

## APPENDIX XI

### TELEGRAM FROM UNION FINANCE MINISTRY REGARDING PROPOSALS TO GRANT INCREASE IN EMOLUMENTS OF EMPLOYEES OF STATE GOVERNMENTS.

(See paragraph 185)

Copy of Secret Telegram No. 33432, dated the 20th February 1957 from Union Finance Ministry to Chief Secretaries of all State Governments.

Reference Government of India, Ministry of Finance, Secret letter No. 17(31)-EIII/56, dated the 12th January 1957 regarding proposals to grant increases in emoluments of employees of State Governments.

*Para Two.*—After examination of replies from States the Central Government have decided to grant assistance to such States as would implement above proposals to the extent and under the conditions referred to in succeeding paragraphs. State Governments should formulate their own schemes and issue sanctions in each case on their own authority. The proposals are not to be viewed as a Centrally sponsored scheme.

*Para Three.*—An increase in emoluments preferably in the form of an *ad hoc* addition to existing rates of dearness allowance may be made upto rupees twelve per month in each individual case to employees of State Governments and local bodies whose total emoluments, *i.e.*, pay plus dearness allowance after the increase will not exceed rupees one hundred.

*Para Four.*—Following basic conditions to be observed in sanctioning these proposals:—

- (a) Industrial employees are excluded from scheme.
- (b) Primary school teachers including teachers in aided primary schools who are covered by the scheme of the Central Education Ministry, *vide* their D.O. No. 3-47/55. C.U. dated the 29th February, 1956 and letter No. F. 39. 27/56-B.I. dated the 10th October 1956 will be covered by these proposals to the extent of the difference between this and the Education Ministry scheme.
- (c) Increases in emoluments already granted by the State since 1st April 1956 including those due to revision of pay scales or amalgamation of cadres since re-organisation will

qualify for assistance subject to certain conditions in para three and other general terms as set out in this telegram

- (d) Increases proposed to be given should not have the effect of raising emoluments of State employees above those of corresponding categories of Central Government employees.

*Para Five.*—Central Government's assistance towards meeting cost of above for four years will commence from 1957-58. Increases in present emoluments to bring them upto rupees sixty would be shared in the ratio of sixtysix and two-thirds per cent to thirtythree and one-third per cent and those raising emoluments above rupees sixty but upto rupees one hundred in the ratio of thirtythree and one-third per cent to sixtysix and two-thirds per cent by Central and State Governments respectively.

*Para Six.*—Quantum of Central assistance is subject to review on the basis of recommendations of Finance Commission. Details of proposed increases and suggested procedure for accounting and adjustment to be communicated to Central Government by States.

*Para Seven.*—As regards employees of State Governments and local bodies whose total emoluments after increase will exceed rupees one hundred but not exceed rupees two hundred and fifty, some State Governments have represented the need for some relief to these categories. In some cases pay scales have been revised since first April 1956 and in others *ad hoc* increases to dearness allowances are proposed. Subject to such increases not exceeding rupees twelve per mensem in any individual case and to the resultant emoluments not exceeding those of corresponding categories of Central Government servants, Central Government are prepared to assist States by way of a repayable loan on usual terms and conditions.

*Para Eight.*—Amount of loan will be calculated on the basis of rupees one lakh per one million of population in the State but will be subject to an overall maximum of twentyfive lakhs of rupees for a State. Loan will be sanctioned for the financial year 1957-58 only and the position will be reviewed before the end of that year in the light of award of the Finance Commission.