

THIRTY-FIFTH REPORT

ESTIMATES COMMITTEE

(1986-87)

(EIGHTH LOK SABHA)

MINISTRY OF FINANCE—(DEPARTMENT OF
ECONOMIC AFFAIRS)

Action Taken by Government on the Recommendations contained in the Seventeenth Report of Estimates Committee (Eighth Lok Sabha) on the Ministry of Finance, (Department of Economic Affairs)—Reclassification of Transactions relating to Defence Pensions.



Presented to Lok Sabha on 29 July, 1986

LOK SABHA SECRETARIAT
NEW DELHI

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CORRIGENDA TO THIRTY-FIFTH REPORT OF
ESTIMATES COMMITTEE (ACTION TAKEN) ON
THE RECLASSIFICATION OF TRANSACTIONS
RELATING TO DEFENCE PENSIONS.

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3	1.5	1	Ministry	Ministry of Defence
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(1986-87)

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5. Shri Satyendra Narain Sinha
6. Shri Manoranjan Bhakta
7. Shri Jai Prakash Agarwal
8. Shri Ram Pyare Panika
9. Shri C. Madhav Reddy

INTRODUCTION

1. The Chairman of Estimates Committee, having been authorised by the Committee to submit the Report on their behalf present this Thirty-Fifth Report on Action Taken by Government on the Recommendations contained in the Seventeenth Report of Estimates Committee (8th Lok Sabha) on the Ministry of Finance (Department of Economic Affairs)—Reclassification of Transactions relating to Defence Pensions.

2. The Seventeenth Report was presented to Lok Sabha on 20th November, 1985. Government furnished their replies indicating action taken on the recommendations contained in the Report by 11th March, 1986. The replies were examined by the Committee at their sitting held on 11th July, 1986 and draft Report was adopted by the Committee on the same date.

3. It would be observed that all the four recommendations made in the Report have been accepted by the Government.

NEW DELHI;
July 18, 1986
Asadha 27, 1908 (S)

CHINTAMANI PANIGRAHI,
Chairman,
Estimates Committee.

CHAPTER I

REPORT

1.1 This Report of the Estimates Committee deals with action taken by Government on the recommendations contained in their 17th Report (8th Lok Sabha) on the Ministry of Finance, (Department of Economic Affairs)—Reclassification of Transactions Relating to Defence Pensions which was presented to Lok Sabha on 20th November, 1985.

1.2 Action Taken Notes have been received in respect of all the four recommendations|observations contained in the Report.

1.3 The Committee are happy to note that Government have accepted all the four recommendations of the Committee. The Committee would, however like to deal with the reply of the Government in respect of recommendation contained in Para 17 of the Report regarding sanction, drawal and disbursement of pensions. In that paragraph the Committee had taken serious note of the difficulties and problems encountered by the retired Defence Personnel especially in hilly, remote and far flung areas of the country in the matter of issue of sanctions and drawal and disbursement of Pensions. The Committee had desired that the work relating to simplification and streamlining of procedures in this regard should be completed within three months and the Committee informed about the completion of the task.

1.4 In their reply the Ministry of Defence to whom this matter related have stated as follows:—

“The observations made by the Committee have been noted for compliance. However, it may be stated that this Ministry is already seized of the need to simplify and streamline procedures for sanction and disbursement of pension, which is an on-going process. Recently, the following measures have been taken to remove|minimise the difficulties and problems encountered by the retired Defence personnel in the issue of sanction and drawal and disbursement of pension in general and in particular to those belonging to hilly, remote and far flung areas of the country.

A. Sanction of Pension

(i) The authority to sanction pension to all categories of Defence personnel hitherto centralised in the office of the Controller

of Defence Accounts (Pensions) Allahabad has been delegated to the Controller of Defence Accounts (Navy) Bombay and the Deputy Controller of Defence Accounts (Air Force) New Delhi in respect of Naval and Air Force personnel retiring on or after 1st November, 1985. This has somewhat reduced the over-centralisation in CDA(P) Allahabad.

(ii) Sanction of pensionary entitlements such as service pension and gratuity, commutation of pension and family pension which were earlier done in different stages involving separate applications, documentation and notification, has since been combined and, all the pensionary entitlements are now notified in a single Pension Payment Order provided application for commutation is received before retirement. The DCR gratuity and capitalised value of a portion of the pension can now be disbursed to the pensioners immediately after their retirement. On the demise of a pensioner his family can draw family pension by intimating the death of pensioner, against the same Pension Payment Order without having to submit any fresh application for sanction of family pension.

