allowance being issued in G.O.Ms.No.155, Fin (HR,VI-TFR) Department, dt.:11-12-2015 (RPS 2015). The rates in vogue are as follows:

Sl. No.	Category of Post	Rate of Special Allowance
1.	Group Commander	50% of (Pay + DA) per month
2.	Squadron Commander	
3.	Assault Commander/ Deputy Superintendent of Police (Communication)	50% of (Pay + DA)

4.	Deputy Assault Commander/Inspector (Communication)	and 10% of pay per month
5.	Asst. Assault Commander / Sub-Inspector & Asst. Sub-Inspector (Communications)	
6.	Senior Commando/ Head Constable (Communications)/ Head Constable (Dog Squad)	
7.	Jr. Commandos /Police Constable (Communications)/ FE Dog Boys/ Police Constable (Dog Squad)	

The Commission recommends to continue the Special Allowance at the above rates to the Grey Hounds Staff referred to above in the proposed revised scales.

The 9th and 10th PRCs recommended extension of this Allowance to the Medical Officer and his staff and other employees who actually accompany the Assault teams @ 15% of (Basic Pay + D.A.) thereon. While the recommendations of the 9th PRC in this regard was accepted by the Government and implemented through G.O.Ms. No.127, Finance Dept. dated 16-04-2010, in respect of the 10th PRC this category did not find mention in the relevant Government Order (G.O.Ms.No.155, Fin (HR,VI-TFR) Department, dt.:11-12-2015). This Commission recommends that in view of the hardship encountered by these accompanying personnel, the provision with regard to grant of Special Allowance to the Medical Officer and his staff and other employees, who actually accompany the Assault teams, should be restored @ 15% of (Basic Pay + D.A).

- (ii) In G.O.Ms.No.290, Home (Courts-C) Department, dt.08-09-2000 orders were issued extending the Special Allowance, as admissible to the Staff of Grey Hounds, to the Special Intelligence Branch Personnel of the Intelligence Department at the same rates.

This allowance is being continued at present. The Commission recommends to further continue the Special Allowance to the Special Intelligence Branch Personnel of equivalent ranks, at the same rates as those applicable to the Grey Hounds staff, in the proposed revised scales also.

- (iii) In G.O.Ms.No.53, Home (Pol. Bud) Department, dt.26-03-2007, orders were issued sanctioning Special Allowance @ 50% of basic pay to the

following categories of posts of Counter Intelligence Cell of Intelligence Department w.e.f.1-4-2007. Based on the recommendations of subsequent PRCs this allowance is being continued at present.

Categories of Posts

- I.G. of Police
- D.I.G. of Police
- Superintendent of Police
- Additional Superintendent of Police
- Deputy Superintendent of Police
- Inspector of Police
- Sub-Inspector of Police
- Head Constables
- Police Constables / (Drivers)

The Commission recommends to continue the same in the proposed revised scales also.

- (iv) In G.O.Ms.No.264, Finance Department dt.15-10-2005 Government have sanctioned Special Allowance to the Police personnel working in the Special Task Force, Anti Naxalite Squad (Civil, Armed Reserve and APSP) as follows:

Sl. No.	Department & Category	Existing Amount (As per G.O.Ms.No.264, Fin (TA) Dept., Dt.15-10-2005	Revised Amount
I.	Inspectors	15% of Basic Pay	15% of Basic Pay
II.	Sub-Inspectors		
III.	Head-Constable		
IV.	Police Constable		
V.	Armed Reserve Sub-Inspector	15% of Basic Pay (for the actual period they are deployed for combing operations in Naxalite affected areas	15% of Basic Pay (for the actual period they are deployed for combing operations in Naxalite affected areas
vi.	Cook		

The Commission recommends continuance of this allowance at the existing rates and with the same stipulations as above

(b) Special Allowance to certain staff of Sub-ordinate Courts

07.129. The Honourable Supreme Court of India had, in its order, directed the First National Judicial Pay Commission headed by Honourable Justice K.Jagannath Shetty, to examine and recommend ways and means to improve the service conditions of the employees of Subordinate Courts. The Commission made specific recommendations in respect of each State including the State of Andhra Pradesh. Based on these recommendations, the Government, in G.O.Ms.No.50, Law (LA & J – Home Courts–D) Department, dt.23-04-2009, issued orders sanctioning Special Allowance @₹.100/- p.m. to the Staff working in Record Rooms / Property Rooms of Subordinate Courts. No orders on this aspect was issued by the Government on the recommendations of the 10th PRC.

07.130. This Commission recommends to continue the allowance at the increased rate of ₹.150/- p.m. in the proposed revised scales also.

B.5. Leprosy Allowance:

07.131. This allowance is sanctioned to certain categories of posts under the Department of Health who are involved in the implementation of NLEP. One of the main objectives of the Programme was to achieve complete eradication of Leprosy by the end of 2003. The Government undertook a review of the implementation of the Programme in the year 2004 and decided to integrate the NLEP staff in the General Health Care System. Accordingly orders were issued in G.O.Ms.No. 20 HM&FW dept dt.20-01-2004 redeploying the staff. In view of this and the sharp decline in the incidence of Leprosy, the Commission recommends that Leprosy Allowance should be continued only in respect of such of the staff who are still deployed inter alia in the Leprosy Control Programme.

07.132. The existing rates as per G.O.Ms.No.165, Fin Dept., dt.11-12-2015 and the rates recommended by this Commission are as follows:

Sl. No.	Category	Existing Rate (₹. per month)	Recommended Rate (₹. per month)
1.	Medical Officer	700	750
2.	Physiotherapist	350	400
3.	Non Medical Supervisor	300	325
4.	Deputy Health Education Officer/Deputy Paramedical Officer	300	325
5.	Non Medical Assistant	150	175

6.	Health Educator	150	175
7.	Dresser/Sweeper/Nursing Orderly (ward boy)	125	150
8.	Para Medical Officers	300	325
9	Health Education Officer (Leprosy)	300	325

B.6. Slaughter House Allowance:

07.133. This allowance is given to Veterinary Assistant Surgeons for attending to ante mortem /post mortem duties at Slaughter Houses. The existing rates and the rates recommended are as follows:

Place of Work	Existing Rate (₹.)	Recommended Rate (₹.)
Municipal Areas	625/- p.m.	800/- p.m.
Gram Panchayat Areas	425/- p.m.	550/- p.m.

C. Other Compensatory Allowances

C.1. Emergency Health Care Allowance to Doctors

07.134. Based on the recommendations of the 9th PRC the State Government, in G.O.Ms.No.387, HM&FW (A-2) Department, dated:27/10/2008 issued orders sanctioning Emergency Health Care Allowance at ₹.3000/- p.m. to all the non-teaching Doctors belonging to A.P. M&H Services. Later the Government, vide G.O.Ms.No.107, L.E.T. & F(IMS) Dept., dt. 24/11/2009, extended the same allowance @ ₹.3000/- p.m. to the IMS Department on par with the non-teaching Doctors belonging to Medical & Health Services. The 10th PRC recommended for continuance of this allowance @ ₹.4,000/- p.m. This Commission however understands that no orders of the Government were issued on this recommendation.

07.135. The 9th and 10th PRCs also recommended sanction of this allowance to the Doctors of Ayush and Animal Husbandry Departments at a comparatively reduced rate. In respect of Ayush Doctors also no orders were issued by the Government on the recommendation of the 10th PRC. **The table below gives the existing and recommended rates of Emergency Health Care Allowance.**

Sl. No.	Category of Post	Emergency Health Care Allowance	
		Existing	Revised
1.	Non-teaching Doctors of M&H Department engaged in patient care	3000/- (9 th PRC)	4500/-

2	Non-teaching Doctors of IMS Department engaged in patient care	3000/- (9 th PRC)	4500/-
3.	Non-teaching Doctors of Ayush Department engaged in patient care	1000/- (9 th PRC)	2000/-
4.	Non-teaching Doctors of Animal Husbandry Department engaged in veterinary care	1500/- (10 th PRC)	2000/-

07.136. The para medical and para veterinary staff have also requested for sanction of Emergency Health Care Allowance to them. We however do not agree with the same.

C.2. Non Private Practice Allowance (NPPA):

- a) Doctors belonging to Medical & Health Department (Allopathic)**
- b) Doctors belonging to Insurance Medical Services Department**

07.137. Annexure XIV of the Manual of Special Pays and Allowances, as subsequently revised by the Government vide G.O.Ms.No.119, H.M. & F.W. Department dt.13-04-2006, specifies the categories of doctors who are prohibited from doing Private Practice. The holders of these posts are eligible for the payment of N.P.P.A. as a measure of compensation for the loss of private practice.

07.138. Subsequent to the issue of orders in G.O.Ms.No.387, H.M.&F.W.(A2) Department dated: 27/10/2008 sanctioning Emergency Health Care Allowance at ₹.3000 p.m. to the Non-Teaching Doctors belonging to A.P. Medical & Health Services in the State, the 9th PRCs recommended that there was no need to pay the Non Private Practice Allowance. It was however recommended by the 9th PRC that any of the categories of Doctors, to whom Emergency Health Care Allowance was not admissible but who were prohibited from indulging in private practice as per G.O.Ms.No.119, H.M.&F.W.(A2) Department dated:13/4/2006, would still be eligible for NPPA at the rates indicated by it. The same view was endorsed by the 10th PRC. Similarly, the Medical College Doctors covered by UGC pay scales were made ineligible for N.P.P.A. The Commission observes that the Government orders issued last regarding this allowance was basing on the recommendations of the 9th PRC.

07.139. The Associations of Employees have requested for enhancement of this allowance. The Commission recommends the revised rates of NPPA, as shown below, subject to fulfilment of the following eligibility criteria, to the Doctors in M&H and IMS Departments:

- (i) (S)he should not be in receipt of Emergency Health Care Allowance;**
- (ii) (S)he should have been prohibited from doing private practice;**
- (iii) (S)he should not be covered by UGC pay scales.**

Sl. No.	Category not allowed to do private practice	Existing ₹. (as per 9 th PRC)	Recommended ₹.
1.	Doctors in the category of Civil Assistant Surgeons	800/- p.m.	1200/- p.m.
2.	Doctors in the category of Deputy Civil Surgeons	1000/- p.m.	1500/- p.m.
3.	Doctors in the category of Civil Surgeons and above	1200/- p.m.	1800/- p.m.

07.140. The Veterinary Doctors Association have requested the Commission to recommend for payment of N.P.P.A. to them. The Commission however finds that these Doctors have not been prohibited from indulging in Private Practice. In view of this the Commission is not in a position to agree with this request of the Veterinary Doctors. A similar request was made by the Nurses Association also. The Commissioner is of the opinion that the scope of NPPA would not cover the Nurses

C.3 (a) Delhi Allowance to staff of A.P. Bhavan:

07.141. Delhi Allowance was originally allowed @ 25% of Basic Pay subject to a ceiling of ₹.375/-p.m. w.e.f. 1-8-91. As per the orders issued in G.O.Ms.No.674, G.A. (GH1) Dept. dt.27-09-93, this allowance is applicable to those employees who are recruited in A.P. Bhavan, Delhi in the State scales of pay and also to those employees enjoying Central Government pay scales but who opt to accept application of State scales of pay. But this allowance is not applicable to the staff who were deputed from the State Government to work at A.P. Bhavan, New Delhi since they are eligible for the payment of Special Compensatory Allowance for the period of deputation. The allowance was revised to 20% of Basic Pay with a ceiling limit of ₹.2000/-p.m. from 15-10-2005 as per the recommendation of the PRC 2005. The 9th Pay Revision Commission recommended to revise this allowance to 15% of Basic Pay subject to a maximum of ₹.2500/- p.m.. Subsequently the 10th PRC recommended to revise this allowance to 20% of basic pay subject to a maximum of ₹.4000/- p.m. The same was accepted by the Government.

07.142. The staff of A.P. Bhavan have requested this Commission to enhance Delhi Allowance to 30% of basic pay without any ceiling limit. **This Commission recommends that Delhi Allowance may be granted @ of 15% of Basic Pay in the revised scale of pay subject to a maximum limit of ₹.5.000/- per month.**

(b) Special Compensatory Allowance to staff of A.P. Bhavan:

07.143. This allowance is permissible only to such of the staff who were deputed from the State Government to work at A.P. Bhavan, New Delhi, but not to the staff who are eligible for Delhi Allowance specified in item 1 above. Special Compensatory Allowance was sanctioned to the staff deputed to the Andhra Pradesh Bhavan from the State Government @40% of Basic Pay in G.O.Ms.No.700, G.A (GH1) Department dated 10-10-77. It was revised to 25% in the year 1980. In the year 1993, this was continued @20% of Basic Pay subject to a maximum of ₹.1000/-. Though there was revision of scales in 1999 & 2005 neither the rate nor the maximum amount was changed. The 2010 Commission recommended to revise this allowance at 15% of Basic Pay subject to a maximum limit of ₹.2500/- p.m. In the 10th PRC a recommendation was made to continue this allowance @ 20% of basic pay subject to a maximum of ₹.4000/- per month. The same was approved by the Government in Govt. Memo No. 68022/4/PRO.B/2017 of G.A.(PRO.B) department dated 07-12-2017.

07.144. This Commission recommends continuance of this allowance @15% of the basic pay in the revised scale subject to a maximum of ₹.5,000/-p.m.

07.145. The other request is to extend the facility of L.T.C. every year to all the staff, where this facility is allowed to those who are on deputation. Government have already examined and declined this request in the case of employees who were recruited at Delhi. However, the employees deputed from the State Government to work at New Delhi are already allowed this facility once a year. Since the staff recruited at Delhi have made a conscious decision to apply for the job in Delhi there is no reason to extend this facility of yearly home town LTC for them. As such the commission is not inclined to recommend permission to avail L.T.C. once in a year to other than the staff working on deputation from State Government.

C.4. Construction Allowance:

07.146. In G.O.Ms.No.301, Fin & Plg. (FW-TA) Dept., Dt.28-12-1991 orders were issued for the payment of Construction Allowance on slab rates based on pay in R.P.S.1986 to the employees engaged in Construction activities in the Projects mentioned therein. In G.O.Ms.No.229, Fin & Plg. (FW-PC II) Dept., dt.29-5-1993 Government issued orders for the payment of the said allowance at the same rates duly changing the pay slabs in R.P.S.1993. Similarly in G.O.Ms.No.154, Fin & Plg (FW-TA) Dept., Dt.10-9-1999 Government issued orders for the payment of the said allowance at the same rates duly changing the pay slabs in R.P.S., 1999. Thereafter no orders were issued by Government continuing the payment of the said allowance after the introduction of R.P.S.2005.

07.147. On the representation of Project employees Government referred the matter to the One Man Committee 2006. The O.M.C.2006, in para 3.82 of its report, observed as follows:

“The Committee therefore is of the view that no construction allowance needs to be paid on any of the existing schemes. However in future when projects are sanctioned and are in construction mode and in areas where ordinary facilities are not available and the conditions already laid down by the Government are satisfied, viz., these should not be within 8 kms of a town and 2 kms of mandal, an allowance as indicated below can be considered.”

Sl. No.	Basic pay range in 2005 Scale of Pay	Rate of Construction Allowance p.m.
1.	Up to ₹.6040/-	₹.150/-
2.	₹.6041/- and above up to ₹.7770/-	₹.190/-
3.	₹.7771/- and above up to ₹.9775/-	₹.240/-
4.	₹.9776/- and above up to ₹.12070/-	₹.280/-
5.	₹.12071/- and above	₹.300/-

07.148. Government agreed with the views of O.M.C.2006 that the Construction Allowance need not be paid further in respect of the 12 Projects which have been completed and have become operational. Government viewed that any decision on construction allowance for future projects is premature at that stage.

07.149. The 2010 and 2015 Commissions endorsed the views of the OMC 2006 which examined the issue in detail. The OMC came to the conclusion that none of the existing projects qualify for project allowance.

07.150. **Certain Employees Associations have represented to the Commission for recommending payment of Construction Allowance. The Commission recommends that the Government may constitute a Committee of Officers to determine whether any on-going Project would qualify, as per the existing norms, for the payment of Construction Allowance to the staff involved in its execution. If found eligible, the allowance may be administered at the rates shown in the following Table:**

Sl. No.	Pay Grade(s) in the Revised Scale	Rate of Construction Allowance (₹. per month)
1.	Upto Grade 10	450
2.	Grades (11 to15)	600

3.	Grades (16 to 19)	700
4.	Grades (20 to 23)	850
5.	Grade-24 and above	900

D. Incentive Allowances

D.1. P.G. Degree and P,G, Diploma Allowance to Doctors

07.151. Government have issued orders sanctioning the P.G. Degree Allowance and P.G. Diploma Allowance @ ₹.1500/- p.m. and ₹.1000/- p.m. respectively to all the non-teaching doctors belonging to Medical & Health Services in the State. This allowance is paid for acquiring higher qualifications which are expected to improve the professional knowledge and capability of the concerned doctors. This allowance was also extended to the IMS Doctors on par with the non-teaching Doctors belonging to Medical & Health Services. The 10th PRC recommended for continuance of this allowance @ ₹.2,000/- p.m. and ₹.1,500/- p.m. respectively. We could not find any orders of the Government on this recommendation.

07.152. The 9th and 10th PRCs recommended sanction of this allowance to the Doctors of Ayush and Animal Husbandry Departments also at a comparatively reduced rate. Again in respect of Ayush Doctors no orders were issued by the Government on the recommendation of the 10th PRC.

07.153. The concerned Associations have requested to substantially enhance both these allowances in the proposed revision of scales.

07.154. The table below gives the existing and recommended rates of P.G. Degree/ Diploma allowances:

P.G. DEGREE/ DIPLOMA ALLOWANCE

Category of Post	P.G. Degree and P.G. Diploma Allowance			
	Existing		Revised	
	PG Degree	PG Diploma	PG Degree	PG Diploma
	₹. Per month			
1. Non-teaching Doctors of M&H Department engaged in patient care	1500/- (9 th PRC)	1000/- (9 th PRC)	2250/-	1500/-
2. Non-teaching Doctors of IMS Department engaged in patient care	1500/- (9 th PRC)	1000/- (9 th PRC)	2250/	1500/-

3. Non-teaching Doctors of Ayush Department engaged in patient care	750/- (9 th PRC)	-	1125/	-
4. Non-teaching Doctors of Animal Husbandry Department engaged in veterinary care	1000/- (10 th PRC)	750/- (10 th PRC)	1125/	1000/-

07.155. The Agriculture Officers have put in a request to grant this allowance to them. The Commission however is not in agreement with the same considering the comparative duration of the courses and the nature of job of the Agriculture Officers at the field level. The Commission also finds that a P.G. Degree is a basic requirement for direct recruitment at the level of Assistant Director of Agriculture.

D.2. Academic Allowance:

a) Doctors belonging to Medical & Health Services:

07.156. Orders were issued in G.O. Ms. No. 411, HM & FW (A2) Dept., dt: 5- 11-2001 sanctioning academic allowance to the Doctors belonging to Medical & Health Services. Ostensibly this allowance was sanctioned to enable the Doctors to buy books and journals to upgrade their professional knowledge and keep abreast of the latest developments in their respective fields. At present this allowance is paid only to the Non-teaching Doctors. **The existing rates (as per recommendations of 9th PRC) and revised rates now recommended by this Commission are given below:**

Sl. No.	Categories	Existing Rate p.m. (₹.) (9th PRC)	Recommended Rate p.m. (₹.)
1	CAS/ Assistant Professor/ Dental Asst. Surgeon	300	400
2	Deputy CS/ Assistant Professor/ Dental Dy. Surgeon	400	500
3	CS/Prof./CS (Dental)/ Prof. (Dental)	500	600
4	Spl.Gr.CS/Spl. Gr Prof./Spl. Gr. Prof. (Dental)	600	700
5	Regl.Dir./Addl.Dir./Prl. Dental college	700	800
6	Director of Health/D.M.E.	800	900

b) Veterinary Doctors belonging to Animal Husbandry Dept.:

07.157. The Veterinary Doctors of Animal Husbandry Department have requested to extend the Academic Allowance to them also. This Commission supports this request and recommends the following rates of Academic Allowance to the Veterinary Doctors:

Sl. No.	Categories	Recommended Rate p.m. (₹.)
1	Vety. Asst. Surgeon, Asst. Director	400
2	Deputy Director, Joint Director	500
3	Addl. Director, Director	700

07.158. Requests for grant of this allowance have also been received from the Junior College Lecturers/ Principals. The Commission is not very convinced about this request since these categories do not have to subscribe to costly technical journals/ literature unlike doctors who have to keep abreast of new methods of treatment and new research findings, which are necessary for their efficient professional functioning. Moreover the college faculty will have access to the Internet and Libraries (College and Public) for reference material.

D.3. Readers Allowance:

07.159. Blind Teachers and Lecturers are given this allowance to enable them to engage reading assistants to help them in preparation of lessons/study materials. The present rates of allowance (vide G.O.Ms. No.24 of Dept for Women, Children, Differently Abled and Senior Citizens dt.20-08-2018) are given below. Requests have been received for increasing the allowance to the level ranging from ₹.2500 to ₹6000 per month. **We recommended that this allowance may be enhanced as shown in the following table:**

Category	Existing Rate per month ₹.	Recommended Rate per month ₹.
Secondary Grade Teacher	600	800
School Assistants	750	1000
Junior Lecturers and above	900	1200

D.4. Library Allowance:

07.160. Library Allowance is sanctioned to the Public Prosecutors to purchase law books and journals and maintain a reference library to help them prepare for their case work. The allowance is thus meant for due discharge of their professional functions.

07.161. The Association of Public Prosecutors requested to sanction an amount of ₹.10,000/- per annum as Library Allowance to all the public prosecutors. **07.162.**

The 9th and 10th PRCs recommended for grant of ₹.1,000/- and Rs,2,500/- respectively towards this allowance. However the Commission did not find any Government orders on them.

07.163. Some Associations of Teachers have requested for fresh inclusion in the list of categories benefited by this allowance. The Commission does not find this request very convincing as the Teachers can access the public and institutional libraries as well as internet for reference purposes. Moreover, unlike the legal domain, where fresh case laws get reported on a regular basis, the core syllabi adopted in the schools do not change frequently.

07.164. Accordingly, this Commission recommends payment of Library Allowance @ ₹.2500/- per annum to the following categories of posts in the Department of prosecutions:

- i. Assistant Public Prosecutor
- ii. Senior Assistant Public Prosecutor
- iii. Additional Public Prosecutor Gr.II
- iv. Additional Public Prosecutor Gr.I
- v. Public Prosecutor / Joint Director

D.5. Incentive Allowance to Armoured Constables

07.165. Based on the recommendations of the Anomalies Committee 2003, Incentive Allowance was sanctioned in G.O.(P) No.511, Finance (TA) Dept. dated 11-06-2004 to the Armoured Head Constables and Armoured Police Constables of Police Department. **The existing and revised rates recommended by this Commission are given in the following Table:**

Category	Existing Rates (₹. Per month)	Recommended Rates (₹. Per month)
Armoured Police Head Constable	125	150
Armoured Police Constable	100	125

E. Allowances for handling special responsibilities

E.1. N.G.G.Os Clinic Allowance:

07.166. Currently Civil Assistant Surgeons/Deputy Civil Surgeons and Staff Nurses are being sanctioned this Allowance for attending to work at NGGO clinics. In view of the grant of several other types of allowances to the Medical staff, the Commission recommends abolition of this allowance.

E.2. Double Lock Key Allowance in Treasuries & Accounts Department:

07.167. This allowance is being sanctioned to the employees working against the following categories of posts in Treasuries & Accounts Department for holding the Double Lock Key of the strong rooms in Treasuries. **The rates of this allowance, existing and recommended, are as shown below:**

Sl. No.	Department & Category	Existing Amount (As per G.O.Ms.No.118, Fin (TA) Dept., Dt.07.04.2010 (₹.))	Recommended & Revised Amount ₹.
(I)	In Sub-Treasuries		
	i) Sub-Treasury Officer	325/- p.m.	400/- p.m.
	ii) Accountants (Double lock Officer in Sub-Treasuries)	250/- p.m.	300/- p.m.
(II)	In Treasuries in Revenue Divisions		
	i) Assistant Treasury Officer	350/- p.m.	425/- p.m.
	ii) Sub-Treasury Officer	325/- p.m.	400/- p.m.

E.3. Supervisory Allowance

07.168. This allowance is given to the categories of Daroga and Sanitary Maistry in urban Local Bodies who perform the duties of supervising sanitary work. The Commission recommends its enhancement from the existing level of ₹.150/- per month to ₹.200/- per month.

E.4. Sub-Jail Allowance

07.169. This allowance is paid to Civil Assistant Surgeons who perform duties of attending to Sub-jails. The existing rate is ₹.300/- p.m. as per G.O.Ms.No.168, Fin Dept. dt.11-12-2015. **This allowance is recommended to be increased to ₹.400/- p.m.**

E.5. Theatre Allowance:

07.170. This allowance is paid to the Staff Nurses and Head Nurses belonging to the Medical Education Dept., Family Welfare Department, Insurance Medical Services Department and Ayush Department who are given duties in the Operation Theatres. It was also extended to the Theatre Assistants belonging to the above mentioned Departments at the same rate if they attend to theatre work. The rates existing in terms of G.O. Ms. No.158, Finance Dept. dt.11-12-2015 is ₹.150/- per month. **The Commission recommends that the same may be enhanced to ₹.200/- per month**

E.6. Scout Allowance

07.171. A Scout Allowance of ₹.15/- p.m. was sanctioned to the Teachers working in Government Secondary Schools and Government Training Schools as per G.O.Ms.No.46, Fin & Plg (FW-TA) Dept. dt.6-2-1980. Based on the recommendation of the Anomalies Committee 2003, orders were issued in G.O.(P) No.511, Fin (TA) Dept., dt.11-6-2004 enhancing the rate from ₹.15/- p.m. to ₹. 50/- p.m. to the teachers in Government Secondary Schools and Government Training Schools, who were fully qualified as Scout Masters and A.C.C Officers provided they were actually running at least a patrol of 24 Scouts and Guides and the A.C.C. Officer was to raise a minimum number of 50 cadets as per G.O.Ms.No.46 Fin (TA) Dept., dt.6-2-1980. Subsequently, the 8th, 9th and 10th PRCs have recommended for enhancement of this allowance subject to the satisfaction of the conditions specified above. The allowance was last revised by the Government to ₹.100/- per month in G.O.Ms. No. 156, Finance (HR VI-TFR-A&L-TA) dated 11-12-2015. Most of the Teachers' Associations have requested this Commission for increase in this allowance to ₹.500-1000.

07.172. Keeping in view, the general increase in prices, the Commission recommends an increase in the rate of this allowance to ₹.130/- p.m. subject to the same conditions specified in G.O.Ms. No.46 Fin (TA) Dept., dt.06-02-1980.

E.7. Intensive Care Unit Allowance:

07.173. This allowance is paid to the Nursing Staff for handling the arduous and stressful nature of work in the Intensive Care Units. It is payable only for the period during which the categories of Nursing Staff, mentioned below, actually work in the

Intensive Care Units of the Hospitals under the control of Medical Education, Health and Family Welfare, Insurance Medical Services and AYUSH Departments. The 9th PRC recommended for grant of this allowance to the rates mentioned in the Table below. The 10th PRC suggested increase in this allowance but apparently no orders were issued by the Government.

07.174. The Commission recommends payment of Intensive Care Unit Allowance to the following categories at the enhanced rates noted against each:

Sl. No.	Category	Existing (₹.) (as per 9 th PRC)	Recommended Rate (₹.)
1.	Head Nurse	75/- p.m.	150/- p.m.
2.	Staff Nurse	50/- p.m.	100/- p.m.
3.	Nursing Orderly (M.N.O/ F.N.O)	25/- p.m.	50/- p.m.

E.8. Blood Bank Allowance

07.175. This allowance is given to Staff Nurses belonging to the Institute of Preventive Medicine, P.H. Labs, Food (Health) Administration Department and Staff Nurses working in the teaching and non-teaching hospitals where Blood Banks are functioning under the control of Medical Education, Health and Family Welfare, IMS and Ayush Departments. The existing rate is ₹.200/- p.m. as per G.O.Ms.No.163, Fin Dept. dated 11-12-2015.

07.176. The Lab Technicians of Blood banks have requested for extension of this allowance to them. The Commission is of the view that this demand is not justified keeping in view the nature of work performed by the Lab Technicians vis-à-vis the Staff Nurses.

