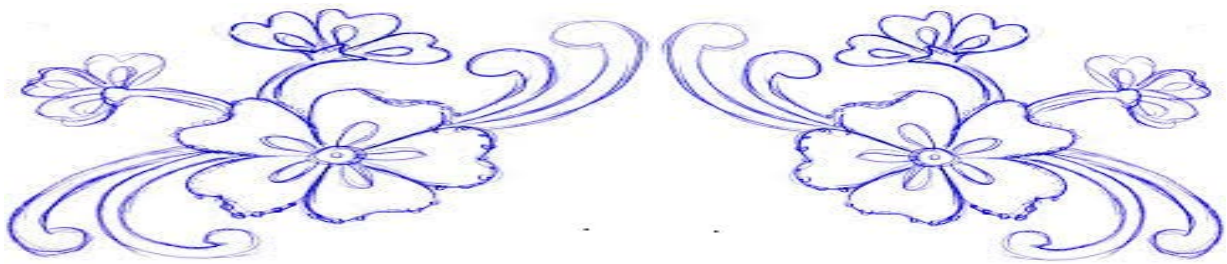


**ALL  
INDIA NAVAL TECHNICAL  
SUPERVISORY STAFF  
ASSOCIATION  
(Govt. Recognized)**



**MEMORANDUM  
TO  
SEVENTH  
CENTRAL PAY COMMISSION  
GOVERNMENT OF INDIA**

# BB Mohanty

Member, Naval Headquarters JCM Council,  
Confederation of Defence Recognized Associations,



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AINTSSA/ BBM-DO/31 /VII CPC

30 Jul 2014

The Member Secretary,  
7<sup>th</sup> Central Pay Commission,  
Post Box No. 4599,  
Hauz Khas Post Office,  
New Delhi-110016.

Respected Madam,

## **PREFACE**

On behalf of All India Naval Technical Supervisory Staff Association, I welcome and wish all the success to the 7<sup>th</sup> Pay Commission in their mission of evolving pay structures and other related matters, which is expected to be fair enough for the government employees to lead a dignified life and perform their duties effectively and efficiently.

AINTSSA represents about 4000 Technical Supervisors working in Indian Navy in various Naval establishments of the Nation. They are basically from all the branches of engineering - including Civil , Mechanical , production, Electrical , Computer, Electronics & Telecom Engineering etc. They supervise and guide around 26000 workforce of Navy.

We present this memorandum to 7<sup>th</sup> CPC representing the following categories in the Indian Navy:

Around 2400 Chargeman  
Around 1600 Foreman

Degree of skills, strain of work and requirement of knowledge, experience & expertise, continued & updated technical knowledge with effective training, mounting responsibility and accountability, multifaceted work contents, working condition with hazards and fatigue, mental & physical strain pertaining to these categories have been elaborately explained in the subsequent explanations.

The key to efficiency and competitive spirit in work lies not only in getting appropriate salary for the job but also with dignity & status. We welcome the provisions provided in the terms of reference. Those strategies are to be evolved in order to attract talents and retain them in service which is considered to be the need of the day in the globalised era.

Important role of these middle level managers was recognized by 3<sup>rd</sup> & 4<sup>th</sup> CPC which exclusively granted appropriate pay scales to technical supervisors based on their job contents and other factors. But it was shattered by the V & VI CPC which completely ignored their duties and responsibilities and diluted their status by seriously disturbing their relativity.

Further the fact that Naval Dockyards, NSRYs, Training centers and Ship building establishments of Indian Navy are basically technical organizations and the safe,

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-2-

successful and efficient performance of the organizations lies primarily in the hands of their technical work forces who are supervised, trained and overseen by these technical supervisors.

7<sup>th</sup> CPC is requested to look into the serious anomalies caused especially by the Sixth CPC which have demoralized the category due to non-redressal of these anomalies – as brought out in this Memorandum. We request the Pay Commission to kindly evolve a replacement scale to the categories and ensure natural justice and dignity.

Technical Supervisors shoulder the direct responsibilities of safe, efficient & 'Failure-proof' production, repair, maintenance and operation of almost all the systems of Naval warships of Indian Navy. Reduction of manpower in artisan staff, introduction of new ships, addition of new assets and introduction of new & modern technologies etc, have substantially added to their duties and responsibilities over the years. Other departments provide only necessary support to them in order to enable them to discharge their functions.

It is unfortunate that both 5<sup>th</sup> and 6<sup>th</sup> Pay Commissions had underestimated the significance and sensitiveness of the work-content of the technical supervisors, their responsibility and accountability. Many vital factors like their 'Professional qualifications' & 'greater responsibilities' as well as the accountability towards public safety and efficiency of the Nation went out of sight of both these Pay Commissions.

But, supporting categories like Accounts, Teachers and Nurses who were all along in the lower pay scales than the Technical Supervisors, were given up-gradation and were placed even two grades higher than Technical Supervisors. Worse and even more humiliating is the fact that the pay of categories like MCM, which work under the Technical Supervisors, were also equated with them - undermining the Supreme Court judgment of "the supervisor's pay cannot be equal to the person being supervised".

It is our earnest request that 7<sup>th</sup> CPC may consider the facts brought out in our memorandum. Commission is requested to remove various obstacles that come in the way of attracting talents to the technical supervisory cadre of Indian navy and in improving the efficiency of working system for which the Commission may kindly provide appropriate replacement scales for Chargemen and Foremen, which may justify the relativity of the emoluments in accordance with the job contents, working conditions, accountability & responsibilities, multi-faceted skills & critical management capacity.

I, also earnestly believe that we may be summoned for tendering oral evidence before 7<sup>th</sup> CPC in line with the earlier CPCs.

Thanking you,

yours faithfully,

  
(BB Mohanty)  
President

*Avinash Laxman Mhatre,*

**General Secretary**

*All India Naval Technical Supervisory Staff Association.*



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AINTSSA/HO-ALM/7CPC Memo.

30 Jul 2014

The Chairman,  
Seventh Central Pay Commission,  
Post Box No. 4599, Hauz Khas P.O,  
New Delhi 110 016.

Respected Sir,

(Through: Secretary, Seventh CPC by Email to [secy-7cpc@nic.in](mailto:secy-7cpc@nic.in))

**Memorandum to Seventh Central Pay Commission on behalf of AINTSSA**

Reference:- Terms of Reference of Seventh Pay Commission - Gazette Notification of Government of India No.1/1/2013-E.III(A) Dated 28.2.2014 & Public Notification of 7<sup>th</sup> CPC - inviting Memorandums from Associations and others.

In response to the Public Notification of the 7<sup>th</sup> Pay Commission Dated 5<sup>th</sup> May, 2014, inviting Memorandums, we, hereby submit our Memorandum for the kind consideration of the 7<sup>th</sup> Central Pay Commission, Regarding: Principles of Pay Determination, Proposed Pay scales of Central Govt. employees and in particular of Technical Supervisors of the Indian Navy (Naval Dockyards / NSRYs /NADs/ NSDs/ WOTs/ Training establishments etc.), Working Conditions, Allowances, Classification of Post, Pension Benefits, Interim Relief and other related matter on behalf of All India Naval Technical Supervisory Staff Association (AINTSSA).

**ABOUT AINTSSA**

AINTSSA (All India Naval Technical Supervisory Staff Association) represents about 4000 Technical Supervisors (Foreman & Chargeman) working in various departments / Units on the Indian Navy. AINTSSA was established over 65 years back (in 1949) and is one of the oldest and most widely represented Associations of middle management cadre of Technical Supervisors in Indian Navy.

AINTSSA has represented and appeared before 3<sup>rd</sup>, 4<sup>th</sup> & 5<sup>th</sup> Pay Commissions and Committee appointed by 6<sup>th</sup> Pay Commission not only regarding the issues relating to the Technical Supervisors on the Naval Dockyards / NSRYs / NADs / NSDs/ WOTs/ SOTs/ IUs, Training establishments etc. but also other vital issues of common interests concerning the defense civilians and Central Government employees, at large and provided important inputs on major related issues.

Technical Supervisors are working in Naval Dockyards / NSRYs / NADs/ NSDs/ WOTs/ SOTs/ IUs and Training establishments of Indian Navy. They play vital & pivotal role in the safe and efficient repair and maintenance of all equipments, systems and machineries of Naval Ships & Submarines including indigenous and innovative works in Naval Dockyards and NSRYs, undertake overseeing, inspections and quality checks of various stage jobs of warship and submarine building in WOTs and SOTs, carry out instructional duties in order to

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-2-

train Naval Officers and sailors of Indian Navy and other foreign Navys in training establishments. NADs are responsible for maintenance, repair and issue of sophisticated variety of Naval Armaments / Weapons such as missiles, torpedoes, mines, guns and rocket launchers and small arms

It is unfortunate that huge injustice was done to the technical supervisors, especially by the last two Pay Commissions and the Government by not redressing their genuine grievances and by not removing the serious anomalies caused especially after the Sixth Pay Commission, which seriously disturbed their relativity in comparison to the non-technical and supporting categories.

In this Memorandum, we have placed our views on the Terms of Reference of the Seventh Pay Commission, including the Principles which should govern the Structure of Pay and Allowances and the conditions of service of Central Government Employees including the overall pay structure of Employees and their Post Retirement Benefits, besides dealing in detail with the Duties, Responsibilities and Proposed Pay Structure of the Technical Supervisors in Indian Navy.

It is therefore, earnestly requested and prayed that the submissions made in this Memorandum may kindly be given favorable consideration by the Seventh Pay Commission and AINTSSA may kindly be granted an opportunity to be heard before the Pay Commission.

Thanking you,

Yours Faithfully,

Shri AL Mhatre  
(General Secretary)

# INDEX

SRL.	CHAPTER NO	SUBJECT	PAGE NO
		INTRODUCTION : ABOUT OURSELVES	2 - 6
		HISTORY	
1	CHAPTER-1	PRINCIPLES OF DETERMINATION OF PAY	7 -19
2	CHAPTER-2	DETERMINATION OF MINIMUM & MAXIMUM WAGES, OVERALL WAGE STRUCTURE AND OTHER SERVICE CONDITIONS	20-33
3	CHAPTER-3	DETERMINATION OF PAY SCALES OF TECHNICAL SUPERVISORS ON THE INDIAN NAVY (FOREMAN & CHARGEMAN) AND THEIR DUTIES, RESPONSIBILITIES.	34-59
4	CHAPTER-4	AVENUE OF PROMOTION, CLASSIFICATION OF POSTS & ANOMALIES IN MODIFIED ASSURED CAREER PROGRESSION SCHEME (MACPS)	60-69
5	CHAPTER-5	CONDITIONS OF SERVICE (INCLUDING HOURS OF WORK, LEAVE, HOLIDAYS AND HEALTH CARE ETC,)	70-76
6	CHAPTER-6	ALLOWANCES & OTHER FACILITIES	77-90
7	CHAPTER-7	BONUS AND INCENTIVE SCHEME	91-92
8	CHAPTER-8	REDRESSAL OF THE ANOMALIES OF 6 <sup>TH</sup> CPC PENDING UN-RESOLVED	93-95
9	CHAPTER-9	PENSIONERY BENEFITS	96-111
10		IMAGE SOURCES LINKS	112
11		REPLY TO 7 <sup>TH</sup> CPC QUESTIONNAIRE	113-128

## INTRODUCTION

The All India Naval Technical Supervisory Staff Association is the oldest recognized service association since 1949, functioning through its' 03 divisional offices and about 25 branch offices in Ministry of Defence viz. Naval Dockyards (Mumbai, Visakhapatnam & Kochi), NSRY (Karwar), Naval Armament Depots, Warship and Submarine Overseeing Teams, training establishments, Repair Organization/Yards under the Navy and represents about 4000 cadre strength. The Technical Supervisory Staffs form a very vital link between the top management and the work force. They are responsible for getting the job done from the limited work force by understanding the tasks and goals of their respective organizations and translating them in the form of words and instructions easily understood by the skilled, semi skilled and unskilled workers. The work arena of these naval organizations relates directly to the Defence Preparedness of the country and they feel proud that they work for those, who fence our water borders and sacrifice their lives for the nation. As entered into the glorious 65<sup>th</sup> year on 09<sup>th</sup> Oct 2013, we remain committed to play a key role to achieve new horizons in the field of repair and maintenance, facing all the challenges in the changed global scenario due to liberalized economy and our suggestions and recommendations are equally applicable for all of them.

Naval Dockyards and all other aforesaid establishments are responsible for Repair, Inspection / Quality assurance of all Naval Ships/Submarines which are held with the Indian Navy. Naval Dockyards and NSRYs are dedicated to achieve the Quality Refits of Naval Ships, Submarines and undertake repairs, Modification, Installations and Alteration & Addition of various mechanical/ electrical / Weapon systems, which involve high standards of engineering application in the field of Electrical, Electronics, Mechanical, Computer, Instrumentation, and Control Engineering. In addition, NADs are responsible for maintenance, repair and issue of sophisticated variety of Naval Armaments / Weapons such as missiles, torpedoes, mines, guns and rocket launchers and small arms. Dedicated facilities and industrial manpower have been provided in the depots for performance of these activities.



During the refit of ships and submarines, all the assemblies and sub-assemblies are removed, overhauled and refitted on board, ensuring their optimum performance. During the whole process the technical supervisory staffs play vital roles out of their vast experiences in the respective fields, as many of them have gained immense experiences and mastery in their respective trades, during their workmanship and become supervisors by virtue of promotion & others, who are

directly recruited by qualifying all India competitive exams with their highest degree of aptitude in the field. The technical Supervisors form the bulwark of maintenance, repair and preparation for issue in respect of all armaments/weapons of Navy as well as repair & maintenance of all types of (Indian & Foreign origin) automobiles, transports, Compressors, Cranes used in depots. Naval Armament Depots are associated with maintenance and Quality assurance for Indigenous Missiles as part of Integrated Guided Missile Development Programme (IGMDP). Extensive arrays of armaments have been inducted over the years such as torpedoes, missiles, mines and guns. All core engineering applications in the field of electrical, electronics, mechanical, computer, instrumentation and control engineering are embedded in these sophisticated Weapons. The technology involved demand specialized knowledge and training. The cadre staffs are trained by OEMs from Italy, France, Germany and Russia and in turn they train the industrial workforce and safely prepare weapons with ammunition filled warheads. Thus the operational readiness of Naval fleet in terms of armaments is very much dependent on this cadre. The technical supervisors also imparts on job trainings to their work force and educate them about the safety measures to be followed during work, and finally, strive for continual improvement with the aim of providing efficient technical support to meet the needs and expectations of our Naval fleets. The Technical Supervisory Cadre contributes its expertise and skill to ensure a high degree of combat preparedness and sea worthiness of Ships and Submarines with reliable performance of Machinery and Weapon systems at Sea. The Technical Supervisory Cadre are tasked with responsibilities to upkeep these workshops and for putting to efficient use of the resources of the workshop including manpower, material, etc. and to search for possible indigenization of expensive spare parts and practically apply it for cost efficient use.

## **HISTORY**

The Naval Dockyard Mumbai is the only major ship repair yard for the Indian Navy and is one of the biggest in South East Asia. In its' functional scope and multifarious technical activities, the Naval Dockyard, Mumbai is unique in itself and cannot be compared to any other Defence Installation in the country. Ever since the Country's independence the Dockyard has undergone considerable functional changes from one of purely catering for the essential repairs and quality assurance of warships/submarines in the pre-independence days to that undertaking major and extensive refits of Naval Ships/submarines. Modification of various classes of ships which suit the modern warfare requirements, has been a regular phenomenal task undertaken by the Dockyard. Conversion of ships from one class to another has been undertaken by the Dockyard. Another important functional aspect of Dockyard is the manufacturing of essential spares required for refit (which have hitherto for been imported from overseas) resulting in considerable saving in foreign exchange. It goes to the credit of the Civilian Technical Staff of the Dockyard that they are able to meet these commitments quite successfully. The very fact that even quite old ships of the fleet are still being maintained and kept in sea-worthy condition, bears ample testimony to the technical skill of the Naval Dockyard staff. It is worthwhile to remember that refit cost of the ships at all the Naval Dockyards and NSRYs, is perhaps the lowest in the world, the repairs being carried out at in specified standard. One of the main contributing factors for the low refit cost being low wages for the employees.



The persisting tendency to categories Naval Dockyards and NSRYs as purely repair organizations is not warranted by the present functional activities, with particular aspect to the indigenous manufacture of spares. Moreover most modern and methodical Production, Planning and control wings have been set up in the Dockyards and NSRYs. The Boiler Erection Projects and Armament repair facilities are yet another Production wings. It is not illogical to argue that every major refit of a warship, which calls forth most up-to-date know-how and skill in all branches of engineering and which entails a multitude of co-ordinate activities of a most complex nature is nothing short of 'Production'. In fact the mass production of an item or equipment for which a design has been perfected is a less difficult task compared to the major refit of a warship.

At this stage it would be of interesting to compare the work structure of one more establishment under the Ministry of Defence, the Mazagon Dock Limited, where constructions of warship and submarines are being undertaken. Above 60% of the capacity of that yard is being utilized for the ship and submarine construction job and the remaining 40% for repair activities. The bulk of the ships repaired at Mazagon Dock comprise of Cargo and Passenger vessels, the refit of which is much easier as compared to that of warships and submarines, as, for the new constructions, the standards and specifications are from Admiralty and the project is executed under foreign collaboration and technical know-how. There is a Warship Overseeing Team and a Submarine Overseeing Team comprising of technical supervisors of the Indian Navy, which oversee the new constructions of warships and submarines in Mazagon Dock Limited. It cannot be logically summarized that the overseeing teams could be men of less technical caliber than the naval architects or constructors themselves. In fact the overseers should be men of superior abilities. And yet ironically the Civilian Technical Supervisory Staff are much less paid compared to their counterparts in the Mazagon Dock, though they were placed in cadre I by the 3<sup>rd</sup> Pay Commission. The overall emoluments of Mazagon Dock employees are quite high as compared to the Dockyard employees. Of late, the Technical Assistants, Asst Foreman and Foreman in the Mazagon Dockyard have been re-categorized as junior Engineers, Senior Engineers, and Deputy Superintendents etc with attractive pay scales. These junior or Senior Engineers are not exclusively meant for ship construction jobs but are also employed on ship repair jobs, and it will be appreciated that these repair jobs are less complicated in nature than those being undertaken at the Naval Dockyards and NSRYs.