(iii) The procedure for sanction of pension has also been streamlined and simplified to a great extent. An LPC-cum-Working sheet has been introduced for pension claims of JCOs|Ors of the Indian Army. This has eliminated the need for sending bulky service documents alongwith the pension claims from Record offices to the CDA(P) Allahabad. Moreover, since all the relevant information is now available on a single sheet, processing of pension claims has become casier and simpler.

(iv) The schedule for processing of pension claims has been prescribed with a view to ensure timely notification of pension.

(v) Retrospective changes in pensionary entitlements affecting a large number of pensioners are being notified on computers as far as possible. Revision of pension in respect of JCOs|ORs of the Indian Army consequent upon merger of Dearness Allowance|Additional and ad hoc Dearness Allowance upto index level 568 is proposed to be done on computers.

(vi) The power to sanction commutation in respect of Indian Commissioned Officers which was hitherto fore vested in the Area Commanders|Services Headquarters has been delegated to the Pension Sanctioning Authorities to eliminate delay and facilitate notification of the commuted value of a portion of pension alongwith the retiring pension etc.

E. Pension Disbursement

(i) In order to mitigate the hardship of Defence pensioners drawing their pensions from Post Offices on quarterly basis in the States of Punjab, Haryana, H.P., J&K and the Union Territories of Delhi and Chandigarh, pension disbursement work has been taken over from these Post Offices by the Defence Pension Disbursement offices (DPSOs) of the Defence Accounts Department to make the payment at various centres convenient to the pensioners, on monthly basis.

(ii) Most of the northern hilly terrain is covered by the DPDOs set up in J&K and H.P. However, keeping in view the peculiar problems of the Leh region, a sub DPDO office has been set up there. For the Gorkha pensioners, who used to draw their pension from the Gorakhpur treasury, a DPDO office has been set up at the Gorkha Recruitment Depot Centre at Kunaraghat, Gorakhpur.

(iii) With a view to further simplify the process of drawal of pension, a scheme is being operated by the DPDOs, under which a consolidated cheque for payment of all the pensioners drawing their pension from a particular bank alongwith a schedule giving the details of the pensioners and the amounts due to them is sent to the concerned Bank. The Bank credits the dues to the accounts of the respective pensioners who can go and collect the amount from the bank at their convenience on or after first of the month.

(iv) A computer programme has been evolved for preparation of pension schedules for DPDOs with a view to eliminating the delay inherent in manual preparation of schedules month after month by the DPDOs. Such computer support is being extended to more and more DPDOs in a phased manner.

(v) To facilitate prompt adjustments of various instalments of relief sanctioned by the government from time to time, the Treasury Officers have been instructed not to wait for the receipt of circulars from Defence side and pay the relief including arrears to the Defence pensioners on the basis of the orders issued by the Department of Pension & Pensioners' Welfare for all the pensioners including the defence pensioners. The Finance Secretaries of the State Government and UT Administrations have also been requested to advise the treasuries accordingly.

1.5 The Committee appreciate the measures taken by the Ministry in removing/minimising the difficulties and problems encountered by the retired Defence Personnel in the issue of sanction and drawal and

disbursement of pension in general and in particular of those belonging to hilly, remote and far flung areas of the country. The Committee, however, desire that Computer support for preparation of Pension Schedules should be extended to all the Defence Pension Disbursement Offices as early as possible so that delays inherent in manual preparation of schedules month after month could be eliminated. The Committee would like to be apprised of the action taken in this matter within next six months.

Implementation of recommendations

1.6 The Committee would like to emphasise that they attach the greatest importance to the implementation of the recommendations accepted by the Government. They would therefore urge that Government should ensure expeditious implementation of the recommendations accepted by them. In case where it is not possible to implement the recommendation in letter and spirit for any reason the matter should be reported to the Committee in time with reasons for non implementation.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Paras 14 and 15)

The Committee take note of the apology tendered by the Finance Secretary during his evidence for not taking them into confidence and getting their approval on the reclassification of transactions relating to Defence Pensions, before these changes were actually effected in the budget documents for the year 1985-86.

The Committee, while conveying their approval of the proposal of the Ministry of Finance, desire that in future all such proposals should first be placed before them for their consideration and only after their approval these should be given effect to.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Finance, Deptt. of Economic Affairs (Budget Division)
O.M. No. F. 2(53)-B(AC)/85 dated 11-3-1986]

Recommendation (Para 16)

The Committee also take note of the assurance given to them during evidence that the change in classification would not in any way affect the existing arrangements for drawal and disbursement of pensions of ex-servicemen; and that the accounting and audit thereof would continue to be with the Controller of Defence Accounts and Director of Audit (Defence Services) respectively.