07.177. This Commission recommends that the Blood Bank Allowance be enhanced to ₹.275/- p.m.

E.9 E.S.I. Allowance

07.178. As per G.O.Ms. No.162 Finance Department dated 11-12-2015, this allowance is at present admissible to the staff in various categories working on deputation in the Insurance Medical Service Department. It is ascertained from the Department that since there is no staff member on deputation in the IMS department, no one is at present entitled to this allowance. Hence this Commission recommends discontinuance of ESI allowance.

E.10. Clerical Allowance

07.179. This allowance is sanctioned to Pharmacists in the Medical Education Department on the ground they are required to attend to clerical duties in addition to their normal technical duties. The current rate is ₹.150/- p.m. as per G.O.Ms.No.158, Fin (HR VI-TFR-A&L-TA) Dept. dt. 11.12.2015. During discussions with the Pharmacist Employees Associations the Pharmacists have shown to us the sample of data that they have to maintain and update on a daily basis. **Accordingly, the Commission recommends the enhancement of this allowance to the Pharmacists from ₹.150/- per month to ₹.180/- per month.**

07.180. The Para Veterinary staff as well as the Junior College Principals requested for grant of this allowance. However the Commission is not convinced about the claim and does not therefore recommend it.

E.11. Special Gratuity Allowance to Drivers of A.P. Bhavan

07.181. Government have sanctioned payment of Special Gratuity Allowance @ ₹.16.50 per hour limited to 100 hours in a month to the Drivers working in the A.P. Bhavan for rendering extra hours of duties beyond the office hours and during public holidays vide. G.O. MemoNo.267/G.H.I/2002-9, GA(GH.I) dt.10.10.2002. This allowance has not been revised for the last 12 years. Responding to a representation from the Drivers of A.P. Bhavan, New Delhi the 10th PRC had felt that the present quantum of this allowance is not enough for purchasing refreshments to take care of the extra hours of work due to the continuous flow of VIPs from the State. The 10th PRC had recommended to enhance this allowance from ₹.16.50 per hour to ₹.30/- per hour subject to the ceiling of 100 hours in a month. No order of Government was placed before this Commission in this regard. **This Commission has not received any fresh requests in this respect but endorses the above mentioned recommendations of the 10th PRC i.e. a rate of ₹.30/- per hour subject to the ceiling of 100 hours in a month.**

F. Miscellaneous support measures

F.1. Reimbursement of Tuition Fees in respect of the Children of Class-IV employees and NGOs:

07.182. The employees associations have requested to enhance the amount of reimbursement of Tuition fees paid by the employees in respect of their children from the existing limit of ₹.1000/- per annum to ₹.2250/- per month for day scholars and ₹.6750/- per month for hostellers as applicable to the employees of Govt. of India.

07.183. In the Govt. Schools no tuition fee is collected from the students. In the case of girls no tuition fee is collected upto the graduation level in Govt. Colleges. In case the

employees send their children to private schools tuition fees has to be paid. As a staff welfare gesture Government have been reimbursing some portion of tuition fees to the N.G.Os from the year 1978 onwards. The scheme is restricted to two children per employee and up to the Intermediate level of education. Based on the recommendations of PRCs from time to time Government have been issuing orders enhancing the maximum amount of re-imbusement of tuition fees and also specifying the scale of pay of N.G.Os up to which this facility is extended.

07.184. The demand for parity with Central Government employees is not appropriate since the compensation structure and the frequency of its revision are different in their cases. It is observed that no enhancement was done to the quantum of tuition fee on the basis of the recommendations of the 10th PRC and the present level of reimbursement has been in operation since the academic year of 2010-11. We have already made a provision for children education in the calculation of the minimum wage. **Hence, keeping the increase in the rate of tuition fees in view the Commission recommends enhancement in the limit of its reimbursement to ₹.2500/- p.a. per child up to a limit of two children. This scheme of reimbursement of tuition fees should be allowed to all the Last Grade employees and Non-Gazetted officers and the claim should be made admissible in respect of children studying in all the classes from L.K.G. level up to and inclusive of Intermediate/12th Class. The other conditions regarding the submission of receipts, certificates etc. should continue.**

F.2. Funeral Expenses of deceased Government employees:

07.185. As a measure of welfare for its employees Government have been operating a scheme for grant of amount to the nearest relatives of deceased employees towards meeting their funeral expenses. In terms of the orders issued in G.O.Ms.No.1669, G.A. Dept. dt: 15- 9-1965, as amended finally vide G.O.Ms. No.91 dated 13-04-2016, at present an amount of ₹.15,000/- is being granted in each case.

07.186. The Employees' Associations have represented to enhance this amount substantially. Some have expressed that the amount should be linked to the Basic Pay of the concerned employee.

07.187. The Commission feels that linking the amount of funeral expenses to the basic pay would not be desirable as it would amount to the State introducing an element of class differentiation even in the matter of disposal of the mortal remains of a deceased employee. There is however justification in the request for enhancement of the amount and the Commission accordingly recommends to increase the grant for meeting funeral expenses to ₹.20,000/-.

Requests for new allowances:

07.188. The Commission, based on the request of the differently abled employees recommends the following new allowances:

- 1. Differently abled Women employees who deliver a child need additional assistance to manage their child-care responsibilities. Hence such employees may be given a Childcare Allowance of ₹.1500/- per month for a period of 12 months from the date of child birth. This allowance may be made payable for a maximum of two children.**

- 2. A Special Allowance, which may be called 'Scribe Allowance', may be given to the orthopaedically challenged employees, not having both the hands, to engage scribes for their assistance. This may be paid at the rate of ₹.1000/- per month.**

The Commission has received a large number of other requests for recommending new allowances such as Computer Allowance, Nursing Allowance to pregnant women employees, Chalk Piece Allowance, Midday meals maintenance in-charge Allowance, Scholarship in-charge Allowance, Family Planning incentive Allowance, Dust Allowance, Stationery Allowance, Gallery Allowance, Secretariat Allowance, Farm Allowance, e-Aushadhi Allowance, Pollution Allowance (for Traffic Police Constables) and many more. The Commission has taken a very objective approach while examining these demands for introduction of new types of allowances. We feel that most of these allowances do not qualify on the touchstone of either being required for meeting expenses incidental to employment or to compensate for working in a genuinely risky or arduous working environment or as a compensation for pecuniary loss incidental to employment, and therefore do not deserve favourable consideration. In respect of Pollution Allowance requested by the Traffic Police, it is observed that they are already in receipt of Risk Allowance. **Hence we do not recommend sanction of any of the above new allowances requested.**

CHAPTER-8

SPECIAL PAY

08.01. Special Pay is defined by FR 9(25) as an addition in the nature of pay, to the emoluments of a post or of a Government servant, granted in consideration of -

the specially arduous nature of the duties; or a specific addition to the work or responsibility

08.02. The principles which govern the grant of Special Pay are specified in the following clauses:

- Special pay should not be given merely for the purpose of improving the prospects of a service or for the purpose of serving as a substitute for or an addition to a selection grade pay.
- The posts in the ordinary time-scale of service will naturally vary in intensity and responsibility, but this is no ground ordinarily for granting special pays to the holders of the heavier charges. If owing to circumstances a junior officer has to hold one of the more responsible regular charges he is thereby given an opportunity of proving his fitness for higher posts.
- The placing of an officer on special duty does not necessarily mean that his work becomes specially arduous or so increased in quantity and responsibility to justify special pay.
- A comparison between the circumstances of one officer and another or of one service and another should not be accepted necessarily as an argument for the grant or for the enhancement of special pay.

08.03. According to the Manual of Special Pay and Allowances 'Special Pays' are not to be considered as part of 'Pay' for the purpose of calculation of Dearness Allowance, House Rent Allowance, City Compensatory Allowance or any other type of allowance. It is sanctioned by the Government to the various categories of employees working against the posts in various departments as detailed in Annexure-I. In addition to these employees, the Manual enlists the following categories of employees as eligible for Special Pay.:

- (i) Typists, Stenographers, Personal Assistants, Private Secretaries of Chief Secretaries/ Special Secretaries/Principal Secretaries/ Secretaries, Reporters of State Legislature, Police Intelligence, Court Masters etc.;
- (ii) Drivers of Government departments, Local Bodies, Work Charged Establishments;

- (iii) Road Roller Operators, Tractor Drivers;
- (iv) Attenders functioning in the post of Drivers;
- (v) Attenders, Jamedars and Record Assistants working in the peshies of Chief Minister, Chief Secretary, Principal Secretaries, Secretaries etc.;
- (vi) Section Officers of the State Secretariat.

08.04. Special Pay is an instrument for motivating certain categories of staff engaged in discharging arduous and stressful responsibilities which are of a degree much above those of an average employee. It acts as an incentive for the concerned staff. It is obvious that the assessment of the nature of any job and its entitlement for Special Pay has to be judged discretely and objectively.

08.05. Requests have been received from several sections of employees to increase the existing rates of special pay. Requests for fresh sanction of Special Pay have also been received from the following:

1. The Survey staff of Survey and Settlement Department for working with advanced instruments and from Chainmen for carrying those instruments;
2. State Audit Department staff for being required to get acquainted with plethora of statutes and auditing so many different type of institutions/ organisations at various locations;
3. Excise Department staff working in check posts and in mobile parties;
4. Ministerial staff of Police Department;
5. Training section employees of NCC;
6. Assistant Secretaries of State Secretariat

08.06. The Commission however did not find the types of responsibilities pointed out by the above mentioned categories of staff as unusually arduous i.e., beyond the normal call of duty, meriting fresh inclusion in the list of employees entitled to Special Pay.

08.07. In respect of the different categories of employees, who are already drawing Special Pay, we feel it expedient that their present job profiles need to be reviewed afresh on the touchstone of the two criteria specified under F.R. 9(25). Given the time frame and resources available to the PRC, we feel such a review is beyond our wherewithal. **We therefore recommend that a separate Committee of Senior Secretaries and H.R. expert(s) may be constituted by the Government to go into this issue, and after thorough examination of the job profile of each category of**

employees drawing Special Pay, recommend to the Government whether further continuance of Special Pay is desirable or not. Pending this exercise we have recommended increase in rates, wherever necessary, keeping in view the impact of inflation on the time value of money. We are not recommending addition of any new category to the list of employees eligible for grant of Special Pay.

08.08. We now proceed to list the categories of employees for whom we recommend grant of Special Pay at the rates indicated in the Tables below:

Categories of employees recommended for Special Pay-

1. Special Pay for Peshi Staff in the Peshies of Chief Minister, Ministers, Chief Secretary and Secretaries.
2. Special Pay in Vigilance and Enforcement Department.
3. Special Pay in Intelligence Department.
4. Special Pay in Anti Corruption Bureau.
5. Special pay in Farms run by Agriculture, Animal Husbandry, Fisheries, Horticulture and Sericulture Departments.
6. Special Pay to the Typists and Stenographers.
7. Special Pay to Teachers in Schools for the Differently Abled
8. Special Pay to Drivers/ Attenders driving vehicles.
9. Special Pay for Section Officers and others.
10. Special Pay for other categories in different departments.
11. Special Pay for working in Training Institutes.

1. Special Pay to the staff working in the Peshies of the Chief Minister, Ministers, Chief Secretary and Secretaries to Govt. etc.:

08.09. The existing Special Pays admissible to the staff working in the Peshies of Chief Minister, Ministers, Chief Secretary & Other Secretaries are recommended to be increased keeping in view of the arduous nature of work performed, as shown against each.

Sl. No.	Category	Amount (₹. per month)		Remarks
		Existing	Recommended	
1.	Private Secretary in Chief Minister's Office, Ministers & C.S's Office	600	800	
2.	Personal Assistant in Chief Minister's office, Minister's Office & C.S's Office	560	750	
3.	Private Secretary to Spl. C.S./ Principal Secretary/ Secretary/ Special Secretary	300	400	
4.	Junior Steno/Senior Steno/SC Steno working in the peshies of CM/ Ministers/ C.S/ Spl. C.S./ Principal Secretary/ Secretary/ Special Secretary to Govt. (for one post only in each peshi)	300	400	
5.	Record Asst./Jamedar working in peshies of CM./ Ministers/ C.S/ Spl. C.S./ Principal Secretary/ Secretary / Special Secretary/ Additional Secretary to Govt.	300	400	
6.	Office Sub-ordinate working in the Peshies of CM/ Ministers/ C.S/ Spl.C.S./ Principal Secretary / Secretary/ Special Secretary and Additional Secretary to Govt.	260	350	
7.	Office Sub-ordinate working in the Peshies of Hon'ble Lok Ayukta & Upa Lok Ayukta and Registrar	260	350	

8.	Office Sub-ordinate working in the Peshies of Commissioner & Additional Commissioner of A.P. Bhavan, New Delhi	260	350	
9.	P.S. to Governor	600	800	
10.	P.A. to Governor	560	750	
11.	Private Secretary/ S.C. Steno attached to Chief Commissioner, Land Administration	300	400	
12.	P.S./ S.C. Steno attached to Secretary to Chief Commissioner, Land Administration	300	400	
13.	Special Category Stenographer attached to Special Commissioner and Principal Secretary to Government in the office of the Chief Commissioner of Land Administration.	300	400	
14.	Private Secretaries to the Chairman and Members of A.P. Public Service Commission	600	800	On par with Private Secretary to Chief Secretary
15.	Private Secretary to the State Election Commissioner	600	800	
16.	Personal Secretaries to Chief Information Officer and Information Officers (for one post only in each Peshi)	600	800	
17.	Personal Assistants to Chief Information Officer and Information Officers (for one post only in each Peshi)	560	750	
18.	Private Secretary to the Presiding & Political Officers of Legislative Assembly & Legislative Council*	600	800	On par with Private Secretary to Minister

19.	Personal Assistant to the Presiding & Political Officers of Legislative Assembly & Legislative Council	560	750	On par with Personal Assistant to Minister
20.	Jamedar working in the Peshis of Presiding & Political Officers of Legislative Assembly & Legislative Council	300	400	On par with Jamedar in the peshies of Minister

***Note:** The following are the Presiding and Political Officers of the Legislative Assembly & Legislative Council:

- a) Speaker of the Legislative Assembly.
- b) Leader of Opposition in the Legislative Assembly.
- c) Deputy Speaker of the Legislative Assembly
- d) Government Chief Whip & Whips in the Legislative Assembly
- e) Chairman of the Legislative Council
- f) Leader of the Opposition in the Legislative Council
- g) Deputy Chairman of the Legislative Council
- h) Government Chief Whip & Whips in the Legislative Council.

2. Special Pay to the staff of Vigilance and Enforcement Department

08.10. The existing Special Pays admissible to the various categories of posts in the Vigilance and Enforcement Department are recommended to be increased as shown in the Table below:

Sl. No.	Category	Amount (₹. per month)		Remarks
		Existing	Recommended	
A. Head Office				
1.	Additional Director (Engg.) (Chief Engineer)	675	900	
2.	Additional Director (Revenue) Commissioner (State Tax) (Former Addl. Commissioner, C.T)	675	900	
3.	Deputy Secretary to Govt. (N.C.)	625	825	

4.	Joint Commissioner (State Tax) (Former Deputy Commissioner, C.T)	625	825	
5.	Special Grade Deputy Collector	625	825	
6.	Deputy Director (T.P)	600	800	
7.	Deputy Director (Engg) (Executive Engineer)	600	800	
8.	Assistant Secretary to Govt.	600	800	
9.	Divisional Forest Officer/ Asst. Conservator of Forests	550	725	
10.	Deputy Superintendent of Police	550	725	
11.	Deputy Executive Engineer	550	725	
12.	Assistant Commissioner (State Tax) (Former Commercial Tax Officer)	550	725	
13.	Asst. Director(Mines & Geology)	450	600	
14.	Inspector of Police	450	600	
15.	Assistant Audit Officer (State Audit)	450	600	
16.	Mandal Development Officer	450	600	
17.	Assistant Registrar (Co.op)	450	600	
18.	Deputy Mandal Revenue Officer	300	400	
19.	Head Constable	225	300	
20.	Police Constable	150	200	
B. Regional Vigilance & Enforcement Office Units				
1.	Regl. Vig. & Enforcement Officer	625	825	
2.	Deputy Superintendent of Police	550	725	
3.	Deputy Executive Engineer	550	725	
4.	Asst. Director (Agrl)/ Agriculture Officer	450	600	
5.	Inspector of Police	450	600	
6.	Dy. Asst. Commissioner, State Tax (Former Dy. Comml. Tax Officer)	450	600	
7.	Tahsildar (Civil Supplies)	450	600	
8.	Assistant Geologist	450	600	
9.	Assistant Executive Engineer	450	600	

10.	Mandal Development Officer	450	600	
11.	Forest Range Officer	450	600	
12.	Assistant Registrar (Co-op).	350	450	
13.	Sub Inspector of Police	350	450	
14.	Head Constable	225	300	
15.	Police Constable	150	200	

3. Special Pay to the staff of Intelligence Department

08.11. The Intelligence Department consists of the following four wings:

General Intelligence,
Security Wing,
Special Intelligence Branch, and
Counter Intelligence Cell

08.12. A statement showing the Special Pay now admissible and the amount recommended for the various categories belonging to the Intelligence Department is given below:

Sl. No.	Category	Amount (₹. per month)		Remarks
		Existing	Recommended	
A. General Intelligence				
1.	Superintendent of Police (NC)	750	1000	
2.	Addl. Superintendent of Police	700	925	
3.	Administrative Officer	475	625	
4.	Dy. S.P./A.C.P.	600	800	
5.	Inspector of Police	475	625	
6.	Reserve Inspector	450	600	
7.	Sub-Inspector of Police	400	525	
8.	Reserve Sub-Inspector	400	525	
9.	Asst. Sub-Inspector	350	450	
10.	Asst. Reserve Sub-Inspector	350	450	
11.	Head Constable	225	300	
12.	Police Constable	150	200	
13.	Asst. Admn. Officer (Int.)	450	600	

14.	Manager	450	600	
15.	Asst. Manager	350	450	
16.	I.B. Assistant	300	400	
17.	Asst. Photographer	150	200	
B. Security Wing				
1.	Addl.S.P.	700	925	
2.	Dy.S.P.	600	800	
3.	Inspector of Police	475	625	
4.	Sub-Inspector of Police	400	525	
5.	Head Constable	225	300	
6.	Police Constable	150	200	

4. Special Pay / Incentive to the Staff of Anti-Corruption Bureau

08.13. The Commission recommends Special Pay at the rate of 25% of basic pay as incentive to such of the employees drafted to Anti-Corruption Bureau from other departments on deputation basis for a specific tenure, as long as they work in the Bureau. In respect of employees recruited exclusively to work for the Anti-Corruption Bureau, the Commission recommends the payment of an Incentive allowance of 8% of basic pay.

5. Special pay to the staff working in Farms

08.14. The Staff working in the Farms belonging to Agriculture, Animal Husbandry, Fisheries, Horticulture and Sericulture Departments are at present eligible for Special Pay @ 4% of basic pay per month subject to the maximum of ₹.1400/- p.m. and further subject to the condition that the Farms are located outside 8 kms from the Municipal limits and where the staff also stay outside 8 kms from the Municipal limits. **The Commission recommends increase in the above Special Pay to 4% of basic pay in the revised scale subject to a maximum of ₹.1825/- p.m.**

6. Special Pay for the Typists and Stenographers

08.15. As has been mentioned above, Special Pay is sanctioned by the Government to the employees working as Typists, Junior/Senior/Special Category Stenographers, Personal Assistants, Private Secretaries to Chief Secretary / Special Chief Secretary/ Principal Secretary, Secretary to Government, Reporters of Legislature, Senior Reporters and Reporters of Shorthand Bureau of Police Intelligence Department and Court Masters of High Court of A.P./ Lok-Ayukta / A.P.A.T. etc.

08.16. The rates of Special Pay for these categories of employees are recommended to be increased as follows:

Sl. No.	Category	Amount (₹. per month)		Remarks
		Existing	Recommended	
A. Typists (including Typists-cum-Assistants)				
1.	Lower Grade in English	160	200	
2.	Lower Grade in Telugu/Urdu	180	240	
3.	Higher Grade in English	225	300	
4.	Higher Grade in Telugu/Urdu	240	320	
5.	Lower Grade in both English and Telugu/Urdu	270	360	
6.	Lower Grade in Telugu/ Urdu plus Higher Grade in English or Lower Grade in English plus Higher Grade in Telugu/Urdu	300	400	
7.	Higher Grade in English plus Higher Grade in Telugu/ Urdu	315	420	
B. Stenographer				
1.	Lower Grade in English Shorthand	190	250	Stenographers who have both shorthand and typewriting qualifications may be allowed Special Pays for both the qualifications in accordance with the rates prescribed
2.	Lower Grade in Telugu/ Urdu Shorthand	210	280	
3.	Higher Grade in English Shorthand	250	330	
4.	Higher Grade in Telugu/ Urdu Shorthand	270	360	
5.	Lower Grade in both Telugu/ Urdu and English shorthand	300	400	
6.	Lower Grade in Telugu/ Urdu Shorthand and Higher Grade in English Shorthand or Lower Grade in English Shorthand and Higher Grade in Telugu / Urdu Shorthand	300	400	

7.	Higher Grade in Shorthand in both Telugu/ Urdu and English	330	440	
8.	High speed of 150 words per minute in English Shorthand	675	900	Persons drawing this Special Pay shall not be eligible for Special Pay for Stenographers separately
9.	High speed of 180 words per minute in English Shorthand	750	1000	
10.	High Speed of 80 words per minute in Telugu Shorthand/ Urdu Shorthand	750	1000	

7. Special Pay to the Teachers working in schools for Differently Abled Children

08.17. The Commission recommends the following revised rates of Special Pay to the teachers working in both Government Schools and Aided Schools for Differently Abled Children:

Sl. No.	Category	Special Pay (₹. p.m.)	
		Existing	Recommended
1.	Principal	450	650
2.	Post Graduate Teacher	375	550
3.	Trained Graduate Teachers/ L.T. Assistants/ School Assistants and Language Pandits Grade-I	375	550
4.	Secondary Grade Basic Training Teachers & Language Pandits Grade-II	300	430
5.	Higher Elementary Grade Teachers	190	300
6.	Special Teachers: a) Mobility Orientation Training Teacher (MOTT) b) Craft Teacher c) Music Teacher d) Physical Education Teacher (PET)	190	300

(No orders were issued by the Government on the recommendation of the 10th PRC)

8. Special Pays to the Drivers etc.

(a) Drivers

08.18. The existing rate of special pay of ₹.500/- p.m admissible to the Drivers of all Government Vehicles, Drivers belonging to Work Charged Establishments in all the Engineering Departments of Irrigation / Roads & Buildings / Panchayat Raj / Public Health Municipal Engineering and also to the Drivers of Tractors and other moving vehicles and to the regular operators of Road Rollers, vide G.O. Ms. No. 171 Finance (HR-VI-TFR-A&L-TA) Dept. dated 11-12-2015, is recommended to be enhanced to ₹.650/-p.m.

(b) Attenders driving Vehicles

08.19. The existing special pay of the ₹.325/-p.m. sanctioned in G.O. Ms. No. 171 Finance (HR-VI-TFR-A&L-TA) Dept. dated 11-12-2015, to the Office subordinates (Attenders) who are required to perform the duties of Drivers, is recommended to be increased to ₹.425/- p.m. If the period is less than a month, the amount of Special pay admissible shall be proportionately reduced. The certificate prescribed in G.O.Ms.No.278, Fin.(TA) Department, dt.15-10-2005 for this purpose shall hold good.

9. Special Pay to the Section Officers, Assistant Section Officers and others

08.20. On the request of the Section Officers and Assistant Section Officers of Secretariat, a Group of Ministers recommended enhancement of Special Pays of Section Officers from ₹.325/- p.m. to ₹.750/-p.m. and to sanction ₹.500/- p.m. to the category of Assistant Section Officer vide G.O.Ms.No.203, Finance (TA) Department, dated:31.07.2013 with effect from 01.04.2013 as an interim measure pending revision of their pay scales by the 10th Pay Revision Commission. The 10th Pay Revision Commission has reviewed the pay scales of Section Officers and Assistant Section Officers and suitably re-fixed the same in the RPS 2015. Keeping in view of the revision of pay scales, the 10th PRC had recommended that Special Pay may be paid to the Section Officers @ ₹.475/- p.m. and to the Assistant Section Officer @ ₹.300/- p.m. Accordingly orders were issued by the Government in G.O.Ms.No. 171 Finance (HR-VI-TFR-A&L-TA) Dept. dated 11-12-2015 bringing these revised rates into effect.

08.21. Taking the above facts into account this Commission recommends the following:

A. Special Pay @ ₹.625 per month to the following officers:

- (i) Section Officers working in the State Secretariat, Legislature Secretariat, Raj Bhavan Secretariat, A.P. State Election Commission and A.P. Public Service Commission**
- (ii) A.P. High Court :**
P.S. to Hon'ble Judges, Court Masters, Section Officers, Court Officers, Scrutiny Officers, Accounts Officers and P.S. to Registrar
- (iii) A.P. Administrative Tribunal:**
Court Masters, Section Officers, Court Officers, Scrutiny Officers, and Personal Assistant to the Hon'ble Chairman and Members
- (iv) Institution of Lok-ayukta and Upa Lok-ayukta:**
Section Officers, Accounts Officer and Personal Assistants (to Lok-ayukta, Upa Lok-ayukta and Registrar)
- (v) Special Court under A.P. land Grabbing (Prohibition) Act:**
Section Officers, Court Masters, Court Officers, P.S. to Chairman, P.A. to Chairman and Assistant Accounts Officer.

B. Special Pay @ ₹.400 per month to the Assistant Section Officers working in the following offices: State Secretariat, Legislature Secretariat, Raj Bhavan Secretariat, High Court, Administrative Tribunal, Public Service Commission, State Election Commission, Institution of Lok-ayukta and Upa Lok-ayukta, Special Court for Land Grabbing Prohibition Act.