The technical Supervisors have to work under most hazardous and difficult conditions on board ships undergoing refit where conditions are most unfavorable to

work under, such as bottom tanks, engine and boiler rooms where working temperatures are abnormally high, men have to climb up the high masts or climb down the funnels, or crawl through bilges or move slippery docks. They always carry a risk of their lives and fatal accidents are also not un-common. There have been accidental bursting off steam pipes entailing loss of lives. Testing of refrigerant system with carbon-dioxide is yet another example. There is considerable difficulty in transporting materials and heavy equipments, engines and assemblies to and from a ship undergoing refit, these difficulties being accentuated when the ship is off in the stream and mechanical contrivances cannot be employed in many cases. The technical supervisors and supervised workers of the Navy have to carry out their tasks with a high degree of accuracy under such trying circumstances, in order to ensure, the ships are kept up in their fighting trim. **This is why; the 3<sup>rd</sup> Pay Commission had placed the Navy's technical supervisors in Cadre I.**



In spite of this categorization and their overall fine contribution to the up-keep of the fleet in operational condition, the Civilian Technical supervisory Staff of the Navy has remained a neglected category. Their pay scales have been prescribed without taking into consideration the functional aspects of the yard and the duties to be performed by each oracle and category of people. The 5<sup>th</sup> and 6<sup>th</sup> Pay commissions have not studied the conditions of the Technical supervisory Staff at length and have guided in their decisions by general considerations as applicable to Defence factories.

A comparison to a parallel industry has never been made, much less to speak of the peculiar conditions of the Dockyards and the NSRYs detailed in the preceding paragraphs.

Even the previous Pay Commissions in their report had conceded that qualifications, nature of duties and responsibilities attached to a job should **be the guiding principle** for fixing the scales of pay for a particular post. Presently the minimum prescribed qualification for a Junior Technical Supervisor is a 3 years diploma after matriculation. A careful look at the duties and responsibilities detailed for the Technical Supervisory Staff, would convince the commission that these men are called upon to perform a highly skilled, modernized and specialized job, often of most complicated nature and are required to possess a thorough knowledge about the ship's hull and outfits, main propelling auxiliary machineries and associated systems power installations and specially weapon equipments and control systems and moreover induction of highly sophisticated weapons from diverse sources abroad and indigenous has resulted in increased of responsibilities of the NDs/ NSRYs manifold. The imported Systems, Equipments from various sources abroad are mostly received without drawings, specification and other technical particulars. So These supervisors are to be fully acquainted with a number of international engineering standards and specifications, have to be thoroughly conversant with a large number of Books of Reference, service manuals, extracting the useful information from internets regarding the theory of the various commercial systems

**ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION (Govt. Recognized)**

which gets relate to the working principle of the systems used in Defence installations in the absence of technical specifications, Technical memorandum etc. In order to keep the expensive inventory in a serviceable state for prolonged period, there are requirements to undertake life extension/assessment through critical design studies, tests, experimentation and trials/proof.



The NDs/ NSRYs also undertake indigenization of fast moving spares and consumables for their cost effectiveness and timely availability. The organization thus engages in technical activities during the entire life cycle of Naval Armament from design, development, production, repair, maintenance, calibration, preparation, modification and up gradation of Naval systems /equipments until exploitation/use and disposal and have to keep abreast with the latest developments in their respective fields in order to successfully meet the commitments of the Yard, more so with the most modern equipments and outfits on board the Naval vessels.



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**CHAPTER-1**

**PRINCIPLES OF DETERMINATION OF PAY**

<b>Srl. No</b>	<b>Description</b>
1.1	Introduction : Principles of Determination of Pay
1.2	The Constitutional provision
1.3	Gist of views of previous Pay Commissions
1.4	Our Views - on Methodology & Principles for determination of Pay
1.5	Comparison with MNC, Private & Corporate Sectors
1.6	Concept of Model Employer
1.7	Methodology for Comparison – Job Evaluation – by Classification Method
1.8	Determination of Wages – Minimum, Maximum & ratio between them
1.9	Intermediate grades
1.10	Special consideration for conditions of Service in Indian Navy specially in Technical Departments like Naval Dockyards, NSRYs & NADs.
1.11	Rates of Increment
1.12	Date of effect of Recommendations of CPC
1.13	Need for continuing machinery for Pay Revision

## **1.1 INTRODUCTION: PRINCIPLES OF DETERMINATION OF PAY**

Recommendations of previous (3+6) nine Pay Commissions since 1912 set up by the Government in the Pre & Post independence eras, have been varied in their approach and interpretations; and were influenced by the then prevailing situation in the country and always referred to the so called financial constrains (whether real or imaginary) of the Government to pay a fair or decent wage to its own employees or even comparable to the PSUs etc.

This had caused much frustration and resentment every time - especially among the Technical Cadres as their counterparts get much higher wages elsewhere in the country - including those in the PSUs. Besides, many anomalies caused by the Pay Commissions - especially after Fifth and Sixth Pay Commissions were left unresolved - even after being taken up in the Anomalies Committees at Departmental and National Levels as well as in the JCM levels etc.

Many court cases were filed by the employees and their Associations, against the anomalies and disparities caused after the Fifth and Sixth CPCs, in the Administrative Tribunals, High Courts & the Supreme Court of India, which brought in relief in many cases. But other cases continue to hang in the courts.

Seventh Pay Commission is requested to consider this aspect and make such recommendation as may be free from anomalies so as to avoid lingering Court Cases and frustration.

Commission is also requested to remove the existing anomalies, caused by the previous Pay Commissions, some of which we have brought out in the subsequent parts of this Memorandum. Continuation of these anomalies is causing much frustration to the concerned employees and needs to be addressed by the Seventh Pay Commission, favorably and sympathetically.

## **1.2 THE CONSTITUTIONAL PROVISION**

**Some of the Constitutional provisions in this regard are cited here below, for the kind consideration of the Pay Commission;**

1.2.1 **Article 39:** Certain principles of policy to be followed by the State.-The State shall, in particular, direct its policy towards securing-

(d) that there is equal pay for equal work for both men and women;

1.2.2 **Article 43: Living wage, etc., for workers.-**

The State shall endeavor to secure, by suitable legislation or economic organization or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and .....

### 1.2.3 **Article 43A: Participation of workers in management of industries-**

The State shall take steps, by suitable legislation or in any other way, to secure the participation of workers in the management of undertakings, establishments or other organizations engaged in any industry.

### 1.3 **GIST OF VIEWS OF PREVIOUS PAY COMMISSIONS**

All the Previous Pay Commissions from (1912 to 2006) have by and large accepted the principle of “Fair Comparison” or of “Parity” of wages of Government Employees with those of Public Sector and to an extent with those of the Private Sector, but they have not been able to bring about this parity because of following main constraints :

*Lack of adequate data, time and methodology for drawing out the “Fair comparisons”. (So called) Financial Constraints of the Government. Besides, they said, Government Employees enjoy some additional benefits etc.*

### 1.4 **OUR VIEWS- ON METHODOLOGY & PRINCIPLES FOR DETERMINATION OF PAY**

All the benefits were universally available in all the sectors, in one form or the other, and were weighed more in favor of the public, private and corporate sectors - except the pension which was available only to the existing Government Employees and some Public Undertakings. Even the Pension has been unjustly denied for the new Government Employees recruited after 01.01.2004.

Non-feasibility of comparison was only hypothetical as scientific job evaluation methods were available for a fair comparison of wages, but not used.

Difference in nature of work can well be taken care of in scientific job evaluation - which provides adequately for such comparisons.

All above said grounds mentioned by previous Pay Commissions for denial of Wage Parity were notional, non-existent, unrealistic and unjust

The law of equity and natural justice demands that such vast disparities should not be allowed to exist whatever be the cost.

As for the non-pay benefits, these are more weighted in favour of the Employees in Public Undertakings than the Government Employees on all accounts mentioned above as well as other Perquisites. The other problems can also be resolved if there is a will and effort to do so.

It is high time that steps are taken to remove these constraints and proper justice is done to the Government Employees so that they get their due, because (*in the words of Third Pay Commission itself*) –

*“If disparities are too great, a gnawing sense of injustice will corrode morale and lead to discontent, with adverse effects on efficiency ” - “For performing comparable duties Government Employees should not receive emoluments so conspicuously below those received by persons of same social strata engaged in private trade and industry as to develop this sense of grievance”. One of the terms of reference of the Fourth Pay Commission was to make the recommendations on the structure of emoluments (and conditions of service) “having regard, among other relevant factors, to the prevailing pay structure under the Public Sector Undertakings, State Governments etc...”*

Majority of the cadre structure prevailing in various departments on Government are remnants of the bygone era when the rules and acts were first framed. Though subsequent revisions have taken place for these rules and acts, the original classifications and profiles were largely left unchanged with minor variations. The technological developments, changes in the working, management and administrative practices facilitating efficient and improved productivity and service delivery all around the world has not fully percolated down into the Government departments. Efforts may hence be spared in this front by the VII CPC to undertake Job evaluation by any suitable method and arrive at a cadre structure more in tune with the present times and fix deserving pay and perquisites.

In fact there is absolutely no justification for the Government to maintain large disparities between the Government Employees and those of Public Sector Undertakings. Some of the related aspects, in this regard, are discussed below.

#### **1.4.1 FORM OF MANAGEMENT CAN NOT BE A REASON FOR PAY DIFFERENCE**

Only difference between the Government Departments and the Public Sector Undertakings is that of form of Management. The difference is more reduced particularly in case of the Departments like Naval Dockyards, the vibrant and strong ship repair and maintenance industry for strategic reasons for a country that is predominantly peninsular in nature, where most of the Naval ship repairs are carried out in-house by the Naval Dockyards and NSRYs. But this difference in respect of forms of management does not in any way effect the control of the Government on the over-all working of these Undertakings or in respect of the matters related to their financial affairs and over-all wage policies. Mainly there are two forms of Public Sector Undertakings – the Government Companies and Statutory Corporations. In both the cases, the Articles of Association and the Statute respectively, provide the requisite powers and authority to the Government (*or for that matter, to the President*) to issue the directions and instructions in regard to finances, conduct of business and affairs of the company or to directly fix the pay and conditions of service etc. of the Employees. Even when the corporations fix the terms and conditions of certain categories of employees, previous approval of the Government is required. Decisions of Supreme Court in various cases (*as in Hindustan Antibiotics Vs its Workers case*) have established that the discrimination cannot be made on the grounds of forms of management of an industry and as such it is constitutional obligation of the Government to remove such discrimination, wherever it exists.

#### **1.4.2 PRINCIPLE OF EQUAL PAY FOR EQUAL WORK**

Article 39, Clause (d) under the Directive Principles of our Constitution provides that “The state shall in particular direct its policy towards securing .... Equal pay for equal work”- for both men and women.

Numerous Judicial pronouncements by the Supreme Court have extended the concept of “equal pay for equal work” not only between men and women but also between men and men; and between women and women doing the same type of work in different Organizations of the Government.

The Third Pay Commission had observed in the light of Supreme Court’s judgments in the above said cases, that –

“The Directive Principles of the Constitution did not countenance the invidious distinction which was sought to be made on the basis of the character of the employer”(Para 63, page41-42 Vol.I)

Third Pay Commission had also observed that “Since the Government has the controlling, if not the sole interest, in the Public Sector Undertakings, and is also the authority for appointment and removal of the members of the Board of Management, it cannot disown responsibility for such vital matters as the pay scales adopted by the Undertakings and the disparities between those scales and the pay scales applicable to its own Employees” (Para 64, page 42, Vol.I).

The Seventh Pay Commission is, therefore, requested to take a note of these developments and bring the pays of the Central Government Employees at par with the counter parts Defence Servicemen, Employees in the various Public Sector Undertakings and State Government Service where they are getting better wages. It should also provide a further cushion to compensate the Central Government Employees for shouldering higher responsibilities, particularly in the Naval Dockyards, to ensure qualitative repair and maintenance and reliability of the systems of Naval Ships / Submarines in view of national Defence preparedness, while keeping abreast of the latest techniques and expertise in respect of sophisticated machineries and systems fitted at Ships / Submarines besides mental and physical stresses, also need to be adequately compensated in case of Central Government employees.

#### **1.5 COMPARISON WITH MNC, PRIVATE & CORPORATE SECTORS**

The rapid pace at which the MNC, Private and Corporate Sectors are growing and the amount of salaries & perks offered to their staff, has created a new situation altogether. The wages of Central Government Employees seem just negligible in comparison to MNC, Private and Corporate Sectors for similar jobs and qualifications. Fair comparison or at least a semblance of comparison must exist in order to attract the proper talent to Government jobs and also to maintain efficiency of the Employees to serve honestly and effectively.



## **1.6 CONCEPT OF MODEL EMPLOYER**

In Socialistic pattern of society and with laudable principles enshrined in our Constitution and in the objectives of Five Year Plans, it was natural for the Employees to expect the Government to play the role of the “**Model Employer**”. But, it is ironical that none of the previous Pay Commissions had practically accepted the Concept of “**Model Employer**” which was strongly demanded by the Employees Unions and Associations. Apparently, the main reason for such an outright rejection of the concept of model employer was that the said Pay Commissions considered the term “**Model Employer**” as the term which should pay the highest wages, but this was never implied that way by the Employees, who were always demanding only a “**Fair Comparison**” with the prevailing wages elsewhere in the country.

In our view the Government should act as a Model employer by paying a “Fair Wage” which is adequate enough to maintain them in such a degree of comfort and dignity as would shield them from temptation, keep them efficient for their term of service and would adequately meet their personal and social needs.

Such a concept, if adopted, would of course bring into play the principle of “Fair Comparison”, but would definitely not evolve a pay structure which is the highest in the land. The basic inference to be derived from the concept of a “Model Employer” is that merely the so-called financial constraints should not forbid the Government from paying the “Fair Wages” to its Employees.

## **1.7 METHODOLOGY FOR COMPARISON – JOB EVALUATION BY CLASSIFICATION METHOD**

The Central Government Employees during the early 1960s were better placed than others in terms of emoluments, which gradually eroded with the passage of time. This was mainly because of lack of enterprise on the part of Govt. to evaluate the wages of its employees with the changes in economic condition. While this process has been successfully followed in the case of PSUs and other sectors through Bi-partite agreement in collective bargaining process at a frequency of every three to four years, the wages of the C.G. employees are normally reviewed after a period of 10 years ignoring all criteria. This causes a wide gap between the wages of C.G. employees and that of other sectors under identical working conditions. It is need of the time that the wages of the workforce directly under the Govt. to be revised after every 5 years.

One of the arguments, given in the past, against the principle of “*Fair Comparison*” is the lack of any method for comparison of wages vis-à-vis job content. Numerous arguments have been given against the adoption of system of job evaluation for the purpose.

It is really a matter of regret that all the previous pay commissions preferred to resort to adhocism. Clear and enlightened ways have long since been evolved the world-over in respect of job evaluation and are available to us. However, Job evaluation becomes the first casualty in all pay commissions which has been abandoned in India without being given a fair trial.

Third Pay Commission did not find the scope for application of the job evaluation. It rather suggested the “*Adoption of the Technique, first on an experimental basis and later, if found successful, on continual basis*”. (Ref. Para 102 page 51 Vol. I). But nothing had further been done or heard of it till date, even though three more pay commissions had been set up thereafter .

Third Pay Commission did not adopt the job evaluation method as it considered the following limitations with the system, which in our opinion were not valid in view of the actual experience and practices all over the world in this field – as explained by us in detail in subsequent Para.

**Reasons given by 3<sup>rd</sup> Pay Commission for not adopting Job Evaluation System;**

that there was non-availability of required data

that it had “*so far been applied mostly to industrial jobs*” and rarely to “*highest paid jobs*”

that it is “*time-consuming*” and

that the “*subjective element is still there in any job evaluation*”.

**But, in the era of Information Technology & e-Governance, all the above mentioned limitations no more exist.**

In view of above, the criteria of comparing pay-structure of PSUs and other sectors should be taken into consideration by the 7<sup>th</sup> CPC. Living under the same economic umbrella, a fair comparison should be made with the wages of outside workforce for identical jobs & responsibility being most rational concept of creating a universal climate in the national productive system so as to ensure that an efficient service fairly remunerated.

**1.7.2. a METHODS FOR JOB EVALUATION**

Following are the universally accepted Methods for Job evaluation:

Ranking Method

Classification or Grading Method,

Factor Comparison Method and

Point Rating Method.

One of the reasons for **treating job evaluation as time-consuming** is that it has generally come to be looked upon in terms of “*Point Rating*” system which has its advantages, but is of course time-consuming. But the other methods especially the Classification method is much faster and very effectively adopted by many countries the world over - including USA (for all Federal, State and Local Body jobs - under the US Classification Act) besides Germany etc.

In any case, no reason is valid enough to deny justice till the perpetuity by one after the other Pay Commission

Seventh Pay Commission is therefore requested to adopt the Classification Method for Job Evaluation as per details submitted hereafter.

**1.7.2. b APPLICATION OF CLASSIFICATION METHOD**

Out of all the four mentioned methods of Job evaluation, Classification Method is much easier and quicker and forms the basis for classification of all the jobs under U.S.A Government – at Federal, State and Local Body level – in the U.S. Civil Services, who are all covered under the United States Classification Act, 1949, amended from time to time. It covers all the professional, administrative and technical jobs at various levels, with each of the groups covered under a separate schedule of the said Act. Besides, this Classification method has also been successfully employed for classification of workers in U.K., Germany and many other countries.

Classification (*or Pre-determined Grading*) method of job evaluation consists of establishing certain job grades, indicating levels of functions according to which the jobs are classified. This is done by preparing definitions for each grade and classifying individual jobs according to relative characteristics in comparison to the different grade definitions keeping in view the totality of the job, and comparing or matching the same with the grade definitions.

**1.7.2. c APPLICATION OF JOB EVALUATION**

Experiences gathered in the U.S.A., U.K, and Germany etc. can be made use of. The Pay Commission can formulate the norms and methodology for application of the Classification Method of Job Evaluation. The Third and Fourth Pay Commissions had suggested the setting up of a Permanent Cell by the Government for collection of Data in respect of nature and description of various jobs performed in different Departments and Public Sector Undertakings and about the pay and allowances available for the same. Fifth pay Commission (*vide chapter 171 para 99*) had gone a step further and proposed a Permanent Pay Commission for Central Government Employees.

We are not sure whether this suggestion has been seriously considered by the Government or not and what are the results of it. But whatever data that has been collected in this regard can be made use of by the Seventh Pay Commission both for the purpose of drawing out wage comparisons and job evaluation. Further data, as required, may be collected and made use of, in the interest of justice. The availability of modern Information Technology shall further expedite the matter considerably.

#### 1.7.2.d **PROPOSED METHOD FOR JOB EVALUATION**

We are suggesting below a few steps which may be taken for adopting the Classification/Grading Method of Job Evaluation for Central Government Employees and for drawing out comparisons with their counterparts in Public Sector Undertakings etc.

