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No. F. 2(46) Est. III/60
Government of India
Ministry of Finance
(Department of Expenditure)

New Delhi-2, the 16th Nov. 60

MEMORANDUM

Subject:- Grant of advance increments under F.R. 27
for superior performance or meritorious
service.

... ..

A case has been referred to us by the Ministry of External Affairs wherein that Ministry have proposed the grant of four advance increments to the Cypher Assistant and Vice-Consul of the Lhasa Mission, as a reward for meritorious service rendered by them during the troubled days at Lhasa. In support of the proposal it has been stated that the Cypher Assistant carried out his duties single handed without considering any inconvenience to himself even though the Cypher traffic had increased considerably and the shells from the Chinese cannons and fire from their automatic weapons were passing through our Consultae areas. The Vice-Consul's house was fired at by the Chinese troops when he, his wife and others were inside the house and only his presence of mind and courage kept the persons in good spirits and he displayed great courage during the crisis.

2. In January 1959 Secretary (E) with the approval of the Finance Minister, had agreed to place a sum of Rs. 3000/- at the disposal of the Ministry of External Affairs for utilisation by that Ministry by way of reward to Ministerial staff in the following manner:

- (1) Incentive awards of suitable amounts might be given for original ideas which are accepted and which result in more economy and efficiency,
- (2) Superior performance in carrying out one's duties might be rewarded by way of advance increment or increments under F.R. 27. These increments should be given for a period of one year only so that in the following year it should be open to the Ministry to consider other people if their performance was better than those who had been earlier recognised. The increments will not have cumulative effect.
- (3) The selection of personnel for superior performance or for original ideas should be by a Committee of senior officers and there would be no objection to the awards being announced at a special meeting convened for the purpose.

Assessment as to the success of the scheme was also required to be sent to the Finance Ministry. The scheme was accordingly introduced by the Ministry of External Affairs on 19th June, 1959, for a period

of one year.....2/-

of one year. It has not been specifically extended beyond this period.

3. The orders of the External Affairs Ministry quoted above could not be applied in the cases of the officers under consideration since they are not applicable to officers of Missions abroad. Also the advance increments granted under these orders were not cumulative.

4. While examining the proposal of the External Affairs Ministry, referred to in para 1 above, we had to consider, whether advance increments under F.R. 27 could be granted in a time-scale during the middle of an officer's service and if so, whether the competent authorities would be justified in giving advance increments for meritorious service or superior performance.

5. Under F.R. 27, an authority may grant a premature increment to a Government servant on a time-scale of pay if it has power to create a post (permanent or temporary) in the same cadre on the same scale of pay. In our O.M. No.F.2(46)-Est.III/60 dated the 5th August, 1960, we have clarified that the Ministries of the Government of India and other authorities who are competent to create a post (permanent or temporary) may grant a premature increment not only to the incumbent of the post created under their own powers but also to those appointed to other posts in the same cadre on the same scale of pay created with the concurrence of the higher authorities or the Ministry of Finance. This rule evidently applies to persons whose initial pay in a time-scale had already been fixed under F.R. 22 since it refers to granting a premature increment. In cases where advance increments on initial appointment are granted, the view held is that in such cases the pay is first fixed under the normal rules and the advance increments are simultaneously granted by invoking F.R.27. It will thus be clear that advance increments under F.R. 27 can be given during the middle of an officer's tenure in a time-scale. This position however, does not seem to have been clear to Ministries who have been and still continue to be under the impression that F.R. 27 envisages grant of advance increments only at the stage of initial recruitment. This explains the continued references from the Ministries in respect of cases involving advance increments during an official's career. We did not also made the position clear perhaps for the reason that this might lead to a liberal use of the powers than intended.

6. As regards the second question regarding grant of advance increments for meritorious service, in the past, while the Finance Department had not objected to the grant of advance increments in such cases, it was felt that the grant of such increments as a reward for good work was not really defensible. In the year 1940 a suggestion was made that an Office Memorandum might be issued stopping this for the future. The then Finance Secretary, Sir Cyril Jones, however remarked as follows:-

" I do not think it advisable to impose an absolute ban since there is always the possibility (faint though it may be) of some specially exceptional case arising in which some such concession may be justified".

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At the same time he expressed the following views in regard to the circumstances in which advance increments could be given:-

" The grant of advance increments as a reward for general meritorious service is normally anathema from a financial point of view. Every Government servant is expected to give of his best, and while it is undoubtedly true that one man's best may be of an entirely higher order than another's, any attempt to differentiate by the grant of advance increments is liable to land us in deep waters. There are other ways of recognising and rewarding special merit such as promotion, accelerated if need be, as vacancies permit".

In his view, the provisions of F.R. 27 should not be invoked save in circumstances which could be regarded as altogether exceptional for very definite, clear cut reasons.

7. The subsequent discussions also show that the Finance Department were reluctant to lay down any precise criteria for grant of advance increments under F.R. 27 as it was felt that if specific conditions were laid down subordinate authorities would interpret these conditions more liberally than would be justified. A suggestion made in 1947 that the grant of advance increments at any stage in an official's career should be referred to Finance Department for concurrence in order to ensure that advance increments were not granted in a manner which would amount to circumvention of the time-scale, was also turned down as it was felt that it would run counter to the current thought of liberalisation of financial powers vesting in subordinate authorities.

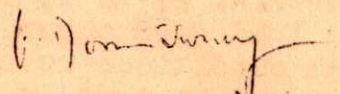
8. It may be mentioned in this connection that when the rule was framed, subordinate authorities and even Ministries had very little power to create posts. Therefore, cases for advance increments used to be referred to the Finance Ministry. Under the enhanced financial powers, Ministries of the Govt. of India are now competent to create temporary posts on a pay less than Rs.2250/-p.m. in the prescribed scale (or Rs.3000 in the pre-31 scale if the post carries one). Consequently the Ministries are empowered to sanction advance increments to the incumbents of posts, the scales of pay of which are less than Rs.2250/-p.m. In the changed circumstances a question has arisen whether we should lay down any conditions for the grant of advance increments under F.R. 27 particularly with reference to cases where it is proposed to give advance increments for meritorious service or superior performance, or whether we should leave it to the competent authorities themselves to decide in what cases they could give advance increments under F.R. 27. In the case of scientists of the Defence Research and Development Organisation and Indian Agricultural Research Institute we have recently introduced a scheme of 'Merit promotions and advance increments' which inter alia provides the following conditions for the grant of advance increments:-

a) Advance increments will be given to deserving persons not considered outstanding as to be given merit promotions, but who are at the same time fit for encouragement.

b).....

- b) The number of advance increments should be limited to a maximum of three.
- c) Not more than two advance increments should be given to any officer drawing a pay of Rs.1000 or more.
- d) Normally a period of two clear years must elapse between the dates of grant of advance increments on two successive occasions.
- e) Advance increment should be limited to five percent of the scientific personnel on an overall basis in any one calendar year.
- f) Advance increment would be recommended by a High Level Selection Board constituted for the purpose of recommending cases of 'Merit promotions and advance increments'. The Board will include members from outside the Department in which promotions are made.

It is proposed to discuss the question at a weekly meeting of the Heads of Divisions.



(V. Doraiswamy)

Deputy Secretary to the Govt. of India.

To

All Heads of Divisions.

Addl. F.A.(Defence)(I).

Addl. F.A.(Defence)(II).

D.S. O & M.

U. S. (E-Coord)

Private Secretary to Secretary (E)

E-Coordination Branch.

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