10. Special Pay admissible to various categories of posts in various Government Departments:

Sl. No.	Category	Amount (₹. per month)		Remarks
		Existing	Recommended	
1. Advocate General's Office				
1)	P.S. to Advocate General	300	400	
2. Agriculture Department				
1)	P.A. to Commissioner	225 (For Officer posted from Revenue Dept. on tenure basis. The Departmental officers are not eligible)	To be discontinued	Not relevant now
2)	Compositor	150	To be discontinued	Not relevant now
3)	Agri. Extension Officer (Sub-Assistants working in Soil Conservation Scheme)	185	250	
3. Animal Husbandry Department				
1)	Sweeper-cum-Post Mortem Attendant/ Post Mortem Attendant	225	300	
4. Common Categories				
1)	Telephone Operator	185	To be discontinued	Not relevant
2)	Cycle Orderly	110	140	
3)	Motor Cycle Messenger	110	140	
4)	Office Sub-ordinates who attend to Roneo work where there are no posts of Roneo Operator	110 (Not more than one Attender in the office shall be allowed this Special Pay)	To be discontinued as Roneo Machines are out of use	

5)	Shroff and Cashier and other Ministerial personnel in the pay scale of ₹.10900-31550 (2008 Pay scale) and below who handle cash and who have furnished cash security or Fidelity Bond.	(i) ₹.150/-for average monthly cash disbursed > ₹.10000 and < ₹.2 lakh (ii) ₹.210/-for average monthly cash disbursed > ₹.2 lakh and < ₹.10 lakh (iii) ₹.250/-for average cash disbursed of ₹.10 lakh and above	To be discontinued. (Cash transactions to be discouraged in the age of digital economy)	
5. School Education Department				
1)	Headmasters of Primary Schools	110	150	
2)	Headmasters of Upper Primary Schools	150	200	
3)	Language Pandits Gr.II /S.G.B.T. (for handling High School Classes)	150	200	
4)	Headmasters in Single Teacher Schools	75	100	
6. Endowments Department				
1)	Goldsmith	185	250	
7. Forest Department				
1)	Asst. Conservator of Forest and Dy. Conservator of Forest	450 (for those working in DFO Flying Squad Division)	600 (for those working in DFO Flying Squad Division)	
2)	Head Animal Keeper	225	300	
3)	Animal Keeper	150	200	
4)	Mahavat	225	300	
5)	Keeper (Lion)	225	300	

8. Government Pleaders' Office				
1)	Administrator	600	800	
9. Institute of Lok-ayukta and Upa Lok-ayukta				
1)	Roneo Operator	110	To be discontinued as Roneo Machines are out of use	
2)	Jamedar	250	330	
10. Legislature Secretariat				
1)	Secretary	1125	1500	
2)	Special Secretary	1125	1500	
3)	Estate Officer	450	600	
4)	Watchman	150	200	
11. Ayush Department				
1)	Principals of Ayurveda, Unani & Homeo Medical Colleges	475	625	
2)	Superintendent of Teaching Hospitals (Ayurveda, Unani & Homeo)	475	625	
3)	Lecturer P.G. (Ayurveda, Unani)	475	625	
4)	Medical Officers posted as Lecturers in Ayurveda, Unani and Homeo Medical colleges with Post Graduate Degree Qualification.	350	450	
5) Under Graduation				
	(a) Asst. Professor with P.G.	475	625	
	(b) Professor with P.G.	475	625	

6) Post Graduation				
	(a) Technical Asst. with P.G	350	450	
	(b) Reader with P.G.	475	625	
	(c) Professor with P.G.	475	625	
7)	Compounders (Ayurveda, Unani & Homeo)	110	150	
8)	Sweeper-cum-Post Mortem Attendant/ Post Mortem Attendant	225	300	
9)	Compounder (Ayurveda, Unani posted in Pharmacy Manufacturing units)	185	250	
12. Insurance Medical Service				
1)	Special Grade Civil Surgeon	250 (Superintendent of Hospitals of less than 100 beds)	330 (Superintendent of Hospitals of less than 100 beds)	
13. Medical Education Department				
1)	Lady Medical Officer/ Health Officer	475	625	
2)	Sweeper-cum-Post-mortem attendant / Post-mortem Attendant	225	300	
14. National Cadet Corps (Accounts Branch)				
1)	Junior Accounts Officer (formerly Superintendent)	185	250	
2)	Senior Accountant (formerly Senior Assistant)	150	200	
3)	Junior Accountant (formerly Junior Assistant)	110	150	

15. Police Department				
A. General				
1)	Director (FSL)	700	925	
2)	Store Keeper	450	600	
3)	Asst. Admn. Officer	450	600	
4)	Manager	450	600	
5)	Chief Drill Instructor/ Chief Law Instructor	450	600	
6)	Asst. Chief Drill Instructor (RSI)/ Asst. Law Instructor	350	450	
7)	Sub-Inspector (Draughtsman)	110	150	
8)	Band Master (ARSI)	225	300	
9)	Asst. Drill Instructor	185	250	
10)	Head Constable (Fitter Electrician)	110	150	
11)	Head Constable (Carpenter)	110	150	
12)	Head Constable (Painter)	110	150	
13)	Head Constable (Blacksmith)	110	150	
14)	Head Constable (Driver) * (who drive four wheeler etc.,)	350	450	
15)	Police Constable (Driver) * (who drive four wheeler etc.,)	350	450	
16)	Head Constable (Driver) * (who drive Motor Cycles etc.)	110	150	

17)	Police Constable (Driver) *(who drive Motor Cycles etc.)	110	150	
18)	Photographer (Rs32670-101970) (Grade-11)	185	250	

* Payment of this special pay will be restricted to the cadre strength of Head Constable Drivers / Police Constable Drivers in all the wings of the Police Department sanctioned by the Government. Any Other Allowance/ Special Pay now being allowed for driving vehicles will stand discontinued.

B. C.I.D.

1)	Addl.S.P.	625	825	
2)	Dy.S.P./A.C.P.	550	725	
3)	Inspector of Police	450	600	
4)	Sub-Inspector	400	525	
5)	Head Constable	185	250	
6)	Police Constable	110	150	

C. Police Transport Organisation

1)	Inspector of Police	300	400	
2)	Sub-Inspector	225	300	
3)	Head Constable	90	120	
4)	Police Constable	90	120	
5)	Police Constable (working as Driver in Police Dept.)	500	650	
6)	Head Constable (working as Driver in Police Dept.)	500	650	

D. Police Communication

1)	Inspector of Police	350	450	
2)	Sub-Inspector	350	450	
3)	Asst. Sub-Inspector	250	330	
4)	Head Constable	225	300	
5)	Police Constable	150	200	

E. Finger Print Bureau				
1)	Inspector of Police	240	320	
2)	Sub-Inspector	225	300	
3)	Asst. Sub-Inspector	110	150	
F. DSB, DCB, RDSB, RDCB				
1)	Inspector of Police	400	600	
2)	Sub-Inspector	250	330	
3)	Asst. Sub-Inspector	185	250	
4)	Head Constable	185	250	
5)	Police Constable	110	150	
16. State Ports Department				
1)	Director	450	600	
2)	Port Officer	400	525	
3)	Port Conservator	185	250	
4)	Asst. Port Conservator/ Wharf Supervisor	185	250	
5)	Sarang	300	400	
6)	Operator – Grade II	475	625	
7)	Oilman (Fireman)	225	300	
8)	Lascar	225	300	
9)	Mazdoor	225	300	
17. Printing, Stationery and Stores Purchase Department				
1)	Manager (works) (formerly Asst. Director (Tech.))	350	450	
2)	Typographer (formerly Tracer-cum-Artist)	225	300	
3)	Dy. Director, Kurnool	400	525	
4)	Compositor	150	200	
18. Protocol Department (Former Government House Department)				
1)	Additional Director of Protocol (formerly Addl. Comptroller)	500	650	

2)	Deputy Director of Protocol (formerly Deputy Comptroller)	350	450	
3)	Asst. Director of Protocol (formerly Asst. Comptroller)	300	400	
4)	Protocol Officer	500	650	
5)	Butler	150	200	
19. Andhra Pradesh Engineering Research Laboratory (subject to division of establishment of APERL, a Xth Schedule Institution)				
1)	Director	750	1000	Subject to division of establishment of APERL, a Xth Schedule Institution
2)	Joint Director	630	840	
3)	Dy. Director	485	640	
4)	Research Officer	485	640	
5)	Asst. Research Officer/ Standard Officers	375	500	
6)	Research Assistant/ Observer/ Mechanical Supervisor	300	400	
7)	Work Supervisor (Computer)	300	400	
8)	Supervisor (Computer)	300	400	
9)	Computer	300	400	
10)	Assistant Computer	150	200	
11)	Draughtsman Grade-I	185	250	
12)	Draughtsman Grade-II	185	250	
20. Engineering Departments (Irrigation and Command Area Development Department Dept. etc. Design, Research and Investigation Wings)				
1)	Superintending Engineer	900	1200	
2)	Reception Engineer (Srisailam Project)	675 (as personal to the existing incumbent)	To be discontinued	No such post at present
3)	Executive Engineer	750	1000	
4)	Dy. Executive Engineer	500	650	

5)	Asst. Executive Engineer/ Asst. Engineer	450	600	
6)	Overseer/ Draughtsman	300	400	
7)	Store Keeper Gr.I	300	400*	
8)	Store Keeper Gr.II	250	330*	
9)	Store Keeper Gr.III	225	300*	
* Special Pay is admissible only to those Store Keepers who are in-charge of Engineering material of Engineering Stores				
21. Rajbhavan				
1)	Jamedar	250	330	
2)	Dafedar	250	330	
3)	Office Subordinate	225	300	
4)	Garage Supervisor	150	200	
22. Resident Commissioner's Office, New Delhi				
1)	Assistant Commissioner	500	650	
2)	L.A.O.	500	650	
3)	Protocol Officer	500	650	
4)	Assistant Liaison Officer	350	450	
5)	Assistant Reception Officer	350	450	
6)	Lift Operator	150 * on par with Lift Operator in Secretariat	200 * on par with Lift Operator in Secretariat	
23. Chief Commissioner of Land Administration				
1)	Mandal Revenue Officer	450 (only for MROs discharging duties of Executive Magistrate)	600 (only for MROs discharging duties of Executive Magistrate)	

2)	Roneo Operator	150	To be discontinued as Roneo Machines are out of use	
24. Commercial Taxes Department				
1)	Additional Commissioner (Enforcement/ Legal)) (Formerly Joint Commissioner, Enforcement/ Legal)	675	900	
2)	State Representative before Sales Tax Appellate Tribunal	675	900	
3)	Joint Commissioner (Legal) (Formerly Deputy Commissioner, Legal)	675	900	
4)	Deputy Commissioner (Services/Legal) (Formerly Asst. Commissioner, Services/ Legal)	225	300	
25. Registration & Stamps Department				
1)	Sub-Registrar Gr.I (Working as Superintendent in I.G.'s and D.I.G's Office)	180	240	
2)	Sub-Registrar Gr.II (Working as Superintendent in I.G's Office)	150	200	
26. State Secretariat				
1)	Dy. Secretary/ Joint Secretary/ Addl. Secretary (AIS)	600 (one post only)	800 (one post only)	

2)	Asst. Secretary to Govt. (AIS) GAD	450	600	
3)	Dy. Director (RES) (E.F.E.S. &T. Dept.)	475	625	
4)	Roneo Operator	150	To be discontinued since Roneo Machines are out of use	
5)	Chowkidars	150	200	
6)	Asst. Section Officer (Caretaker), Finance Dept.	135	180	
7)	Asst. Section Officer (Caretaker), Industries & Commerce Dept.	135	180	
8)	Supervisory Driver (Finance Dept.,)	150	200	
9)	Head Driver, G.A. Department	150	200	
10)	Asst. Section Officer (SC Section)	300	400	
11)	Section Officer (SC)	500	650	
12)	Section Officer(SC) G.A.D. in-charge of Cipher	225	300	
13)	Two Asst. Section Officers who assist the Section Officer, GAD (SC) in-charge of Cipher	180	240	
14)	Lift Operator	150	200	
15)	Record Assistant (Working in Genl. Admn. (Spl.A/Spl.B) Dept.	110	150	

16)	Typist (working in S.C. Sections of Genl. Admn. Dept. & Home Dept.)	110	150	
27. Text Book Press				
1)	Compositor	150	200	
28. Translation & Other Departments				
1)	Senior Translators/ Translators (Law Dept.)	225 (For those who are Senior Translators/ Translators (Law) in the scale of ₹.28940-78910 and above)	300 (For those who are Senior Translators/ Translators (Law) in the scale of ₹. 45830-130580 and above)	
2)	Junior Translators, Assistant Translator	180 (For those who are Junior Translator/ Asst. Translator in the scale below ₹.28940-78910)	240 (For those who are Junior Translator/ Asst. Translator in the scale below ₹.45830-130580)	

11. Training Incentive / Special Pay to the Staff working in Training Institutes

08.22. A Training Incentive of 12.5% of basic pay may be allowed to the faculty members drafted to the training institute on deputation basis, either from within the parent department or from other departments.

08.23. In respect of non-faculty members on deputation to the training institute, the Training Incentive shall be limited to 4% of basic pay.

08.24. No deputation allowance shall be admissible to the deputed staff in addition to the training incentive. Also the staff recruited directly for working in the training institute will not be eligible for any Training Incentive/ Special Pay.

12. SPECIAL PAY TO THE OFFICERS AND STAFF OF THE OFFICE OF THE CHIEF ENGINEER INTER STATE AND WATER RESOURCES

08.25. Government created the office of Chief Engineer, Inter State & Water Resources (IS&WR) to protect the interests of Andhra Pradesh State over the waters of river Krishna in the dispute relating to the construction of Almatti Dam in Karnataka State and to prepare its case for any future Tribunal for the study of all Projects - Irrigation, Power, Industrial and other (both existing and planned) using water of river Krishna in all the three co-basin states (Maharashtra, Karnataka and Andhra Pradesh) vide G.O.Ms.No.48, I&CAD (IRR.X) Dept dt:09.03.1998. In G.O.Rt.No.974, I&CAD (IRR.X.1) Dept Dt:09.09.1999, Government have accorded permission for sanction of Special Pay equivalent to 15% of the Basin Pay to the officers and staff and employees working on deputation basis in the IS&WR unit with effect from 09.03.1998 onwards. Further, in G.O.Ms.No.199, I&CAD (IRR.X) Dept. dt:03.12.2003, Government enhanced the Special Pay to 25% of basic pay with effect from 01.09.2003. The same rate of Special Pay was last continued in G.O.Rt.No.16, I&CAD (PW.IS) Deptt. Dt:07.01.2006. On the strength of these orders the Special Pay is being paid year after year.

08.26. The Chief Engineer, Inter State & Water Resources, Vijayawada has stated that the IS&WR unit has been dealing with the following cases of Inter State Water Disputes with the neighbouring States of Maharashtra, Karnataka, Telangana, Odisha, Chhattisgarh and Tamilnadu in the Hon'ble Supreme Court and Tribunals.

1. Krishna River Waters Disputes in Krishna Water Disputes Tribunal-II and in Supreme Court - SLPs filed by the Government of Andhra Pradesh- No.10498/2011 and 3076-79/2014 against the decision of KWDT-II
2. Godavari River Waters in Supreme Court on construction of Polavaram Irrigation Project on Godavari waters.
 - i. O.S. No. 4 of 2007 filed by the State of Odisha.
 - ii. O. S. No.3 of 2011 filed by the State of Chhattisgarh
 - iii. O. S. No. 1 of 2019 filed by the State of Telangana
3. Vamsadhara River Waters in Vamsadhara Water Disputes Tribunal (VWDT) and SLP No.008830/2018 on the order of VWDT Dt: 13.09.2017 in the Supreme Court.
4. Palar River Water - O.S. Nos.2 and 3 of 2006 in Supreme Court filed by Government of Tamilnadu against the construction of M.I. Scheme on Palar River at GaneshPuram village, Kuppam Mandal of Chittoor District and construction of Check dams in Chittoor District on Palar River.
5. Paragodu Project: O.S. No.5/2003 in Supreme Court filed by Government of Andhra Pradesh against construction of anicut across river Chantravath

near Paragodu village, Bagepalli Taluk, Kolar District by the State of Karnataka.

08.27. He has requested for continuance of the Special Pay.

Recommendations:

08.28. The Commission finds that in the past this issue was not brought to the notice of any of the earlier Pay Commissions.

08.29. The exclusive purpose of establishing the IS&WR unit, headed by the Chief Engineer, is to render necessary assistance to the legal team engaged in defending the interest of Andhra Pradesh State in cases of inter State water disputes. Most of these are old cases and the relevant depositions/affidavits, either in the capacity of Applicant/Petitioner or as Respondent, would have been already filed.

08.30. In any case the Commission feels that the work involved is normal in nature and not arduous enough to justify continuance of Special Pay to the employees working in the IS&WR unit. Accordingly we recommend that this Special Pay may be discontinued.

CHAPTER-9

AUTOMATIC ADVANCEMENT SCHEME

09.01. In any organised employment, opportunities for career advancement is a legitimate aspiration of the employees. It acts as an important element of employee motivation and helps in their retention. As the name suggests, Automatic Advancement Scheme (AAS) acts as a standing assurance for certain number of increases in pay packets of State Government employees who are denied of regular career progressions. It benefits employees in situations where vacancies are not available in higher posts for effecting regular promotions as per the Service Rules. It also comes in to play when the departmental hierarchy envisaged in the Service Rules either does not provide for any promotional avenues at all for certain categories or affords them in inadequate number. In short, AAS acts as a guaranteed alternative available to the employees for financial advancement if rule based structured career advancement is not possible. One of the Terms of Reference set out for this Commission by the Government is to study the Automatic Advancement Scheme, as modified from time to time, keeping in view the anomalies that have arisen during its implementation and to examine whether the said scheme should continue in its present form and to make recommendations in this regard.

09.02. The Automatic Advancement Scheme has evolved to its present format in a period spanning over the last 38 years. The State Government introduced this Scheme in the year 1981 and have from time to time modified and fine-tuned this Scheme, based on the recommendations of successive PRCs or in response to the representations from the Employees Associations and also in order to resolve the practical difficulties encountered in its implementation. It is useful to study the important changes made to this scheme as it evolved over the years.

Initial version of the scheme

09.03. As stated above, AAS was introduced vide G.O.Ms.No.117, F&P(FW, PRC-I) Department dated 25/5/1981 in response to the demands of the various Employees Associations to ensure adequate promotional opportunities in their service career. In the beginning the Scheme was started with (i) Special Grade (SG) Post Scale and (ii) Special Temporary Promotion Post (SPP) Scale/ Special Ad-hoc Promotion Post (SAPP) Scale for those employees who completed 10 years and 15 years of service respectively in a particular cadre. The SG scale was available to all the employees who completed 10 years of service which count for increment without any further requirement. On the other hand the SPP scale could be conferred only on the employees who were qualified in all respects and eligible for the next promotion but could not be promoted due to want of vacancy. The SAPP scale was allowed to such of the employees who did not have any avenue for promotion as per the Service Rules. The SAPP scale was either equivalent to

or lower than the SPP scale depending on the category of post. The scheme was initially made applicable to all employees in the pay scale up to Grade -XVII and later extended to Grade -XVIII in the AP Revised Scales of Pay, 1978. It was clarified that appointment to these posts are not to be construed as promotions involving higher professional duties and responsibilities.

09.04. In order to remove the anomaly of a junior, who was promoted later but drawing more pay than his senior promoted earlier as per the service rules without getting the benefit of AAS, orders were issued vide G.O.Ms.No.297, F&P(F.W.PRC-I) Department, dated. 25/10/1983. This order directed that such anomalies be resolved by stepping up the pay of the senior with effect from the date of promotion of the junior to a figure on par with that of the junior in the higher post to which he is promoted on or after 1-4-1981 subject to the fulfilment of the following conditions:-

- (a) both the senior and junior should have been drawing pay in an identical scale;
- (b) the senior as well as the Junior should be promoted to the same category of post carrying the same scale of pay;
- (c) the pay of the Junior in the lower category should have been less than or equal to that of the senior in the lower category prior to promotion of the senior to the higher post;
- (d) once the pay of the senior is re-fixed under F.R. 27 on par with that of the junior in the identical post carrying an identical scale of pay, the next increment of the senior will be admissible only after completion of the required period of service to earn an increment with effect from the date of re-fixation of pay;
- (e) the anomaly should be directly as a result of the application of the Government Order read above. If not, for example, if even in the lower post the junior was drawing more pay in the lower post than the senior for any reason, such as grant of advance increments for merit or as a reward, under such circumstances there is no case to raise the pay of the senior in the higher post to be equal to that of his junior under these orders and therefore these orders would not be applicable in such cases; and
- (f) in all cases affected by this order, the pay shall be fixed notionally from the date the junior got a pay higher than that of the senior in the higher post with monetary benefit from the date of these orders.

AAS Scheme in 1986 Pay Revision

09.05. The Pay Revision Commissioner, 1986 recommended another level of automatic advancement after completion of 22 years of service. Accordingly orders were issued in G.O(P) No.2, F&P(FW, PRC-I) Department, dated: 4/1/1988, introducing a second level promotion post i.e., Special Promotion Post-II/ Special Adhoc Promotion Post-II after completion of 22 years in addition to Special Grade and Special Promotion post-I/ Special Adhoc Promotion post-I scales (i.e. after 10 years and 15 years). The above scheme was extended up to Grade- XVIII.

Scheme in the 1993 Pay Revision

09.06. The 6th PRC recommended modification of the Scheme by allowing Automatic Advancement Grades on completion of 8, 16 and 24 years of service instead of the earlier 10, 15 and 22 years of service. It was also ordered that fixation of pay should be done under the provisions of F.R. 22(a) (i) on promotion to a regular post after availing the benefit of Automatic Advancement Scheme instead of fixation under F.R.22-B, as was ordered in G.O.Ms.No.2 Fin & Plg (PRC.I) Dept. dated 04.01.1988. It was also stipulated that the benefit of pay fixation under F.R.22-B would be available only to such of the employees who get regular promotions without getting the benefit of AAS. It was further decided to discontinue the SPP-II Scale (second level promotion scale) on completion of 24 years in a post. Instead it was ordered that employees who completed 24 years of service shall be allowed one increment in the SPP-I scale only. The modified AAS was extended up to Grade-XXI. The earlier available provision for stepping up the pay of the senior on par with that of the junior drawing more pay after getting the benefit of AAS was continued subject to similar conditions being fulfilled.

Scheme in the 1999 Pay Revision

09.07. The 7th PRC recommended to continue the scheme without any modification and accordingly orders were issued vide G.O.(P) No.150, Fin. Plg. (FW PC-II) Dept. dated:01.09.1999. However, it was clarified that, as in the case of normal promotions, for appointment to the Special Promotion Posts also the employees, who complete 45 years of age, shall be exempted from passing the Department Tests as prescribed in the Service Rules for normal promotion. This concession was available subject to the conditions laid down in similar orders exempting employees from passing the Departmental Tests to get regular promotion, issued vide G.O.Ms.No.225, Genl. Admn. (Ser-C) Dept., dt. 18.05.1999.

Scheme in the 2005 Pay Revision:

09.08. The 8th Pay Revision Commission reviewed the scheme and recommended for continuation of the special grade after 8 years and the Special Promotion Post Scale / Special Adhoc Promotion Post Scale after 16 years. In place of the existing scheme provision for grant of an increment at the end of 24 years, the Commission recommended a second level promotion post called the Special Promotion Post Scale-II /Special Adhoc Promotion Post Scale-II for those who complete 24 years of service without any promotion. It was also recommended that employees, who get regular promotion, be given pay fixation benefit under FR 22-B even if they had earlier availed the benefit of SG/SPP-I.

09.09. A number of representations were received pursuant to the implementation of the revised guidelines based on the recommendations of the 2005 PRC. It was pointed out that the reintroduction of the provision for pay fixation under F.R. 22-B on promotion with effect from 1.7.2003 have led to several anomalies. Examples were cited of many juniors, who on promotion under the revised scheme, got higher pay fixation benefits, due to the application of F.R. 22-B, when compared to their seniors who received benefit of pay fixation on promotion under F.R. 22 (a) (i) read with FR 31(2). However, the request to bring the pay of seniors on par with their juniors, who were drawing higher pay, was rejected by the Government through their Circular Memo No. 2620-A/65/FR II/07 dt.20.2.2007.

Scheme in the 2010 Pay Revision:

09.10. The 9th Pay Revision Commissioner reviewed the AAS in detail and recommended that the existing scheme may be continued for all employees drawing pay up to Grade-XXV. The PRC also recommended that the benefit of pay fixation under F.R.22-B shall continue to be allowed on normal promotion even if the employee had derived benefit under Special Grade Scale/Special Promotion Post Scale-1. If this results in the senior drawing less pay than that of junior, the pay of the senior should be stepped up, with effect from the date of promotion of the junior, to a figure equal to the pay as fixed for the junior in the higher post to which he/she is promoted on or after 01/07/2008 subject to the usual conditions. The 9th PRC further advised that where the Service Rules are relaxed to enable regular promotions, they should be automatically extended to get the benefits under Automatic Advancement Scheme. Similarly if the service rules are changed imposing additional qualifications for promotion after the entry of the individual into service, thereby depriving him of the benefit of promotion and consequently to the benefits of Special Promotion Post Scale-I/ Special Promotion Post Scale-II, he/she shall be given the benefit of the next scale contemplated under the Special Adhoc Promotion Post Scale-I & II. Orders were issued implementing the above recommendations vide G.O.Ms.No.93, Finance (PC.II) Department, dated 03-04-2010. In

this order it was stipulated that fixation of Pay on appointment to any post under the AAS shall be under F.R.22(a)(i) read with F.R. 31(2).

Modified AAS – 2011

0911. In 2011, the Joint Action committee of Government employees, Teachers and Pensioners requested the State Government for change in frequency and number of stages of the Automatic Advancement Scheme to 6/12/18/24 years of service instead of the existing intervals of 8/16/24 years for better motivation of the employees.

09.12. The State Government accepted the request and issued orders vide G.O.Ms.No.96, Finance (P.C.II) Department dated 20.05.2011. These orders were implemented with effect from 01.02.2010. The different stages of AAS according to these orders are as follows:

Sl. No.	AAS Grade	Eligibility
1.	Special Grade Post (6 years)	Next higher scale above the pay scale of the post which the employee holds
2.	(a)Special Promotion Post Scale I-A (12 years) (b)Special Adhoc Promotion Post Scale I-A (12 years)	(a) Carries the pay scale of the post next above the post held by the employee which happens to be the promotion post in the regular line as prescribed in the Service Rules. Employee should be fully qualified to hold the promotion post as per Service rules but not got any promotion for 12 years. (b) Carries the next higher scale above the Special Grade Post Scale where Service Rules do not provide for any promotion.
3.	(a)Special Promotion Post Scale I-B/ Special Adhoc Promotion Post Scale I-B (18 years)	Employee allowed one increment in SPP Scale I-A or SAPP Scale I-A, as the case may be.

4.	(a) Special Promotion Post Scale II (24 years) (b) Special Adhoc Promotion Post Scale II (24 years)	(a) It carries the pay scale of the second level promotion post to the original post held by the employee. Employee should be qualified for promotion to this post as per Service Rules but not got any promotion for 24 years. (b)(i) Carries the next higher scale above the SPP Scale I-A where Service Rules do not provide for any promotion to the second level. (ii) Carries the next higher scale above the SAPP Scale I-A where Service Rules do not provide for any promotion at all.
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Scheme in the 2015 Pay Revision:

09.13. The 10th PRC opined that since the revision of periodicity and up-gradation under the scheme had taken place recently the Commission saw no substantive ground to change it further. It therefore recommended its continuation.

Employees Demands and our Recommendations

09.14. Almost all the Employees Associations have requested for continuance of the Automatic Advancement Scheme but with certain modifications. Some sections of employees have complained about certain snags in the implementation of the scheme. They are as follows:

1. A concern has been raised in some quarters stating that still in many cases seniors are drawing lesser pay than their juniors who get AAS benefits

The Commission finds that in G.O.Ms. No. 297 Finance & Plg (F.W.PRC-I) Dept. dated 25-10-1983 Government had issued clear instructions to resolve the anomaly of a senior drawing lesser pay than that of a junior which occurs on account of fixation of pay scale under the AAS. It was ordered that in all such cases the pay of the senior shall be stepped up to the level of pay of the junior subject to fulfilment of conditions enumerated in the said G.O. These instructions have been reiterated from time to time and applied mutatis mutandis in respect of AASs, as recommended by successive PRCs. Hence in case any specific instances of such anomaly is still being noticed, the concerned employee can represent the same to his/her departmental authorities to resolve the issue. This is only an administrative matter and as such requires no further recommendation of this PRC.

2. It has been represented by some employees that even after crossing the age of 45 years they are not being exempted from the requirement of possessing qualifications prescribed in the Service Rules for promotion to the higher post, thus depriving them of the benefit of AAS.

We observe that the Government have already issued instructions in G.O. Ms. No.68 Finance(HRM.V-PC) Department dated 12-06-2015 to the effect that “where service rules are relaxed to enable regular promotion, they should be automatically extended to the Automatic Advancement Scheme for purposes of extending the benefit of SPP Scale-IA/SPP Scale-II”. We are of the view that these orders read with the provisions of G.O.Ms.No.225 of General Administration (Ser. C) Dept dated 18-05-1999, which has been further clarified in Government Memo No. 21073/193/PC-II/2009, F&P (FW-PRC-I) Dept. dated 21-02-2009, adequately takes care of this concern. Hence no further recommendation is needed on this issue.

3. Members from the teaching community have requested that for the purpose of stepping up the pay of seniors to the level of pay fixed for their juniors, the existing Government orders for reckoning subject wise seniority may be dispensed with and instead thereof overall seniority should be reckoned among all teachers in general.

The Commission finds that as per the School Education Sub-ordinate Service Rules issued in G.O.MS. No. 74 Education (Ser.I) department dated 20-09-2017 the School Assistants have been included as Category-I of Class-I. In Note-1, under Rule-3 it is stipulated that transfer within the same class among different categories / subjects is not permissible. Again, as per Rule-5, “No person shall be eligible for appointment to the categories of posts specified in column (1) of the Annexure to these Rules by the method specified in Column (2) unless he/she possesses the qualifications in the corresponding entry in Column (3) thereof.” Now, it is clear from the Annexure that the category of School Assistant has been further divided into five sub-categories, namely School Assistant (Mathematics), School Assistant (Physical Science), School Assistant (Biological Science), School Assistant (Social Studies) and School Assistant (English) with distinct requisite qualifications. Obviously, for normal promotion as School Assistant in a specific subject group the Secondary Grade Teachers having necessary academic qualification in that subject group alone shall be taken into consideration. A clarification to that effect was already issued by the Government in G.O.Ms.No.475, Education (Ser.-V) Department dated.2-11-1998. The Commission is therefore of the view that anomaly in the pay fixed under AAS in respect of senior and junior School Assistants can be reckoned only with reference to the distinct subject groups, as mentioned above, and not among all the School Assistants in general. The Commission therefore is not in a position to agree with this request.