Brief Job descriptions and details of pay scales, emoluments and other particulars be collected for various group of Employees including those under Central Government and in major Public Sector Undertakings, State Govt. Services and major Private Undertakings-Corporate etc.

The jobs of the Employee be broadly grouped depending upon the overall nature of work like "*Industrial*", "*Non-Industrial*" and "*Secretarial*" etc.

These groups may be further broken up into various sub-groups like "*Artisan*", "*Supervisory*", "*Administrative*" etc.

Separate "*Grade definitions*" be finalized for each of these 8 to 10 groups and sub-groups of Employees indicating the type of work or level of Job difficulty, indigenization, area and span of supervision etc. that would qualify for each of the grade, keeping, of course, the horizontal parities and vertical differentials as well as the outside comparisons, in view.

Groups of experts may then be formed to fit in various categories of Employees in the respective grades according to level of job difficulties and Grade descriptions or definitions finalized by the apex cell of the Pay Commission.

The final reports of "*experts groups*" may then be cross-checked by the Pay Commission to remove any disparities or anomalies due to the impact of subjectivity or any extraneous factors, before submitting its own report to the Government.

Provision may be made for evaluating new types of jobs and adjusting the same according to horizontal parities and vertical relativities and also for revision of the levels according to change in job requirements, if any, from time to time.

This entire method, if followed, will certainly lead to better justice, better job satisfaction, greater industrial harmony leading to higher efficiency and productivity and the time, cost and effort would definitely be worth the returns, particularly in the long run.

#### 1.8 **DETERMINATION OF WAGES – MINIMUM, MAXIMUM & RATIO BETWEEN THEM**

We earnestly appeal to the Pay Commission that that the overall wage structure in P.S.Us and Private / Corporate Sectors should be kept in view while fixing the Pay Structure for the sake of equity and natural justice, Minimum and Maximum wages may be determined by either of the following methods:

**Option - A**

**SIXTH CPC FORMULA OF ADDING BP, DP, DA & FIXATION BENEFIT FOR DETERMINING PAY AT ALL LEVELS**

The criteria adopted by the Sixth Pay Commission & subsequently modified

By Government to determine the Minimum Pay be adopted by the Seventh Pay Commission to determine the pay at all levels by adding 40% as fixation benefit to the sum of Basic Pay, Dearness Pay & Dearness Allowance.

Pay in Pay Band + Grade Pay + 50% as DP + anticipated 40% DA upto 1-1-2016 + 40% Fixation Benefit (for erosion of wages due deficiencies in compilation of Price Index and to reduce the disparities with other sectors).

**Option - B**

**FIFTH CPC FORMULA OF RISE OF Net national product (NNP) BE ADOPTED FOR DETERMINATION OF PAY AT ALL LEVELS**

The criteria adopted by the Fifth Pay Commission to determine the Minimum Pay be adopted by the Seventh Pay Commission to determine the pay at all levels – based on the percentage rise in Net national product (NNP) at factor cost at constant price for the last 10 years – since last Pay Commission as per details below.

Pay in Pay Band + Grade Pay + % DA (*including anticipated DA increase*) + Compensation factor based on rise in NNP at factor Cost on constant prices;

(OR)

**Option – C**

**DETERMINATION OF MAXIMUM PAY FIRST AS PER RISE OF NNP SINCE LAST CPC & FOLLOW THE MAXIMUM & MINIMUM RATIO OF 8:1, WITH PROPRTIONATE RISE TO INTERMEDIATE PAY BANDS AND GRADE PAY**

**MAXIMUM WAGE**

As per the formula adopted by Fifth Pay Commission

Rs.80, 000 + DA + Compensation factor based on rise in NNP at factor Cost (or) as per the formula adopted by Sixth Pay Commission and subsequently modified by Government

Rs.80, 000 + 50% as DP + 40% as anticipated DA up to 1-1-2016 + 40% fixation benefit.

**MINIMUM PAY**

A ratio of 8:1 should be followed between maximum pay and minimum pay.

**Option -D**

**PARITY WITH MAXIMUM PAY IN PSUS AND FIXING MINIMUM IN MAXIMUM TO MINIMUM RATIO OF 8:1**

**MAXIMUM WAGE**

We strongly feel that wage structure of top administrative posts in P.S.U.s and MNC, Private & Corporate Sectors should be kept in view while fixing the Pay for the topmost post in Government service.

The ratio between minimum & maximum salary after 5<sup>th</sup> CPC was 1: 10.97 the ratio between minimum & maximum salary after 6<sup>th</sup> CPC was 1: 12.85 After 6<sup>th</sup> CPC the Gap has been slightly more which should be corrected by 7<sup>th</sup> CPC by bringing it lower slightly.

Hence it should be 8 times of the minimum salary provided that the hike/difference between the minimum and maximum salary must be distributed in equal proportion of % hike amongst the various posts/pay scales falling between minimum & maximum salary. Unequal % hikes as seen after 6<sup>th</sup> CPC have to be avoided in 7<sup>th</sup> CPC.

**MINIMUM WAGE**

A ratio of 8:1 should be followed between maximum pay and minimum pay.

Minimum salary should be decided based on the international standards for six consumption units(including parents), medical expenses, educational expenses and other employed needs of utilities/accessories/computer/telephone/internet households & house necessary to maintain & upkeep the moral & confidence of the Central Govt. Employee in Society with the objectives to develop the theme of self respect, self reliance and self confidence to enhance productivity in present scenario of advancement in each & every directions. It should also be in line with the norms set by the 15<sup>th</sup> International Labour Conference (ILC) with required amendments in present scenario of need for a quality life.

While deciding minimum salary it should be considered that as on average an employee is having units as per the following stages.

- Self: with need of all utilities/accessories/computer/telephone/ internet households & house.
- Wife: with needs as stated for self as above.
- One son with the stage of higher education & marriage.
- One daughter with stage of higher education & marriage.
- Mother at the stage of old age with multiple health problems.
- Father at the stage of old age with multiple health problems.

The minimum Salary derived at present should be added with expected hike during the next two years.

The similar level posts having different minimum salary in various Central Govt. Departments should be studied and rationalized for similar Minimum salary equating with the better one.

### **1.9 INTERMEDIATE GRADES**

The intermediate grades should be fixed on the basis of qualifications, training, experience, workload and responsibilities etc. shouldered by each group of Employees and these should bear parity with similar jobs in Government Undertakings and organized Private / Corporate Sector.

### **1.10 SPECIAL CONSIDERATION FOR CONDITIONS OF SERVICE IN INDIAN NAVY ESPECIALLY IN TECHNICAL DEPARTMENTS LIKE NAVAL DOCKYARDS, NSRYS & NADS.**

The wages of the Defence civilian technocrats, especially those in the Indian Navy, should be fixed separately from those of the Non-technocrat employees with a view to adequately compensate them for the Hazards / Job requirements, additional working hours and peculiar Conditions of Service under which the technical Supervisors at all Naval units have to work. Additional stresses and strains of the systems be duly considered and compensated.

### **1.11 RATES OF INCREMENT**

The reasonable quantum of increment should not be less than 5% of the basic pay or the rate of increment agreed upon through bilateral discussion in the Banking industry, whichever is higher so as to promote motivation, incentive and efficiency as well as to meet the requirements of enhanced liabilities.

### **1.12 DATE OF EFFECT OF RECOMMENDATIONS OF CPC**

It is requested that the recommendations of the Seventh Pay Commission may please be made effective from 01.01.2016, if not earlier along with proportionate increase in all allowances on the same date.

### **1.13 NEED FOR CONTINUING MACHINERY FOR PAY REVISION**

In the free market liberalized economy there is a strong need for continuing machinery for pay revision as recommended by Fifth Pay Commission as per Para 99 of Summary of Recommendations:

*“Need for continuing machinery for pay revision:*

*The Commission has recommended that pay revision should, in future, be entrusted to a Permanent Pay Commission drawing its authority from a Constitutional provision, whose recommendations should have a binding character. Pay should be revised annually as in other countries. As an alternative, it has been suggested that dearness allowance should be converted into dearness pay every time the cost of living rises by 50% over the base level. This would imply a revision of pay every 4 to 5 years. The final option is to have a decennial exercise as at present, but with fixed dates. The Commission has suggested that the date of constitution of the next Pay Commission should not be later than 01.01.2003, and the date of implementation of*

*its recommendations should be 01.01.2006, irrespective of when its report is submitted”.*

**1.13.a      ADDITIONAL BURDEN OF RESPONSIBILITY DUE TO BAN ON RECRUITMENT AND NATURAL WASTAGES**

Recruitment was banned since 1984 very recently it has been partially relaxed. Natural wastages of strength continue due to superannuation resulting in considerable depletion of workforce. Duty and responsibility enhances due to induction of new Defence systems into the product-mix of multiple complexities barring the skeleton additions for the project on piece-meal basis. Moreover, in the water tight compartment system of functioning, well defined duty and responsibility of the disproportionate ratio of various categories of workforce is not workable and the workforce is subjected to work under severe constraints in accordance with the systematic production network of job-oriented responsibility. As estimated 3% central Govt. employees retires every year. As per the present policy of the Govt only 1% is cleared for recruitment to cope up with the essential requirements and 2% is allowed to be wasted out without any replacement every year.



**CHAPTER-2**

**DETERMINATION OF MINIMUM & MAXIMUM WAGES, OVERALL WAGE  
STRUCTURE AND OTHER SERVICE CONDITIONS**

**With Reference to ToR 2.(b)**

To examine, review, evolve and recommend changes that are desirable and feasible regarding principles that should govern the emoluments structure, concessions and facilities/benefits, in cash or kind .....

<b>Srl. No</b>	<b>Description</b>
2.1	Introduction
2.2	Determination of Minimum Wage
2.3	Minimum wage as per the criteria followed by V-CPC based on Rise of NNP
2.4	Minimum wage as per the criteria recommended by VI-CPC subsequently modified by government
2.5	Determination of Maximum Salary and Ratio between Maximum and Minimum
2.6	Determination of intermediate grades
2.7	Reduction in number of Grade Pays
2.8	Rate of Increment
2.9	Uneven increase given by Sixth Pay Commission
2.10	Proposed Common Pay Scales

## **2.1 INTRODUCTION**

Cost of living had increased in “back-breaking” proportions. Inflation had touched new heights in recent years but the DA granted does not adequately compensate for the same as many factors which cause inflation are not adequately reflected in the compilation of Consumer Price Index.

Lot of changes has taken place all around. High inflation has eroded the real value of money. The Pay & Allowances fixed after the Sixth Pay Commission, had lost their real value which has seriously eroded over the years due to fast changes happening around the world as well as within the Country. In fact, major Changes in the Economic scenario have all added to the burden of the common man whose priorities and requirements have also changed. What used to be a luxury in the yesteryears, has become essential for survival today.

Major changes in the pattern & requirement of Education, Housing & Health care in the country and changes in the diet and food requirements have all added to the financial needs of a common man – especially at the Lower and Middle levels.

Need for attracting talent to Government employment in the Global scenario has vastly increased but this cannot be effectively done without offering attractive wages and careers to the Government employees.

**Seventh Pay Commission is requested to consider the impact of above changes and also to please remove the various anomalies created especially after the Sixth Pay Commission recommendations. The anomalies discussed in Departmental Council JCM and National JCM need to be given more sympathetic consideration.**

Kind attention of the Seventh Pay Commission is invited towards the fact that a large number of cases regarding Pay scales and other related policy issues filed (and some of them are still pending) in various Courts - including those in the Administrative Tribunals & High Courts and Supreme Court – especially after the Sixth Pay Commission.

The Pay Commission is requested to adopt a methodology and comprehensive policy to avoid reoccurrence of further Anomalies and to remove the existing anomalies while determining and recommending the wages and Pay Structure, Promotional Avenues and Allowances etc.

- a. It is requested that the following factors be considered while deciding the proposed Pay structure etc:
- b. Qualifications, Training, Experience and Professional knowledge or competence required for the job.
- c. Duties, responsibilities and accountability.
- d. Level of contribution to the overall performance of the Department
- e. Working Conditions, Hazards and other job difficulties involved.

- f. Working hours.
- g. Intensity of continuous working and
- h. Job related stresses and strains.

## **2.2 DETERMINATION OF MINIMUM & MAXIMUM WAGE**

In Chapter 1, we have proposed four methods to calculate minimum, maximum & intermediate level Pays. However before arriving at any specific figures, it would also be necessary to examine various other alternatives available – and their relevance today.

### **2.2.1 MINIMUM NEED BASED WAGE:**

Third Pay Commission (*in Chapter 6 Vol. I of its Report*) had observed that

“In a modern welfare state, such as ours, Government as the employer has a responsibility for meeting the essential needs of its lowest paid Employee and for maintaining his health and efficiency.

“The International Labour Organization has consistently pressed for the achievement of a minimum standard of living for workers and their families, particularly through dynamic minimum wage and social security measures which systematically take account of economic growth and rising living cost. There has been a growing recognition that raising the quality of human resources is as essential to future development as is the accumulation of capital. Minimum wage determination has to be based on various socio-economic factors rather than be left to the market forces of supply and demand”.

However, while actually computing the minimum wage the Third Pay Commission did not do justice with the low paid Employees and very much undermined the “need” of the workers.

### **2.2.2 RECOMMENDATIONS OF 15<sup>TH</sup> INDIAN LABOUR CONFERENCE**

With regard to the minimum wage fixation it was agreed (in the 15<sup>th</sup> Indian Labour Conference-1957), that:

**“Minimum wage should be ‘Need Based’ and State should ensure the minimum human needs of the industrial worker, irrespective of any other considerations”**. To calculate the minimum wage, the Conference accepted the norms indicated in the next Para and recommended that they should guide all wage fixing authorities including Minimum Wage Committees, Wage Boards, Adjudicators, etc.

### **2.2.3 Main Recommendations of 15<sup>th</sup> Labor Conference**

- (i) In calculating the minimum wage, the standard working class family should be taken to consist of 4 consumption units per earner. The earnings of women, children and adolescents should be disregarded.

(ii) Minimum food requirements should be calculated on the basis of a net intake of 2,700 calories as recommended by Dr. Aykroyd for an average Indian adult of moderate activity.

(iii) Clothing requirements should be estimated at per capita consumption of 18 yards per annum, which would give for the average worker's family of four a total of 72 yards.

(iv) In respect of housing, the norms should be the minimum rent charged by the Government in any area for houses provided under the subsidized Industrial Housing Scheme for low-income groups.

(v) Fuel, Lighting and other miscellaneous items @ 20% of the total.

#### **2.2.4 VIEWS OF NATIONAL COMMISSION ON LABOUR (NCL) ON MINIMUM WAGE**

NCL mentioned three levels of wages, viz. Living Wage, Fair Wage and Minimum Wage. Living Wage represented "***a standard of living which provided not merely for a bare physical subsistence but for the maintenance of health and decency, a measure of frugal comfort including education for the children, protection against ill health, requirements of essential social needs and some insurance against more important misfortunes***".

#### **2.2.5 VIEWS OF SUPREME COURT ON MINIMUM WAGE Supreme Court Judgment of 1991**

*(Ref: Fifth CPC Para 41.7):*

*Supreme Court, in 1991, in a Judgment (in the case Reptakoo Brett and Co. versus others) opined that the criteria recommended by the Indian Labour Conference, 1957 may not suffice. It held that an additional component of Children's Education, Medical Requirements, Recreations including Festivals / Ceremonies and provisions for old age and Marriage should constitute **25%** of minimum wages.*

We are of the opinion that the criteria laid down by the 15<sup>th</sup> Labour Conference for calculating the minimum wages of Government Employees should be improved upon, keeping in view the rise in the standard of living of the Country due to overall development, improvement in per capita income, NNP and comparative wages in the Public Sector Undertakings etc., besides the additional components rightly mentioned by the Supreme Court of India in its judgment cited above.

#### **2.2.6 COST OF MINIMUM REQUIREMENT OF FOOD PER PERSON PER DAY**

Cost of minimum requirement of food per person per day works out to be **Rs.117.50** as per details below - *as per Dr. Aykroyd's formula for an average Indian adult of moderate activity.*

<b>MINIMUM NEED OF FOOD &amp; ITS COST PER PERSON</b>		
Items	Rate/Unit	Price
Milk (regular), (0.3 liter)	Rs.30/lit	Rs.9.00
Loaf of Fresh White Bread (100.00 g)	Rs.50/Kg	Rs.5.00
Rice (white), (0.250 kg)	Rs.40/Kg	Rs.10.00
Egg(1)	Rs.4.00	Rs.4.00
Oil/ Cheese (0.03 kg)	Rs.200/kg	Rs.6.00
Meat (0.10 kg)	Rs.250/kg	Rs.5.00
Dal (0.10 kg)	Rs.160/kg	Rs.16.00
Fruits (0.25 kg)	Rs.80/kg	Rs.20.00
Vegetables (0.25)	Rs.50/kg	Rs.12.50
Others		Rs.15.00
Fuel		Rs.15.00
Required money per person per day		Rs.117.50

Need Based Minimum Wage works out to be Rs. 24,444/- (or say Rs.24500) p.m. on the basis of norms recommended by 15<sup>th</sup> Labour Conference (excluding House Rent), Judgment of Supreme Court of India (*cited above*) and the Consumer Price Index for Urban Non-Manual Employees – as per details submitted in the following Table:

**NEED BASED MINIMUM WAGE (As on 01.01.2006)**

As per 15<sup>th</sup> Labour Conference, Supreme Court Judgment of 1991 & (Urban) Consumer Price Index

<b>SRL</b>	<b>HEAD OF EXPENDITURE</b>	<b>NEED BASED MINIMUM WAGE</b>
1	<b>Cost Of Food (for 4 Members)</b> <i>(Average of 365 days per annum @ Rs.117.50, per day per head )</i>	Rs.14,296
2	<b>Clothing</b>	Rs. 2,000
	<b>Sub Total</b>	Rs.16,296

3	<b>Miscellaneous Expenditure</b> (20% of Sub Total)	Rs.3,259
	<b>Total</b>	Rs.19,555
4	<b>Children's' Education ,Social Needs etc., ( 25% of Total )(As per Supreme Court Judgment)</b>	Rs.4889
	<b>Grand Total</b>	Rs.24,444

### **2.3 OUR VIEWS ON DETERMINATION OF WAGES:**

We earnestly request the Seventh Pay Commission to please consider the following options for determination of Minimum and Maximum Pays for the Central Government Employees:

#### **OPTION - A**

#### **MINIMUM WAGE AS PER THE CRITERIA FOLLOWED BY FIFTH CPC FOR MINIMUM OF EACH SCALE – BASED ON THE RISE OF NNP BE ADOPTED FOR DETERMINATION OF PAY AT ALL LEVELS**

The criteria adopted by the Fifth Pay Commission to determine the Minimum Pay could be adopted by the Seventh Pay Commission to determine the minimum pay – Percentage rise in NNP at factor cost at constant price for the period 10 years. (Macro Economic Aggregates – Statistics of Indian Economy, RBI 2012-13)

<b>Per Capita NNP at factor cost</b>		
Year	At constant price	Increase over previous year
2004-05	24143	
2005-06	26015	1872
2006-07	28067	2052
2007-08	30332	2265
2008-09	31754	1422
2009-10	33901	2147
2010-11	36342	2441
2011-12	38037	1695
2012-13	39168	1131

2013-14*	41046	1878
2014-15*	42924	1878
<b>% Increase of NNP at factor cost on Constant Prices for the period of ten years</b>		<b>65%</b>
<i>* Assumed figures as per average increase</i>		

Pay in Pay Band + Grade Pay + % DA + Compensation factor based on rise in NNP at factor Cost may please be considered as per details submitted in the Table placed on the next page vide which the Common multiple Factor for fixing Pay at all level works out to be 3.96 of the existing BP base on the %age rise of NNP.