Reply of Government

The understanding is confirmed.

[Ministry of Finance, Deptt. of Economic Affairs (Budget Division)
O.M. No. F. 2(53)-B(AC)/85 dated 11-3-1986]

Recommendation (Para 17)

The Committee take serious note of the difficulties and problems encountered by the retired Defence personnel, especially in hilly.

remote and far flung areas of the country, in the issue of sanctions and drawal and disbursement of pensions. The Committee desires that the work relating to simplification and streamlining of procedures in this regard should be completed within the next three months at the latest and the Committee informed about the completion of the task.

Reply of Government

"The observations made by the committee have been noted for compliance. However, it may be stated that this Ministry is already seized of the need to simplify and streamline procedures for sanction and disbursement of pension, which is an on-going process. Recently, the following measures have been taken to remove/minimise the difficulties and problems encountered by the retired Defence/personnel in the issue of sanction and drawal and disbursement of pension in general and in particular to those belonging to hilly, remote and far flung areas of the country.

A. Sanction of Pension

(i) The authority to sanction pension to all categories of Defence personnel hitherto centralised in the office of the Controller of Defence Accounts (Pensions) Allahabad has been delegated to the Controller of Defence Accounts (Navy) Bombay and the Deputy Controller of Defence Accounts (Air Force) New Delhi in respect of Naval and Air Force personnel retiring on or after 1st November, 1985. This has somewhat reduced the over-centralisation in CDA(P) Allahabad.

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(iii) The procedure for sanction of pension has also been streamlined and simplified to a great extent. An LPC-cum-Working sheet has been introduced for pension claims of JCOs/Ors of the Indian

Army. This has eliminated the need for sending bulky service documents alongwith the pension claims from Record Offices to the CDA (P) Allahabad. Moreover, since all the relevant information is now available on a single sheet, processing of pension claims has become easier and simpler.

(iv) The schedule for processing of pension claims has been prescribed with a view to ensure timely notification of pension.

(v) Retrospective changes in pensionary entitlements affecting a large number of pensioners are being notified on computers as far as possible. Revision of pension in respect of JCOs/ORs of the Indian Army consequent upon merger of Dearness Allowance/ Additional and *ad hoc* Dearness Allowance upto index level 568 is proposed to be done on computers.

(vi) The power to sanction commutation in respect of Indian Commissioned Officers which was hitherto vested in the Area Commanders/Services Headquarters has been delegated to the Pension Sanctioning Authorities to eliminate delay and facilitate notification of the commuted value of a portion of pension alongwith the retiring pension etc.

B. Pension Disbursement

(i) In order to mitigate the hardship of Defence pensioners drawing their pensions from Post Offices on quarterly basis in the States of Punjab, Haryana, H.P., J & K and the Union Territories of Delhi and Chandigarh, pension disbursement work has been taken over from these Post Offices by the Defence Pension Disbursement Offices (DPDOs) of the Defence Accounts Department to make the payment at various centres convenient to the pensioners, on monthly basis.

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(v) To facilitate prompt adjustments of various instalments of relief sanctioned by the government from time to time, the Treasury Officers have been instructed not to wait for the receipt of circulars from Defence side and pay the relief including arrears to the Defence pensioners on the basis of the orders issued by the Department of Pension & Pensioners' Welfare for all the pensioners including the defence pensioners. The Finance Secretaries of the State Government and UT Administrations have also been requested to advise the treasuries accordingly."

[Ministry of Defence O.M. No. 9(13)/85/A/D (Pension/Services)
dated 17-2-86]

(For Comments, please see Chapter I).

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLY.

—NIL—

CHAPTER IV

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF
WHICH GOVERNMENT'S REPLIES HAVE NOT BEEN
ACCEPTED BY THE COMMITTEE**

—NIL—

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF
WHICH FINAL REPLIES ARE STILL AWAITED.

—NIL—

NEW DELHI;
July 18, 1986.

Asadha 27, 1908 (Saka).

CHINTAMANI PANIGRAHI,
Chairman,
Estimates Committee.

APPENDIX

(vide introduction of the Report)

Analysis of Action Taken by Government on the 17th Report of Estimates Committee (Eighth Lok Sabha)

(i)	Total number of Recommendations	4
(ii)	Recommendations/Observations which have been accepted by Government.	4
(iii)	Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies.	NIL
(iv)	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee	NIL
(v)	Recommendations/Observations in respect of which final replies of Government are still awaited	NIL