4. A request was made to allow fixation of pay under F.R. 22-B on getting normal promotion after enjoying SPP Scale-II. Another similar demand was made to allow Special Grade Scale on completion of 6 years of service in the normal promotion post even though the employee has already got the benefit of SPP Scale-II.

The Commission is not in agreement with this request since an employee receiving the benefit of SPP Scale-II is already enjoying the scale of pay of the second level promotion post above the regular post.

5. A vast majority of the Associations demanded that the frequency of scale advancement under the Scheme should be modified to 5/10/15/20/25 years in lieu of the existing intervals of 6/12/18/24 years. Some of them have advocated that the present periodicity (6/12/18/24 years) may continue with the addition of one more stage of improvement on the expiry of 28 years. Some others even suggested for a periodicity of 4/8/12/16/20/24 years;

Automatic Advancement Scheme provides an assurance of guaranteed structured financial advancements, at predetermined intervals of time, during an employee's service career. It keeps him motivated. As has been mentioned elsewhere in our report, in a study commissioned by the 5th CPC it was found that the average age of entry into Government service is about 25 years. Some even join at younger age. Ordinarily a Government employee, entering service at around 25 years of age, would thus look forward to putting in about 35 years of service before he/she superannuates. Within this span the AAS provides for four levels of automatic pay up-gradation in cases where normal channels of promotions are either not available in the Service Rules or promotional opportunities simply do not come by due to lack of vacancies or other reasons. The last such benefit under AAS comes in the shape of SPP Scale-II after 24 years of service. This ordinarily leaves a long time gap of over 10 years during which an employee may or may not get any normal promotion depending on the department and category in which he/she works. The AAS goes some way in mitigating these constraints to upward mobility of the staff, at least financially, even though there is no functional rise in the hierarchy.

The Commission is however of the view that frequent changes in the periodicity of the AAS is not desirable. Firstly, it would result in vastly unequal levels of benefits to employees of different seniorities. For instance, a change in periodicity to 5/10/15/20 years, as has been requested, would be a heart burn for senior employees who had to put in longer tenures of 6/12/18/24 years before getting their AAS benefits. Similarly employees, who have already received benefit under

the scheme on completion of 12/18 years of service, would again get benefits after 3/2 more years, thus completing 15/20 years of service respectively. Such a change in periodicity is also likely to result in a number of anomalies of juniors drawing higher pay than their seniors. We therefore do not agree with the request for a change in the existing frequency. Moreover the present interval of 6 years between two stages of AAS is in our view quite appropriate and adequate. We are however inclined to recommend one more stage of AAS for the benefit of those employees who remain in the same post for a long period of 30 years. This would act as some degree of motivation to the employees, languishing for promotion, at the fag end of their service careers.

09.15. The Commission thus recommends that the present Automatic Advancement Scheme may continue with the following modification:

- (1) The existing Special Grade, SPP Scale IA/ SAPP Scale IA, SPP Scale IB/ SAPP Scale IB/ may be continued with eligibility for the Special Grade after 6 years of service in the same post, SPP-IA/ SAPP-IA after 12 years and SPP -IB/ SAPP-IB after 18 years.
- (2) The present SPP Scale -II/SAPP Scale-II, eligible after 24 years of service in the same post, may be rechristened as SPP Scale-IIA/ SAPP Scale-IIA
- (3) An employee, on completion of 30 years of service in a particular post, may be granted one increment in the SPP Scale IIA/ SAPP Scale IIA, as the case may be, which shall be called the Special Promotion Post Scale II-B/ Special Adhoc Promotion Post Scale II-B.
- (4) The benefit of Automatic Advancement Scheme may be continued up to and inclusive of Grade-25 in the revised scales i.e., ₹.76730-162780.
- (5) All other instructions issued by the Government in G.O.Ms. No.68, Finance (HRM.V.PC) Department dated 12-06-2015 may apply mutatis mutandis to the modified scheme as now recommended.

Request of Lecturers of Government Degree Colleges

09.16. The Lecturers of Government Degree Colleges have represented to the Commission that the next promotion category for their post is that of Principal of Degree College. The State Government has adopted the UGC pay scale for the Principal post in the Collegiate Education Department and therefore assignment of a State Government pay scale to the post of Principal, Degree College would not normally arise. We also understand that only Lecturers, who fulfil the conditions prescribed by the UGC, become eligible for consideration of normal promotion to the post of Principal. However difficulties arise in assigning pay scales to the eligible Lecturers under the Automatic Advancement Scheme as UGC pay scale cannot be assigned under the AAS. **Hence, in order to obviate problems on this count, the Commission recommends an**

indicative notional pay scale of ₹.70850-158880 (Grade 24) be assigned to the category of Principal, Government Degree College for the limited purpose of fixation of pay under the Automatic Advancement Scheme to the category of Degree College Lecturers in the Collegiate Education Department.

CHAPTER - 10

LEAVE BENEFITS

10.01. Leave is a period of time that an employee spends away from his/ her primary service while retaining the status of employment. Leave can be for some casual purpose, a planned activity, on medical grounds or in extra-ordinary circumstances. Some of the grounds for availing leave are for personal work, recovering from sickness, leisure and rejuvenation, pursuing higher studies etc. Leave can be either paid (fully or partly) or without pay/ allowances. Almost all organised services have a leave policy and rules for grant of various kinds of leaves in consonance with that policy. The leave so sanctioned to the employees are in addition to the holidays availed on week-ends and festivals/ other important occasions notified by the Government as Public Holidays and Optional Holidays.

10.02. The Andhra Pradesh Leave Rules, 1933, as amended from time to time, and the executive instructions thereon govern the leave admissible to various Government employees. According to these rules "*Leave cannot be claimed as a matter of right*"

10.03. In the following paragraphs we discuss the different kinds of leave admissible, demands received (if any) from the employees and views of the Commission thereon. Unless otherwise stated, the existing terms and conditions regulating these leave should remain unchanged.

1. Casual Leave

10.04. Casual Leave (CL) is not a recognised form of leave and is not subject to the stipulations of the Andhra Pradesh Leave Rules, 1933. It is granted to enable a government servant to attend to sudden/unforeseen needs. Presently 15 days of Casual Leave is allowable to a Government employee in a calendar year. It can be taken for half-day also. CL cannot be clubbed with other kind of leave except Special Casual Leave. Women Teachers, women Instructors in I.T.Is and District Level Training Centres, women Junior Lecturers and women Lecturers of Degree Colleges have been specially allowed by the Government to avail 5 days of extra Casual Leave over and above the usual 15 days. A similar request for grant of 5 days of extra CLs per year, on par with the women teachers, has been received from other women employees.

Recommendations

10.05. The request for grant of extra 5 days of CL to women employees was made before the 9th and 10th PRCs also. However the same was not agreed to on the ground that non-teaching women employees should not compare themselves with the women

teachers since the latter belong to vacation departments and therefore have limited eligibility of only 6 days EL per annum as against 30 days EL for the former.

We are however not in agreement with the above line of reasoning since the women teachers enjoy long vacations and have much fewer working days. The Commission also feels that all women employees, teaching and non-teaching, have to bear additional familial responsibilities compared to their male counterparts and therefore deserve equal treatment in this regard. **Accordingly the Commission recommends that all the women Government employees may be treated equally and hence the benefit of extra 5 days CL may be extended to all non-teaching women employees also.**

2. Child Adoption Leave

10.06. At present there is no provision in the State for grant of Child Adoption Leave. In the Central Government there is a provision to permit Child Adoption Leave up to 180 days for a woman employee having less than two surviving children if she legally adopts a child up to one year of age. A representation was received from the employees to replicate this provision for the women employees of State Government

Recommendation

10.07. **The Commission recommends that Child Adoption leave of up to 180 days may be granted on similar conditions, as noted above, to female State Government employees.**

3. Child Care Leave

10.08. At present women Government employees are being permitted to avail Child Care Leave of 60 days in the entire service to take care of up to two minor children (up to the age of 22 years in case of differently abled children) for rearing or for looking after their needs at the time of examinations or for attending to their sickness. This leave can be availed in not less than 3 spells. It can also be taken in continuation with Maternity Leave or any other leave other than Casual Leave and Special Casual Leave. The Commission received several representations to enhance the duration of admissibility of this leave up to two years.

Recommendations

10.09. The Commission understands that the Child Care Leave has been introduced as an employee friendly measure, particularly to encourage female participation in Government employment. It is seen from the report of the Seventh Central Pay Commission that the operation of this facility in the Central Government, where it has

been in vogue for a substantially long period basing on the recommendations of the 6th CPC, has thrown up the following experiences:

- a) That the leave was treated as a kind of extended Casual Leave and availed at frequent intervals, thus causing disruption to Governmental functioning;
- b) That the leave was availed in a routine manner without any underlying genuine purpose, as originally envisaged.

10.10. The Central Government has therefore incorporated certain fresh conditions, based on the recommendations of the Seventh CPCs, to govern the grant of this leave so that the above concerns may be addressed. The Commission finds that at present the broad contours of this leave, in so far as the Central Government employees are concerned, are as follows:

- (i) Child Care Leave is admissible for a total period of 730 days in the entire service to look after the two eldest surviving children. It can be availed in not more than three spells in a year.
- (ii) Apart from female employees, a 'single' male Government employee, defined as an unmarried or widower or divorcee male, has been made eligible for this leave.
- (iii) The salary admissible for the first 365 days of leave shall be @ 100% while it would reduce to 80 % during the next 365 days.

10.11. Further, the Seventh CPC, while examining the various provisions of this leave, has observed that, *".....the concept of a paid (whether 100% or 80%) leave solely for child care for a period of two years, is a liberal measure unmatched anywhere else."*

10.12. We are conscious of the fact that a long spell of Child Care Leave at a time might affect the smooth discharge of public functions, especially in smaller establishments where the staff strength is not very high and where finding a suitable substitute may be difficult. Apparently, in order to obviate such contingencies, the State Government has stipulated that the Child Care Leave can be availed in not less than three spells for a total period of 60 days only. However such a stipulation has the danger of receiving requests for availing this leave in a large number of short spells, like Casual Leave, as has been pointed out above. Moreover notional gaps can be created between two spells by joining duty for a short period. We also feel that the present admissibility of 60 days in the entire service is very less and would not adequately serve the very laudable purpose for which this leave is intended.

10.13. Keeping the requests of the employees and the above mentioned practical issues involved in perspective, this Commission recommends the following modifications to the Child Care Leave:

- (i) The entitlement for Child Care Leave may be increased from the present level of 60 days to at least 180 days in the whole service period;**
- (ii) The leave may be availed in a maximum of three spells;**
- (iii) Child Care Leave may be extended to 'single' male employees (unmarried/widower/divorcee) also.**

4. Commuted Leave

10.14. Presently, Commuted Leave not exceeding half the amount of half-pay leave at credit can be granted on medical certificate. When commuted leave is granted, twice the duration of such leave is to be debited against the half-pay leave account. Half-pay leave up to a maximum of 240 days can be commuted during the entire service period for undergoing an approved course of study in public interest. A request has been made to do away with the need for medical certificate.

Recommendations

10.15. The Commission is not convinced with the above request since other kinds of leaves are available for non-medical needs and since commutation of half-pay leave is mainly intended as a special dispensation for taking care of the financial needs of employees during long absences from duty owing to sickness and recuperation.

5. Earned Leave

10.16. Presently 30 days Earned Leave (EL) per annum is granted to Government employees in other than vacation departments and 60 days per annum to the Police personnel of the rank of Inspector and below. The annual E.L. entitlement is credited to the leave accounts of the employees in two equal instalments on 1st January and 1st July of each calendar year. Un-availed EL can be accumulated up to 300 days. A Government servant is permitted to surrender up to 15 days of EL in a financial year or up to 30 days of EL at a time in two financial years and receive equivalent leave salary and allowances in lieu thereof. On superannuation, an employee may encash accumulated EL up to a maximum of 300 days. In respect of vacation departments the EL entitlement is 6 days per annum.

10.17. Suggestions have been made to increase the accumulation limit of EL to 360 days or even to remove the limit altogether and permit its encashment in full. A request has also been received from the teaching community, both in schools and colleges, to increase the EL permissible in vacation departments from the present level of 6 days per annum to 21 days per annum.

Recommendations

10.18. The Commission finds that the State Government employees enjoy the option of surrendering 15 days of EL in every financial year. Notwithstanding this, they can still accumulate up to 300 days of EL which is the same maximum limit as that allowed to the Central Government employees. Moreover, one of the purposes of permitting EL entitlement of 30 days a year is to allow employees to utilise part of it to rejuvenate, re-energise and de-stress themselves by taking a break so that they can work more enthusiastically on their return to Government duties. In fact many private organisations, as a part of their H.R. policy, encourage and even force their employees to go on vacations to break the monotony of work. **The Commission therefore does not find any merit in recommending enhancement of the limit for accumulation of Earned Leave beyond 300 days. The Commission also does not find any merit in the request for increasing the EL entitlement in respect of vacation departments from the presently permitted 6 days per annum considering the availability of long Summer Holidays (50 days) and other holidays available to them.**

6. Extra Ordinary Leave

10.19. Extra Ordinary Leave (EOL) is granted to a government servant when no other leave is admissible or when other leave is admissible but the government servant applies in writing for extraordinary leave. This leave is neither debited to the leave account nor is any leave salary paid. **No demand has been received regarding this leave. Accordingly, status quo may be maintained.**

7. Half Pay Leave

10.20. Presently, government employees are entitled to 20 days of Half Pay Leave for each completed year of service, credited in advance @10 days each on the 1st of January and 1st of July every year. There are representations that encashment of HPL should be allowed at the time of superannuation.

Recommendation

10.21. At present a Government servant can accumulate up to a maximum of 300 days of EL and, on his/her superannuation from service, encash the same. Shortfall, if any from 300 days, in the number of days of EL accumulated, can be made good by adjusting from the half pay Leave at credit. However, to make up for this shortfall no commutation of half pay leave into full pay shall be permissible. This provision is very reasonable and the commission does not see any reason to recommend any change.

8. Leave Not Due

10.22. Leave Not Due is granted when the employee has no half-pay leave at credit and he/she requests for the grant of Leave Not Due. It is granted only on medical certification, if the leave sanctioning authority is satisfied that there is a reasonable prospect of the employee returning to duty on its expiry. Leave Not Due during the entire service is limited to a maximum of 180 days and is debited against the half-pay leave that the employee may earn subsequently. No demands have been received regarding this leave. Accordingly, status quo may be maintained.

9. Maternity Leave

10.23. Maternity leave is granted to women government employees with less than two surviving children, up to 180 days for pregnancy (either for confinement or after child delivery). It can also be granted for up to 45 days for miscarriage/abortion (irrespective of the number of surviving children) on production of medical certificate. Maternity leave can be combined with any other leave.

Recommendation

10.24. No representation has been received to modify the present provisions. Hence the existing dispensation may continue.

10. Paternity Leave

10.25. Presently, a male employee with less than two surviving children may be granted Paternity Leave for a period of 15 days during the confinement of his wife, up to 15 days before or six months from the date of delivery of child. There is no representation from the employees regarding this leave.

Recommendation

10.26. The Commission finds that Paternity Leave up to 15 days is also granted to a male Central Government employee with less than two surviving children on valid legal adoption of a child below the age of one year, within a period of 6 months from the date of valid adoption. The Commission recommends that a similar provision may be made available for the State Government employees also.

11. Special Casual Leave

10.27. At present the State Government grants Special Casual Leave for various broad purposes such as

- A. Sports and Cultural Activities
- B. Undergoing Family Planning Operations
- C. Union/Association Activities
- D. Miscellaneous Purposes

10.28. Requests have been received by the Commission for grant of the following types of Special Casual Leave :

- (i) Special Casual Leave for 14 days in a year to differently abled employees;
- (ii) Special Casual Leave for changing prosthetic limb;
- (iii) Special Casual Leave to visually challenged employees on Louis Braille birthday;
- (iv) Special Casual Leave of 30 days in a year to Nurses working in high risk wards;
- (v) Grant of 10-15 days Special casual leave for performing ceremonies for deceased parents:

Recommendation

- (i) The Commission finds no merit in the request for grant of Special casual Leave to all differently abled employees. Hence we decline the same;**
- (ii) The orthopedically challenged employees, who need to replace prosthetic limb(s), may be granted Special Casual Leave of up to 7 working days in a calendar year, if so required, on production of medical certificate to that effect;**
- (iii) The birthday of Louis Braille may be included in the notified list of Optional Holidays to enable the visually challenged employees to avail**

the same within their normal overall Optional Holiday entitlement of 5 days in a calendar year;

- (iv) Nursing staff working in the high risk wards catering to Cancer, T.B., Mental Health and Leprosy patients work in stressful environment and may therefore be granted Special Casual Leave of up to 7 working days per calendar year;
- (v) The Commission does not find any merit in the demand for grant of Special CL for performing ceremonies for deceased parents as the employee is expected to utilise his/her Earned Leave/Casual Leave entitlement for this purpose.

12. Study Leave for continuation of Higher Education to the Physically Challenged employees on par with SC/ST employees:

10.29. The Commission considers that the above request is not reasonable, since the provision of Special Leave for higher studies is intended to benefit employees belonging to specified weaker section categories only.

13. Payment of Ex-gratia Allowance to the employees who were granted Extra-ordinary leave for the treatment of certain diseases:

10.30. In terms of Note (4) under Rule 28 and Note under Rule 29 of the Andhra Pradesh Leave Rules, ex-gratia allowance is payable to Non-Gazetted Government Servants drawing pay up to a specified limit and all Last Grade employees while on extra-ordinary leave for undergoing treatment of Tuberculosis / Leprosy/ Cancer/ Mental illness / Heart diseases and Renal (Kidney) failure. The ex-gratia allowance is half of pay subject to the minimum and maximum amounts specified in the rules. These basic pay and minimum and maximum amounts were last notified by the Government in G.O.Ms.No.155, Finance (FRI) Department, dated 04.05.2010 pursuant to the recommendations of the 9th PRC. The figures notified for the 2010 RPS in the said G.O. are as follows:

<u>Category</u>	<u>Basic Pay Limit</u>	<u>Minimum</u>	<u>Maximum</u>
Non-Gazetted Employees	₹.11.860	₹.5,770	₹.7,490
Last Grade Employees	All employees	₹.4,295	₹.6,430

10.31. We did not find any specific recommendation of the 10th PRC fixing the revised limits that may be notified by the Government. We did not also find any follow up notification of the Government revising the above mentioned limits as per the 2015 RPS.

The Commission now recommends that the relevant provisions of A.P. Leave Rules, 1933 may be amended by notifying the following revised limits for grant of ex-gratia allowance in the now revised pay scale:

Category	Basic Pay Limit	Ex-gratia amount payable per month	
		Minimum	Maximum
Non-Gazetted Employees	₹.35,570	₹.11,560	₹.17,780
Last Grade Employees	-	₹.10,000	₹.15,000

10.32. It is further recommended that Extra Ordinary Leave for the above purpose may be allowed only after exhausting the Earned Leave and Half Pay Leave at credit.

CHAPTER- 11

ADVANCE INCREMENTS

11.01. The incentive scheme of grant of advance increments for possessing higher qualifications than that prescribed in the Service Rules was adopted long ago by the State to attract such people to Government jobs. The scheme was justified in the initial years after independence when the Service Rules provided for only the basic minimum qualifications for entry into Government service.

11.02. The practice of grant of Advance Increments continued for a long time. The Pay Revision Commission, 1993 analysed the history of the concessions given by the previous Commissions and felt that the continuance of such an incentive was no longer justified as persons possessing higher qualifications and seeking Government employment were available in adequate number. The Commission suggested an alternative of increasing the level of minimum qualifications for recruitment where it was considered necessary or desirable. The Commission suggested a review of this incentive scheme. As a result a Committee of Senior Officers was constituted in G.O.Ms.No.356, General Administration (Spl.A) Department dt. 22.6.1993 to review the functioning of the scheme. As the said Committee could not submit its report before the constitution of the 1999 Pay Revision Commission, the subject was again included in the Terms of Reference of the said PRC.

11.03. The Pay Revision Commission, 1999, after reviewing the Incentive Scheme, came to the conclusion that the incentive should be done away with. The Commission felt that there was a large pool of qualified personnel seeking entry into Government service and therefore there was no need to provide an extra incentive by way of additional increments to attract persons possessing higher qualifications into those services. The Commission, however, felt that in specialized areas like Medicine, higher qualifications should be given weightage for the purpose of promotion. The Commission analysed the result of litigation in the High Court, relating to sanction of Incentive Increments, by certain categories of employees who contended violation of the provisions of Article 14 of the Constitution of India. The Commission cautioned about the possibility of similar litigations being initiated by other employees as well. Finally, the Commission recommended that the Service Rules be amended prescribing suitable qualifications commensurate with the requirements of the job. The Commission suggested sanction of Incentive Increments only in exceptional cases. It also felt that in all such cases a nexus between specific qualifications possessed and the duties required to be performed should be established before the incentive is sanctioned. The very same views were reiterated by the 8th, 9th and 10th PRCs. The 9th PRC went a step further by suggesting that such incentive should be sanctioned only in extra ordinary cases and the decision in this regard should be taken only at the highest level i.e. the State Cabinet. However, no specific suggestion

was given regarding the parameters to judge the merit of claims received for grant of such incentive.

Recommendations:

11.04. We appreciate and endorse the logic advanced by the previous PRCs regarding the lack of justification at present for grant of Incentive Increments. We also find that Special Allowance for acquiring higher qualification of P.G. Degree/Diploma is being sanctioned to the Medical, Ayush and Veterinary Doctors for the ostensible reason that such qualifications improve their professional capabilities substantially. The Commission therefore recommends the following:

- (i) In respect of posts which require higher qualification than that specified in the Service Rules, for substantial improvement in their professional capabilities viewed from the angle of the job requirements and persons with such higher qualification are adequately available in the market, the relevant Service Rules should be amended modifying the minimum qualification prescribed;**
- (ii) In respect of other posts which require higher qualification than that specified in the Service Rules for the same reason as mentioned above but where candidates with the requisite higher qualification are not available in sufficient number, the present qualification level may continue but an incentive in the shape of Special Allowance may be granted selectively to those who possess/acquire such higher qualification.**

11.05. In view of the above, the Commission is of the firm opinion that there is no case at all for grant of Advance Incentive Increment(s) for possessing higher qualification to any category of employee.

CHAPTER-12

ADVANCES

12.01. At present the Government sanctions from its budgetary resources the following categories of Advances to its employees:

A. Interest Bearing Advances

1. Advance for purchase of house site or construction of house on a site already owned by the employee or for both purchase of a site and construction of house thereon or for purchase of a ready built house (or flat),
2. Advance for improvement/ repairs/ renovation of existing house/flat,
3. Advance for purchase of a personal conveyance viz. motor car/two wheeler etc;
4. Advance for purchase of personal computer,
5. Advance for performing marriage (of self or of children)

B. Non-interest Bearing Advances

1. Festival Advance
2. Special Festival Advance for purchase of APCO cloth
3. Education Advance
4. Advance of Pay
5. Advance of Travelling Allowance
6. Medical Advance

12.02. All the interest bearing advances are sanctioned to employees at soft interest rates which are lower than the prevailing rates of interest charged by the Banking Industry/ Housing Finance Companies/NBFCs etc. The amount of funds allocated for this purpose to different departments are provided for in their respective annual budgets. Because of the relatively lower interest rates obviously there is a lot of demand from the employees to access these advances from the Government. The general grievance that we have received during our discussion with the employees is that the budgetary provisions for these advances are woefully inadequate compared to the actual requirement and often no amount filters down to the Regional, District and sub-District levels after satisfying the needs of the employees working at the Secretariat and Directorate (HoD)

levels. Another request received from the employees is to increase the maximum limits of these advances. Some employees have suggested to tide over the budgetary constraints through wider interest subvention by the Government by tying up with the financial institutions. In respect of non-interest bearing advances also the general request is to enhance the budgetary provisions. With a view to alleviate the existing constraints Government have allowed the employees to access additional quantum of housing loans from financial institutions by creating second charge on the same asset.

12.03. The existing regulatory features of the above mentioned Advances and the Commission's recommendations thereon are as follows:

A. Interest Bearing Advances

Sl. No.	Purpose of Advance	Eligibility	Amount	Interest Rate (% p.a.)	Recovery P-Principal I-Interest
1.	House Building Advance a)Purchase of site b)Purchase of ready built house/flat OR Purchase of site-cum-construction of house/flat thereon OR Construction of new house/flat on owned site	a) All employees b)(i)Employees drawing Basic Pay upto ₹26,600 p.m. (ii) Employees drawing Basic Pay above ₹26,600 and upto ₹42,490 p.m. (iii) Employees drawing Basic Pay above ₹42,490 and up to ₹61,450 p.m.	a) 10 times of Basic Pay subject to maximum of ₹. 2 lakh b)(i) 72times of Basic Pay or ₹10 lakh whichever is less (ii)) 72 times of Basic Pay or ₹12.30 lakh whichever is less (iii)) 72 times of Basic Pay or ₹15 lakh. whichever is less	a) 5% p.a. (for Class IV employees); 5.5% p.a. (for others) b) ---Do--	a) P-60 I-12 b) P-240 I-60

		(iv) Employees drawing Basic Pay above ₹61,450 (v) AIS Officers	(iv)) 72 times of Basic Pay or ₹20 lakh whichever is less (v) 50 times of Basic Pay or ₹25 lakh whichever is less		
2.	House Repairs Advance	All employees	20. times of Basic Pay subject to a maximum of ₹.4 lakh	5% p.a. (for Class IV employees); 5.5% p.a. (for others)	P-75 I-15
3.	Personal Conveyance Advance a) Motor Car b) Motor Cycle/Scooter c) Moped	(a) Employees with Basic Pay of ₹37,100 and above (b) Employees with Basic Pay of ₹22460 and above (c) Employees with Basic Pay of ₹16,400 and above. AND Drivers who have completed 2 years of service irrespective of basic pay.	(a) 15 months Basic Pay or ₹.6 lakh or actual cost whichever is lower (b) 7 months Basic Pay or ₹80,000 or actual cost whichever is lower (c) 7 months Basic Pay or ₹35,000 or actual cost whichever is lower	5% p.a. (for Class IV employees); 5.5% p.a. (for others) --Do— --Do—	P-135 I-65 P-80 I-16 P-60 I-16

	d) Bicycle	(d) All employees including Class IV (except for whom advance for purchase of Motor Car/ Motor Cycle/Scooter was sanctioned earlier)	(d) ₹10,000 or actual cost whichever is lower	--Do--	P-26 I-04
4.	Advance for purchase of Personal Computer	Employees with Basic Pay of ₹16400 and above	Actual cost of the computer limited to ₹.50,000	5% p.a. (for Class IV employees); 5.5% p.a. (for others)	P-135 I-65
5.	Advance for Marriage	(i) Marriage of self in respect of male employee OR marriage of a son of male/ female employee (ii) Marriage of self in respect of female employee OR marriage of a daughter of male/ female employee	(i)(a)Class IV- 15 months Basic Pay or ₹75,000 whichever is less (b)Others-15 months Basic Pay or ₹1,25,000 whichever is less (ii) (a)Class IV- 15 months Basic Pay or ₹.1 lakh whichever is less (b)Others-15 months Basic Pay or ₹.2 lakh whichever is less	5% p.a. (for Class IV employees); 5.5% p.a. (for others) --Do--	P-70 I-10 (applicable for all Marriage Advances)

Recommendations:

12.04. It has been the experience in the past that the budgetary provisions for grant of various Advances, as mentioned above, have been inadequate owing to competing demands for funds from welfare and development schemes of the Government. **The Commission suggests that in order to overcome this difficulty Government may tie up with a few Public Sector Banks, HDFC and LIC Housing Finance by negotiating the interest rates and recovery schedules for grant of Loans for House Building and purchase of Motor Car/Motor Cycle/ Scooter/Moped to its employees. The repayment of these loans may be linked up with the disbursement of salaries every month.**

12.05. The Commission also recommends that a back ended interest subsidy of 2.5% on the loan amount up to the limit of Advance recommended in the following Table, may be reimbursed to the concerned employees to whom loans for House Building and/or purchase of personal conveyance is sanctioned through such tie-ups. After such tie-ups are firmed up the Government may provide budget only for 'Interest Subsidy on HBA/Personal Conveyance Loans'. We feel such a measure would satisfy the requirement of more number of employees. Moreover the Government would not be required to keep a watch on the recovery as in case of Government advances, nor would there be a problem of 'missing credits' for the employees.