**PROPOSED PAY BANDS & GRADE PAY – (AS PER ISE OF NNP):**

The Pay Band and Grade Pay may please be fixed at all levels as per the Table placed at the end of this chapter, as based on the Common Multiple Factor of 3.96.

The existing pay of all employees be also revised based on this Common Multiple Factor of 3.96.

**TABLE SHOWING DETERMINATION OF MINIMUM & MAXIMUM PAY BASED ON %AGE RISE OF NNP AT FACTOR COST AT CONSTANT PRICES AS FOLLOWED BY V CPC FOR DECIDING COMMON MULTIPLE FACTOR IN ABSENCE OF 50% DA MERGER AS RECOMENDED BY 5TH CPC.**

<b>Proposed Minimum Salary w.e.f. 1.1.2016 on percentage increase of NNP at factor cost at Constant Price between 1.1.2006 to 1.1.2016 (As per formula adopted by Fifth Pay Commission)</b>	
Minimum Basic Pay + DA 140%+ Compensation factor 65% of BP + DA	
Minimum Basic pay after VI CPC	Rs.7000
Projected DA 140% (as on 1.1.2016)	Rs.9800
BP+DA	Rs.16800
Compensation factor (65%) (as per rise of NNP )	Rs.10920
Proposed Minimum Pay	Rs.27720
<b>Proposed Number of times increase of BP or Compensation Factor</b>	<b>3.96</b>

<b>Proposed Minimum &amp; Maximum Salary w.e.f. 1.1.2016 Based on Rise of NNP at Constant Price between 1.1.2006 to 1.1.2016</b> <i>(As per formula adopted by Fifth Pay Commission for determining Common Multiple Factor)</i>	
Minimum Basic pay after VI CPC	Rs.7000
Anticipated DA 140% (as on 1.1.2016)	Rs.9800
BP+DA	Rs.16800
Compensation factor 65% of BP(as per rise of NNP ) <i>(* As per details in the above Table)</i>	Rs.10920
Proposed Minimum Pay	Rs.27720
<b>Proposed Number of times increase of BP or Compensation Factor</b>	3.96
<b>MAXIMUM PROPOSED REVISED PAY</b>	80000x3.96 <b>=316800</b>
<b>(BP x 3.96 as per Rise of NNP from 1-1-2006 to 1-1-2016)</b>	Or <b>Rs.3,20,000</b>
<b>MINIMUM PROPOSED REVISED PAY BASED ON RISE OF NNP</b>	<b>7000x3.96</b>
<b>(BP x 3.96 as per Rise of NNP from 1-1-2006 to 1-1-2016)</b>	<b>= Rs.27720</b>
<b>MINIMUM REVISED PAY BASED ON RATIO OF 1:8 WITH MAXIMUM PAY</b>	<b>320000/8</b> <b>=Rs.40000</b>

**2.4 OPTION - B**

**MINIMUM WAGE AS PER THE CRITERIA RECOMMENDED BY SIXTH CPC & SUBSEQUENTLY MODIFIED BY GOVERNMENT – BY ADDING BP, DP, DA & FIXATION BENEFIT WITH 50% DA MERGER AS RECOMENDED BY 5TH CPC FOR DETERMINING PAY AT ALL LEVELS**

The criteria adopted by the Sixth Pay Commission & subsequently modified by Government to determine the Minimum Pay could be adopted by the Seventh Pay Commission to determine the minimum pay. 40% fixation benefit given to the sum of Basic Pay, Dearness Pay & Dearness Allowance.



**DETERMINATION OF MINIMUM SALARY BASED ON INFLATION  
BP + 50% DA AS DP + 40% ANTICIPATED DA UP TO 1-1-2016+ 40% FIXATION**

Min. Revised Basic pay after VI CPC	₹.7000
Proposed DP (50% DA)	₹.3500
<b>BP+DA up to 1-1-2014</b> (By merging 50% DA as DP with Pay)	₹.10500
Anticipated DA 40% on Basic Pay+ 50% DP in additional to 50% DA, up to 1-1-2016	₹. 9450
Minimum Salary (BP+50% DA as DP) +50% DA+40% Anticipated DA up to 1-1-2016	₹.19950
Fixation Benefit (40%) of Pay +DA+DP up to 2016	₹. 7980
Proposed Minimum Pay	₹. 27930
<b>Proposed Number of times increase of BP or Common Multiple Factor</b>	3.99

**2.5 DETERMINATION OF MAXIMUM SALARY & RATIO BETWEEN MAXIMUM AND MINIMUM OF PAY (Based on Post Sixth CPC formula)**

EXISTING PAY		PROPOSED PAY @ 4 TIMES OF EXISTING PAY	
MINIMUM PAY	MAXIMUM PAY	MINIMUM PAY	MAXIMUM PAY
7,000	80,000	28,000	3,20,000

**OPTION – C**

**DETERMINATION OF MAXIMUM PAY FIRST AS PER RISE OF NNP SINCE LAST CPC & FIXING MINIMUM PAY AS PER RATIO OF 8:1 BETWEEN MAXIMUM & MINIMUM, WITH PROPORTIONATE RISE FOR INTERMEDIATE LEVELS**

**MAXIMUM WAGE**

It is requested that the Maximum Pay should be fixed first as per the formula adopted by Fifth Pay Commission of rise of NNP and then the Minimum pay in the ratio of 8:1 thereof, and the Intermediate Pays should be fixed on proportionate basis.

% age Rise of NNP on Constant Prices (since Date of effect of last CPC - 2006)

= 396% or 3.96 times (As per details in the foregoing Table)

The Maximum Pay as per rise of NNP since last CPC works out as under:  
Rs.80, 000 + Compensation factor based on rise in NNP at factor Cost

80000 BP x 3.96 = Rs.316800 or 317000 or say Rs.3, 20,000

### **MINIMUM PAY**

**A ratio of 8:1 should be followed between maximum pay and minimum pay.**

Therefore, Minimum Pay works out to be = Rs.320000 / 8 = 40000

### **OPTION - D**

PARITY WITH MAXIMUM PAY IN CENTRAL GOVT. PSUS

### **MAXIMUM WAGE**

The top administrative posts especially in the P.S.Us besides those in the MNC, Private & Corporate Sectors should be kept in view while fixing the Pay for the top most post in Government service.

### **MINIMUM WAGE**

A ratio of 8: 1 should be followed between maximum pay and minimum pay.

## **2.6 DETERMINATION OF INTERMEDIATE GRADES**

Intermediate grades should be fixed keeping in view the duties, responsibilities, work load and other related factors including vertical relativities and horizontal parities etc., with a rise of 3.96 times over the existing pay scales implemented after Sixth Pay Commission, as per rise of Minimum Wage cited in foregoing Para.

## **2.7 REDUCTION IN NUMBER OF GRADE PAYS**

Some Grade Pays need to be merged and upgraded on functional requirements. Following are some of the examples for the consideration of the Pay Commission:

Grade Pays of Rs.4800 PB 2 and Rs.5400 PB 2 need to be merged and upgraded to GP Rs.5400 PB 3 as doctrine of “equal pay for equal work” – since they are doing strictly the same job by rotation, but are unjustly placed in different Pay Bands and Grade Pay.

## **2.8 RATE OF INCREMENTS**

Rate of increment in each grade may please be granted @ 5 per cent.

This is necessary to provide adequate motivation, incentive and additional emoluments required to meet additional liabilities, as well as to compensate for the improved efficiency on account of experience etc.

**2.9 DISPROPORTIONATE & UNEVEN INCREASE GIVEN BY SIXTH PAY COMMISSION**

Sixth Pay Commission had given uneven pay rise between lower scales and higher scales. Many of the scales in PB-1, PB-2 & PB-3 except Group-A entry scale were given 2.5 times increase, whereas all the scales in PB-4 and above were given increase over 3 times without any functional justifications as given in the table in next page,

This had the consequential impact on the Pensions also resulting in disproportionate and unequal rise of Pension of existing Pensioners – as indicated in the Table attached herewith

**DISPROPORTIONATE RISE OF PAY AFTER SIXTH PAY COMMISSION**

Pay Band	Pay + GP	V CPC minimum pay	Sixth CPC Scale			No. of times increase from V CPC to VI CPC
			Starting pay in Pay band	Grade Pay	Revised Basic pay	
PB-1	5200-20200+1800	2750	5200	1800	7000	2.55
PB-1	5200-20200+1900	3050	5880	1900	7780	2.55
PB-1	5200-20200+2000	3200	6060	2000	8060	2.52
PB-1	5200-20200+2400	4000	7440	2400	9840	2.46
PB-1	5200-20200+2800	4500	8370	2800	11170	2.48
PB-2	9300-34800+4200	5000	9300	4200	13500	2.70
PB-2	9300-34800+4200	5500	10230	4200	14430	2.62
PB-2	9300-34800+4600	6500	12540	4600	17140	2.63
PB-2	9300-34800+4600	7450	13860	4600	18460	2.48
PB-2	9300-34800+4800	7500	13950	4800	18750	2.50
PB-2	9300-34800+5400	8000	14880	5400	20280	2.54
PB-3	15600-39100+5400	8000	15600	5400	21000	2.63
PB-3	15600-39100+5400	9000	16740	5400	22140	2.46
PB-3	15600-39100+5400	9000	16740	5400	22140	2.46
PB-3	15600-39100+6600	10325	19210	6600	25810	2.50
PB-3	15600-39100+6600	10000	18600	6600	25200	2.52
PB-3	15600-39100+6600	10650	19810	6600	26410	2.48
PB-3	15600-39100+7600	12000	22320	7600	29920	2.49
PB-3	15600-39100+7600	12750	23720	7600	29920	2.35
PB-3	15600-39100+7600	12000	22320	7600	29920	2.49
PB-4	37400-67000+8700	14300	37400	8700	46100	3.22
PB-4	37400-67000+8700	15100	39690	8700	48390	3.20
PB-4	37400-67000+8900	15400	39690	8900	48590	3.16

**ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION (Govt. Recognized)**

PB-4	37400-67000+8900	16400	39690	8900	48590	2.96
PB-4	37400-67000+10000	14300	37400	10000	47400	3.31
PB-4	37400-67000+10000	18400	44700	10000	54700	2.97
HAG	67000-79000	22400			67000	2.99
HAG+ Scale	775500-80000	22400			75500	3.37
HAG+ Scale	775500-80000	24050			75500	3.14
Apex	80000 (Fixed)	26000			80000	3.08
Cab. Secy.	90000 (Fixed)	30000			90000	3

**Our suggestions:-**

Seventh Pay Commission is requested to recommend as under:

- ❖ Uniform increase for all the Pay Scales / Pay Bands & Grade Pay- as proposed in the Table on the next Page- Based on the Common Multiple Factor (CMF) of 3.96 as per Rise of NNP (National Net Product) in 10 years 2005-06 to 2015-16 (as anticipated on the average rise up to 2012-13).
- ❖ Higher upgraded Pay scales / Pay Band & Grade Pay may please be recommended for specific categories with functional justifications particularly for Technocrats in Government Service (as per detailed justifications submitted in the subsequent Chapters of this Memorandum).
- ❖ **PROPOSED PAY BAND & GRADE PAY**

7<sup>th</sup> Pay Commission is requested to give uniform rise of 3.96 times (as explained in para 1.3) to all Pay Band & Grade Pay as per rise of NNP since 6<sup>th</sup> CPC.

Table placed at the end of this Chapter may please be considered in this regard for the PROPOSED PAY SCALES - PAY BAND & GRADE PAY.

Proposals regarding up-gradation of specific categories based on the functional justification may please be considered as submitted in the next chapter

**2.9.1 PROPOSED PAY BAND & GRADE PAY**

7<sup>th</sup> Pay Commission is requested to give uniform rise of 3.96 times (as explained in para 1.3) to all Pay Band & Grade Pay as per rise of NNP since 6<sup>th</sup> CPC. Proposals regarding up-gradation of specific categories based on the functional justification may please be considered as submitted in the next chapter.

**PROPOSED PAY SCALES - PAY BAND & GRADE PAY  
FOR KIND CONSIDERATION OF 7<sup>TH</sup> CPC**

6 <sup>th</sup> CPC PAY STRUCTURE					PROJECTED PAY STRUCTURE AFTER 7 <sup>th</sup> PAY COMMISSION			
Name of Pay Band/ Scale	Corresponding Pay Bands	Corresponding Grade Pay	Pay in pay band	Entry Grade +band pay	Projected entry level pay using uniform multiplying factor '4.0'			
					Band Pay	Grade Pay	Pay in pay band	Entry Pay
PB-1	5200-20200	1800	5200	7000	20800-80800	7200	20800	28000
PB-1	5200-20200	1900	5830	7730	20800-80800	7600	23320	30920
PB-1	5200-20200	2000	6460	8460	20800-80800	8000	25840	33840
PB-1	5200-20200	2400	7510	9910	20800-80800	9600	30040	39640
PB-1	5200-20200	2800	8560	11360	20800-80800	11200	34240	45440
PB-2	9300-34800	4200	9300	13500	37200-139200	16800	37200	54000
PB-2	9300-34800	4600	12540	17140	37200-139200	18400	50160	68560
PB-2	9300-34800	4800	13350	18150	<b>Proposed to be upgraded &amp; merged with GP Rs.5400 in PB-3</b>			
PB-3	15600-39100	5400	15600	21000	62400-156400	21600	62400	84000
PB-3	15600-39100	6600	18750	25530	62400-156400	26400	75000	101400
PB-3	15600-39100	7600	21900	29500	62400-156400	30400	87600	118000
PB-4	37400-67000	8700	37400	46100	149600-268000	34800	149600	184400
PB-4	37400-67000	8900	40200	49100	149600-268000	35600	160800	196400
PB-4	37400-67000	10000	43000	53000	149600-268000	40000	172000	212000
PB-4	37400-67000	12000	47100	59100	149600-268000	48000	192000	240000
HAG	67000- (ann increment @ 3%) -79000	Nil						268000
HAG+ Scale	75500- (ann increment @ 3%) -80000	Nil						302000
Apex Scale	80000 (Fixed)	Nil						320000
Cab. Secy.	90000 (Fixed)	Nil						360000

## CHAPTER- 3

### DETERMINATION OF PAY SCALES OF TECHNICAL SUPERVISORS IN INDIAN NAVY

(Including Foreman & Chargeman Factory & MT Cadre)

<b>Srl. No</b>	<b>Description</b>
3.1	Role of Technical Supervisors in Naval Dockyards, NSRYs & NADs
3.2	Neglect of Technical Supervisors (Foreman & Chargeman)
3.5	Requirement of Cadre restructuring of Technical Supervisory staff of Indian Navy (Naval Dockyards / NSRYs / NADs).
3.5.1	Comparison vis-à-vis similar pay scale post in other Government Departments
3.5.2	Existing and proposed grade structure for Technical Supervisory staff of Naval Dockyards and NSRYs
3.5.3	Justification for Re-designation
3.5.4	Enhancement of entry level qualification
3.6	Anomalies in Pay Scale of Chargeman working in Naval Dockyards, NSRYs & NADs and justification for upgradation of Chargeman (Proposed Junior Engineer) to the grade pay of Rs. 4800/- (PB-2)
3.6.1	Extract of Para 2.2.11 of Sixth Central Pay Commission Report
3.6.2	Disturbance of vertical relativity between Chargeman and MCM who works under the Chargeman in Indian Navy
3.7	Anomalies in Pay Scale of Foreman working in Naval Dockyards, NSRYs & NADs and justification for upgradation of Foreman (Proposed Assistant Engineer) to the grade pay of Rs. 5400/- (PB-3)
3.7.1	Un-just multiplication factor
3.8	Conclusion

### **3.1 ROLE OF TECHNICAL SUPERVISORS IN INDIAN NAVY WORKING AT NAVAL DOCKYARDS, NSRYs & NADs.**

#### **INTRODUCTION**

Naval Dockyards and other units are the biggest refitting and maintenance yards for Warships & Submarines in India. The sophistication, rigid quality control, strict safety measures, immediate indigenization, frequent change over to new technologies and change of targets, precision, accuracy, overcoming the restrictions and ban of other countries through rapid innovations, all these make the works completely different from the services of other big enterprises of Govt. like the Railways and the P&T.

Since most of the Naval Units are more than 275 years old and are now being modernized, The role of technical supervisors in these organizations is also totally unique as they are the personnel involved in all these processes and are the link between the upper hierarchy and the personnel under them, the technical supervisors are required not only to be updated with the latest and sophisticated technologies, but also have to train up the industrial employees working under them to adapt to the latest technologies.

The role of technical supervisors is thus pivotal in nature in the organization. On the technical side they are responsible for production, planning, design, inventory control, supply/procurement, quality assurance/audit, development etc. Over and above, they are the Administrators controlling, guiding and counseling the industrial workers working under them at the shop floor. In these days of complicated and in congenial industrial relations amongst the workforce, they are on the one hand responsible for any failure and on the other hand they are answerable to the subordinates for any policy decision of the management. In such an intricate industrial environment, the technical supervisors are to shoulder major share of burden of the functioning areas of the organization. High benchmark of excellence required of the technical supervisors in the respective functional areas not only enhances the scope and dimension of the naval refits and indignation showcase but it is also a fact that the technical talent and brilliance of the Dockyard workforce is second to none in the industrial arena of the country.