12.06. In respect of the other types of advances i.e. for House Repairs, Purchase of Bicycle, Purchase of Personal Computer and Performing Marriage, the Government may continue to provide budget, as before, with strict instructions for its fair devolution right down to the field level offices so that present impression of deprivation is mitigated.

12.07. Pending finalisation of the above suggested arrangements with financial institutions, the Commission recommends the following revised eligibilities and amounts that may be sanctioned for the various interest bearing advances:

Sl. No.	Purpose of Advance	Eligibility	Amount of Advance
1.	House Building Advance		
	a)Purchase of site	a)All employees	a) 10 times of Basic Pay subject to maximum of ₹. 3 lakh

	<p>b)Purchase of ready built house/flat OR Purchase of site-cum-construction of house/flat thereon OR Construction of new house/flat on owned site</p>	<p>b)(i)Employees drawing Basic Pay up to ₹.40970 p.m.</p> <p>(ii) Employees drawing Basic Pay above ₹.40970 and up to ₹.65360 p.m. (Grade-</p> <p>(iii) Employees drawing Basic Pay above ₹.65360 and up to ₹.94500 p.m.</p> <p>(iv) Employees drawing Basic Pay above ₹.94500</p> <p>(v) AIS Officers</p>	<p>b)(i) 72 times of Basic Pay or ₹.15 lakh whichever is less</p> <p>(ii) 72 times of Basic Pay or ₹.18 lakh whichever is less</p> <p>(iii) 72. times of Basic Pay or ₹21 lakh whichever is less</p> <p>(iv) 72. times of Basic Pay or ₹25 lakh whichever is less</p> <p>(v) 50 times of Basic Pay or ₹30 lakh whichever is less</p>
2.	House Repairs Advance	All employees	20. times of Basic Pay subject to maximum of ₹.5 lakh
3.	<p>Personal Conveyance Advance</p> <p>a) Motor Car</p> <p>b) Motor Cycle/ Scooter</p> <p>c) Moped</p>	<p>a)Employees with Basic Pay of ₹.57100 and above</p> <p>b) Employees with Basic Pay of ₹.34580 and above</p> <p>c) Employees with Basic Pay of ₹.25220 and above.</p> <p>AND</p> <p>Drivers who have completed 2 years of service irrespective of basic pay.</p>	<p>a)15 months Basic Pay or ₹.7.50 lakh or actual cost whichever is lower</p> <p>b) 7 months Basic Pay or ₹90,000 or actual cost whichever is lower</p> <p>c) 7 months Basic Pay or ₹45,000 or actual cost whichever is lower</p>

	d) Bicycle	(d) All employees including Class IV (except for whom advance for purchase of Motor Car/ Motor Cycle/Scooter was sanctioned earlier)	d) ₹10,000 or actual cost whichever is lower
4.	Advance for purchase of Personal Computer	Employees with Basic Pay of ₹.25220 and above	Actual cost of the computer limited to ₹.50,000/-
5.	Advance for Marriage	<p>(i) Marriage of self in respect of male employee OR marriage of a son of male/ female employee</p> <p>(ii) Marriage of self in respect of female employee OR marriage of a daughter of male/ female employee</p>	<p>(i)(a) Class IV- Amount requested subject to a maximum of ₹.1 lakh</p> <p>(b)Others- Amount requested subject to a maximum of ₹.1.50 lakh</p> <p>(ii) (a)Class IV- Amount requested subject to a maximum of ₹.1.50 lakh</p> <p>(b)Others- Amount requested subject to a maximum of ₹.3.00 lakh</p>

12.08. Since the obsolescence of Computer hard-ware is high, the Commission recommends that the eligibility for 'Advance for purchase of Personal Computer' may be increased to a maximum of 3 times during the entire service career subject to a minimum gap of 7 years between the purchase of two successive computers and complete repayment of previous computer advance, if any.

Instalments

12.09. The Commission further recommends that the existing stipulations regarding the number of instalments for recovery of the advances sanctioned may continue.

Interest Rate

12.10. In respect of the rate of interest the Commission is of the view that since the recovery period for all the interest bearing loans are long term, the interest rate should be a floating rate (to be revised annually) linked to the Repo Rate of Reserve Bank of India (the interest rate at which the RBI lends funds to the

Commercial Banks). Considering the fact that Commercial Banks lend their funds at rates higher than the Repo Rate, we are of the view that the interest charged on the Government Advances should not fall too far below the Repo Rate. We recommend that the Government may review and refix the interest rates on 1st July of every year at a level which is 0.50 -1.00 % below the then prevailing Repo Rate. The floating rate so fixed should be applicable to both new as well as existing loan accounts (except those already sanctioned prior to the introduction of floating interest rate regime) during the one year period ending on 30th June of the succeeding year. Consistent with this suggestion we recommend an interest rate of 5.00% (i.e., Repo Rate of 5.75% less 0.75%) effective from 1st July, 2019 till 30th June, 2020 and in respect of all categories of employees.

12.11. As far as Penal Interest is concerned it may continue to be charged at double the rate of normal interest in case the advance is misutilized or not utilized at all and at 1.5 times the normal rate for non-compliance with prescribed formalities.

C. Non-interest Bearing Advances

12.12. The existing and recommended eligibilities, amounts admissible and number of instalments for recovery in respect of the non-interest bearing advances are given in the following Tables

1. Festival Advance

Existing Provision			Recommended Provision		
Category	Amount of Advance (₹,)	No. of Instalments	Category	Amount of Advance (₹,)	No. of Instalments
1. Employees drawing pay in the scale of ₹.26,600 – 77,030 or below (excluding Class-IV employees)	7500	10	1. Employees drawing pay in the scale of ₹.40970-124380 (Grade-16) or below	9000	10
2. Class-IV Employees	5000	10	2. Class-IV Employees	6000	10

2. Special Festival Advance for purchase of APCO cloth

Existing Provision			Recommended Provision		
Category	Amount of Advance (₹,)	No. of Instalments	Category	Amount of Advance (₹,)	No. of Instalments
1. Class IV employees	4500	10	1.Class IV employees	5500	10
2.Non-Gazetted Officers	6000	10	2.Employees other than Class-IV employees	8000	10
3.Gazetted Officers	7500	10			

3. Educational Advance

Existing Provision			Recommended Provision		
Category	Amount of Advance (₹,)	No. of Instalments	Category	Amount of Advance (₹,)	No. of Instalments
Non-Gazetted Officers and Class IV employees	7,500	10	Non-Gazetted Officers and Class IV employees	10,000	10

4. Advance of pay

12.13. The existing guidelines allow employees, who are transferred involving change of station, to apply for sanction of advance not exceeding one month's basic pay. Such advance is recoverable in three equal monthly instalments commencing from the salary of the employee from the next month onwards. **We recommend that this facility may continue in future also.**

5. Advance of Travelling Allowance (T.A.)

12.14. As per the existing rules, whenever any employee is transferred involving change of station or when an employee has to proceed on official tour, an advance not exceeding the amount of Travelling Allowance admissible, is payable to the employee. The entire amount of advance has to be adjusted in the T.A. bill of the employee, provided the T.A. bill is preferred within the time limit. If the bill is not preferred in time, the entire amount of advance is to be recovered from the salary of the employee. Similarly, employees, who are permitted to avail Leave Travel Concession (LTC) as per rules, can

avail an advance not exceeding 80% of the amount admissible towards LTC as per the rules. This advance has to be adjusted against the LTC claim bill of the employee after completion of the journey.

12.15. The Commission recommends that this advance may continue to be granted in future also.

6. Medical Advance:

12.16. As per the A.P. Integrated Medical Attendance Rules existing now, the employees are eligible for the sanction of Medical advance to meet the expenses on medical attendance in respect of himself and/or any member of his/ her family for which he/she is entitled to reimbursement. In terms of G.O.Ms.No.74, HM & FW (K1) Dept. dated 15-03-2005 this facility is extendable to all the employees for the following conditions/ diseases:

Acute Myocardial Infraction,
Acute Coronary Disease,
Acute Renal Failure,
Severe Cases of Head and Spinal Injury / Road Accident,
Cases of Coma,
PTCA Stent,
Open Heart Surgery,
Implantation of Pace Maker,
All organ transplants,
Plastic Surgery done for accident cases and burns and
Mitral Valve replacement.

12.17. The amount of advance is based on the package rates of NIMS, Hyderabad and SVIMS, Tirupati depending on the estimation given by them. This advance is adjustable from the claim relating to reimbursement of the medical expenses by the employee.

12.18. The Commission recommends that this advance may also be continued.

CHAPTER-13

MEDICAL FACILITIES

13.01. The A.P. Integrated Medical Attendance Rules, 1972, as amended from time to time, regulates the scheme of reimbursement of medical expenses to the Government employees and pensioners. These rules, among other things, define the 'family members' of the Government Servants for whom reimbursement is available. They also specify the list of medicines and other items for which reimbursement is not available. Government have issued various orders from time to time for the proper functioning of the scheme. However, there was considerable dissatisfaction among the intended beneficiaries of the scheme with regard to the manner in which it was being operated. The main problem faced by the beneficiaries related to difficulties encountered by them in obtaining prompt reimbursement of the entire medical expenses, incurred by them, from the Government. The delay in receiving reimbursement used to cause short term financial problem to the employees and more so to the pensioners. In view of this, the serving Government employees as well as the Pensioners requested the Government for the introduction of a "cashless treatment scheme" wherein the hospitals, recognized as referral hospitals, would provide cashless treatment based on identity cards issued by the Government and then obtain payment directly from the Government, which would cause no hardship to the patients.

13.02. The PRC 2010, after conducting a series of meetings with the employees, both serving as well as retired, suggested to the Government to formulate a new scheme to provide health cover to all employees by extending cashless treatment to them in recognized hospitals through the Dr. YSR Aarogyashri Health Care Trust. The Government accordingly approved the Employees Health Care Fund Scheme (EHF) and issued orders vide G.O.Ms.No.184, HM&FW(M2) Dept, dt.14.8.2012. Vide G.O.Ms.No.186, HM&FW(M2) Dept, dt.14.8.2012. Government also issued operational guidelines for implementation of the Employees Health Care Fund Scheme to provide cashless treatment to all the Government Employees, Pensioners and their dependent family members.

13.03. Subsequently, the Employees/Pensioners Associations made representations seeking certain modifications to the scheme. The then Chief Secretary to Government convened a meeting with the representatives of the Employees / Pensioners Associations on 06-12-2012, and made certain recommendations. Thereafter the matter was placed before the 'Group of Ministers' for their consideration. The Group of Ministers, after considering the recommendations of the then Chief Secretary to Government, recommended the implementation of 'Employees Health Scheme (EHS) and issue of Health Cards.

13.04. The Government has accordingly notified the 'Employees Health Scheme' vide G.O.Ms.No.174, HM&FW(M2) Dept. dt.01.11.2013 to provide cashless treatment to the employees and pensioners of the State Government and their dependent family members. The new scheme ipso facto replaced the existing medical reimbursement system under the APIMA Rules, 1972. On a review of the operation of the scheme, some of its features were modified later in G.O. Ms. No. HM&FW Department dated 29-10-2014 and other orders issued thereafter. Salient Features of the Scheme, as it stands now, are as follows:

Coverage: All regular State Government employees as well as provincialised work charged employees and employees of local bodies, all retired employees viz. service pensioners, family pensioners and re-employed service pensioners are covered.

Categories of employees excluded from the Scheme are those who are covered under other insurance schemes such as CGHS, ESIS, Railways, RTC., Aarogya Bhadratha of Police Department and Aarogya Sahayatha of Prohibition & Excise Department; Law officers (Advocate General, State Prosecutors, State Counsels, Government Pleaders and Public Prosecutors); Casual and Daily paid workers; Biological parents if adopted parents exist; all independent children; AIS officers/AIS pensioners and Judicial officers (working retired and family pensioners) who are entitled for medical facilities, medical allowances and reimbursement of medical expenses.

Benefits Covered: The scheme provides for in-patient treatment for the listed therapies/procedures under all specialties in the empanelled hospitals, both Government and private, and follow-up treatments of surgical and medical ailments. The patient requiring IP treatment in the empanelled hospital is entitled to receive cashless services. The scheme also provides for OP treatment for pre-defined long-term (chronic) diseases in notified hospitals. All employees above 40 years of age are also allowed free annual medical check-up.

Financial Coverage: The employees, pensioners and their dependent family members are eligible for a sum of ₹.2.00 lakhs (Rupees two lakhs only) per episode of illness with no limit on the number of episodes as existing in the APIMA Rules, 1972. However, in cases where the cost of treatment exceeds ₹.2.00 lakhs, cashless treatment will continue. For such cases the Chief Executive Officer, Aarogyasri Health Care Trust has been made responsible to settle the Hospital claims which exceed ₹.2.00 lakhs by following the standard claims settlement process after obtaining the approval of the Technical Committee constituted by the Government.

Financing: 50% of total amount under the scheme is to be borne by Government and the rest 50% by the employees / pensioners as their contribution.. The monthly contribution is ₹.90/- (for Slab A consisting of employees with Pay Grades from I to IV and Slab B consisting of employees with Pay Grades from V to XVII) and ₹.120/- (for Slab C consisting of employees with Pay Grades from XVIII to XXXII).

13.05. Government have also issued guidelines for issue of Health Cards to beneficiaries covered under the Employees Health Scheme vide G.O.Ms.No.175, Health & Medical(M2) Dept., dt.1.11.2013. While most of the government employees and retired pensioners have been covered under the Employees Health Scheme, there are some categories which are excluded from the purview of the scheme and who continue to be governed under the A.P. Integrated Medical Attendance Rules 1972, as amended from time to time.

13.06. Many Employees/Pensioners Associations have expressed various shortcomings/lacunae in the operation of the EHS. The main issues flagged during discussions are as follows:

- (i) Pensioners and their family members should be provided the facility of annual Master Health Check up on par with the serving employees;
- (ii) That many private empanelled hospitals are refusing to extend cashless treatment on production of Health Cards;
- (iii) Employees/Pensioners availing treatment in the bordering States should have access to cashless medical treatment facility;
- (iv) Several treatment procedures/ therapies have not been included for coverage under the scheme.
- (v) OP treatment for identified chronic diseases should be extended to the Private Hospitals also.

Recommendation

13.07. The Commission held discussion regarding the implementation of the scheme with the Joint Executive Officer and other staff of the Dr. YSR Arogyasri Trust. We are given to understand that at present the scheme covers 1885 procedures and for each one of them the package cost has been prescribed on the basis of recommendation of an Expert Technical Committee. There are existing instructions issued through G.O.Ms. No12, HM&FW (I.1) Department dated 23-01-2017 for effecting escalation of the package cost every year based on change in the All India Consumer Price Index Number. It is also brought to our notice that the utilisation of the scheme has grown substantially over the years, as evidenced by the increase in the number of pre-authorisations issued from about 58,000 in 2014-15 to 2,88,525 in 2018-19.

13.08. The main problem being encountered in the smooth functioning of the scheme appears to be the paucity of funds. We understand that the total estimated cost of operating the scheme during FY 2019-20 is about 2.5 times higher than the sum realised from out of the present quantum of contribution collected from the employees along with the matching contribution by the Government. The consequential delay in settlement of claims of networked hospitals are resulting in their reluctance in accepting Health Card covered patients for treatment.

13.09. Considering the above, we recommend the following:

- (1) Overall the Cashless Treatment facility (EHS) is a laudable one and should be continued;**
- (2) In order to ensure financial sustainability of EHS, the quantum of employees' contribution should be increased in steps over a period of time along with similar step-up in the Government contribution. Details regarding this may be worked out with the Employees' Associations. In the meanwhile, the shortfall in amount required may be met by the Government from budgetary provisions;**
- (3) The pending claims of the network hospitals should be settled expeditiously by releasing additional funds to the Arogyasri Trust;**
- (4) The facility of Annual Health check-up may be extended to the Pensioner and his/her spouse;**
- (5) The Dr. YSR Arogyasri Trust may hold talks with a few hospitals in Hyderabad, Bangalore and Chennai, empanelled by the concerned State Governments, for inclusion under the EHS. In the meanwhile, cost of medical treatment obtained in such hospitals may be reimbursed under the Medical Attendance Rules.**

CHAPTER-14

WORK CHARGED ESTABLISHMENT

14.01. The 'Work Charged' establishment has been a part of all the Engineering departments of the Government since a long time. These personnel are deployed mainly for keeping a watch on project execution and post completion maintenance of various public infrastructure. Traditionally, the remunerations payable to the complement of 'Work Charged' staff working on execution of a public infrastructure project is borne from out of the project cost itself by earmarking certain percentage (petty supervision charges) of the estimate for this purpose. Once the project is completed, the staff move out to a new project. Hence the nomenclature 'Work Charged'.

14.02. Originally, Government had authorised the Engineering departments to appoint the 'Work Charged' personnel on a temporary basis and, as such, the service rules that were applicable to the regular employees were not made applicable to them. However subsequently, on sympathetic consideration of the requests made by these employees, Government have substantially improved their service conditions. Some of the major decisions taken in this regard are outlined below in a chronological order:

- (1) Orders were issued, in G.O.Ms.No.407, Public Works Department dated 27.3.1972, provincializing the services of the Work Charged Establishment of all categories and branches of Public Works Department including Public Works (Projects Wing) Department employed in maintenance work, who had put in ten years of service. They were also extended the benefits such as Leave Travel Concession, Joining Time, Travelling Allowance etc. admissible to similar grades of employees in the Government.
- (2) Realising that the appointing authorities of this establishment in various Engineering departments were not adopting any uniform standard, either in the staffing pattern or in the remunerations paid to various categories, Government, vide G.O.Ms.No.107, Public Works Department dated 7.2.1974 broadly classified all the employees into five major segments, namely Unskilled, Semi-skilled, Skilled, Highly Skilled and Supervisory basing on the qualifications prescribed and nature of duties performed. Within these broad segments (and sub-segments) the various categories of posts were listed trade-wise. Another major decision taken was to specify standardised pay scales for each segment/ sub-segment of employees. This resulted in rationalisation of pay structure of the entire cadre of 'Work Charged' employees.

(3) The Government constituted a Committee vide G.O.Rt.No.577, General Administration Department, dated 6.2.1979 under the Chairmanship of Sri I.J. Naidu, IAS., the then Chief Secretary to Government, to look into the demands of the Work Charged, NMR and Contingent employees. The Government, after examining the report of the said Committee and the demands of the Work Charged employees, issued orders in G.O.Ms.No.212, Irrigation and Power Department, dated 29.3.1979 read with Memo. No.1300/PAC-II/79-1, Irrigation and Power Department dated 23.4.1979 to the effect that

- (a) all work-charged employees, who had completed 10 years of total service, be made eligible for benefits like leave, pension etc. on par with regular Government employees;
- (b) All work-charged employees with more than 5 years of service be made eligible for the benefits extended to provincialised work charged establishment under G.O.Ms.No.407, PWD, dated 27-3-1972;
- (c) NMR workers be absorbed in work-charged establishment as and when vacancies arise and
- (d) whatever concessions were admissible to temporary employees (Emergency Employees), for absorption as regular employees, would also be made applicable to work-charged employees for absorption into Government service.

The Government accepted the recommendations of the Committee vide G.O.Ms.No.566, Irrigation and Power Department, dated 5-10-1979. A clarification was also issued specifying the benefits that were admissible to work-charged employees consequent on the issue of the above orders.

(4) Government issued orders in G.O.Ms.No.69, Irrigation and Power Department, dt.9-2-1981 stating that the work-charged employees, who had completed 10 years of total service as on 29-3-1979, would be eligible for regular or temporary appointment to Government posts (which constituted direct recruitment) in the departments in which the work-charged personnel were working without the media of Employment Exchange, if they were originally appointed temporarily through the Employment Exchange, provided they satisfied the technical and/or educational qualifications and age qualification prescribed for direct recruitment (they were however not allowed to deduct the service rendered under emergency provisions of rules for purposes of computing the age limit) and were selected by the competent authority/ Agency for appointment.

- (5) Thereafter Government, vide G.O.Ms.No.130, Irrigation and Power Department dt.18-3-1981, ordered that all Work Charged Employees, who had completed 10 years of total service, be regarded as Government Servants with effect from 20-3-1979. It was also ordered that those who complete 10 years of service on subsequent dates would be treated as Government servants from such date of completion. These employees were allowed their existing scales of pay and conditions of work.
- (6) Government, in G.O.Ms.No.352, Irrigation and Power Department dt.7-8-1981, ordered that the Work Charged Employees, who became Government employees in pursuance of orders issued in G.O.Ms.No.130, Irrigation and Power Department, dt.18-3-1981, shall be designated as follows:
- i. On Maintenance side as "Maintenance Establishment"
 - ii. On Project Side as "Project Establishment"
 - iii. In other establishments as "Works Establishment".
- (7) Vide G.O. Ms. No.287 Finance & Plg. Dept dt. 09-12-1982, the retirement age of the employees of 'Work Charged' Establishment, who were treated as Government Servants pursuant to the provisions of G.O.Ms.No.352, Irrigation and Power Department dt.7-8-1981, was fixed at 60 years if they belong to the Last Grade Service and 58 years for others.
- (8) Subsequently the members of Work Charged Establishment, who were treated as Government Servants, were extended various benefits like Construction Allowance, HRA, advances, bus pass concessions, driver's special pay, availment of public holidays, recognition as 'civil servants' for the purposes of Art. 311 of the Constitution, family planning increment, maternity leave for female employees, compassionate appointments on medical grounds, payment of obsequies charges to the family of the deceased, Conveyance Allowance, Automatic Advancement Scheme etc.
- (9) Government took a major decision in respect of NMR employees vide G.O. Ms. No.143, Irrigation Department dt.16-03-1984 to the effect that all NMR workers, who completed five years of service, be converted as Work Charged employees without resorting to the normal process of recruitment as per rules. It was also ordered that with effect from the date of issue of the above mentioned G.O. there shall be no further recruitment of NMR workers.

14.03. The main grievances of the 'Work Charged' employees are briefly indicated below:-

1. To suitably amend the provisions of G.O.Ms. No.352, Irrigation and Power Department dt.7-8-1981 to change the nomenclature of the cadre as "Andhra Pradesh Engineering Maintenance Establishment" or "Andhra Pradesh Engineering Sub-ordinate Establishment".
2. That the working strength of the Work Charged establishment has come down considerably due to continuous attrition on account of retirement/ death etc. and ban on fresh recruitment. This has resulted in heavy burden of work on the serving employees. Hence it is requested to fix the cadre strength for the maintenance staff in all the Engineering departments and fill up the vacancies by permitting fresh recruitment.
3. To sanction Special Adhoc Promotion Post to the Work Inspectors as has been done in case of certain categories of Last Grade Service and General Sub-ordinate Service
4. Allowance/ Special Allowance related issues:
 - (a) To sanction Risk Allowance to Laskars and Mazdoors and Night Duty Allowance to employees engaged in the night;
 - (b) To sanction Fixed Travel Allowance to Work Inspectors, Laskars and Mazdoors;
 - (c) To enhance Conveyance Allowance payable to the differently abled employees, gallery allowance and stitching charges of uniform supplied to maintenance employees;
 - (d) For inclusion of shoes, rain coats and hand gloves as part of the uniform supplied to employees;
 - (e) For restoration of Conveyance Allowance to Work Inspectors (Panchayat Raj and R&B Department), Gang Mazdoor (R&B Department) and Laskar and Mile Coolies (Irrigation and Power Department)
 - (f) For payment of Construction Allowance and Additional HRA to employees deployed at Project sites
5. Pay scale related issues:
 - (a) The Work Inspector Grade-IV should be assigned a pay scale on par with that of the Technical Assistant of Engineering Departments;

- (b) The present anomaly of the Mechanic Grade-III (promotion category) and Fitter Grade-I (feeder category) receiving the same pay scale should be resolved by assigning a higher pay scale to the former;
 - (c) The categories of Blacksmith, Welder, Moulder, Plumber, Sheet Metal Worker, Carpenter and Mason may be bracketed and assigned the same pay scale;
 - (d) The category of Foreman should be included in Schedule-II and assigned a pay scale/ grade;
 - (e) To assign the same pay scale to all employees having same qualification, irrespective of the engineering department to which they belong;
 - (f) To assign higher pay scale to the Work Inspectors with ITI qualification;
 - (g) Road Roller Operators and Launch Drivers should be assigned pay scales on par with H.V. and L.V. Drivers respectively. Driver Grade-I and II should be assigned different pay grades;
 - (h) Fitters should be assigned the same pay grade as that of the Drivers;
 - (i) To assign higher pay scales to the Work Inspectors when compared to that assigned to the categories of Fitter, Plumber, Wireman, Mason, Painter, Welder etc.
6. To change the designation of Work Inspector as Work Supervisor;
 7. To allow compassionate appointment in the scale of pay of Technical Assistant (former Tracer);
 8. To sanction House Rent Allowance and Ambulance facility to the pensioners;

14.04. The main Grievances of the NMR employees working in the 'Work Charged' establishment are briefly indicated below:-

1. To regularise the services of NMR workers who did not satisfy the requirement of completion of five years of regular service by the cut-off date of 25-11-1993 specified in G.O. Ms. No. 212, Finance & Planning Dept., dt.22-04-1994;

2. To extend the following benefits
(ii) Gratuity (ii) Minimum pay plus Dearness Allowance and House Rent Allowance (iii) Medical facilities (iv) Obsequies Charges (v) Uniform
3. To count NMR service for the purpose of pensionary benefits in respect of those employees who have been regularised in terms of G.O.Ms. No.212.

Representation on behalf of Project Displaced Employees :

14.05. A request has been made to allow them the minimum pay in the time scale plus Dearness Allowance and House Rent Allowance and also to cover them with ESI and EPF benefits

Recommendations

- (a) The Commission feels that there is a continuing need for upkeep, maintenance and regulation of usage of the public infrastructure created by the various Engineering Departments of the Government. We have been given to understand that the Engineer-in-Chief, Irrigation and Power Department has submitted a report to the Government in September, 2014 stating that the dwindling strength of the Work Charged Establishment due to the ban imposed on fresh recruitment and persistent depletion of the existing staff on account of retirement, demise etc. has resulted in shortage of manpower for maintenance of completed projects and water regulation etc. He projected a total requirement of 11,787 staff (including the then working strength of 4545) in various cadres for maintaining the completed projects (dams, canals, sluices, water regulation, Camp Colonies, Inspection Bungalows, Workshops etc.) and requested the Government for creation of these posts on a permanent basis. Subsequently, the Government have desired that the proposal be reworked by duly taking into account the modern tools of management and monitoring and the desirability of shedding some of the non-essential nature of functions. Thereupon the Engineer-in-Chief has sent a revised proposal to the Government, vide his letter dated 19-03-2019, to consider approval of a revised permanent cadre strength of 3513 in respect of 19 categories of staff. The Engineer-in-Chief may be advised to review even this revised requirement afresh by examining whether certain non-critical activities like Camp Colony maintenance, Inspection Bungalow maintenance, watch and ward, sweeping/ cleaning etc. can be outsourced to external Service Agencies thus reducing the requirement of permanent staff. Similar exercise may be done expeditiously

by the other Engineering Departments as well. Once this exercise is completed the Government may sanction the permanent cadre strength in respect of each Department. The Commission also advises that a comprehensive set of common Service Rules encompassing all these employees should be framed setting out their classification/categorisation, methods of appointment, feeder/promotion categories, qualifications etc. The Engineering Departments should then be permitted to fill up the vacancies in the sanctioned strength.

- (b) The Commission further recommends that the 'Work Charged' Establishment may be renamed as the Andhra Pradesh Engineering Projects (Supervision and Maintenance) Subordinate Establishment.
- (c) The Commission finds that a Work Inspector joining in Grade-IV with the requisite basic academic qualification can get promotion right up to the level of Grade-I with experience alone. Hence there is no convincing logic for granting this category any relaxation in the application of conditions relating to the grant of SAPP scales.
- (d) Issues relating to Allowances have been dealt with at appropriate places in Volume-I of this Report and those relating to pay scales in Volume-II. Similarly the issues raised regarding the Pensioners have been considered under the Chapter devoted to them in Volume-I.
- (e) Consideration of the request for changing the designation of the category of Work Inspector and condensing the four categories into two are outside the purview of this Commission and the concerned Departments may take a view on the same.
- (f) Since the Commission has now assigned a higher pay grade of 9 to the category of Junior Assistant, under the existing scheme of compassionate appointment it would be permissible to give compassionate appointment in the category of Technical Assistant as it has also been recommended a par scale with the same pay grade of 9.
- (g) Under the Chapter titled 'Full Time Contingent, Contract and Outsourced Employees' we have discussed at sufficient length the request for regularisation of NMR and Contingent employees who did not satisfy the requirement of 5 years of regular service by the cut-off date of 25-11-1993 stipulated in G.O.Ms. No.212, Finance and Planning Department dated 22-04-1994

- (h) In respect of Gratuity, the Commission is of the view that the NMR employees, who put in the minimum eligible continuous service of five years, would be entitled to receive the same as per the provisions of the Payment of Gratuity Act, 1972. We advise the Government to obtain appropriate legal advice in this regard and regulate admissibility of Gratuity to the NMRs. The other benefits requested such as Medical Reimbursement and Obsequies Charges can be permitted only in respect of the regularised NMRs.
- (i) The Commission recommends that all the NMR employees, who have not been regularised but whose services are being utilised by the Government, be paid the minimum of time scale of pay assigned to the same category of regularised Work Charged employees along with admissible Dearness Allowance. The same benefit should also be extended to the Project Displaced employees who are working on consolidated pay on a full time basis.
- (j) The Commission finds that in W.P. No. 33936 of 2011 and batch, the Hon'ble High Court of Andhra Pradesh has, in its judgement dated 02-05-2018, directed that the Writ Petitioners therein be extended the benefit of reckoning their services rendered from the date of completion of five years of service, on or before 25-11-1993, for the purpose of their pension and pensionary benefits. The Commission has no information as to whether the Government has taken any decision to pursue further legal remedies against this order in the Apex Court, and if so the result thereof. In the circumstances, since the decision has general implication across the entire spectrum of Government Departments we leave it to be decided by the Government.
- (k) The other issue raised is regarding assignment of pay scales based on Court directions which held that the employees with ITI qualification should be granted pay scales based on the 'new common category' pay scales of 1986. The 'new common category' was however given up by the 1993 Pay Revision Commission itself. However a number of employees, who approached law Courts, seem to have obtained favourable orders which have become final. This is also an issue which should be examined by the department as it is a purely administrative issue. The concept of new common categories was raised by the Anomalies Committee 2004 and orders were issued vide G.O.Ms.No.508, Finance (PC-I) Department, dated. 10.06.2004. The 9th PRC however did not recommend any pay scales for new common categories as the Government orders issued in 2004 do not seem to have been operationalised. This Commission has assigned uniform pay grade-4 to most of the Work Charged employees with ITI qualification, such as Fitter Gr-II, Tradesman Gr-III, Plumber, Welder, Moulder, Blacksmith, Wireman/ Electrician Gr-II etc. having ITI Trade Certification qualification.

- (1) The Associations have also demanded that uniform pay scales should be assigned to similar categories working in the Irrigation, R&B and P. R. Department. The Commission has maintained parity among same categories of Work Charged employees working in different establishments, as has been requested.

CHAPTER -15

Contingent, Contract and Minimum Time Scale Employees

Contingent Employees

15.01. Article 63 and 93 of A P Financial Code Volume-I specifies the procedure for creation of temporary establishments. Earlier, the Heads of Departments and others, who were empowered to draw contingent bills, were authorized to employ unskilled workers at rates of remuneration laid down from time to time. Contingent employees are classified into two categories- Full-time Contingent Employees, required to work for 8 (eight) hours a day and Part-time Contingent Employees who work for 4 (four) hours or less per day.

15.02. The issue of regularizing the services of Full-time Contingent Employees was first addressed by a Committee constituted under the Chairmanship of Sri I.J. Naidu, IAS (Retd.). Based on the recommendations of the Committee, Government issued orders in G.O.Ms.No.38, Finance and Planning (FW-PRC-VI) Department dated 1-2-1980. As per these orders all Full-time Contingent Employees, created under specific Government orders and continued for a period of 10 years or more and required to be retained on a permanent basis, were to be converted into regular employees in the Last Grade Service. These orders also explicitly prohibited further appointment of Full-time Contingent Employees in all the Departments of Government and Local Bodies. Subsequently, in January, 1981, the Government further relaxed the condition for regularisation in service from 10 years to 5 years. Later, in the year 1983, Government ordered that all other Full-time Contingent Employees, including those in Projects not covered by the earlier two orders, be paid a remuneration of ₹.290/- per month, i.e. the minimum pay in the lowest grade of pay scale, from the date of completion of 5 (five) years of full- time contingent service. In the year 1989 this remuneration was increased to ₹.740/- per month i.e. the minimum of the lowest grade in the 1986 revised pay scales. These employees were also permitted to claim DA, HRA and CCA at applicable rates.

15.03. Subsequently, as per G.O.Ms.No.184, Finance Department dated. 28-6-1991, the Full-time Contingent Employees working in various projects, who fulfilled certain conditions, were converted into regular Government employees in the last grade pay scale of ₹.740-1150. Correspondingly, on further revision of pay scales in the 1993 PRC, similar orders were issued by the Government in G.O.(P).No.259, Finance Department dt.18-6-1993 for pay fixation of these employees in the Last Grade Service in the starting scale of ₹.1375-2375.

15.04. Those of the full time contingent employees, who could not be converted as last grade employees as per G.O.Ms.No.184, Finance Department dated. 28-6-1991, were allowed to draw the minimum basic pay of ₹.740/- p.m. in the Last Grade Service plus D.A., H.R.A and C.C.A. However the pay of such employees were not revised in the 1993 pay revisions.

15.05. As things stood thus, the Government found that various authorities in different institutions/ agencies/ instrumentalities under the Government have, over the years, irregularly appointed a large number of employees on Contingent/Daily Wage/NMR/Consolidated Pay/Temporary basis without following the procedural guidelines for recruitment, without even having vacancies in sanctioned posts and in complete violation of the rule of reservation. Such persons have also been continued in service for a long time without seeking any permission from higher authorities, thus causing serious drain on the Government's financial resources. In order to curb such blatantly irregular appointments, Government enacted Act-2 of 1994 prohibiting appointments of daily wage/ temporary employees in the offices and establishments under the State Government with effect from 25-11-1993. Further, on the direction of the Supreme Court of India, the Government formulated a policy vide G.O.Ms.No.212, Finance & Planning (FW, PC- III) Dept. dated 22-04-1994 for regularization of services of Contingent/Daily Wage/NMR/Consolidated Pay/Temporary employees, who had completed 5 years of continuous service as on 25-11-1993, subject to fulfilment of certain conditions stipulated therein.

15.06. Further, in response to several representations from Part Time Employees Associations for regularization of their services, Government issued orders in G.O.Ms.No.112, Finance & Planning (FW, PC-III) Department dated 23-7-1997 for regularization of services of Part Time Employees who had completed 10 years of continuous service as on 25-11-1993, subject to fulfilment of certain conditions prescribed therein.

15.07. In terms of the above mentioned schemes of regularisation several Full-time and Part-time Contingent/Daily Wage/Consolidated Pay/Temporary employees were regularised in service and have been receiving all the benefits available to the other similarly placed Government employees. However still many employees in these categories could not be regularised because of non-fulfilment of the conditions laid down in the said G.Os.

15.08. The Full-time Contingent Employees made a representation to the Pay Revision Commission, 1999 for enhancement of their remuneration on par with that of the last grade employees. But the Pay Revision Commission 1999 recommended for continuation of status quo. The next PRC (2005) recommended a minimum remuneration of ₹.3850/-p.m. to Full-time Contingent Employees (minimum pay of last grade services)

who could not be converted as regular employees. It also recommended that they may be paid H.R.A, D.A and C.C.A as applicable. These recommendations were given effect to by the Government. These wages were further improved to ₹.6,700/- and ₹.13,000/- p.m. respectively, along with admissible HRA, D.A and CCA, based on the 9th and 10th PRCs recommendations. However, the whole issue was revisited again by placing the matter before a Group of Ministers (GoM), keeping in view the judgement of the Hon'ble Supreme Court in C.A. No.213 dated 26-10-2016. The GoM recommended to extend minimum pay plus D.A. in RPS 2015 to all the Full-time Contingent/NMR/Daily Wage/Consolidated Pay/Part-time employees who were drawing minimum pay + DA in RPS, 2010. Accordingly orders were issued in G.O.Ms. No. 142 Finance (HR-I-Plg. & Policy) Dept. dated 27-08-2018.

Contract and Outsourcing Employees

15.09. Government has been permitting appointments of persons on Contract as well as Outsourcing basis to cater to the needs of various departments for due discharge of their mandated functions. The departments have also been permitted to outsource various service functions to outside agencies. In G.O.Rt No. 4271, Finance (SMPC) Dept. dated 01-11-2008 Government issued comprehensive guidelines in the matter of engagement of Outsourced employees. These guidelines were reviewed by the Government and a fresh set of guidelines were issued in G.O.Ms No. 151 Finance (HR-I-Plg. & Policy) Dept. dated 08-08-2016. In the latter the remuneration payable to the outsourced functionaries were enhanced from 01-08-2016. In respect of Contractual employees, in G.O.Ms. No.12, Finance Dept. dated 28-01-2019, the remunerations were re-fixed with effect from 01-04-2019 at the minimum of the time scale of the equivalent category in regular employment in the Government.

Representations received

15.10. The Employees' Associations made the following requests before the Commission:

- 1) To pay salaries on par with the regular employees
- 2) To extend leave and other benefits on par with the regular employees
- 3) To sanction Maternity Leave to women up to 180 days with pay
- 4) To extend benefits like Gratuity, Accident Insurance, Health Insurance/Health Cards, ESI, PF, Retirement benefits, Pension etc.
- 5) To grant minimum pension of ₹.15,000 to those who attain the age of superannuation or die without getting their services regularised
- 6) To sanction funeral charges of ₹.15,000 as in the case of regular employees

- 7) To pay wages from the Government treasury to those working in Gram Panchayats
- 8) To allow 12 months' salary to those working in vacation departments
- 9) To cover the employees under the Scheme of Compassionate Appointment
- 10) To allow TA/FTA to the field staff working in Engineering Departments
- 11) To treat the services of Pilots, Emergency Medical Technicians etc. of 108 Emergency Services as technical on par with Staff Nurses
- 12) The teaching mentors in RGUKT be treated on par with Lecturers
- 13) To amend Act 2 of 1994 and regularise all those appointed prior to 25.11.1993 and implement the recommendations of the Tenth PRC in this regard
- 14) To implement the recommendations of PRC from the same date as that in respect of regular Government employees

Recommendations/ Observations of the Commission

15.11. Our recommendations/ observations on the above mentioned requests, seriatum are as follows:

1. As has been mentioned in an earlier para, the State government, in obedience of the judgements of the Apex Court in C.A. No.213 dated 26-10-2016, issued orders to pay remuneration (Basic Pay + D.A.) at the minimum of time scale of equivalent category of Government employee discharging the same function [vide G.O.Ms. No. 142 Finance (HR-I-Plg. & Policy) Dept dated 27-08-2018 and G.O.Ms. No.12, Finance Dept. dated 28-01-2019].
2. In G.O.Ms.No. 26, Finance (HR-I) Dept. dated 19-02-2019 Government have granted 180 days of paid maternity leave and 15 days of C.L. per annum to the Daily Wage/ NMR/Consolidated Pay/ Contingent employees who joined service before 25-11-1993. In respect of Outsourced and Contractual employees Government have allowed 60 days of paid maternity leave (G.O.Ms. No. 53, Fin (HR-I) dated 1-5-2018). Obviously these employees would not be entitled to the benefit of Earned Leave or Half Pay Leave since they have not been regularised in service.
3. Already covered above

- 4&5. The Commission is of the view that these benefits cannot be extended to other than regular employees in continuous employment.
6. **Payment of Funeral Charges @ ₹.15,000 has already been extended to these employees vide G.O.Ms. No. 119, Fin(HR-I) dated 1-8-2018 and G.O.Ms. No. 26, Fin(HR-I) dated 19-2-2019. The same may be enhanced to ₹.20,000/- on par with regular Government employees, as now recommended by this Commission.**
7. This is an administrative matter which, in our view, does not come under our remit.
8. Paid vacation (in vacation departments) is a kind of Earned Leave to which only regular employees are entitled to. Hence the Commission does not find any merit in this demand.
9. Ordinarily, all appointments in public service should be made strictly on the basis of open notification of vacancies and selection on the ground of comparative merit. This is the mandate of Articles 14 and 16 of the Constitution. The Scheme of Compassionate Appointment has been considered legally as a reasonable exception to this established principle. It is a special dispensation allowed by the State to the families of regular employees, who die in harness. Hence, in the Commission's view it would not be proper to extend the Scheme of Compassionate Appointment to cover the families of employees, who themselves have not been regularised in service, and thereby further constrict the scope for open selection from the market. Hence we find no merit in this request.
10. **The Commission recommends that in case a Contingent/ Daily Wage employee is sent on tour on official duties, he/she should be paid TA/FTA, as the case may be, at rates applicable to regular Government employees of equivalent rank, so as to defray his/her travel expenses**
- 11 & 12. The staff of 108 service and mentors in RGUKT are not Government employees and hence they do not come under the purview of this Commission

13. The request is for regularisation in service of the Contingent/Daily Wage/Consolidated Pay/ NMR employees who joined service prior to the cut-off date of 25-11-1993 by removing the requirement of completion of 5/10 years of service by that date. The 10th PRC recommended that, as a humanitarian gesture, those employees in the above mentioned categories, who had already completed 20 years of service as on the date of its report, may be regularised in service as a special case.

The Commission has given a very thoughtful consideration to this issue which crops up before every PRC. We have also carefully gone through the judgements of the Hon'ble Supreme Court in several cases which came up before it on the issue of regularisation in service of temporary employees designated differently. It would be pertinent here to quote a few observations of the Hon'ble Court. In C.A. No. 3595-3612 in Secretary, State of Karnataka and others Vs. Umadevi and others, the Court observed as follows:

"4. This Court has also on occasions issued directions which could not be said to be consistent with the Constitutional scheme of public employment. Such directions are issued presumably on the basis of equitable considerations or individualization of justice. The question arises, equity to whom? Equity for the handful of people who have approached the Court with a claim, or equity for the teeming millions of this country seeking employment and seeking a fair opportunity for competing for employment? When one side of the coin is considered, the other side of the coin, has also to be considered and the way open to any court of law or justice, is to adhere to the law as laid down by the Constitution and not to make directions, which at times, even if do not run counter to the Constitutional scheme, certainly tend to water down the Constitutional requirements. It is this conflict that is reflected in these cases referred to the Constitution Bench.

5. The power of a State as an employer is more limited than that of a private employer inasmuch as it is subjected to constitutional limitations and cannot be exercised arbitrarily (See Basu's Shorter Constitution of India). [Article 309](#) of the Constitution gives the Government the power to frame rules for the purpose of

laying down the conditions of service and recruitment of persons to be appointed to public services and posts in connection with the affairs of the Union or any of the States. That Article contemplates the drawing up of a procedure and rules to regulate the recruitment and regulate the service conditions of appointees appointed to public posts. It is well acknowledged that because of this, the entire process of recruitment for services is controlled by detailed procedure which specify the necessary qualifications, the mode of appointment etc. If rules have been made under [Article 309](#) of the Constitution, then the Government can make appointments only in accordance with the rules. The State is meant to be a model employer. The [Employment Exchanges \(Compulsory Notification of Vacancies\) Act, 1959](#) was enacted to ensure equal opportunity for employment seekers. Though this Act may not oblige an employer to employ only those persons who have been sponsored by employment exchanges, it places an obligation on the employer to notify the vacancies that may arise in the various departments and for filling up of those vacancies, based on a procedure. Normally, statutory rules are framed under the authority of law governing employment. It is recognized that no government order, notification or circular can be substituted for the statutory rules framed under the authority of law. This is because, following any other course could be disastrous inasmuch as it will deprive the security of tenure and the right of equality conferred on civil servants under the Constitutional scheme. It may even amount to negating the accepted service jurisprudence. Therefore, when statutory rules are framed under [Article 309](#) of the Constitution which are exhaustive, the only fair means to adopt is to make appointments based on the rules so framed.”

Similarly, in C.A. No. 3702 of 2006 in Manjula Bhasini and others Vs. M.D., A.P. Women’s Co-op Finance Corporation Ltd. and others the Hon’ble Apex Court made a caustic observation as follows:

“State of Andhra Pradesh was no exception to the aforementioned malady. Thousands of persons were employed in different departments of the Government and agencies/instrumentalities of the State on daily wages or nominal muster roll or consolidated pay or part time basis. In some cases employment was given despite the fact that sanctioned posts were not available. Even if the posts existed, the concerned authorities neither issued advertisement nor sent requisition to the employment exchange(s) and made appointments in complete disregard of Articles 14 and 16 of the Constitution and the relevant statutory provisions including the 1959 Act depriving thousands of unemployed persons of their right to be considered for appointment to public posts/offices”

.....
“.....Therefore, they approached the State Government through their mentors and sympathizers in the political and bureaucratic set up and succeeded in getting the rigor of that section relaxed. This is evinced from the fact that by taking shelter of the judgment of this Court in [State of Haryana v. Piara Singh \[\(1992\) 4 SCC 118\]](#) and using its executive power under [Article 162](#) of the Constitution, the State Government issued G.O.Ms. No.212 dated 22.4.1994 (hereinafter referred to as ‘G.O. dated 22.4.1994’) for facilitating regularisation of the services of those employed on daily wages or nominal muster roll or consolidated pay subject to the condition that such persons had worked continuously for a minimum period of 5 years and were continuing on 25.11.1993.....”

.....
“.....It is now well settled principle that by reason of a catena of decisions of the High Court as also of the Supreme Court of India a prolonged service would not ripen into permanence nor by reason thereof the status of employee can be changed.”

It is clear from the above that the Hon’ble Apex Court has taken a serious note of the appointments made in public services in violation of the Constitutional mandates of Art.14 and 16. A large number of such employees have already been regularised in terms of

the scheme of regularisation envisaged in G.O.Ms. No. 212 and 112. In our view, relaxing even these provisions to regularise other Contingent/Daily Wage/NMR/ Consolidated Pay etc. employees would send wrong signals to both seekers and givers of such irregular appointments. Moreover, such a step would take away from all the legitimate job aspirants the right and opportunity for being considered under a fair, equitable, merit based and lawful mode of appointment to public posts. We are therefore unable to persuade ourselves to agree with the demand for regularisation from these categories of employees.

- 14. The Commission fully appreciates the resentment expressed by these employees stating that the revision in their remuneration, basing on the recommendation of the Pay Revision Commission, and as accepted by the Government, often comes into effect with considerable time lag after the pay revision is effected in respect of the regular Government employees. This causes a lot of anguish among them. The Commission therefore recommends that the revision in remuneration in respect of these employees may be given effect to simultaneously (with effect from the same date) with the regular Government employees.**
- 15. The principle of 'equal pay for equal work' has been very clearly postulated in the judgement of the Hon'ble Supreme Court in C.A. No.213 dated 26-10-2016. Accordingly, the Commission recommends a remuneration of ₹.20,000/- p.m. (i.e. the minimum pay of Last Grade Employees in the proposed RPS) plus DA to the Full-time Contingent/Daily Wage/ Consolidated Pay/NMR employees whose services were not regularized and who are already drawing a remuneration of ₹.13,000/- p.m. + DA in the 2015 RPS.**
- 16. Following the same principle as mentioned above, in respect of Contract employees also the remunerations may be fixed at the minimum of the time scale, in the now revised pay scale, of the equivalent category in regular employment in the Government.**

Home Guards:

15.12. There are about 12,000 Home Guards now working with the Police Department and ancillary departments and performing variety of jobs such as Electrician, Computer Operator, Driver, Cook, Plumber etc., in addition to assisting the Police Department in the management of law and order, traffic and crimes. The Home Guards are appointed under the Home Guards Act 1948 as Volunteers in Home Guards Voluntary Organization after following a process of selection by the Superintendents of Police. These Home Guards are being paid daily allowance of ₹.600 with effect from 18.6.2018. They are paid daily allowance for the days they are actually engaged in work. They have no prospects of regularisation in Government service. However, a special quota of 10% of the posts of Police Constables is earmarked for the Home Guards. At present there is no social security net provided to the Home Guards as they are not recognised as regular Government employees.

15.13. The Home Guards have requested the Pay Revision Commission for the following:

- (i) To recommend to the Government for an increase in their allowances as per the orders of the Hon'ble Supreme Court.
- (ii) To allow them TA/DA when they are deputed for bandobaust duty

Recommendation

- (i) As regards item (i) above, the Commission finds that in Grih Rakshak, Home Guards Welfare Association Vs. State of H.P. & Others, the Hon'ble Supreme Court ordered that

"..... However, taking into consideration the fact that Home Guards are used during the emergency and for other purposes and at the time of their duty they are empowered with the power of police personnel, we are of the view that the State Government should pay them the duty allowance at such rates, total of which 30 days (a month) comes to minimum of the pay to which the police personnel of State are entitled."

Keeping the above orders of the Apex Court in view, we recommend that the Home Guards be paid Daily Allowance at the rate of 1/30th of the Minimum Pay (in the Revised Pay Scale recommended in this report for the Police Constables) plus Dearness Allowance thereon at the rates applicable to the Government employees from time to time.

- (ii) The Commission recommends that the Home Guards may allowed to draw TA/DA at the rates applicable to Police Constables when they are sent on bandobaust duty to a place which is more than 8 km. from their normal place of duty.**

CHAPTER-16

Differently Abled Employees and Pensioners

16.01. As per the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995, a “person with disability” means a person suffering from not less than 40 per cent of any disability as certified by a medical authority. “Disability” as defined in Section 2(i) of the Act means– (i) blindness (ii) low vision (iii) leprosy cured (iv) hearing impairment (v) locomotor disability (vi) mental retardation (vii) mental illness. In consonance with the provisions of Section 34 (1) of the Rights of Persons with Disabilities Act, 2016, orders have been issued in G.O.Ms. No. 4 Department for Women, Children, Differently Abled and Senior Citizens date 09.02.2019 providing reservation in the appointments and in promotions in every Government establishment of not less than four per cent of the total number of vacancies in the cadre strength in each group of posts meant to be filled with persons with benchmark disabilities of which, one per cent each shall be reserved for persons with benchmark disabilities under clauses (a),(b) and (c) and one per cent for persons with benchmark disabilities under clauses (d) and (e) namely;

- (a) Blindness and low vision,
- (b) Deaf and hard of hearing;
- (c) Locomotor disability including cerebral palsy, Leprosy cured, dwarfism, acid attack victims and muscular dystrophy;
- (d) Autism, intellectual disability, specific learning disability and mental illness;
- (e) Multiple disabilities from amongst persons under clauses (a) to (d) including deaf-blindness in the posts identified for each disabilities.

16.02. Besides, the upper age for entry into Government service is relaxed by ten years for the differently abled.

16.03. The facilities conferred by the State Government at present, the various requests put forth by different association and the Commission's recommendations (details discussed in appropriate Chapters) are as under:

i) Enhancement of Special Pay to Teachers working in Schools for Visually Handicapped and Hearing Handicapped Children

Sl. No.	Category	Special Pay (₹. p.m.)		
		Existing	Request	Recommended
1.	Principal	450	1000-1500	650
2.	Post Graduate Teacher	375	800-1200	550
3.	Trained Graduate Teachers/ L.T. Assistants/ School Assistants and Language Pandits Grade-I	375	800-1200	550
4.	Secondary Grade Basic Training Teachers & Language Pandits Grade-II	300	700-900	430
5.	Higher Elementary Grade Teachers	190	500-750	300
6.	Special Teachers: a)Mobility Orientation Training Teacher (MOTT) b)Craft Teacher c)Music Teacher d)Physical Education Teacher (PET)	190	500-750	300

ii) Increase in Conveyance Allowance

16.03. The existing rate is 10% of basic pay subject to a maximum of ₹.1350 p.m. The requests are to enhance the maximum limit to amount ranging from ₹.4000 - 7000 p.m. The rates have been recommended to be revised to 10% of basic pay subject to a maximum ceiling of ₹.2000/- per month.

iii) Enhancement of Reader's Allowance

Category	Reader's Allowance (₹. per month)		
	Existing	Request	Recommendation
Secondary Grade Teachers (including Craft Instructors)	600	2400 to 4000	800
School Assistants	750	3000 to 4500	1000
Junior Lecturers and above	900	3600 to 5000	1200

iv) Grant of Special Allowance for child care for women with disabilities

16.04. The Commission has positively responded to the request for grant of child care allowance to women employees with disabilities. The Commission feels that this is a very genuine request since it is pretty difficult for a physically challenged woman employee to take adequate care of the child on her own without additional assistance. It has therefore been recommended to grant Childcare Allowance @ ₹.1500/- per month for a period of 12 months from the date of child birth. This allowance may be made payable for a maximum of two children.

v) Sanction of Scribe Allowance

16.05. The Commission has recommended that 'Scribe Allowance', may be paid to the orthopedically challenged employees, not having both the hands, to engage scribes for their assistance. **This may be paid at the rate of ₹.1000/- per month.**

vi) Public Holiday or Special Casual leave on the occasion of birthday of Louis Braille

16.06. The Commission has recommended to notify the birthday of Louis Braille as an Optional Holiday.

vii) Special consideration in Transfers

16.07. Orders have been issued in G.O. Ms. No. 45, Finance (HR I Plg. & Policy) Department dated 24.06.2019 lifting the ban on transfers from 25th June, 2019 to 5th July, 2019. Among others, it was ordered therein that preference would be given in the choice of place of posting to the employees with disabilities of 40% or more as certified by a competent authority. This policy may be continued in future also.

viii) Sanction of 7 days Special Casual leave for getting the artificial limbs fixed

16.08. The Commission has recommended (Chapter-10) that orthopedically challenged employees, who need to replace prosthetic limb(s), may be granted Special Casual Leave of up to 7 working days in a calendar year, if so required, on production of medical certificate to that effect.

ix) Enhancement of Medical Allowance payable to the retired employees

16.09. The Commission has recommended for increasing the allowance to ₹.500/- per month

x) Provide free aids and appliances

16.10. The Commission recommends that the Government may grant personal loan amounting to 80% of the cost of aids/appliances suitable for the specific nature of disability of the concerned employee at a concessional rate of interest of 4% for this purpose.

16.11. The Commission feels that the Government, being an ideal employer, view the following requests sympathetically and provide the concerned facilities so as to make the office environment more user friendly to the differently abled employees:

- 1) Provide special computer software for use by the visually handicapped employees;
- 2) Fix Braille signage near lift, toilets, canteen, fire exit, room numbers/ Section names etc;
- 3) Make available material for departmental tests in Braille format;
- 4) Provide audio output and beep sound in biometric attendance;
- 5) Provide Text Books and training modules in Braille format for the blind teachers

16.12. The Commission does not see much merit in the following requests received by it and is therefore not inclined to recommend them to the Government:

- 1) Sanction of Special Casual leave for 10 days in a calendar year for participation in conferences / seminars/ trainings/ workshops related to the differently abled and their empowerment
- 2) Incentive for normal persons to marry Differently abled employee
- 3) Double the Medical Allowance to service/family pensioners
- 4) Constant Attendance Allowance for retired employees with 100% disablement @ ₹.4500 p.m.

- 5) Sanction of Full pension (Half of the Last pay drawn irrespective of length of service)
- 6) Allow voluntary retirement after 20 years of service with full pension and provide compassionate appointment to eligible family member
- 7) Financial assistance of ₹.5 lakhs.
- 8) Sanction of an amount of ₹. 5,000 for felicitation on the date of retirement
- 9) Extra care allowance to the employees with Bench Mark disability having differently abled children
- 10) Sanction of House Rent Allowance to the blind teacher Pensioners

CHAPTER - 17

PENSIONARY BENEFITS

17.01. One of the terms of reference of the Commission is it to examine and review the existing pension structure for pensioners and make recommendations which may be desirable and feasible.