### **3.2 HIERARCHY OF LINE FUNCTION UNDER THE CIVILIAN TECHNICAL CADRES IN INDIAN NAVY (Naval Dockyards / NSRYs / NADs) as mentioned in table below:**

**ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION (Govt. Recognized)**

Designation		Pay scale as per 5 <sup>th</sup> CPC	Pay scale as per 6 <sup>th</sup> CPC		No. of post Sanctioned		Qualifying service required for the post
			Pay in pay band	Grade pay	ND / NSRY	NAD	
Naval Dockyard / NSRY Cadre	Naval Armament Depots (INAS Cadre)						
	Director General Of Naval Arms		HAG + Scale 80,000/- fix		--	01	
-----	Chief General Manager	18400-22400	37400-67000 (PB-4)	10000		03	
Chief Technical Officer	General Manager / Addl. General Manager	14300-18300	37400-67000 (PB-4)	8700	04	25	
Sr. Technical Officer	Dy. General Manager	12000-16500	15600-39100 (PB-3)	7600	08	15	5 Years
Technical Officer	Manager	10000-15200	15600-39100 (PB-3)	6600	14	31	5 Years
Junior Technical Officer	Assistant Manager /JTS	8000-13500	15600-39100 (PB-3)	5400	29	49	5 Years
Technical Assistant		7500-12000	9300-34800 (PB-2)	4800	177		2 Years
<b>Foreman</b> {Merged post of Erstwhile Foreman (G) and Assistant Foreman}	<b>Foreman (Factory)</b> {Merged post of Erstwhile Foreman (G) and Assistant Foreman}	<b>7450-11500</b> <b>6500-10500</b>	<b>9300-34800 (PB-2)</b>	<b>4600</b>	<b>979</b>	<b>66</b>	<b>3 Years</b>
<b>Chargeman</b> {Merged post of Erstwhile Chargeman-I and Chargeman-II }	<b>Chargeman (Factory)</b> {Merged post of Erstwhile Chargeman-I and Chargeman-II }	<b>5500- 9000</b> <b>5000- 8000</b>	<b>9300-34800 (PB-2)</b>	<b>4200</b>	<b>1467</b>	<b>98</b>	<b>8 Years</b>
Master Craftsman	Master Craftsman	5000- 8000	9300-34800 (PB-2)	4200	3029		
Highly Skilled I / Highly Skilled II	Highly Skilled I / Highly Skilled II	4000-6000	5200-20200 (PB-1)	2400/ 2800	4544 / 4543		08 Years / 05 Years
Skilled	Skilled	3050-4590	5200-20200 (PB-1)	1900	9913		05 Years
MTS(Industrial)	MTS(Industrial)	2750-4400	5200-20200 (PB-1)	1800	7138		



### **3.3 ROLE AND RESPONSIBILITIES OF NAVAL TECHNICAL SUPERVISORY CADRE OF NDs/ NSRYs / NADs ORGANISATION**

The broad responsibilities of the NDs/ NSRYs organization consist of the following:-



SOURCE: <http://indiannavy.nic.in/about-indian-navy/nsry-karwar?page=0,1>

- Administrative and technical control of Naval Dockyards and NSRYs.
- Advice the IHQ/Command on all technical matters pertaining to Naval equipments,
- Repairing, overhauling and inspecting of all systems/Equipments fitted onboard ships/ submarines/ aircrafts,
- Repair/ maintenance and inspection of guns, barrels, launchers of missiles and rockets, torpedo tubes and ordnance installed on board various ships/submarines,
- Carrying out installation of new systems/equipments when modernization is required for the ships and submarines,
- Periodical calibration of all electrical and electronic instruments/ test sets being used at various workshops,
- Evaluation of practice/ combat torpedo firings and analysis of mine performance,
- Detailed investigation into the causes of in service failure of the systems /Equipments which are fitted onboard ships/submarines and to recommend remedial measures,
- Analyze trials of guns, torpedoes, missiles under water weapons and other Naval Equipments,
- Liaison with various Research and Development Agencies and Ordnance Factories during indigenous design, development and production of Naval Equipments/Systems as user's representative,
- Promulgation of Inspection Instructions, for systems/ Equipments,
- Interact and provide QA/Inspection and expert opinion to other Defence establishments and Coast Guard as and when sought.

#### **3.3.1 DUTIES AND RESPONSIBILITIES OF NAVAL TECHNICAL SUPERVISORY STAFF**

##### **FOREMAN:**

Foreman (proposed Asst. Engineer) is the junior most technical officer available in the section. He / She is responsible to his/ her superiors for the discipline of the employees / staff in the section under his control and also for the safe, efficient and optimum performance of the work undertaken by them. He is to thoroughly

familiarize himself with all the technical and administrative issues entrusted on him. The general duties of a Foreman (proposed Asst. Engineer) are listed below:-

- a) To provide efficient inspection coverage during preparation, testing, repair, storage, production, indigenization, proof & evaluation etc of all Naval systems/Equipments in accordance with the laid down instructions.
- b) To ascertain and establish overall priority of all work and adjust the centre programmes as necessary.



Source : <http://www.dockyard.org/history.apex>

- c) To prepare forecast of output of work, work force employment and material, requirements of the centre in conjunction with his immediate superior for at least the next six months and to update regularly.
- d) To prepare training programme for his workers and supervisors in conjunction with his immediate superior.
- e) To maintain a system of recording performance of all regular performance review of these individuals. This is required to enable sound advice to be rendered to his officers on performance reporting of the men under him.
- f) To ensure that the provision of services in the form of assistance and furnished goods from other work centers is in accordance with the requirements of his centre.
- g) To advise his immediate superior in planning the recruitment of his staff, drawing up suitable trade tests and making provision of trained replacements.
- h) To plan a system of regular maintenance of all equipment placed under his control in connection with the maintenance Departments of the Dockyard.
- i) To plan innovation in working methods and equipment used in the Department including planned replacement. He must keep himself upto-date with all developments in his trade and be conversant with the relevant books of reference and regulations.
- j) To plan his centers leave programme and to make appropriate recommendations on all leave requests etc.
- k) To ensure that his .deputy is trained effectively enough to assure the duties of Foreman in the absence of the Foreman.
- l) To advice and direct the supervisors, (Chargeman) under his as necessary.
- m) To investigate and make appropriate recommendation to his immediate superior and consulting his immediate superior as necessary.
- n) To approve routine and recommend operational orders for materials and supplies required from stores or from other production centers.

**ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION (Govt. Recognized)**

- o) To decide overall priorities on the repair and maintenance of plant and machinery in his centre.
- p) To ensure that safety regulations in his centre are enforced.
- q) To deal with shop committee members/worker's representatives of his centre in consultation with his immediate superior, so as to look after the welfare of all his subordinates and to maintain industrial peace.
- r) To deal with special enquiries from the Planning Department in conjunction with his immediate superior.
- s) To maintain control record for his centre and discuss with his subordinate supervisors as necessary.
- t) To ensure that incoming raw materials, parts and out-going finished products are inspected in accordance with specifications/ good engineering practice as necessary. He should personally inspect all high value items and where rejects are above acceptable limits.
- u) To ensure adequate staff coverage of his centre out of normal working hours as read.



SOURCE : <http://indian.navy.nic.in/about-indian-navy/n-d-v>

- v) To ensure that all work in his centre is carried out within the budgeted (estimated) cost.
- w) To ensure that all jobs are completed and dispatched on time.
- x) Study all relevant statistics and control information and take action where necessary.
- y) To ensure all work is being progressed to the specified quality standard and all quality procedures are being observed.
- z) To ensure that action is taken if scrap or rework exceeds acceptable limits.
- aa) To ensure that adequate efforts are diverted to inspection for maintenance of quality standards.
- ab) To control all personnel in his centre and recommend or make charges where necessary.
- ac) To ensure that recommendations are made promptly for monetary and other rewards to deserving personnel in his centre.
- ad) To ensure that accident reports are properly prepared, appropriate action is taken to maintain safety standards, fire precautions are observed and equipment regularly tested.

- ae) To maintain close liaison with other Foremen in the Yard on all matters of mutual interest.
- af) Overseeing contract work on his projects, ensuring the all regulations are understood and complied with and work completed to require standard.

**CHARGEMAN:**

Chargeman (proposed Jr. Engineer) is responsible to the Foreman (proposed Asst. Engineer) for the safe, correct and expeditious work undertaken in his/ her section. The general duties of Chargeman (proposed Jr. Engineer) are as follows:-

- a) To ascertain and establish overall priority of all work and adjust the programme of his work gangs as necessary.
- b) To prepare forecast of output of work gang employment and material requirements of the jobs assigned to him in conjunction with his Foreman and up-date regularly.
- c) To recommend training programme for his workers in conjunction with his foreman.
- d) To ensure that work assigned to his gang is programmed making maximum use of available manpower and machinery.
- e) To ensure that the provision of service in the form of assistance and finished goods from other is in accordance with the requirements of his programme.
- f) To ensure that the latest changes in the process/technique are communicated to his subordinate staff for correct execution of the jobs.
- g) To ensure that all records such as Inspection Notes results of material test, concession/ production deviations are maintained and also to ensure that drawings specifications are maintained and kept up to date.
- h) To screen the leave request of his workmen and make appropriate recommendation within the Centre leave programme.
- i) To ensure that his senior workmen are trained effectively enough to assure his duties in his absence. To advise, direct and supervise the workmen under him as necessary.
- j) To prepare (or cause preparations of) demand for materials and supplies required from stores or from other Production Centers in good time.
- k) To ensure that safety regulations in his work are enforced.
- l) To inspect all incoming raw materials, parts, and outgoing finished products in accordance with specifications/good engineering practice as necessary.
- m) To advice and assist his immediate superiors, in looking after the welfare of his sub-ordinates and maintaining industrial peace.
- n) To ensure that all work assigned to him is carried out within the budgeted (estimated) cost.
- o) To supervise continuously the workmen assigned to him.
- p) To ensure the discipline and punctuality of the subordinate staff.
- q) To ensure that recommendations are made promptly for monetary and other rewards to deserving personnel in his work gangs.
- r) To maintain a high standard of cleanliness and tidiness to his work area.

- s) To maintain close liaison with other supervisory in his centre or project on all matters of mutual interest

### **3.4 NEGLECT OF TECHNICAL SUPERVISORS AND STAGNATION OF FOREMAN AND TECHNICAL ASSISTANT IN THE CIVILIAN TECHNICAL CADRE.**

Technical Supervisors of Indian Navy are the backbone of the Naval Dockyards, NSRYs & NADs and are being denied of their justifiable pay scales. Higher duties, responsibilities and accountability that are directly linked to the high standard repair and maintenance of all sophisticated and intricate systems of naval ships and submarines were not considered while deciding their pay scales. Common bunching of pay scales equated their pay scales with the categories working under them disturbing the vertical relativity. Pay scales of categories, which were in the lower pay scales, were given up-gradation and even placed same pay scales of Technical Supervisors disturbing the horizontal parity. The category that was given exclusive lower pay scale among all Group-B employees was given humiliatingly lower pay scales than the categories which do not shoulder as much responsibilities like them.

Naval Dockyard / NSRY Cadre	Pay scale as per 6 <sup>th</sup> CPC		NDs/NSRYs	Qualifying service required for the post
	Pay in pay band	Grade pay		
Do not exist	HAG + Scale 80,000/- fix		--	
Do not exist	37400-67000 (PB-4)	10000	--	
Chief Technical Officer	37400-67000 (PB-4)	8700	04	
Sr. Technical Officer	15600-39100 (PB-3)	7600	08	5 Years
Technical Officer	15600-39100 (PB-3)	6600	14	5 Years
Junior Technical Officer	15600-39100 (PB-3)	5400	29	5 Years
Technical Assistant	9300-34800(PB-2)	4800	177	2 Years
<b>Foreman</b>	<b>9300-34800 (PB-2)</b>	<b>4600</b>	<b>979</b>	<b>3 Years</b>
<b>Chargeman</b>	<b>9300-34800 (PB-2)</b>	<b>4200</b>	<b>1467</b>	<b>8 Years</b>

It is clear from the above bar Chart that the distribution of the posts in Group-'A' Cadre is done in a manner to maintain continuous flow of promotions for Direct Recruited Group-'A' officer. But when we include the strength of Foremen in above Chart then stagnation at Foremen level can be observed. Now, in the level of Foremen (Lowermost managerial cadre), there is an acute stagnation .The incumbents who reach this level are either well experienced in all the spheres of production and administrative activities Or directly recruited officers through UPSC with 2 year experience. Profile of Stagnation of Foremen Cadre in Indian Navy is given below–

Designation	Present incumbents in the same grade
Technical Assistant	10 to 12 years
Foreman	12 to 15 years

There is a very few chances of promotion from Foreman to TA against the 177 numbers of sanctioned posts of Technical Assistant for promotion which is 18 % of the posts of Foremen. The ratio between posts of Foreman: TA becomes 82: 18. At present, there is a stagnation of 10 years which is likely to be increased up to 15 years in near future, if suitable measures are not taken.

**Stagnation in the post of Chargeman, which is the feeder post of Foreman, also likely to be increased up to 10 years in near future if suitable measures are not taken to reduce stagnation in the post of Foreman.** At present mainly there is one promotion i.e from CM to Foreman and there is only one promotional scope for from Foreman (82 % Strength) to the TA ( 18 % strength). In this situation most of the Chargeman & Foremen are bound to retired in the grade pay of Rs. 4600 in PB-2 and will not have any inspiration. This has result in lack of attraction for Engg. Diploma Holders and BE/B.Tech Degree holders towards the posts of CM & Foreman respectively.

#### 3.4.1 PROPOSAL TO REDUCE STAGNATION:-

- In order to remove the stagnation, Cadre Review/ Cadre re-structuring in every five year to be made mandatory for each organization. If no review/re-structuring is required, then NIL requirement papers to be submitted to DOP&T.
- The formula for defining the ratio between Feeder & Promotional Post must be defined to insure the correct pyramid structure between various posts.
- All Central Govt. Departments should have the same hierarchical Structure provided with same promotional prospects/financial Up-gradations.
- While deriving pay scales the appropriate up-gradations in the Group-B Cadre should be made before allotting slabs to the cadres which were ignored by 5<sup>th</sup> & 6<sup>th</sup>CPC.
- The pay scales are not uniform in the Group B Gazetted category and other categories across all the departments. Horizontal equivalence relationship amongst the various levels of various Central Govt Departments should be determined and Horizontal parity between Pay scales and entitlements of all Central Govt. employees placed at equal levels of Group-A, B & C categories of posts in various departments including parity with the civil services and other organized Group-A, B & C services should be evolved with provision of equal number of time bound promotions/financial up-gradations. Rationalization of Hierarchy of Posts in various Central Govt. Departments with respect to the vertical and horizontal equivalence should be done by abolishing some undesired Slabs available in existing hierarchy and by evolving some new slabs at appropriate level.

- The hierarchy of posts should be rationalized in such a way that any Central Govt. Employee recruited at any entry level post must get at least 5 promotions failing which 5 financial up-gradations on completion 30 years of service each after 6 years to maintain the motivation and aspiration in the employees at every stage throughout the service life.

### **3.5 REQUIREMENT OF CADRE RESTRUCTURING OF TECHNICAL SUPERVISORY STAFF of INDIAN NAVY (NAVAL DOCKYARDS / NSRYs /NADs)**

#### **STRUCTURE**

The technical supervisory staff of Naval Dockyards and NSRYs had gone through the various recommendations of IV<sup>th</sup>, V<sup>th</sup>, and VI<sup>th</sup>, CPCs. The structure of the cadre over the past three decades is illustrated in the tables below:

#### **STRUCTURE OF TECHNICAL SUPERVISORY STAFF CADRE**

<b>Structure after IV<sup>th</sup> CPC vide SRO 291, dtd. 20<sup>th</sup> Oct 1983</b>		
<b>POST</b>	<b>PAY SCALE</b>	<b>NO. OF POSTS</b>
Sr. Foreman	2375 – 3750	222
Foreman	1600 – 2660	338
Sr. Chargeman	1400 – 2300	397
<b>Structure after V<sup>th</sup> CPC vide SRO 08, dtd. 6<sup>Th</sup> Feb 2007</b>		
<b>POST</b>	<b>PAY SCALE</b>	<b>NO. OF POSTS</b>
Foreman	7450 – 225 - 11500	367
Assistant Foreman	6500 – 200 – 10500	612
Chargeman I	5500 – 175 – 9000	612
Chargeman II	5000 – 150 – 8000	855
<b>Structure after VI<sup>th</sup> CPC vide draft SRO after implementation of 6<sup>th</sup> CPC</b>		
<b>POST</b>	<b>PAY SCALE</b>	<b>NO. OF POSTS</b>
Foreman	GP - 4600	979
Chargeman	GP - 4200	1467

**HISTORY**

The history of technical supervisors with respect to designations/grades and pay scales are as follows:

(a) Prior to 01 Jan 1971, the technical supervisory staffs were grouped and designated as below-

<b><u>Grades &amp; Pay Scales of Technical Supervisors prior 1971</u></b>		
Srl.	Designation / Grade	Basic pay scale (Rs)
1	Foreman	450-575
2	Inspector	335-485
3	Leading man	205-280

(b) Devnath committee was appointed by the Ministry of Defence to recommend a suitable cadre revision for civilian employees. The committee recommended the following changes in designations and corresponding pay scales of the technical supervisory staff w.e.f. 01 Jan 1971.

<b><u>Grades &amp; Pay Scales of Technical Supervisors w.e.f. 1971</u></b>		
Srl.	Designation / Grade	Basic pay scale (Rs)
1	Senior Foreman	450-650
2	Foreman	370-500
3	Senior Chargeman	250-380

(c) The Devnath committee had recommended revision of pay scales and designation of technical supervisory staff; but the implementation of Devnath committee was limited to the Leading man, revision of pay scales to Rs 250-380 and designation of senior Chargeman. The Inspector and Foreman designation was revised to Foreman and the Senior Foreman with not given any revision of pay scales.

(d) The 3<sup>rd</sup> CPC w.e.f. 1986, recommended following pay scales for technical supervisory staff:

<b><u>Grades &amp; Pay Scales of Technical Supervisors post 3<sup>rd</sup> CPC</u></b>		
Srl	Designation / Grade	Basic pay scale (Rs)
1	Senior Foreman	840-1040



2	Foreman	550-750
3	Senior Chargeman	425-700

(d) Further, the successive Pay Commissions, from the year 1986 to 2006 have downgraded the pay scales and designation of Technical Supervisory staff, when compared with similar posts in other government departments, is evident from the table below.