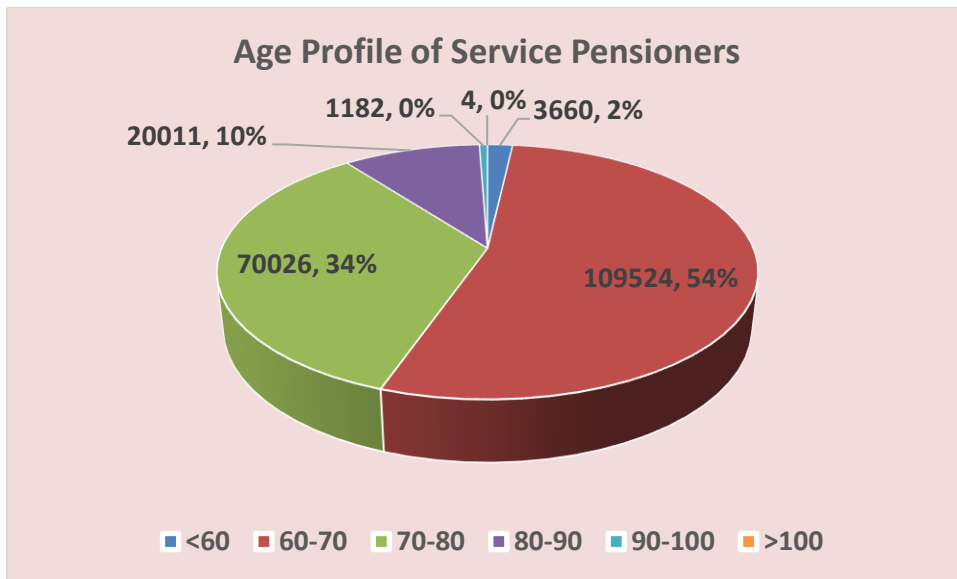
17.02. The Constitution of India defines Pension in the following words:

“Pension means a pension, whether contributory or not, of any kind whatsoever payable to or in respect of any person, and includes retired pay so payable; a gratuity so payable and any sum or sums so payable by way of the return, with or without interest thereon or any other addition thereto, of subscriptions to a provident fund”

17.03. In ordinary parlance ‘Pension’ is a fixed amount, other than wages, paid at regular intervals to a person or person’s surviving dependants in consideration of the past service rendered. The Hon’ble Supreme Court has reiterated that pension is not a bounty of the State. It is earned by the employee for service rendered to fall back upon after retirement. As of June, 2019 Andhra Pradesh has a total number of 3,49,095 pensioners comprising of 2,04,407 (59%) Service and 1,44,688 (41%) Family Pensioners. The total budgetary provision towards pensionary charges in the F.Y. 2019-20 (B.E.) is of the order of ₹.15,338 Cr. (including ₹.13,886 Cr. towards Pension, ₹.1,327 Cr. for Gratuity and ₹.125 Cr. for Medical Reimbursement).

17.04. The age profile of the pensioners is as given below:

Category	Age Group						Total
	< 60	60-70	70-80	80-90	90-100	> 100	
Service Pensioner	3,660 (2%)	1,09,524 (53.5%)	70,026 (34%)	20,011 (10%)	1,182 (0.5%)	4	2,04,407
Family Pensioner	1,07,609 (73%)	15,161 (10%)	14,106 (12%)	7,291 (4.7%)	517 (0.3%)	4	1,44,688
Total	1,11,269	1,24,685	84,132	27,302	1,699	8	3,49,095



17.05. The above Table shows that about 88% of the Service Pensioners are in the age group of 60-80. This implies that as on 01-07-2018, which is the reference date for the current pay revision, a vast majority of the Service Pensioners are those who retired after implementation of the Master Scale in 1993.

17.06. The State Government employees are at present governed by the A.P. Revised Pension Rules, 1980 and the A.P. Civil Service (Commutation) Rules. Keeping in view the existing rules and the requests made by the associations and individuals the following recommendations are made:

1. Quantum of Pension

17.07. At present pension is calculated basing on the length of qualifying service, subject to a maximum of 33 years and a minimum of 10 years, and on the last pay drawn. A retiring employee is entitled to add to his qualifying service, by way of weightage, service not exceeding five years. However, the aggregate qualifying service after such addition, should not, in any case, exceed the maximum service (i.e. 33 years) to earn full pension. The minimum admissible pension as per the 2015 RPS is ₹.6,500/- p.m. (i.e. 50% of the minimum pay of serving employees). The Associations have requested for the following:

- a. To allow full pension after 20 years of service instead of 33 years on par with the Government of India employees. Another related request is to allow service weightage of 8 years as was recommended by the 10th PRC;
- b. The pension should not be less than 50% of the minimum of the revised scale of pay of the post from which the employee retired. A related request is for introduction of the 'Principle of One Rank One Pension (OROP)';

- c. Additional quantum of pension may be granted from the age of 65 years onwards;
- d. Full pension may be enhanced from the present level of 50% to 60-70% of last pay drawn.

Recommendations

- a. The Government of India, as a result of the recommendations of 6th CPC, liberalised the eligibility condition for receiving full pension to its employees by reducing it from completion of 33 years to 20 years of continuous service. The logic advanced by the 6th CPC for drastically decreasing the number of years of service required to receive full pension was that many employees, who are not satisfied with their jobs and therefore want to change/ improve their careers feel discouraged to do so for losing the full pension if they leave early. Although there is some justification in this argument, we could not persuade ourselves to fully agree with the same, for such a measure would equate an employee who leaves the Government service for better prospects after 20 years of service with another who puts in a long loyal service of 28 years or more in the government. We feel this is inequitable for the latter set of employees and is also not equally fair to both the employee and the employer (Government). Such a dispensation of granting unearned benefit of 8 years of service is also contrary to the views expressed by the Hon'ble Supreme Court that pension is not a bounty of the State but *earned* (italics added) by the employee for service rendered to fall back upon after retirement. We therefore refrain from making a similar recommendation to the State Government.

In so far as the service weightage is concerned, we have three observations to make. Firstly, we find that in G.O.Ms.No.147, Finance (HRM-IV) Department dated 30-06-2014 Government has revised the age of superannuation for its employees from 58 years to 60 years. Effectively this means an employee, who joins Government service at an age up to 32 years, can satisfy the requirement of getting full pension. Most of the Government employees join service before reaching this age. Secondly, the service weightage of 5 years already works out to 50% of the minimum qualifying service of 10 years. Hence raising it further would be disproportionately high. Thirdly, the other argument that such a provision would help those who join service at a very late age (i.e. > 32 years) taking advantage of the relaxation of maximum age limit for entry into Government service, has been rebutted by the 9th PRC stating that the number of such persons is low and most such persons migrate from some existing employment. We agree with this view of the 9th PRC.

The Commission therefore recommends that the existing provision of full pension after 33 years of qualifying service with 5 years of service weightage is quite justified and need not be changed.

- b. The pay scale of any category of Government employee gets revised from time to time on the basis of recommendations of the PRCs. The new pay scale can be either the corresponding scale to the existing pay scale or a few grades higher. Lowering of pay scale arises very rarely only to rectify some obvious anomaly/ mistake. The increase could be due to improvement in the qualifications prescribed for the post, change in the feeder/promotion categories or change in assessment of the nature of duties, responsibilities and administrative powers or a combination of these factors. In view of this, the past and present pay scales may not have one-to-one correspondence. It has also been observed that in several departments the designations of some categories of posts get changed over a period of time and in some other cases the same posts stand upgraded due to administrative restructuring. Hence, fixation of pay at 50% of the minimum (pay) in the revised pay scale of the same category would entail very cumbersome exercise of verification of old service records/ service rules/ and drawing equivalence between past and present designations and would thus take enormous time. It is also to be noted that after the introduction of Master Scale concept (1993 RPS), in which about 88% of the present pensioners have retired, in whichever category of posts there is no improvement in pay scales over the years, the old pensioners do not get less pension than 50% of the minimum of the pay scale assigned to that category. It is also noticed that a situation of a pensioner getting lower than 50% of the minimum of pay scale assigned to his/her category would arise only if he/she retires at the bottom end of the pay scale. Hence the number of such cases would be very small, especially since the fitment benefits sanctioned by the Government in the 1999, 2010 and 2015 RPSs have been much higher than those recommended by the respective PRCs.

Regarding adoption of OROP, the Commission is of the view that, for obvious reasons, OROP will entail a huge increase in financial outgo. Moreover, for the reason stated above it would be extremely difficult to draw rank equivalence among civilian employees working in different times, with widely different duties and responsibilities and differing service rules. The Government of India, after a lot of deliberations, implemented OROP in the Defence Services only which is a rank based homogeneous organisation with well-defined hierarchy. In respect of Civilian services it is only in respect of the Apex (fixed) scale of AIS that OROP is applicable at present. **Hence this Commission is not in agreement with the propositions of the Association regarding pension fixation at 50% of the minimum of revised pay scale or the adoption of OROP.**

- c. For the first time the 6th CPC recommended for grant of additional quantum of pension to pensioners above the age of 80 so as to provide for extra financial support to the relatively older pensioners as the expenses on account of medical and personal care generally tend to increase greatly with advancing age. This was accepted by the Government of India. The rates recommended by the 6th CPC are as follows:

Age of Pensioner/Family Pensioner	Additional quantum of pension
From 80 years to less than 85 years	20% of basic pension
From 85 years to less than 90 years	30% of basic pension
From 90 years to less than 95 years	40% of basic pension
From 95 years to less than 100 years	50% of basic pension
100 years or more	100% of basic pension

The 9th PRC (State level) advanced another reason for grant of additional quantum of pension. It stated that instead of attempting the laborious and impractical process to refix pension of old pensioners at 50% of the minimum in the revised scale, it would be preferable to grant additional quantum of pension after 75 years of age. This recommendation of the 9th PRC was implemented by the Government. The 10th PRC made a recommendation to grant additional pension starting from the age of 70 and also enhanced the percentage of such additional pension. Based on this, Government has issued orders vide G.O.Ms.No.6, Finance (Pension-I) Dept dated 12-01-2019 as follows:

Age of Pensioner/Family Pensioner	Additional quantum of pension
From 70 years to less than 75 years	10% of basic pension
From 75 years to less than 80 years	15% of basic pension
From 80 years to less than 85 years	20% of basic pension
From 85 years to less than 90 years	25% of basic pension
From 90 years to less than 95 years	30% of basic pension
From 95 years to less than 100 years	35% of basic pension
100 years or more	50% of basic pension

For the reasons cited supra, we respectfully do not agree with the reasoning advanced by the 9th PRC that additional quantum of pension should be granted for the purpose of compensating the old pensioners and bringing them on par with the new pensioners . Having said so, we are of the view that it is justified basically for the reason of providing greater financial support for the increasing health care expenses of older pensioners.

Considered from this perspective, the general improvement in longevity and increase in active work life, the Commission is of the view that 70 years is a reasonable threshold point for grant of additional quantum of pension. We accordingly recommend grant of additional quantum of pension on the Revised Consolidated Basic Pension/ Revised Consolidated Basic Family Pension at the following enhanced rates:

Age of Pensioner/Family Pensioner	Additional quantum of pension
From 70 years to less than 75 years	10% of basic pension
From 75 years to less than 80 years	15% of basic pension
From 80 years to less than 85 years	20% of basic pension
From 85 years to less than 90 years	30% of basic pension
From 90 years to less than 95 years	35% of basic pension
From 95 years to less than 100 years	40% of basic pension
100 years or more	50% of basic pension

We also recommend that the other detailed instructions issued in G.O.Ms. No 100, Finance (Pension-I) Department dated 06-04-2010 relating to the manner of exhibition of the additional quantum of pension in the revised Pension Payment Order and its regulation would apply mutatis mutandis.

- d. Right since the coming into force of the Andhra Pradesh Revised Pension Rules, 1980 the full pension on superannuation has been limited to 50 % of the last pay drawn. The same rate is now applicable to the Central Government employees also. The pay scale now recommended would mean an increase of pay at the minimum stage of the Master Scale by nearly 14.5 times over that of the 1993 RPS. The reckonable last pay drawn would increase further because of the substantially higher rates of fitment granted by the Government over and above the rates recommended by the 1999, 2010 1nd 2015 PRCs. **In view of this, we are not inclined to recommend any increase in the rate of pension.**

2. Consolidation of Pension/ Family Pension & Dearness Relief thereon

17.08. Since 01-07-1992 the amount of pension / family pension payable to pensioners is being revised, on revision of pay scales of serving employees, by adopting the same formula as applicable to re-fixation of pay of serving employees in the Revised Scales of Pay as recommended by the PRCs. The Associations have requested for fitment benefit ranging from 55 to 60%.

Recommendation

17.09. The Commission has already recommended a fitment benefit of 27% in Chapter-6 of this report. The Commission recommends consolidation of pension/ family pension from 1-7-2018 onwards applying the same formula as adopted for the re-fixation of pay of serving employees in the revised pay scale. This may be done by adding to the existing basic pension the amount of Dearness Relief admissible thereon as on 1-7-2018 and 27% of the basic pension/ family pension as fitment. The revised amount may be termed as Revised Consolidated Basic Pension/Revised Consolidated Basic Family Pension with effect from 1-7-2018.

17.10. The commission further recommends to pay Dearness Relief on such Revised Consolidated Basic Pension / Revised Consolidated Basic Family Pension with effect from 1-7-2018 at the same rates as applicable to serving employees from time to time.

3. Anticipatory Pension

17.11. As per rule 51 (A) of APRPRs 1980, anticipatory pension shall be drawn by the Head of Office concerned irrespective of the fact whether the pension papers have been sent to the Accountant General or not and disburse the same to the pensioner. The amount of anticipatory pension is 4/10th of the last drawn pay provided the Govt. servant has put in 33 years of qualifying service by the time of retirement. If the Govt. servant has put in less than 33 years of qualifying service, the Anticipatory Pension shall be such proportion of 4/10th as the qualifying service put in by the Government servant bears to 33 years. As per the above rule, the anticipatory pension works out to 80% of the service pension if the qualifying service is 33 years. Based on the recommendations of PRC 2010 orders were issued in G.O.Ms.No.186, Finance (Pension-I) Department, dated.24-05-2010, sanctioning 90% of pension payable as Anticipatory Pension. There is a request from some of the Associations to raise the Anticipatory Pension to 100% of estimated pension.

Recommendation

17.12. The Commission is of the view that anticipatory pension is allowed as an interim payment pending finalisation of pensionary benefits. An amount of 10% of pension is temporarily withheld as a cover for any possible margin of error. Apart from this, if the entire estimated pension is paid there would be no urgency on the part of the employee or the sanctioning authority to send the pension papers for sanction of pensionary benefits. As such the Commission is of the view that the present provision regarding Anticipatory Pension needs no further revision.

4. Provisional Pension

17.13. Provisional pension is allowed to an employee when departmental or judicial proceedings are pending. According to rule 52 of APRPRs 1980 and Circular Memo No.979- B/5/A2/Pen-I/94, Finance Department dated 02-02-1994, the amount of Provisional Pension should not be less than 75% of admissible pension. It has been requested that instead of provisional pension full pension may be paid while with holding other retirement benefits.

Recommendation

17.14. This rule gives administrative discretion to the pension sanctioning authority to withhold up to 25% of the pension depending upon the nature and gravity of the charges framed against the employee. Now, as per the provisions of Rule 9 of APRPR, 1980 pension can be withheld either fully or partly or for a specific period. If provisional pension is paid in full, as requested, there would be no scope to invoke this rule in cases where it is found that the pensioner is guilty of the offence/misconduct alleged in the judicial proceeding/disciplinary case and the competent authority comes to a conclusion to either withhold the pension fully or partly or for a specific period. **The Commission, therefore, is not in favour of paying full pension as provisional pension in cases where the departmental/judicial proceedings are pending against the pensioner. The existing provision of payment of Provisional pension at 75% of the pension may therefore continue.**

5. Quantum of Family Pension

17.15. According to rule 50 of APRPR, 1980 the family of the deceased shall be entitled to a monthly family pension at 30% of the last pay drawn. It is also provided that where a Government servant dies in service after rendering 7 years of continuous service the family pension is payable at an enhanced rate of 50% of pay following the date of death for a period of 7 years or till the date on which he would have attained the age of 65 years had he/she been alive, whichever is earlier. A similar provision also applies in case of death after retirement.

17.16. The following requests were made by the Associations:

- a) The enhanced family pension should be @ 60-80% of last pay drawn and the normal family pension should be enhanced to 50% of last pay drawn.
- b) The enhanced family pension should be allowed up to 10 years instead of 7 years.

Recommendation

- a) **Considering that the normal service pension is at 50% of the last pay drawn, the present quantum of enhanced as well as normal family pension (50% and 30% of last pay respectively) are reasonable and need no change.**
- b) The Commission finds that the Government of India has, on the recommendation of the 6th CPC, given its approval for grant of enhanced family pension for a period of 10 years from the date of death while in service, without any upper age limit. In case the employee dies after retirement, the enhanced rate of family pension is applicable for a period of 7 years from the date of death or up to the date on which he would have attained 67 years had he survived, whichever is earlier.

We feel that the unfortunate event of an employee dying in harness, while still being in the economically productive age group, puts his/her family in great distress. Therefore a longer duration of financial succour than in case of death after normal superannuation is needed in these cases. We also find that in Andhra Pradesh the age of retirement has been enhanced from 58 years to 60 years in 2014. Hence the existing limitation of 65 years of age for grant of enhanced family pension, as mentioned above, in the APRPR, 1980, is not commensurate with the present retirement age.

Considering the above, we recommend the following revisions to the provisions relating to payment of family pension:

- (i) **In the case of death in service of a government servant, enhanced family pension may be payable to the family for a period of ten years from the date of death, without any upper age limit.**
- (ii) **In the case of death after retirement, the enhanced family pension should be payable for a period of seven years or up to the date on which he would have attained 67 years, had he survived, whichever is earlier.**

6. Family pension to whom payable

17.17. As per the Rule 50 of APRPR, 1980 Family Pension is payable to:

- (i) The widow/widower until her/his remarriage or death, whichever is earlier;
- (ii) In case of childless widow, pension shall continue even after remarriage until her independent income becomes equal to or higher than the minimum family pension;
- (iii) The son, till he attains the age of 25 years or starts earning, whichever is earlier;
- (iv) Unmarried daughter, till she attains the age of 25 years or gets married or starts earning whichever is earliest;
- (v) Mentally disabled/ physically crippled child, who is unable to earn a living, for the entire life time even if he/she gets married;
- (vi) Unmarried/widowed/divorced wholly dependent daughter, not covered under (iv) and (v) above, until her marriage/remarriage or till she starts earning or till her death, whichever is earliest;
- (vii) Parents wholly dependent on the Government servant till his death provided the employee did not leave behind a widow or child;

17.18. The associations made the following requests:

- a) To include widowed daughter-in-law in the list of Family Pension beneficiaries.
- b) To remove the conditions imposed in Government memo no. 34021.70.HR.V/2018 of Finance Department dated 11-07-2018 stating that the unmarried/ divorced/widowed wholly dependent daughter should not be above 45 years of age/ should be childless/ have minor children, to be eligible for receiving Family Pension.
- c) The existing disqualification regarding payment of Family Pension to unmarried/widowed/ divorced wholly dependent daughter, on her marriage/remarriage should be removed.

Recommendation

- a) We are not inclined to accept the request for inclusion of the widowed daughter-in-law of the deceased Government servant in the list of beneficiaries of Family pension since she is not a member of the immediate 'family' of the concerned person.

- b) The Commission is of the view that the condition of maximum age limit of 45 years in respect of the unmarried/widowed/divorced daughter does not appear to have any rational basis and seems arbitrary. Similarly the stipulation regarding having children may be altered so as to exclude widowed/divorced daughter 'having a child who has attained 25 years of age or started earning'.**

Moreover, the above mentioned condition imposed through a Government memo may not stand legal scrutiny as they restrict the operation of the statutory provisions of Rule-5 of the APRPR, 1980. In our view a clarificatory memo can only explain the ambit of the original statutory provision and not circumscribe its scope or expand it beyond the original purport of the statute. In view of this, we recommend that the conditions of 45 years age limit in respect of this category of family pensioners may be rescinded and the condition regarding child, as suggested above, may be incorporated by making suitable statutory amendment to the APRPR, 1980.

7. Eligibility for Dearness Relief on Service Pension and Family Pension to the same pensioner

17.19. In G.O. (P) No.156, Fin. & Plg. Government has decided that in respect of pensioners drawing two pensions viz. Service Pension and Family Pension, the pensioner is entitled to draw Dearness Relief on only one pension, whichever is more beneficial to the pensioner. The Associations have urged that instead of the above, Dearness Relief should be allowed on both the pensions.

Recommendation

17.20. The Commission is of the view that Dearness Relief is paid at the same rate as that of Dearness Allowance to the serving employees with the objective of neutralising the impact of price rise due to inflationary pressures in the economy. As such it would be logical to allow Dearness Relief on both the basic pensions (Service and Family) received by the same pensioner. The Commission accordingly recommends that necessary amendments to the existing instructions may be issued to that effect.

8. Minimum Service Pension/ Family Pension

17.21. The existing minimum pension is ₹.6,500/- which is 50% of the minimum of existing Master Scale i.e., ₹.13,000/-. Most of the Associations have requested that the Minimum Pension be fixed at 50% of the minimum of the proposed Master Scale. Some of them have requested that the minimum pension should be in the range of ₹.9000-13,000/- per month keeping the prevailing cost of living in view.

17.22. This Commission is of the view that it is desirable to continue to fix the minimum service pension/ enhanced family pension at 50% of the minimum of the recommended Master Scale. The proposed minimum of the Master scale is ₹.20,000/-. **The Commission, therefore, recommends that the minimum pension/ enhanced family pension may be fixed at ₹.10,000/- p.m.**

9. Financial Assistance

17.23. At present Financial assistance is admissible to such of the survivors to whom neither service pension nor family pension is admissible i.e., teachers and non-teaching Staff of Aided Educational Institutions and Ex- District Boards who retired or died while in service prior to 01-04-1961. The Associations have requested to raise it to the level of minimum family pension and pay Dearness Relief thereon. Some have demanded for grant of Financial Assistance to the tune of ₹.15000/-p.m. The other request is to increase the amount of financial assistance on par with the minimum family pension and to pay dearness relief thereon.

Recommendation

17.24. The number of recipients of financial assistance at present is negligibly low (969, as furnished by the Director of T&A). Since the cut-off date for its eligibility is long over (01-04-1961), it is now a vanishing category. **The Commission is of the view that the Financial Assistance should be increased to the level of the minimum of service pension/ enhanced family pension i.e. ₹.10,000/- per month. We also recommend that Dearness Relief should be granted on the above amount from time to time on par with the family pensioners in order to neutralise the cost of inflation.**

10. Retirement Gratuity

17.25. As per the existing Rule 46 of APRPRs 1980, the formula for calculation of Retirement Gratuity is as follows:

- (a) 1/4th of the emoluments for every completed six monthly period of service, or
- (b) 16 ½ times of pay last drawn, or
- (c) Rupees twelve lakh, whichever is less

17.26. The Associations have requested to enhance the limit of Retirement Gratuity from ₹.12.00 lakh to ₹.20.00-30 lakh.

17.27. As per the existing rules Dearness Allowance forms part of the emoluments for calculating gratuity.

17.28. Keeping in view the increase in the pay structure, the Commission recommends to enhance the maximum limit of Gratuity, from the existing ₹.12 lakh to ₹.16 lakh.

11. Quantum of Commutation

17.29. At present the maximum commutation permissible is 40% of the Service Pension. The Commutation Value per rupee of pension commuted is based on the Table approved by the Government of India vide O.M.F.No.38/37/08-P&PW(A), dated:2-9-2008 of Dept. of Pensions and Pensioners Welfare and adopted by the State Government.

17.30. The Associations have requested to increase the Commuted Value for those employees retiring at the age of 60 from 8.194 years of purchase to 15 years of purchase. However, no justification has been advanced for the same.

Recommendation

17.31. At present the maximum commutation permissible is 40% even in the Govt. of India and most of the States. Moreover the Commutation Table is based on actuarial valuation assuming an interest rate of 8% p.a. which is very reasonable at the present juncture. **This Commission is therefore of view that the existing ceiling of commutation at 40% of basic pension is adequate and may continue. Similarly, there is no apparent reason to alter the Commutation Table.**

12. Restoration of commuted portion of the pension

17.32. As per the existing rules, restoration is permissible only after completion of 15 years from the date on which the reduced pension is disbursed.

17.33. Almost all the Associations, Serving as well as Pensioners, have requested to restore the commuted portion of pension after 12 years to those who retired prior to 01-02-2010 on the ground that the entire amount along with interest at 4.75% is being recovered in 12 years and 10 months. It is also represented that in respect of those who retired after 01-02-2010, restoration of the commuted portion of pension should be allowed after 10 years. Detailed calculation sheets have been presented to us to substantiate this demand.

Recommendation

17.34. This issue was put forth before the earlier PRCs as well. The PRC 1999 did not agree for reducing the period of restoration on the ground that the age of retirement in the State Government was 58 years but not 60 years as was being followed in other states like Kerala, Orissa, Punjab and Madhya Pradesh. This position is no longer relevant though since the age of retirement has been revised to 60 years in 2014. The PRC 2005 suggested to adopt the principles which are followed by the Government of India. The 2010 and 2015 PRCs reiterated the recommendation of the 2005 PRC.

17.35. We would like to highlight four different aspects which have a bearing on this issue:

- i) Firstly, commutation of pension is a voluntary act and the employee can even exercise this option at any time after his retirement. He/she can also decide the portion of pension which he/she wants to commute, subject of course to the prescribed limit. The employee is therefore free to judge the benefits and drawbacks of the scheme and then decide whether to opt for it or not.
- ii) Secondly, the rules provide for restoration of the commuted portion of pension in the unfortunate event of demise of the original pensioner i.e. in such cases no further recovery is made from the Family Pensioner. This introduces an element of mortality risk which has been factored in for the purpose of calculating the restoration period. The Supreme Court, vide their judgement dated 09.12.1986, allowed restoration of pension after 15 years because of the presence of this risk factor. We are aware that this conclusion has been contested in some quarters by arguing that the Supreme Court decision was delivered long time back and since then the expectancy of life at birth has increased (from 56.60 to 69.04 years).

Nevertheless, considering the fact that the normal age of retirement is 60 years and the restoration of pension takes place at the age of 75 (or more) there is still a mortality risk involved in the scheme although it has reduced quite a bit.

- iii) Thirdly, one of the most attractive benefits of the scheme is that it makes available to the pensioner a lump sum amount by capitalising the pension over several months. The pensioner can use it either to meet some urgent family needs such as acquiring a suitable shelter, meeting marriage/educational/health care expenses etc. or simply invest it for financial return. In the earlier case the true value of this amount cannot be expressed only in monetary terms.
- iv) Fourthly, as mentioned above, the pensioner may choose to invest the amount for financial benefit. Although there are many alternative avenues of investment, we would make an attempt to compare the financial returns that the pensioner would get if he/she deploys the lump sum commuted amount in a Bank fixed deposit, which is the safest mode of investment, with the amount that one would have made by investing the amount recovered every month towards commutation i.e. had he not opted for commutation. The contention of the pensioners is that the Government recovers more than it pays in lump sum on commutation. While making this comparison one has to keep in mind the fact that the Commutation Value of pension, received in lump sum, is not taxable but the monthly pension as well as the interest accrued on Bank deposits are taxable. The following realistic assumptions and formulae have been used in drawing this comparative Table:
 - a) The lump sum commuted value of pension is deposited in a Bank fixed deposit for a period of 15 years at an interest rate of 8% p.a. compounded at quarterly intervals;
 - b) Alternatively, an amount equivalent to the monthly commuted portion of pension is deposited every month in a Bank Recurring Deposit for a period of 15 years, at an interest rate of 8% p.a. compounded at quarterly intervals;
 - c) For simplicity of calculation, it is assumed that ₹.1,000/- is the commuted portion of pension. The lump sum Commuted Value then comes to $₹.1000 \times 8.194 \times 12 = ₹.98,328/-$.