**3.5.1 COMPARISON VIS-A-VIS SIMILAR PAY SCALE POSTS IN OTHER GOVERNMENT DEPARTMENTS**

As shown in the tables, appended below the pay scales of technical supervisors were progressively degraded, since the 3<sup>rd</sup> and 4<sup>th</sup> CPCs. As a case in point, erstwhile Senior Foreman of Naval Dockyards and NSRYs were drawing higher basic pay than the Class-I Officer's (INAS cadre) during the 4<sup>th</sup> CPC, and was progressively diluted further in the 5<sup>th</sup> CPC up to an extent that the pay scales allotted to the Technical supervisory staff is much lower than other government posts of similar nature, such as Police inspectors, Primary Teachers who till the previous pay commissions were in the lower pay scales than the technical supervisors of Navy, etc are evident from the table below. This degradation of pay structure of technical supervisory staff is not understood by this Association.

Srl	Post	3 <sup>rd</sup> CPC Pay Scales in Rs.	4 <sup>th</sup> CPC Pay Scales in Rs.	5 <sup>th</sup> CPC Pay Scales in Rs.	Upgraded to Scale by 6 <sup>th</sup> CPC	6 <sup>th</sup> CPC Grade Pay in Rs.
01	Police Inspector	425-700	2000-3200	6500-10500	7450-11500	4600
02	Excise Inspector	425-700	2000-3200	6500-10500	7450-11500	4600
03	Power Controller	425-700	2000-3200	6500-10500	7450-11500	4600
04	Staff Nurse	425-700	1400-2300	5000-8000	7450-11500	4600
05	Primary Teacher Gr-II	425-700	1400-2300	5500-9000	7450-11500	4600
06	Primary Teacher Gr-III	380-560	1200-2040	4500-7000	6500-10500	4600
07	Trained Gr Teacher Gr-III	425-700	1400-2300	5500-9000	7450-11500	4600
08	Head Master	425-700	2000-3200	6500-10500	7500-12000	<b>4800</b>
09	Nursing Sister	425-700	1600-2660	5500-9000	7500-12000	<b>4800</b>
10	Master Craftsman (MCM) working under Chargeman	425- 640	1400-2300	4500-7000	6500-10500	<b>4200</b>
11	<b>Chargeman /</b> Erstwhile CM-II, CM-I, Sr. Chargeman	<b>425-700 &amp; 550-750</b>	<b>1400-2300 &amp; 1600-2660</b>	<b>5000-8000 &amp; 5500-9000</b>	<b>6500-10500</b>	<b><u>4200</u></b>

**ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION (Govt. Recognized)**

12	Asst. Foreman	----	----	6500-10500	7450-11500	4600
13	Foreman (G) / Erstwhile Sr.Foreman	840-1040	2375-3500	7450-11500	7450-11500	4600
14	Civilian Technical Assistant	----	2200-4000	7500-12500	7500-12500	4800
15	Class-I officer (INAS cadre)	----	2000-4000	8000-13500	8000-13500	5400 PB3

It would be pertinent to mention that whilst the pay scales of technical supervisors have been progressively diluted vis-a-vis other departments /posts with similar pay scales in previous pay commissions, moreover our duties and responsibilities have multiplied over a period of time, due to modernization of the systems and work load.

**3.5.2 EXISTING AND PROPOSED GRADE STRUCTURE FOR TECHNICAL SUPERVISORY STAFF OF NAVAL DOCKYARDS AND NSRYS IS GIVEN BELOW**

Srl.	Existing Structure		Proposed Structure	
	Grade	Grade Pay	Grade	Grade Pay
1	Chargeman	4200, PB - 2	Junior Engineer	4800, PB - 2
2	Foreman	4600, PB - 2	Assistant Engineer	5400, PB - 2

**3.5.3. JUSTIFICATION FOR RE-DESIGNATION**

As stated earlier the technical supervisory staffs are highly competent, for the quality refit of Ships and Submarines due to their vast experience, are competent beyond doubt to maintain the high and précised standards for the combat preparedness and sea worthiness of Ships and Submarines, and as the technical supervisory staff are working successfully on the most modern technology, qualifies in all means to be termed as "Engineers".

It's a long pending demand from AINTSSA to re-designate the Chargeman to a respectable, dignified and contemporary designation of Junior Engineer, which may according to his technical competence are at par with the Chargeman of DGQA or other Government organizations, where the Chargeman is already been re-designated as Junior Engineer having similar duties, responsibilities and entry level qualifications when compared with. The designation of Chargeman is grossly out of sync with the duties / responsibilities and overshadows his engineering / technical background of our Technical Supervisor.

### 3.5.4 ENHANCEMENT OF ENTRY LEVEL QUALIFICATION

The last few decades have seen the induction of modern combat ships and submarines with hi-tech weapons in the Indian Navy fitted with state of art systems and equipments. Further, there is a need to cater for imminent inductions of various electronic / mechanical systems; gas turbines are of highly sophisticated technology. The type and scope of work due to introduction of above modernization and technologies has resulted in the requirement of domain specialization of associated Technical Supervisors, as in the all previous SROs / RRs (1972 to till date) for technical supervisory staff of Naval Dockyards and NSRYs, the entry level qualification is mentioned to be a Diploma in Engineering, and the same is not upgraded since last 40 years.

Entry level qualification as per the SROs / Recruitment Rules of Technical Supervisory staff of Naval Dockyards and NSRYs is given below:-

Srl	SRO / RECRUITMENT RULES	FEEDER POST	ENTRY LEVEL QUALIFICATION
1	SRO 303, dtd. 11 <sup>th</sup> Nov 1972	Sr. Chargeman	A Diploma in Mechanical / Electrical/ Tele-com / Structural Engineering / Naval Architecture and Ship Construction with not less than 1 years experience in the appropriate field.
2	SRO 291, dtd. 20 <sup>th</sup> Oct 1983	Sr. Chargeman	A Diploma in Engineering in the appropriate discipline with not less than 1 years experience in the appropriate field.
3	SRO 08, dtd. 6 <sup>th</sup> Feb 2007	Chargeman-II	A Degree in Science with Physics / Chemistry / Mathematics from recognized University;  A Diploma in Engineering in the appropriate discipline with not less than 1 years experience in the appropriate field.
4	Draft SRO after 6 <sup>th</sup> CPC implementation, which is still pending with IHQ(N) of MoD	Chargeman	A Diploma in Engineering in the appropriate discipline from recognized University or Board.

It is evident from above table, that the entry level qualification was '**Diploma in Engineering in the appropriate discipline**', which remained unchanged from last 42 years.

The Cadre revision for the technical supervisory staff was promulgated in the year 1971 and after nearly 42 years there is an opportunity and utmost requirement to revise the existing cadre to enhance the future technological requirement of the

Navy. Definitely this cadre revision will update the technical supervisory cadre to sustain with the changing technology till the next cadre review.

The entry level qualification for more than 40 years was as per, than the technical requirement of the systems. As now the systems are most sophisticated, hi-tech and as the technological scenario is changing globally day by day, it is very much essential that the technical supervisors are to get acquainted with these systems. To meet the requirement of high standard of professionalism and technical know-how, it is very much required that the **entry level qualification to the post of Chageman (Junior Engineer) to be upgraded to Degree in Engineering (B.E / B. Tech)** to cope up with the present and future technology.

This demand of change in entry level qualification will definitely benefit the functioning of the organization will maintain core competency and upgrade the technical ability of the Indian Navy. This demand of Association is purely in good faith of the Nation and should be welcomed.

**3.6 ANOMALIES IN PAY SCALE OF CHAGEMAN WORKING IN NAVAL DOCKYARDS, NSRYS & NADS AND JUSTIFICATION FOR UP-GRADATION OF CHAGEMAN (PROPOSED JUNIOR ENGINEER) TO THE GRADE PAY OF RS. 4800/- (PB-2)**

Sr	Post	3rd CPC Rs.	4th CPC Rs.	5th CPC Rs.	Upgraded to Scale by 6 <sup>th</sup> CPC	6 <sup>th</sup> CPC Grade Pay Rs.
1	Police Inspector	425-700	2000-3200	6500-10500	7450-11500	4600
2	Excise Inspector	425-700	2000-3200	6500-10500	7450-11500	4600
3	Power Controller	425-700	2000-3200	6500-10500	7450-11500	4600
4	Head Master	425-700	2000-3200	6500-10500	7500-12000	<b>4800</b>
5	Primary Teacher Gr-I	550-750	1640-2900	6500-10500	7500-12000	4800
6	Primary Teacher Gr-II	425-700	1400-2300	5500-9000	7450-11500	4600
7	Primary Teacher Gr-III	380-560	1200-2040	4500-7000	6500-10500	4600
8	Trained Gr Teacher Gr-I	700-900	2000-3500	7500-12000	8000-13500	<b>5400, PB-2</b>
9	Trained Gr Teacher Gr-II	550-750	1640-2900	6500-10500	7500-12000	4800
10	Trained Gr Teacher Gr-III	425-700	1400-2300	5500-9000	7450-11500	4600
11	Staff Nurse	425-700	1400-2300	5000-8000	7450-11500	4600
12	Nursing Sister	425-700	1600-2660	5500-9000	7500-12000	<b>4800</b>
13	Asst. Nursing Supt.	<b>425-700</b>	1640-2900	6500-10500	8000-13500	<b>5400, PB-3</b>

**ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION (Govt. Recognized)**

14	Section (Accounts) Officer	550-750	1640-2900	6500-10500	7500-12000	4800
15	Section (Secretariat) Officer	<b>700-900</b>	2000-3200	6500-10500	8000-13500	<b>5400, PB-3</b>
16	Asst. Accounts /Audit Officer	700-900	2000-3200	7450-11500	7500-12000	4800
17	Accounts/Audit Officer	840-1040	2375-3500	7500-12000	8000-13500	5400, PB-2
18	<b>Foreman (Gaz)</b>	<b>840-1040</b> ----	<b>2375-3500</b> -----	<b>6500-10500</b> <b>7450-11500</b>	<b>7450-11500</b>	<b><u>4600</u></b>
19	<b>Chargeman</b>	<b>425-700</b> & <b>550-750</b>	<b>1400-2300</b> & <b>1600-2660</b>	<b>5000-8000</b> & <b>5500-9000</b>	<b>6500-10500</b>	<b><u>4200</u></b>
20	Master Craftsman (MCM) working under <b>Chargeman</b>	425- 640	1400-2300	4500-7000	6500-10500	<b>4200</b>

It is evident from the above table, that the technical supervisors of Naval Dockyards and NSRYs, those who are dealing with sophisticated systems and working on the most modern technology are degraded lower than the non-technical groups like teachers and nurses, having Grade pay of Rs 4600/- & Rs 4800/- respectively when compared with the Grade pay of Rs 4200/- given to those technical supervisor, who are accountable for the various responsibilities given to them, during the refit of ships and submarines, this discrimination in giving the Grade pay to Technical supervisors, is nothing less than exploitation, the teachers and Nursing staff (Non Technical Staff) are placed above the Foreman of Naval Dockyards and NSRYs which is really humiliating.

Higher recruitment qualification, longer initial training, higher responsibilities shouldered by these categories in the core activity of Naval Dockyards have been ignored by the 6<sup>th</sup> Pay Commission & the Government while deciding the Grade Pay of Technical Supervisors (Foreman & Chargeman).

Fifth CPC had denied application of multiple factor of 3.25 only to S-13 scale. If the same common multiple factor of 3.25 was applied by the Fifth CPC to the scale of Erstwhile Sr. Foreman (Now Foreman) (S-13), they should have been given the Pay Scale of Rs.8000-13500 by the Fifth CPC and consequently their grade pay should have been Rs.5400 after the Sixth CPC.

Ratio between Minimum Pay of Group "D" to Minimum Pay of Erstwhile Sr. Foreman had fallen from 4.28 after Third Pay Commission to only 2.63 after Sixth CPC.

Further, the humiliation had crossed its limits, when in the VI<sup>th</sup> CPC, there was no difference kept between the Supervisor and Master Craftsman, who is a subordinate, and work under the supervision of technical supervisors (pl. refer row

no. 20, table 08) was given the same Grade pay of Rs 4200/-, keeping no difference with the technical supervisor, this allocation of same Grade pay to the subordinate (Masters Craftsman) is undermining the Supreme Court judgment of "The supervisor's pay cannot be equal to the person being supervised" and the concepts of VI<sup>th</sup> CPC "Higher pay to higher responsibility". This certainly requires restructuring of Grade pay and pay scale, to give justice to the technical supervisory staff, to uplift their morale values. This has greatly disturbed the vertical relativity in the cadre hierarchy and violated the law of natural justice by equating the Supervisor with the Supervised and placing the feeder and promotional posts in the same pay scale.

As the Naval Dockyards and NSRYs are mainly refit organizations, the role of a technical supervisors is traditionally a difficult one, as he has to fulfil, various responsibilities to the employees, work group and organization and is responsible for ensuring, that the work is carried out in such a way that no one's security, safety or health is jeopardized.

The Sixth Central Pay Commission (in Para, 2.2.11 of its Report) - recommended that – "Grade pay will determine the status of a post with a senior post being given higher grade pay. Grade pay being progressively higher for successive higher posts, the employees on promotion will get monetary benefit on promotion in the form of the increased grade pay apart from the benefit of one additional increment".

### **3.6.1 Extract of Para 2.2.11 of Sixth Central Pay Commission Report**

2.2.11 Under the system of running pay bands being recommended by the Commission, all the employees belonging to the aforesaid 4 categories will be placed in distinct running pay bands. At the time of promotion from one post to another in the same running pay band, the grade pay (being a fixed amount attached to each post in the hierarchy) attached to posts at different levels within the same running pay band will change. Additionally, increase in form of one increment will also be given at the time of promotion. Rates of grade pay have been generally computed at the rate of forty percent of the maximum of the corresponding pre-revised pay scale which is rounded off to the next multiple of hundred. In a few cases, the rates of grade pay have been computed differently. This was necessary to fit the system of grade pay in the scheme of revised running pay bands.

Grade pay will determine the status of a post with (apart from the two apex scales of Secretary/equivalent and Cabinet Secretary/equivalent that do not carry any grade pay) a senior post being given higher grade pay. Grade pay being progressively higher for successive higher posts, the employees on promotion will get monetary benefit on promotion in the form of the increased grade pay apart from the benefit of one additional increment. In case of promotions between one pay band to the next pay band, the revised band pay will, in no case, be less than the minimum of the higher pay band. All the running pay bands will have annual increments in form of two and half percent of the total of pay in the pay band and the corresponding grade pay.....

That the above principle was followed by Sixth Central Pay Commission by recommending the Grade Pay of Rs.2800 for Master Craftsman in para 3.8.27 and Rs.4200 for Chargeman in para 3.8.29.

**para 3.8.27 of the Sixth Pay Commission on the pay scales for workshop staff other than supervisory categories.**

Designation	Present pay scale	Recommended pay scale	Corresponding Pay Band	Grade Pay
Unskilled	2550-3200	2750-4400	PB-1	1800
Semi Skilled	2650-4000	2750-4400	PB-1	1800
Skilled	3050-4590	3050-4590	PB-1	1900
Highly Skilled	4000-6000	4000-6000	PB-1	2400
Master Craftsman	4500-7000	4500-7000	PB-1	2800 #

*# Master Craftsmen presently in the scale of Rs.5000-8000 shall be merged in the cadre of Chargeman 'B'. In future, the post of Master Craftsman shall be operated only in pay band PB-1 of Rs.4860-20200 along with grade pay of Rs.2800 (4500-7000).*

**Para- 3.8.29 of report of the Sixth Pay Commission on the pay scales for workshop staff (supervisory categories)**

Designation	Present pay scale	Recommended pay scale	Corresponding Pay Band & Grade Pay	
			Pay Band	Grade Pay
Chargeman 'B' / Chargeman 'A'	5000-8000/ 5500-9000	5000-8000/ 5500-9000	PB-2	4200
Asstt. Shop Superintendent* / Dy. Shop Superintendent/ Assistant Foreman	6500- 10500	7450-11500	PB-2	4600
Superintendent* / Foreman (Gaz.)	7450-11500		PB-2	4600

*\*The grades of Asstt. Shop Superintendent / equivalent and Shop Superintendent/equivalent stand merged.*

Third Central Pay Commission kept the Apex scale of Tradesman Rs.380-560 below the pay scale of Chargeman (then designated as Sr. Chargeman ) granting them a scale of Rs.425-700. 10% of Tradesman Gr-I posts upgraded as Master Craftsman (MCM) in the scale Rs.425-640 w.e.f. 14.2.1986. Pay scales of Rs.1400-2300 granted by Fourth Central Pay Commission to Sr. Chargeman, MCM resulted in hierarchal confusion, which was corrected by fifth and Sixth Central Pay Commissions which restored the vertical relativity between the Chargeman and MCM.

However, the correction made by the Fifth and Sixth Central Pay Commissions were each time undone by Ministry of Defence and Ministry of Railways - disturbing the vertical relativity between the Chargeman and MCM who work under Chargeman shown in the table below,

**3.6.2 DISTURBANCE OF VERTICAL RELATIVITY BETWEEN CHARGEMAN AND MCM WHO WORKS UNDER THE CHARGEMAN IN INDIAN NAVY**

<b>Pay Commission</b>	<b>Pay Scales</b>	<b>Brief on improvements given in violation of vertical relativity &amp; Pay Commission recommendations</b>
<b>Third CPC</b>	Sr. Chargeman Rs.425-700 Tradesman Gr-I, Rs. 380-560	Tradesman Gr-I worked under Sr. Chargeman & Tradesman Gr-I was the feeder grade for Sr. Chargeman
<b>14.02.1986</b>	Sr. Chargeman Rs.425-700 Master Craftsman, Rs. 425-640 Tradesman Gr-I, Rs. 380-560	10% of Tradesman Gr-I posts upgraded as MCM in the scale Rs.425-640 and the post of MCM was kept as part of Tradesman Gr-I cadre, hence Tradesman Gr-I remained as feeder grade for Sr. Chargeman.
<b>Fourth CPC</b>	Sr. Chargeman Rs.1400-2300 Master Craftsman, Rs. 1400-2300 HSK-I, Rs. 1320-1560	Identical Pay scales of Sr. Chargeman, and MCM resulted in hierarchal confusion and attracted many court cases.
<b>Fifth CPC</b>	Chargeman-II Rs. 5000-8000 Only three grades Master Craftsman, Rs.4500-7000 HSK Rs. Rs.4000-6000 Skilled , Rs.3050-4590 Vide para 54.18 were recommended to maintain the hierarchal order.	Concept of four grades (Skilled, HSK Gr-II, HSK Gr-I and MCM) restored with MCM placed in the scale of Rs.5000-8000 equal to the Chargeman-II who supervises MCM.
<b>2005</b>	The post of MCM has been made as regular by Govt. Of India and accordingly benefit of pay fixation has been permitted, and stated that the work of Master Craftsman in grade Rs.5000-8000 will be supervised by Chargeman-II scale Rs.5000-8000.	
<b>Sixth CPC</b>	Chargeman Grade Pay Rs.4200, PB-2, Only three grades Skilled (GP Rs.1900), Highly Skilled (GP Rs.2400) and MCM (GP Rs.2800) were recommended in PB-1, maintaining the hierarchal order and the principle of higher post given the higher Grade Pay Para 3.8.27 of SCPC report.	Concept of four grades (Skilled , HSK Gr-II, HSK Gr-I and MCM) restored with Sr. Technician placed in the GP of Rs.4200.



Sixth Pay Commission recommendation vide para 2.2.11 “Grade pay being progressively higher for successive higher posts, the employees on promotion will get monetary benefit on promotion in the form of the increased grade pay apart from the benefit of one additional increment” got violated.
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Principal Bench of CAT New Delhi in OA No. 1527/1990 had accepted the contention that pay scale of a Supervisor should be higher than the employees supervised by him, and directed for higher pay scale to JEs as ‘an equal cannot be over an equal’. This direction was duly considered and accepted by Fifth Pay Commission while deciding the Pay scale of JEs – and it recommended a higher Pay Scale of Rs.5000-8000 for the JEs II - as against the scale of Rs.4500-7000 it recommended for Senior Technicians.

Fifth Central Pay Commission in para 54.33, 54.34, 54.35, 54.36, 54.37 & 54.38 of its report, specifically dealt with the problem of supervisor and supervised being placed in the same scale of pay and removed the anomaly by recommending the pay scale of Rs.4500-7000 to Master Craftsman and Rs. 5000-8000 for Technical Supervisors / Sr. Chargeman. But later Government upgraded the scale of Master Craftsman without correspondingly upgrading the scale of Sr. Chargeman contrary to the principle of natural justice thereby disturbing the vertical relativity recommended by Fifth Central Pay Commission.

The Honorable Supreme Court of India – (reported in (1996) 1 SCC-462 has held as under:

*“8. The High Court, in our opinion, was not right in holding that promotion can only be to a higher post in the Service and appointment to a higher scale of an officer holding the same post does not constitute promotion. In the literal sense the word “promote” means “to advance to a higher position, grade, or honour”;. So also ‘promotion’ means “advancement or preferment in honour, dignity, rank, or grade” (Ref: Webster’s Comprehensive Dictionary, International Edition., page1009) ‘Promotion’ thus not only covers advancement to a higher position or rank but also implies advancement to a higher grade. (Ref: Union of India vs. S.S. Ranade (1995) 4 SCC 462 at page 468.*

However, these aspects were over looked by VI<sup>th</sup> CPC and it had awarded less grade pay to the Technical Supervisor of Indian Navy. It is pertinent to mention that the principle behind the derivation of Grade Pay was 40% of the upper limit of pre-revised pay scale. This has been restricted to 40% for all pay scales in pay band-II, but the same was liberalized up to the maximum extent of 43 to 47% for pay band III & IV (even after overlooking the grade pay of 60% granted to the intermediary scales like Rs 10325-10975). Hence it is justified to grant Grade pay of Rs 4800/- to the technical supervisor, which figures at app. 45% of the upper limit of pre-revised pay scale.

While examining the four pay bands accepted by the Govt. for the employees, it is found that the basis of pay band calculation was the multiplying factor of 1.86. While this factor has been meticulously implemented for the pay bands I & II and wherever the pre-revised pay scales have been merged this factor has gone down to

the extent of 1.24. It has led to the granting of a lesser grade pay to the post of Chargeman and Foreman. Whereas the multiplying factor has been liberalized upward for pay bands III & IV and the same has been increased to the extent of 2.61 in the pre-revised pay scale of Rs 14300-18300 in pay band IV. As of now, the above mentioned short coming can only be rectified through cadre restructuring. Therefore it justified that the post of Chargeman should be granted Grade Pay of Rs. 4800-PB-2.

**3.6 ANOMALIES IN PAY SCALE OF FOREMAN WORKING IN NAVAL DOCKYARDS, NSRYS & NADS AND JUSTIFICATION FOR UP-GRADATION OF FOREMAN (PROPOSED ASSISTANT ENGINEER) TO THE GRADE PAY RS. 5400/- (PB-3)**

Posts criteria	Matron (Nurse)	Senior Section officer (Accountant)	Primary Teacher (selection Grade)	Trained Graduate Teacher (Sr. Grade)	Foreman	Chargeman
Minimum Qualification	Diploma in Nursing	B.A./B.Sc./B.Com	+12 <sup>TH</sup> STD with D.Ed.	Graduate with B. Ed.	Diploma In Engg./B.E.	Diploma In Engg./B.E.
Nature of work	Conventional	Conventional	Conventional	Conventional	Challenging	Challenging
Activity	Non-Core	Non-Core	Non-Core	Non-Core	core	core
Role in Multi-crore weapons	Nil	Nil	Nil	Nil	Active role	Active role
Safety Aspect	Nil	Nil	Nil	Nil	100% responsible	100% responsible
Category of staff	Welfare	Supporting	Welfare	Welfare	Executive	Executive
Old pay scale /Upgraded	6500 -10500	6500 - 10500	6500- 10500	6500-10500	7450-11500	6500-10500
New pay Scale	15600-39100	9300- 34800	9300- 34800	9300-34800	9300-34800	9300-34800
Pay Band/ Grade Pay	<b>PB-3/5400</b>	PB-2/4800	PB-2/4800	PB-2/4800	<b>PB-2/4600 Why?</b>	<b>PB-2/4200 Why?</b>

The 6<sup>th</sup> CPC has done gross injustice to Foreman by granting higher grade pays & status to supporting and non-technical categories like Accounts, Teachers and Nurses as they were given lower pay scales in the earlier pay commissions (some are even given 3 higher grade pays), thus greatly disturbing the existing relativity and hierarchy. From the above table it is evident that, the categories like Accounts, Teachers and Nurses who were in the lower pay scales earlier were given up-gradation and are placed even three grades higher than technical supervisors i.e.

Grade pay Rs. 4600 - PB-2 for Foreman and Rs. 5400-PB-3 for Asst. Nursing Supt. Therefore the post of Foreman should at least be granted grade pay of Rs. 5400-PB-2 like similarly placed Accounts/Audit Officer.

It is unfortunate that both 5<sup>th</sup> and 6<sup>th</sup> CPCs have underestimated or overlooked the significant and sensitiveness of the work content of Technical Supervisors, their responsibility and accountability in the system and has underestimated the recognition given by the 3<sup>rd</sup> and 4<sup>th</sup> CPCs. Many truthful situations went out of sight of 5<sup>th</sup> and 6<sup>th</sup> CPCs which placed the Technical Supervisors way below the supporting & non-technical staff. Thus losing their status & Grade as clearly shown in the above table has resulted in experiencing reduced social standing, total frustration & mental agony by them. While for other categories the work has eased due to modernization, the duties of Technical Supervisory staff increased manifold. It is extremely painful that not even the barest minimum concern was shown in deciding the pay of supervisory cadre who perform highly responsible duties in the core activities of Naval Dockyards and NSRYs. This fall back in the grade & status of Foreman can only be rectified through cadre restructuring and fully justifies the grant of Grade Pay Rs. 5400 - PB-2. The following table illustrates the injustice done to the cadre.

**SOME MORE FACTS IN SUPPORT OF THE PROPOSAL ARE APPENDED HERewith IN COMPARISON OF BENEFITS GRANTED BY THE 4<sup>TH</sup>, 5<sup>TH</sup> AND 6<sup>TH</sup> CPC:**

Post	Pay scales after implementation of 4 <sup>th</sup> CPC	Pay scales after implementation of 5 <sup>th</sup> CPC	Grade pay as % of upper limit of pay scales after implementation of 6 <sup>th</sup> CPC	6 <sup>th</sup> CPC Pay scale (in Rs.)
Foreman (Gaztt.)	Rs. 2375-3500	7450-11500 (Upgraded 3.17 times)	40% of upper limit of pay scale	4600
Astt. Manager in INAS Cadre	Rs. 2200-4000	8000-13500 (Upgraded 3.54 times)	45% of upper limit of pay scale	5400

**3.7.1 UN-JUST MULTIPLICATION FACTOR**

Fifth Central Pay Commission had adopted a Common Multiple Factor of 3.25 for all categories of Staff from S1 to S34 - except S-13 scale which was granted to Sr. Foreman. Fifth Pay Commission has recommended only Rs.7000-11500 to the Sr. Foreman placed in S-13 scale, later it was revised as Rs.7450-11500, only minimum of the scale had been revised and corresponding revision of maximum of the scale had not been done. This has reduced the span of years of the scale from 20 years to 18 years.

**ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION (Govt. Recognized)**

The scale has been kept low to accommodate S-14 scale above it by the difference of Rs.50 only. The principle of Sixth Central pay Commission to calculate the Grade Pay as 40% of maximum of the fifth pay commission scales, as defined in para 2.2.21(ii) of Sixth Central Pay Commission has kept the S-13 (Sr. Foreman) scale in disadvantageous position. If the same common multiple factor of 3.25 was applied by the Fifth CPC to the scale of Sr. Foreman (S-13), they should have been given the Pay scale of Rs 8000-13500 by the Fifth CPC and consequently their grade pay should have been Rs 5400 after the Sixth Central Pay Commission. Application of 3.25 multiplication factor by Fifth Central Pay Commission and calculation of Grade Pay as 40% of maximum of Fifth Pay Commission scales are shown in the table-

SL	4th CPC Pay scale w.e.f. 1.1.1986	If 3.25 factor was applied	Actual Factor Applied	5th CPC Post/Grade and Pay scale w.e.f. 1.1.1996		Span in years	6th Central Pay Commission w.e.f. 1.1.2006 Corresponding		
				GRADE	SCALE		Pay Band/ Scale	Pay Bands/ Scale	Grade Pay
1	750-12-870-14-940	2438	3.40	S-1	2550-55-2660-60-3200	19	-1S	4440-7440	1300
2	775-12-871-12-1025	2519	3.37	S-2	2610-60-3150-65-3540	22	-1S	4440-7440	1400
3	775-12871-14-955-15-1030-20-1150	2519		S-2A	2610-60-2910-65-3300 -70-4000	25	-1S	4440-7440	1600
4	800-15-1010-20-1150	2600	3.31	S-3	2650-65-3300-70-4000	27	-1S	4440-7440	1650
5	825-15-900-20-1200	2681	3.33	S-4	2750-70-3800-75-4400	30	PB-1	5200-20200	1800
6	950-20-1150-25-1400/ 950-20-1150-25-1500/ 1150-25-1500	3088	3.21	S-5	3050-75-3950-80-4590	22	PB-1	5200-20200	1900
7	975-25-1150-30-1540/ 975-25-1150-30-1660	3169	3.28	S-6	3200-85-4900	20	PB-1	5200-20200	2000
8	1200-30-1440-30-1800/ 1200-30-1560-40-2040/ 1320-30-1560-40-2040	3900	3.33	S-7	4000-100-6000	20	PB-1	5200-20200	2400
9	1350-30-1440-40-1800 -50-2200/1400-40-1800 -50-2300	4388	3.33	S-8	4500-125-7000	20	PB-1	5200-20200	2800

**ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION (Govt. Recognized)**

10	1400-40-1600-50 -2300-60-2600/ 1600-50-2300-60-2660	4550	3.57	S-9	5000-150-8000	20	PB-2	9300-34800	4200
11	1640-60-2600-75-2900	5330	3.35	S-10	5500-175-9000	20	PB-2	9300-34800	4200
12	2000-60-2120			S-11	6500-200-6900	20	PB-2	9300-34800	4200
13	2000-60-2300-75-3200/ 2000-60-2300-75-3200-3500	6500	3.25	S-12	6500-200-10500	18	PB-2	9300-34800	4200
14	2375-75-3200-100-3500 / 2375-75-3200-100-3500-125-3750	7719	3.14	S-13	7450-225-11500	20	PB-2	9300-34800	4600
15	2500-4000	8125	3.00	S-14	7500-250-12000	18	PB-2	9300-34800	4800
16	2200-75-2800-100-4000/ 2300-100-2800	7150	3.64	S-15	8000-275-13500	20	PB-2	9300-34800	5400
17	2200-75-2800-100-4000			NEW SCALE	8000-275-13500 (Group A Entry)	New Scale	PB-3	15600-39100	5400
18	2630/- FIXED			S-16	9000		PB-3	15600-39100	5400
19	2630-75-2780			S-17	9000-275-9550		PB-3	15600-39100	5400
20	3150-100-3350			S-18	10325-325-10975		PB-3	15600-39100	6600
21	3000-125-3625/ 3000-100-3500-125-4500/ 3000-100-3500-125-5000	9750	3.33	S-19	10000-325-15200		PB-3	15600-39100	6600
22	3200-100-3700-125-4700			S-20	10650-325-15850	16	PB-3	15600-39100	6600
23	3700-150-4450/ 3700-125-4700-150-5000	12025	3.24	S-21	12000-375-16500		PB-3	15600-39100	7600
24	3950-125-4700-150-5000			S-22	12750-375-16500	12	PB-3	15600-39100	7600
25	3700-125-4950-150-5700			S-23	12000-375-18000		PB-3	15600-39100	7600
26	4100-125-4850-150-5300/ 4500-150-5700	13325	3.49	S-24	14300-400-18300	10	PB-4	37400-67000	8700
27	4800-150-5700			S-25	15100-400-18300		PB-4	37400-67000	8700

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28	5100-150-5700/ 5100-150-6150/ 5100-150-5700 -200-6300	16575	3.22	S-26	16400-450- 20000	8	PB-4	37400-67000	8900
29	5100-150-6300 -200-6700	16575	3.22	S-27	16400-450- 20900	10	PB-4	37400-67000	8900
30	4500-150-5700 -200-7300			S-28	14300-450- 22400		PB-4	37400-67000	10000
31	5900-200-6700/ 5900-200-7300	19175	3.12	S-29	18400-500- 22400	8	PB-4	37400-67000	10000
32	7300-100-7600	23725	3.07	S-30	22400-525- 24500	4	PB-4	37400-67000	12000
33	7300-200-7500 -250-8000	23725	3.07	S-31	22400-600- 26000	6	HAG+ SCALE	75500-80000	NIL
34	7600/-FIXED / 7600-100-8000	24700	3.16	S-32	24050-650- 26000	3	HAG+ SCALE	75500-80000	NIL
35	8000/- FIXED	26000	3.13	S-33	26000(FIXED)		APEX SCALE	80000(FIXED)	NIL
36	9000/- FIXED	29250	3.33	S-34	30000(FIXED)		CAB. SEC.	90000(FIXED)	NIL

Fifth CPC had denied application of multiple factor of 3.25 to S-13 scale. Fifth Pay Commission has recommended only 7000-11500 to the Sr. Foreman placed in S-13 scale, later it was revised Rs.7450-11500. The scale has been kept low to accommodate S-14 scale above it by the difference of Rs.50 only. If the same common multiple factor of 3.25 was applied by the Fifth CPC to the scale of Sr. Foreman (S-13), they should have been given the Pay scale of Rs 8000-13500 by the Fifth CPC and consequently their grade pay should have been Rs 5400 after the Sixth CPC.

### **3.8 CONCLUSION**

i. Apex pay scale of Sr. Foreman has always been higher than the pay scales of supervisors of Ministry of Defence. After the Third pay commission highest pay scale of Rs.840-1200 was allotted to the apex scale of Technical supervisors i.e. Foreman (then Senior Foreman). Pay scales allotted to Technical Supervisors are even higher than that of pay scales allotted to Group-B (Gazetted). In the categories of teachers, nurses and accounts the apex scale were allotted two or three grades below the Senior Foreman. After the implementation of Sixth Central Pay Commission scales the post of Senior Foreman had been allotted with the Grade Pay of Rs.4600, whereas the apex scales of categories mentioned above were placed in the Grade Pay of Rs.5400.

ii. The gross injustice & discrimination meted out to the Technical Supervisory staff of Indian Navy can only be corrected through appropriate cadre restructuring & granting of higher Grade Pays.

iii. The entry level qualification of the technical supervisor which is the same from last 42 years certainly needs amendment to meet the requirements of the modern technology and to enhance the technical ability of the Indian Navy.

iv. The long pending demand for re-designation of post, to be considered after accessing the various facts and the role, responsibility, and the ability of technical supervisors.

**CHAPTER – 4**

**AVENUE OF PROMOTION, CLASSIFICATION OF POSTS & ANOMALIES IN  
MODIFIED ASSURED PROGRESSION SCHEME (MACPS)**

<b>Srl. No</b>	<b>Description</b>
4.1	Introduction
4.2	Vision on career planning of Technical Supervisors– Need of the hour for right motivation
4.2.1	Hopes shattered, No self esteem
4.2.2	No social status
4.2.3	Humiliating pay scales
4.2.4	Migration can be the bench mark
4.3	Modified Assured Career Progression Scheme (MACPS) – Serious anomalies need to be addressed
4.3.1	Parity between Defence service personnel & Civilian personnel
4.3.2	Grant of financial up-gradation under MACP Scheme on PROMOTIONAL HIERARCHY - (instead of Grade Pay hierarchy) – as per judgment of various Courts and the Supreme Court of India
4.4	Introduction of Time bound promotions



#### **4.1 INTRODUCTION**

Technical Supervisors in Indian Navy, though highly qualified with Degree or Diploma in Engineering as well as trained and experienced in their jobs and are playing a vital role in the safe and efficient refits and important maintenance works, they have the worst career progression than anyone else in the world or in the country itself. Engineering Graduates and Diploma Holders in Engineering recruited as Chargeman (proposed Junior Engineers) in GP 4200, Group 'B' just get one promotion that to the post of Foreman GP 4600. Only about 2 to 3% of Technical Supervisors get promoted to Group 'A' level.

#### **Main reasons for lack of Avenues of Promotion for Technical Supervisors:**

- Meager number of Posts in Group A & B in Civilian Technical Cadre of Indian Navy as compared to all other Central Government Departments;
- Confining the Cadre Restructuring in Civilian Technical Cadre of Indian Navy within each Group – A, B and C without linking the same to each other and without upgrading them ever to Group B or Group A ;
- No Career Planning for Technical Supervisors in Civilian Technical Cadre of Indian Navy, while repeatedly doing the same for other Cadres.