- d) Total Future Value (A) of investment in Fixed Deposit including interest is given by
 $A = P(1+r/n)^{nt}$,
 where P= Principal Amount, r= Annual Rate of Interest (in decimal),
 n= number of times that interest is compounded per unit 't',
 t= the time for which money is invested
- e) Total Maturity Value (M) of investment in Recurring Deposit including interest is given by
 $M = R[(1+i)^n - 1] / i$
 where R= Monthly Instalment, n= number of quarters,
 i= Annual Rate of Interest/400

Comparative Table

Fixed Deposit		Recurring deposit	
1. Commuted amount of pension	₹.1,000	Post Tax Monthly Pension (i) 5.2% tax bracket (ii) 20.8% tax bracket (iii) 31.2% tax bracket	₹.948 ₹.792 ₹.688
2. Total Commuted Value	₹.98,328		
3. Income Tax on (1) above	NIL		
4. Net amount deposited in F.D.	₹.98,328		
5. Pre-tax maturity value ('A' above)	₹.3,22,617	Pre-tax maturity value ('M' above)	₹.3,08,777 ₹.2,57,965 ₹.2,24,091
6. Maturity Value after Tax (i) 5.2% tax bracket (ii) 20.8% tax bracket (iii) 31.2% tax bracket	₹.3,10,954 ₹.2,75,965 ₹.2,52,639	Maturity Value after Tax (i) 5.2% tax bracket (ii) 20.8% tax bracket (iii) 31.2% tax bracket	₹.3,01,594 ₹.2,33,961 ₹.1,92,812

17.36. The above Table shows that the Commuted Value based on present number of years of purchase yields better returns post tax, as compared to the recoveries made in a period of 15 years, at 8% compounded rate of interest. Hence, coupled with the mortality risk covered, and the advantage and flexibility associated with the lump sum amount received, opting for commutation is at present more advantageous to the employees.

17.37. We may also mention here in passing that the above issue was judicially tested in the Hon'ble Delhi High Court in the case of Forum of Retired IPS Officers Vs. Union of India and the Hon'ble High Court, in its judgement delivered on 17 January, 2019, dismissed the case of the petitioners.

17.38. **In the totality of the matter discussed above, the Commission therefore recommends continuance of the period of restoration of commuted portion of pension at the present level of 15 years.**

13. Voluntary Retirement

17.39. As per Rule 43 of A.P.R.P.R 1980 employees are permitted to seek voluntary retirement after a qualifying service of 20 years (excluding the period of E.O.L. availed on any ground other than for prosecuting higher studies).

17.40. Several Associations have requested to reduce the qualifying service from 20 years to 15 years, including the EOL availed, for the purpose of voluntary retirement. They have argued that permitting this would enable the employees, who desire to find alternative careers outside the Government, to do so at an appropriate age.

Recommendation

17.41. We are of the view that any further reduction in the period of service for voluntary retirement is likely to create difficulties in the retention of trained manpower besides casting upon Government the additional liability of paying pension/family pension throughout the person's life. Besides, such voluntary retirements would cause vacancies at the middle levels of administration which are very crucial from the Government's point of view of service delivery. Obviously, such retirements would cause disruption in Governmental functioning resulting in public dis-satisfaction as it would take a long time for the recruiting agencies to fill up the consequential vacancies. We therefore feel that such a step would not be in public interest which any elected Government is duty bound to subserve. **This Commission therefore feels that the existing provisions are adequate and no change is required.**

14. Date of Retirement

17.42. As per section 3 (1) of the A.P. Public Employment (Regulation of Age of Superannuation) Act, 1984, as amended in Act 4 of 2014, every Government employee shall retire from service on the afternoon of the last date of the month in which he attains the age of 60 years.

17.43. The Employees' Associations requested to (i) make a recommendation to the effect that if the date of birth of any employee happens to be first of a month such employee may be allowed to retire on the last day of that month. (ii) Majority of the Associations have requested for enhancement of age of superannuation of Last Grade employees 60 to 62 years.

Recommendation

- (i) The attainment of the age of retirement is reckoned based on the date of birth. If the date of birth falls on a day after the first day of the month, the employee completes 60 years in the middle of the month. Hence for the purpose of rounding off such fraction of service rendered in the last month to a full month, the end of the month is taken into account for retiring the Government servant. This fraction does not arise when the date of birth falls on the first day of a month, since 60 years is completed on the last day of the previous month. Hence no rounding off is necessary in such cases. **In fact Explanation II to Section 3 of the A.P. Public Employment (Regulation of Age of Superannuation) Act, 1984 states that "a Government employee whose date of birth is the first of a month shall retire from service on the afternoon of the last day of the preceding month on attaining the age of sixty years". Hence no change is recommended in this regard.**
- (ii) As far as enhancement of the retirement age of Last Grade service employees is considered, we are of the view that issue has to be viewed from the perspective of balancing the aspirations of those who are presently employed against the vast multitude of unemployed and under-employed work force who are seeking to enter Government service. We find that the only exception made in respect of retirement age is in the case of Government medical doctors for the ostensible reason that this category is professionally skilled and experienced and there is a shortage of medical doctors in the country, which is undeniably not the case in respect of the Last Grade service. **In view of this, the Commission is not favourably inclined to recommend an enhancement in the retirement age of the Last Grade employees.**

15. Payment of Family Pension where the whereabouts of the serving employee/pensioner is not known.

17.44. Para 14.B(v) of Appendix I of the A.P. Revised Pension Rules, 1980 states that in the case of serving employees, whose whereabouts are not known, Family Pension would be admissible from the date of lodging the FIR. However the Family Pension will be sanctioned and paid only after one year of the date of lodging the FIR with the police and obtaining a certificate to that effect. Similarly, para 14.C (iii) states that in case where

the whereabouts of the pensioner is not known, Family Pension shall be payable from the date of filing of FIR but it can be sanctioned by the pension sanctioning authority and paid only after one year from the date of filing of FIR.

17.45. A representation has been received stating that in case of Central Government orders have been issued by reducing the time period between the lodging of FIR and sanction of Family Pension from one year to six months. Hence a similar provision may be made in the relevant rules/instructions in case of the State Government.

Recommendation

17.46. The Commission is of the view that the suggested period of six months is a reasonable time gap for police investigation to take place, on the basis of the FIR lodged, to trace the missing serving employee/pensioner. We therefore recommend that both the existing provisions, as cited above, may be amended permitting the sanctioning authorities to sanction and pay Family Pension in such cases after six months from the date of filing of FIR.

16. Death Relief

17.47. In terms of G.O. Ms. No. 39, Finance (HRM-V) Department, dt.08.03.2016, in case of the demised Pensioner/Family Pensioner a Death Relief amount equivalent to one month's basic pension + Dearness Relief subject to a minimum, of ₹.15,000/- is payable to the surviving nominee/ legal heir. A request has been received from the Associations to enhance the minimum amount of Death Relief to ₹.30,000/-. They have also requested to include the commuted portion of the basic pension for calculating the Death Relief amount.

Recommendation

17.48. The Commission has examined the above request and feels that the minimum limit for Death Relief should be raised to ₹.20,000/- on par with the funeral expenses recommended to be paid in case of demise of serving employees. We are however not inclined to include, in the calculation of Death Relief amount payable, the commuted portion of pension, which is voluntarily surrendered by the pensioner for the purpose of calculation of monthly pension.

17. Expeditious release of instalments of Dearness Relief to Pensioners

17.49. At present release of Dearness Allowance (D.A) to the serving employees and Dearness Relief (D.R) to the pensioners are linked to the quantum of increase in D.A/D.R. to the Central Government employees/pensioners. The Central Government revises the DA/DR percentage on the basis of All India Consumer Price Index Numbers arrived at as on 1st January and 1st July of every year. A representation has been received from the Service Associations complaining that there is a wide gap between the date of sanction of DA/DR instalments by the Central Government and their actual release by the State Government. They have requested to release the D.R. to the pensioners immediately after receiving the relevant communication from the Central Government in this regard.

Recommendation

17.50. The Commission is in full agreement with this request and recommends that, immediately on receipt of the relevant communication from the Central Government, the State Government should take necessary steps to release the Dearness Relief to the pensioners to help them cope with the rise in the cost of living.

18. Counting unaided service of teachers in aided institutions towards calculating qualifying service

17.51. A request has been made to the Commission stating that the present practice of excluding the service put in by the teachers in unaided status for the purpose of reckoning the qualifying service for pension calculation should be dispensed with.

Recommendation

17.52. The Commission is of the view that during the unaided period of service the employee does not receive emoluments from the Consolidated Fund of the State. The remuneration during this period is borne by the private management. Hence such service cannot be taken into account for the purpose of reckoning the total qualifying service for calculation of pensionary benefits. We therefore do not agree with this request of the Associations.

19. Extension of Medical Reimbursement Scheme to the aided pensioners

17.53. The Commission has received a request from the Associations for inclusion of aided pensioners in the Medical Reimbursement scheme of the Government.

17.54. At present the Medical Reimbursement Scheme/ Employees Health Scheme are not applicable to the serving employees of the aided institutions. In fact Government extends grant-in-aid to these institutions only for the salaries expenditure of the aided staff. Hence we are of the view that the request to extend medical benefits to the aided pensioners has no merit.

20. Medical Allowance

17.55. In G.O.Ms.No.189, Finance (HRM-V-Pensions) Department dt.31.12.2015 Government have enhanced the rate of Medical Allowance, payable to the pensioners/family pensioners, to ₹.300/- per month basing on the recommendation of the 10th PRC. The Associations have requested to increase the same further to ₹.1,000/- per month.

Recommendation

17.56. Medical Allowance is granted to the pensioners for taking care of their day to day medical/health care expenses and is in addition to the benefit under the Medical Reimbursement/EHS. Considering the general increase in prices the Commission recommends that the Medical Allowance may be enhanced to ₹.500/- per month.

21. Payment of pension to the retired part time Village Officess/VAOs/ VROs/Panchayat Secretaries who worked on honorarium basis

17.57. The revenue administration at village level has undergone several changes over the years. At different points of time several functionaries namely Village Officers / VAOs / VROS / Panchayat Secretaries have worked at the village level. Many of them worked on honorarium basis. In G.O.Ms.No.626, Revenue (VA) department dtd.23.6.2009 Government have fixed an age limit 62 years for these employees and they have retired from service after reaching that age. Since they were not entitled to any pension as per APRPR, 1980, they represented to the Government for sanction of pension as an elementary financial support to maintain them in the old age. Government, keeping in view the long services rendered by them, sanctioned monthly pension at the rate of ₹.2000/- per month to the retired Part time Village Officers, Village Administrative Officers, Panchayat Secretaries and Village Revenue Officers (Part-time Assistants) who worked on honorarium basis and retired from service without any pension, as a special case vide G.O.Ms.No.365, Revenue (Ser.III) Department, dt.29.10.2014. A request has been received from the Pensioners Associations to revise the above mentioned pension upward to the level of minimum pension payable as per recommendation of the 11th PRC.

Recommendation

17.58. The Commission finds that the Government have issued orders vide G.O.Ms.No.186, Revenue (Ser.III) Department, dt.22.2.2019 enhancing the pension payable to the above categories retired employees from ₹.2000/- to ₹.4000/- per month. **In our view, considering the nature of services rendered by these functionaries, the amount of ₹.4000/- sanctioned in the recent G.O. is adequate for the present and no further change is recommended at this stage.**

22. Processing of Pension Papers

17.59. It has been represented by the Associations that the existing instructions relating to processing of pension proposals are not being followed strictly resulting in delay in sanction of pensionary benefits. They have lamented that such delays cause untold financial hardship to the retired employees and their dependents. They have therefore fervently requested that the processes involved should be streamlined so as to result in release of pension on the date of retirement.

Recommendation

17.60. Government has been issuing instructions from time to time advising prompt settlement of pension cases. The bouquet of instructions issued recently by the Government in this regard [vide G.O.Ms.No. 99, Finance (HR-II-FR) Dept. and G.O.Ms.No. 100, Finance (HR-III-Pension-I) Dept. dated 27-06-2018], on the basis of recommendations of the Officers' Committee, are worth mentioning here:

- (i) Interest shall be paid on delayed payment of pensionary benefits @4.5% p.a. for the period up to 1 year and @5% thereafter by recovering the amount from the salary of the Pension Sanctioning Authority (PSA), thereby placing greater responsibility on the PSA;
- (ii) Every year the Service Book/Roll has to be shown to and got verified by the concerned employee about their accuracy and updation;
- (iii) Payment schedule for instalments on all long term advances should be so structured that the entire principal and interest is recovered at least 4 months before the date of retirement;
- (iv) The PSA shall collect "No Dues Certificate" on all Government dues well in advance;
- (v) The pension papers shall be submitted to the A.G. at least 90 days in advance;
- (vi) First time physical verification of the employee has been dispensed with in favour of digital authentication;

- (vii) To sanction Leave Encashment and APGLI benefits prior to the retirement;
- (viii) The Service Books of all employees shall be converted into electronic form.

17.61. We recommend that in addition to the above, all the PSAs may be instructed to review at least 6 months in advance of retirement the disciplinary cases, if any, pending against the employee and, if so, alert the concerned Disciplinary Authorities to expedite those cases.

17.62. We hope and feel that the above processes and safeguards will be adequate.

23. New pension scheme from 1-9-2004

17.62. Government introduced the new Contributory Pension Scheme in respect of the employees who join service on or after 1-9-2004. This is based on the introduction of similar scheme by the Government of India in respect of its employees who joined the service on or after 1-1-2004.

17.63. Almost all the Associations have requested for scrapping the Contributory Pension Scheme applicable to the employees who joined Govt. service on or after 1-9-2004 and revival of the old pension scheme.

17.64. We observe that the earlier PRCs have expressed their inability to make any comments since it is a policy matter of the Government. In the Government of India the employees, who joined on or after 1-1-2004, are governed by the Contributory Pension Scheme. Many State Governments have also adopted this scheme including those that do not follow Central Pay Scales.

17.65. We find that responding to several representations received from various Service Associations and people's representatives the State Government, vide its order issued in G.O. Rt. No.2052 of Finance (HR.3-Pension-i) Department dated 28-11-2018, constituted an Expert Committee headed by Sri S.P.Tucker, IAS (Retd.) to go into the whole issue and submit its recommendations. The terms of reference of the Committee were quite comprehensive and comprised, inter alia, of the following:

- i. To submit a detailed report analysing the repercussions, both legal and financial, of reviewing the Contributory Pension Scheme now in force;
- ii. To submit a detailed report analysing the impact of Contributory Pension Scheme on the State Finances;
- iii. To suggest propositions regarding the liabilities and risks that may arise out of the agreements entered into with NPS trust and NSDL;

- iv. In case it is to withdraw the Contributory Pension Scheme and in lieu of it to implement the Statutory Pension Scheme, suggest propositions for refund of the contributions made by the employees & employer so far?
- v. In case it is to withdraw the Contributory Pension Scheme and in lieu of it to implement the Statutory Pension Scheme, what will be the legality of such a decision with respect to those who have already retired from service after serving under the Contributory Pension Scheme or expired while in service?;
- vi. To analyse the status of the scheme in detail and the experiences and current scenarios of other states that have implemented the Contributory Pension Scheme;
- vii. In case if the scheme is continued, what are the various steps that can be taken to make it more attractive/beneficial?

17.66. The Tucker Committee submitted its report to the Government on 28-02-2019. The Government have thereafter constituted a Group of Ministers in G.O. Rt. No. 1747, G.A. (Cabinet.I) Department dated 01-08-2019 to review the report of the Expert Committee and furnish its recommendations to the Government for taking a decision in the matter.

17.67. In the light of the above position we do not consider it appropriate to make any recommendation on this issue.

24. General Issues

17.68. The following other requests were also made to the Commission

- i. To pay H.R.A./C.C.A to the pensioners.
- ii. To pay festival grant of ₹.1000/- for any festival in a year.
- iii. To arrange for supply of essential commodities to the pensioners at concessional rates through fair price shops.
- iv. To construct old age homes for the pensioners.
- v. To allow 40% concession in A.P.S.R.T.C. buses to the pensioners.
- vi. To allow Pilgrimage Grant of one month's pension to all the pensioners/family pensioners at least once in a block period of two years.
- vii. To allot house sites/ houses to houseless pensioners.

- viii. To grant special allowance to physically challenged pensioners
- ix. To establish a Family Security Fund
- x. To allot site for Pensioner's Association

17.69. This Commission felt that the above requests at (i), (ii), (v), (vi) and (viii) would result in extending facilities to the retired employees on par with what they enjoyed while being in service. The issues mentioned at (iii), (iv), (vii), (ix) and (x) are Pensioner's welfare measures which are beyond the Terms of Reference of the Pay Commission and on which the Government may take a view. Therefore the Commission is not inclined to make any recommendation on the above requests.

CHAPTER-18

HUMAN RESOURCES

18.01. Since the turn of the new millennium, Governments, both at the State as well as the Central level, have been under pressure to respond to the contemporary demands from their citizens and to the increasing complexity and changes in their internal and external environments. And during the last few years, with the introduction of various legislations anchored on the 'right-based approach', the demands and aspiration of people have gone up many fold. Also, with increase in the education and awareness levels of the citizens, there is increasing pressure on the Government for transparent and corruption free governance. Proper response to these demands necessitates movement towards reforms in the area of public administration and governance systems and institutions. All such reform measures must result in improvement in the quality and efficiency of service delivery coupled with cost cutting. The changing role of the State have resulted in the need for new skills, attitudes and behaviours among public officials at all levels. It is not surprising then that the desired core competencies for the public sector of the 21st century differ in many ways from the past, especially as the demands placed on public servants, in terms of skills, knowledge and capacities are rapidly increasing and becoming more complex. Handling this new dynamics in a complex multi-functional organisation like the Government requires astute human resource planning.

18.02. One of the terms of reference of this Commission is "Review of the existing human resources of all departments in tune with the contemporary requirements including contract/outsourcing personnel particularly in the context of State bifurcation."

18.03. According to the information gathered by the Commission the State employs 3,95,727 regular employees across 133 departments of the Government. Out of these the department wise strength of working employees in 10 large departments is given in the descending order in the following Table.

Sl. No.	Department	No. of Employees	% of Employees to Total
1	School Education Department	160679	40.60
2	Director General & Inspector General of Police	55147	13.94
3	Municipal Administration Department	25162	6.36
4	Public Health and Family Welfare Department	16865	4.26
5	Land Administration Department	15268	3.86
6	Panchayat Raj Department	14227	3.60

7	Water Resources (Administration)	10554	2.67
8	Medical Education Department	7785	1.97
9	Registrar General of High Court	7302	1.85
10	Tribal Welfare Department	6529	1.65
Total		319518	80.76

18.04. It can be seen from the above Table that more than 80 % of the Government employees work in 10 major departments of the Government. In addition to the regular employees many departments have deployed Contractual and Outsourced staff to discharge specific roles assigned to them. The strength of employees in a department is obviously a fair reflection of the degree of its interface with the people of the State. To start with, it would therefore be appropriate to analyse the H.R. position in respect of the aforesaid 10 departments.

18.05. With the limited time and no expert manpower at its disposal, it is not within the wherewithal of this Commission to get into the exercise of determining the adequacy or otherwise of the strength of various categories of employees in the major departments of the Government listed above. Such an exercise would require a dedicated team of employees headed by a H.R. expert to conduct 'work and method' study of the departments concerned and measure the results against appropriate benchmarks before arriving at any concrete conclusions. We have therefore dwelt upon broad issues of human resource management which we have come across during our extensive discussions with the Service Associations, individual employees and Heads of Departments. We were also benefited by some written suggestions in this regard which we received in response to the questionnaire canvassed by us. In the following paragraphs we suggest various HR measures that may be taken to enhance the organizational efficiency of Government departments for improved service delivery.

General Issues in Human Resource Management:

1) Inadequacy of staff

18.06. It has been represented to us that the staff strength in many Government departments, especially at the district and sub-district levels, have become grossly inadequate to cope with the increased work load. This has been resulting in inefficient service delivery and consequent dissatisfaction among the people, apart from causing stress in the concerned employees due to overwork. It has been pointed out that the staff crunch is arising on account of large number of vacancies in the sanctioned strength not being filled up by conducting periodical selection tests by the A.P. Public Service Commission / District Selection Committees. Major Departments providing public services such as Health, Medical & Family Welfare, Medical Education, Social Welfare,

Animal Husbandry, Tribal Welfare, Agriculture and Land Administration Departments have more than 20% vacancies. Similar is the position in respect of two major revenue earning departments i.e. Commercial Tax and Prohibition & Excise. It was stated that in Technical Departments also, although AEE/AE posts were created, no supporting staff, such as Work Inspectors, were sanctioned resulting in heavy work load on the existing functionaries. Similarly, large number of vacancies exist in Aided educational institutions and they are not being filled up. The para medical staff also complained of being over worked and not being able to avail leave because of heavy work load. Similarly, the Association of Revenue Department employees expressed that uniform staff strength was sanctioned to all revenue Mandals irrespective of the population covered and as a result there is huge imbalance between the work load and the staff availability. It is also stated that, to preserve the Record of Rights and other statutory documents, every Mandal office requires a Record Assistant. Increasing litigation, obligation to provide information under the Right to Information Act, updating of election records and time bound generation of various certificates under 'Mee Seva' are some of the areas where the Mandal offices face excessive pressure of work and require organisational support. Another category of staff which experiences heavy work pressure are the Survey staff.

18.07. The Commission is of the view that the vacancies arising in Government offices need to be notified and recruitment conducted every year for effective and systematic functioning of offices. Filling up a large number of vacancies, accumulated over several years, in one go should be avoided as such a practice would result in bunching of both recruitment and retirement. It is therefore suggested that each department should draw up a Recruitment Plan, updated on annual basis, containing details of existing vacancies in staff and officers, vacancies likely to arise in future due to retirement/ promotion etc. and phase wise recruitment to be made through APPSC / DSC or through Contract.

2) Engagement of staff on Contractual and Outsourcing basis

18.08. Over the last several years Government departments have been appointing various functionaries on a contractual or outsourcing basis. Most such appointments have taken place in the School Education, Higher Education, HM&FW, Agriculture and Women and Child Welfare Departments. Almost all the Associations opposed the policy of the Government of appointing various functionaries on Contractual/ Outsourcing basis. It has been pointed out that the Outsourcing agencies have been indulging in exploitation of the sponsored employees. Similarly the Contract employees do not have many service benefits enjoyed by the regular employees and work for the same remuneration year after year.

18.09. The Commission is of the view that hiring of personnel on Contract basis or through Outsourcing, for posts which are permanent in nature or are likely to be

continued for a long period, is not desirable. Most of these staff do not come through market testing of available talent pool as they do not enter through competitive recruitment tests conducted after open notification of vacancies. Also they do not have the same degree of motivation as the regular staff. Moreover, these categories of staff cannot be entrusted with regulatory or statutory functions as they have limited administrative accountability. Our interaction with some of the outsourced staff also reveals that they have been financially exploited by the concerned Outsourcing Agencies.

We therefore suggest the following:

- a) In future Contract staff may be appointed only against positions which are specific project/ programme/ scheme related and are temporary in nature and not against permanent positions;**
- b) Those of the qualified Contract employees, who have been appointed on merit after following transparent and competitive recruitment process, may be regularised in service against available vacancies in permanent posts;**
- c) The other Contract staff who are in service without following the prescribed recruitment process, i.e., open notification of vacancies followed by conduct of recruitment test(s), may be given opportunity, subject to satisfaction of eligibility conditions, for competing along with other applicants in future recruitment tests;**
- d) Outsourcing should be only of services such as cleaning and maintenance, security/ watch and ward, bill collection, managing reception desks, supply of vehicles/drivers etc. These functions should be outsourced to Agencies on competitive tendering . In future no individual personnel should be hired on outsourcing basis.**

3) Lack of mobility

18.10. Another important factor which is reportedly impinging on the efficiency of service delivery is the insufficient mobility support to officials at the cutting edge level of administration. It has also been represented to the Commission that due to inadequate budget provision even the travelling allowance claims of the employees are being disbursed after a long time gap which forces them to incur upfront expenditure from their own pockets. This has led to a general demand from a large section of field level Staff that the Commission should recommend to replace 'Travelling Allowance' by monthly payment of 'Fixed Travelling Allowance' to be paid alongside the salary free of Treasury control.

18.11. The Commission recommends that in consultation with the Heads of Departments reasonable number of vehicles may be allowed to be hired and

provided to the Gazetted staff having field functions for use on shared basis. The non-gazetted executive staff may be encouraged to avail loan for purchase of motor cycles under the Government's personal conveyance advance scheme. Adequate budget provision must be made for meeting the travel allowance of all the employees.

1) Training Needs

18.12. Andhra Pradesh has been a progressive State in terms of application of Information Technology to Governmental functioning. Many of the routine public services, hitherto being handled physically, are now being offered online through mee-seva counters. Yet many Government employees have not yet been adequately trained in the use of tools of Information and Communication Technology. Similarly, lack of refresher training to update knowledge about new legislations, policies and programmes is seen as a measure handicap. Hence every department needs to earmark a part of its establishment budget towards training. After the reorganisation of the State most of the important training infrastructures have gone to Telangana. **It is therefore imperative that the gaps in training should be identified, department wise, by a Committee constituted under the auspices of the Andhra Pradesh HRD Institute, Bapatla and budgetary support provided for planning and conducting induction/ refresher training courses for different categories of employees.**

2) Review of Service Rules

18.13. The Commission came across shortcomings in the existing Service Rules of several departments. Firstly, in some cases we found that the qualifications required for appointment by promotion are far inferior to those required for direct recruitment. It is inconceivable that such huge gaps in academic qualification and skill levels can be bridged by a few years of service experience gained in the respective lower/ feeder categories. This seemed particularly glaring in some posts in technical departments like the HM&FW department. Secondly, the Commission found that for some categories of posts there is no prescribed promotion channel or just one level of regular promotion, causing demotivation among employees of these categories. Thirdly, in some cases (e.g, Mandal Development Officer) the strength of the feeder category is much larger compared to that of the promotion category, thereby resulting in stagnation leading to lot of anguish and frustration, particularly among those who are directly recruited to such posts. Such discontent is likely to result in sub-optimal service delivery. Fourthly, we have come across some categories of staff whose designations have changed but corresponding amendments have not been carried out in the Service Rules.

18.14. **It is therefore recommended that the Government in General Administration (Services) Department may constitute a Committee to review, in a**

time bound manner, the Service Rules of all the departments in consultation with the respective Heads of Departments. While doing so adequate attention should be given to the aspect of career planning, particularly for the categories which can be filled up by the method of direct recruitment.

3) General Recommendations

18.15. We have delineated above some of the H.R. issues which came to our notice during the course of our interaction with various departmental representatives and Service Associations. These issues need to be looked into and solutions found. They cannot be brushed under the carpet as the quality and capacity of human resources at the disposal of the Government are the key to successful implementation of any development or welfare scheme. The following general recommendations are made for improving the service delivery of government departments:

- (i) The Departments should undertake, on a continuing basis, back office process re-engineering for delegation of power and simplification of procedure for decision making on issues involving public interface;**
- (ii) All executive staff directly involved in service delivery programmes should be provided mobile phones with CUG connectivity to quicken the process of reporting, decision making, problem solving and to monitor progress;**
- (iii) Government may encourage Gazetted executive officers to buy Laptops under Government's loan scheme;**
- (v) With the objective of eliminating corrupt practices human interface should be removed from as many citizen service delivery processes as possible and substituted by online delivery mechanism. The Mee Seva platform should be strengthened for this purpose by bringing in more and more citizen services under its umbrella.**

CHAPTER-19
FINANCIAL IMPLICATION

19.01. The net additional annual expenditure on account of our recommendations (after adjusting for the Interim Relief approved by the Government) will be of the order of ₹.3,181 Crore as indicated in the following Table:

Sl. No.	Particulars	₹. in Crore	
A.	Serving Employees		
A(i)	Pay as a result of 27% fitment benefit	5,364	
A(ii)	House Rent Allowance	1,672	
A(iii)	Other Allowances including City Compensatory Allowance	154	
A(iv)	Encashment of Earned Leave	290	
A(v)	Total [A(i) to A(iv) above]		7,480
B.	Pensioners		
B(i)	Pension	3,565	
B(ii)	Gratuity	523	
B(iii)	Medical Allowance to Pensioners	84	
B(iv)	Total [B(i) to B(iii) above]		4,172
C.	Work Charged Establishment		92
D.	Contractual Services		184
E.	Grant-in-Aid towards salaries		898
F.	Grand Total [A(v)+B(iv)+C+D+E]		12,826
G.	Less Interim Relief (@27%)		9,645
H.	Net Additional Expenditure (F-G)		3,181

19.02. The figures for the year 2018-19 (R.E.) have been taken as the base as the new scales have been designed by merging the entire Dearness Allowance, admissible as on 1.7.2018, with the existing Basic Pay. The additional commitment on account of the D.A. instalment due on 01-07-2018 but not released has also not been taken into account in the above calculation.