#### **4.2 VISION ON CAREER PLANNING FOR TECHNICAL - NEED OF THE HOUR IS - RIGHT MOTIVATION**

Engineering Graduates & Diploma Holders, who are selected for the Job through tough competition, join Naval Dockyards, NSRYs & NADs as Direct Recruit Chargeman (Proposed JEs) in GP 4200. Their dream of career advancement soon bursts after joining; Chargeman (Proposed JEs) have to remain satisfied with only one promotion, i.e. to the post of Foreman. Yet they work as frontline field managers who are directly committed to play a key role to achieve new horizons in the field of repair and maintenance, facing all the challenges in the changed global scenario due to liberalized economy.

Different theories have been suggested for motivating employees. Pay is considered a primary motivator. Other key motivating factors include: opportunity for advancement, appreciation of hard work, a sense of achievement, responsibility and empowerment, a sense of challenge and enjoyment. The opportunity for advancement in the form of career planning is not there at all for the Technical Supervisors, even though strongly recommended by all the concerned Committees in Ministry of Defence -but without any follow up thereon by the Indian Navy.

Fourth Pay Commission in para 23.9 recommended that, A solution of the problem of stagnation and inadequate promotion opportunities should be available to employees as motivation for them to contribute their best in the discharge of their duties. At the same time, the system of career progression should be consistent with the functional needs and requirement of organization.

In para 23.10 Fourth pay Commission further stated that “there should be cadre reviews after a prescribed period with the view to identifying the grades / posts which could be upgraded taking into account their duties and responsibilities and consistent with the need to promote efficiency in administration.

DoP&T in its guidelines for cadre review of Groups ‘B’, ‘C’ & ‘D’ cadres dated 23<sup>rd</sup> Nov 1987 issued on the basis of fourth pay commission recommendations stated that “Periodical cadre review is an important part of personnel management in the organization. It plays a vital role in the smooth functioning of the cadre and in keeping up the morale of its members. The main thrust of the cadre review should be on manpower projections and recruitment planning on scientific lines aiming at the same time at rationalization of the existing cadre structure with the view to improving the efficiency, morale and effectiveness of the cadre”. DoP&T spelled out the following principles to govern the cadre reviews,

An exercise for complete manpower planning taking into account the annual intake at the entry level, maintenance needs, growth etc.

Cadre review may be conducted on functional cum structural considerations with due regards to the duties and responsibilities which are needed to promote the efficiency. Wherever yardsticks have already been laid down for provision of staff – should be taken into account. Cadre review exercise may be conducted periodically for all Groups ‘B’, ‘C’ & ‘D’ posts without linking the level of stagnation. Rationalization of categories / grades through merger may also be considered. Cadre review exercise may be conducted after every five years. The primary authority for conducting cadre review for Groups ‘B’, ‘C’ & ‘D’ cadres will be of the cadre controlling authorities in the respective ministries.

#### **4.2.1 HOPES SHATTERED, NO SELF ESTEEM**

- Entered the Indian Navy with great hope that they will have career progression with respect and dignity. But their hopes were totally destroyed and they are working without motivation and spirit which is not good either for growth of Naval Dockyards or their homes.
- More than 60% of Graduate Engineers and Diploma Holders will retire in same entry grade which is provocative situation in Indian Navy and which will not be there in any part of the country or the world.

#### **4.2.2 NO SOCIAL STATUS**

Graduate Engineers, though came out from universities with flying colors, and joined Indian Navy only to get demoralized in their career. Whereas their counterpart Engineers who came out from same universities and are appointed elsewhere have prosperous career

#### **4.2.3 HUMILIATING PAY SCALES**

- ❖ Pay Grades of Graduate Engineers in technical supervisory cadre of Indian Navy are humiliatingly low.

- ❖ Supporting department staff like accounts, Teachers and Nurses given higher Grade Pay.
- ❖ Some of other Group-C categories and almost all Group-B categories have been equated to the Senior Foreman with the Grade Pay of Rs. 4600, despite of their lower recruitment qualifications, minimum/no training, lesser duties and responsibilities.
- ❖ Some categories even working under Chargeman are also given the same Grade Pay as of Foreman.

#### **4.2.4 MIGRATION CAN BE THE BENCH MARK**

- Nurses of reputed hospitals which offer world class treatment are being paid one sixth of Government Nurses. Migration of nurses takes place from Private hospitals to Government hospitals.
- Teachers of Management run schools which produce top rank students in metric & HSC examinations are paid less than one sixth of Government teachers. Migration takes place from Management run schools to Government schools. When Government of Tamilnadu recruited teachers on seniority without any age restriction. Management run schools' teachers with very good reputation and even with the age of more than 50 years migrated to Government schools for better pay & appreciably low work load.
- Except top financial mangers other account posts are very much insignificant in private sectors.
- Migration from Government service to Private sectors in non-technical departments is very meager.
- Graduate Engineers / Diploma Holders migrate to other sectors from Indian Navy for better pay, better working conditions, career prospects, recognition; etc with very good reputation and even with the age of more than 50 years migrated to Government schools for better pay & appreciably low work load.
- Migration from Government service to Private sectors in non-technical departments is very meager.

#### **DEMANDS PENDING**

- (a) Dignify the Technical Supervisors.
- (b) Foreman in Grade Pay of Rs. 4600 should be granted the Grade Pay of Rs. 5400 in PB-3.
- (c) All the Foreman be retained with gazetted status, for better career prospects and higher level of management. Number of Gazetted posts should be increased.

- (d) Combined cadre restructure of Group-A, B & C.
- (e) Re-designation to overcome British era / orthodox nomenclature of the posts (Chargeman & Foreman).

**4.3 MODIFIED ASSURED CARRIER PROGRESSION SCHEME (MACPS) – SERIOUS ANOMALIES NEED TO BE ADDRESSED**

**ASSURED CARRIER PROGRESSION SCHEME (ACP):**

Fifth Pay Commission recommended an Assured Career Progression Scheme (ACP) under which two financial upgradation would be given to Group B, C & D official after 8 and 16, 10 & 20 & 12 & 24 years respectively. (*Para-11 of Appendix-I of V CPC report*). On introduction of ACP scheme, central government employees were granted two financial up gradation on the completion of 12 years and 24 years of regular service respectively in the same post. According to the ACP Scheme, the central government employees were to be granted next higher pay scale of their Promotional Hierarchy as financial up gradation under ACP Scheme. So the pay equivalent to the promotional post had been ensured under ACP scheme for the government servants after completion of 12 and 24 years of regular service if they were not granted regular promotion. Many central government employees were benefited by this scheme where there were no promotional avenues available for them.

**MODIFIED ASSURED CAREER PROGRESSION SCHEME (MACPS)**

Sixth Central Pay Commission in Para 6.1.15 of its report, has recommended Modified Assured Career Progression Scheme (MACPS) for Government employees except organized Group 'A' services.

According to the present form of the scheme, three financial upgradations under the MACPS are granted to Government employees at intervals of 10, 20 and 30 years of continuous regular service. However, the immediate next higher Grade Pay in the hierarchy of Grade Pay is granted instead of Promotional Hierarchy Pay as before. The negative impact of this change can be found from the following example. A Dockyard employee, working as Skilled with GP 1900, gets GP 2400 on promotion to the post of HSK Gr. II. However, the same person, on being granted MACP, gets a GP of 2000.

As a result of this the Modified ACP Scheme has not served the purpose that it was supposed to. So the Modified Assured Career progression Scheme needs to be modified again. The financial up gradation has to be granted on the basis of Promotional Hierarchy of posts instead of hierarchy of Grade Pay. Apart from this there are many other anomalies, defeating the basic principle of motivation to the employees through MACPS.

Thus existing practice of 6th CPC giving MACP to Group-B & Group-C Employees after every 10 years is unsatisfactory as compare to group 'A' cadre as they are enjoying time bound promotions and rest cadre is suffering stagnation. This was against the natural justice and fundamental right of equality of status, rights and opportunity though both the cadre belongs to gazetted and managerial in general.

So either time bound promotion should be given to Group-B Gazetted Cadre or modify 6<sup>th</sup> CPCs MACP rule to at least 5 MACP at 6 years interval may be given in 7<sup>th</sup>CPC. It is proposed that a central Govt employee should be eligible for minimum Six financial up gradations in promotional hierarchy after rendering the service of 6, 12 ,18, 24 & 30 years.

MACP will serve to maintain the required motivation level and aspiration in Govt. employees as well as to attract and retain them. Schemes like ACP/MACP has to be there to have an alternate option for at least financial up-gradations to the next promotional pay scales in even of promotions not taking place due to non availability of vacancies or any other reason. It keeps the aspirations live.

As there are many posts in many Central Govt. Departments where promotional prospects are very less and the individual employees are getting retired after only one or two promotions from their entry level post. For example in Naval Dockyard, Chargeman is being recruited in PB-2 Grade Pay 4200 and more than 90% of them are getting retired after only one promotion to post of Foreman with the grade pay of Rs 4600, and the financial up-gradations through ACP/MACP. During the entire service he gets only 3 financial up-gradations including MACP benefits. On the other hand, in the same department Group-C Industrial employees are getting at least 5 promotions and group 'A' Employees are getting at least 7 promotions from the entry level of posts.

Hence MACP Scheme should be strengthened and be continued with certain modifications or some new scheme addressing the shortfalls should be evolved to provide at least equal numbers of financial up-gradations to all Govt. employees.

In Private Organization, pay/increments & promotion are based on individuals' performance. So, this cannot be implemented in Govt. Services. Thus, alternatively, to attract talented middle level officers, the 05 MACP Scheme will definitely attract the good quality Engg. & Administrators, this will make them feel as better prospects, in comparing with private Organization. Five MACP will also boost the morale of Employees & efficiency in work. The 05 MACPs are fixed on the average service of Officer i.e. 35 year (entered as Group-B at 25 yrs of age).

In the following tables, the effect of MACPS vis-a-vis promotion for Chargeman and Foreman are described

**COMPARISON OF PROMOTION AND MACPS FOR CHARGEMAN**

<b>STAGE</b>	<b>PROMOTIONAL HIERARCHY FOR CHARGEMAN IN INDIAN NAVY</b>	<b>PAY BAND AND GRADE PAY HIERARCHY FOR CHARGEMAN IN INDIAN NAVY</b>	
Entry	PB-2, GP- Rs.4200	Entry	PB-2, GP- Rs.4200
1 <sup>st</sup> Promotion	PB-2, GP- Rs.4600	1 <sup>st</sup> Financial up-gradation	PB-2, GP- Rs.4600
2 <sup>nd</sup> Promotion	PB-2, GP- Rs.4800	2 <sup>nd</sup> Financial up-gradation	PB-2, GP- Rs.4800
3 <sup>rd</sup> Promotion	PB-3, GP- Rs.5400	3 <sup>rd</sup> Financial up-gradation	PB-2, GP- Rs.5400

STAGE	PROMOTIONAL HIERARCHY FOR HSK TO CHARGEMAN IN INDIAN NAVY	PAY BAND AND GRADE PAY HIERARCHY FOR HSK TO CHARGEMAN IN INDIAN NAVY	
Entry	PB-2, GP- Rs.2400	Entry	PB-2, GP- Rs.2400
1 <sup>st</sup> Promotion	PB-2, GP- Rs.2800 or PB-2, GP- Rs.4200	1 <sup>st</sup> Financial up-gradation	PB-2, GP- Rs.2800
2 <sup>nd</sup> Promotion	PB-2, GP- Rs.4200 or PB-2, GP- Rs.4600	2 <sup>nd</sup> Financial up-gradation	PB-2, GP- Rs.4200
3 <sup>rd</sup> Promotion	PB-2, GP- Rs.4600 or PB-2, GP- Rs.4800	3 <sup>rd</sup> Financial up-gradation	PB-2, GP- Rs. 4600

It is evident from the above Table, that the employees suffer a huge financial loss on account of the unjust policy of granting financial up-gradation as per Grade Pay hierarchy instead of Promotional hierarchy. The existing policy defeats the very purpose for grant of MACP to compensate for the lack of promotional avenues.

#### **4.2.1 PARITY BETWEEN DEFENCE SERVICE PERSONNEL & CIVILIAN PERSONNEL**

As per decision of the Government on MACP, Defence service personnel working in the same conditions get financial up gradation under the MACP scheme after 8, 16 & 24 years while their Defence civilian counterparts get the same after 10, 20 & 30 years of service. It is requested that discrimination between the Defence service & Civilian employees should be removed - to provide the requisite motivation to the civilian employees whose contribution to the nation building is equally vital.

#### **PARITY BETWEEN NAVAL DOCKYARDS AND CPWD**

Junior Engineers of CPWD have already been given the benefit of MACPS as per Promotional hierarchy (instead of Grade Pay hierarchy) - as evident from the CPWD office order no. 306 of 2012 (No.24/06/2012-EC-III), dated 22.11.2012 – Reg: Grant of 3rd MACP in the grade pay of Rs.7600, PB-3, to Junior Engineers in CPWD after completion of 30 years of regular service.

#### **4.2.2 GRANT OF FINANCIAL UP-GRADATION UNDER MACP SCHEME ON “PROMOTIONAL HIERARCHY” - (instead of Grade Pay hierarchy) – as per judgment of various Courts and the Supreme Court of India.**

Granting the financial up-gradation under MACPS on Grade Pay hierarchy instead of promotional hierarchy is totally unjust.

Many courts have held that Financial Upgrading under MACPS should be granted in the promotional grade pay or promotional hierarchy, as per details submitted below;

Petition No.	Applicants & respondents	Court	Judgment
OA No.904/2012 dated 26.11.2012	Sanjay Kumar and 18 others verses Union of India	CAT Delhi	<i>Hon. CAT Delhi, allowed the OA, that respondents should give the next</i>

**ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION (Govt. Recognized)**

			<i>higher grade Pay &amp; Pay band attached to the next promotional post in the hierarchy</i>
OA No.1038/CH/2010 dated 31.5.2011	Raj Pal verses Union of India	CAT Chandigarh	<i>Hon. CAT Chandigarh allowed the OA No.1038/CH/2010 for grant of financial up-gradation under MACPS in the promotional hierarchy</i>
CWP No.19387/2011, dated 19.10.2011	Raj Pal verses Union of India	High Court of Punjab & Haryana	<i>Hon. High Court of Punjab &amp; Haryana upheld that there was no infirmity in the order passed by CAT Chandigarh OA No.1038/CH/2010.</i>
SLA / TA CC 7467/2013	Raj Pal verses Union of India	Supreme Court of India	<i>Hon. Supreme Court Dismissed the Application</i>

Financial upgradation under ACP Scheme was introduced in the year 1999 and as per the ACP scheme; a Central Govt. employee with 12 years of regular service in the same grade was eligible for financial upgradation to the next promotional scale available in the cadre hierarchy. In the same way, the employee was eligible for second financial upgradation to the next promotional scale available in the cadre hierarchy after the completion of 24 years of regular service.

The above ACP Scheme was modified in the year 2008 and named as Modified Assured Career Progression Scheme (MACPS). MACP Scheme contains provision for grant of three financial up gradations at the intervals of 10, 20 and 30 years of regular service, and scheme envisages merely placement in the immediate next higher Grade Pay in the hierarchy of the revised pay bands and Grade Pay as per the Revised Pay Rules, 2008.

This change over from Promotional Hierarchy to Grade Pay Hierarchy (after Sixth Pay Commission) - was most unjustified, illegal and ultra-vires - as has been held by various Courts vide their judgments cited heretofore.

**4.4 INTRODUCTION OF TIME BOUND PROMOTIONS**

The following promotions for technical cadre in the Indian Navy (Naval Dockyards, NSRYs & NADs) need to be incorporated in a time bound manner instead of MACPS.

Existing hierarchy of posts	Existing Grade Pay	Proposed hierarchy of posts after proposed cadre restructuring	Proposed revised Grade Pay after proposed cadre restructuring	Provision of time bound promotion instead of MACPS which shall compensate the losses due to MACPS
Chargeman	Rs.4200 (PB-2)	Junior Engineer	4800, PB-2	Entry grade For entry level post of JE (GP-4600)
Foreman	Rs.4600 (PB-2)	Assistant Engineer	5400, PB-3	1st Functional / non functional promotion to GP-5400 (PB-3) after completion of 6 years in GP-4800
<b>Proposed Merger of Technical Assistant and Junior Technical Officer</b>	Rs.4800 (PB-2) And Rs.5400 (PB-3)	Executive Engineer	6600, PB-3	2 <sup>nd</sup> Functional / non functional promotion to GP-6600 (PB-3) after completion of 4 years in GP-5400
Technical Officer	Rs. 6600 (PB-3)	Superintendent Engineer	7600, PB-3	3 <sup>rd</sup> Functional / non functional promotion to GP-7600 (PB-3) after completion of 4 years in GP-6600
Senior Technical Officer	Rs. 7600 (PB-3)	Chief Engineer	8700, PB-4	4 <sup>th</sup> Functional / non functional promotion to GP-8700 (PB-4) after completion of 4 years in GP-7600, PB-3
Chief Technical Officer	Rs. 8700 (PB-3)	Principal Engineer	8900, PB-4	5 <sup>th</sup> Functional / non functional promotion to GP-8900 (PB-4) after completion of 4 years in GP-8700 (PB-4)

The MACP policy was introduced to compensate for the losses/ drawbacks of the ACP. As per the MACP policy, an employee is eligible for three promotions/financial up-gradations during his 30 years of service. But the drawbacks of MACP policy are that the financial up-gradations are in the hierarchy of grade pay



**ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION (Govt. Recognized)**

rather than the hierarchy of the cadre as was in the case of the ACP. Hence practically there is no benefit in the MACP policy for group 'B' cadre which needs urgent attention.

On the contrary, these MACP schemes are beneficial for the group 'C' and group 'A' cadres. Group 'A' entry level post in Grade Pay 5400 (PB-3) is getting 3 promotions within 13 years entering 1<sup>st</sup> post in PB-4 and he get retired after generally reaching the 5<sup>th</sup>/6<sup>th</sup> promotions in top post of PB-4. Group 'C' entry level post reaches in 2<sup>nd</sup> level of Grade Pay 4600 in PB-2. Group 'B' entry level post in Grade Pay 4200 (PB-2) is getting 3 MACP after 30 years of service within same pay Band (PB-2). Thus, it is a serious discrimination in granting financial up gradation to Group 'B' with respect to Group 'C' and Group 'A' cadres. The above-mentioned facts are more visible and evident through the comparison appended below:-

GROUP 'C' INDUSTRIAL EMPLOYEE /ARTISAN STAFF			GROUP 'B' SUPERVISORY CADRE OF NDs, NSRYs, DGONA/DGOF/DGQA			GROUP 'A' CIVILIAN TECHNICAL OFFICERS, INAS/ IOFS CADRE			
Designation	MACP	Grade pay	Designation	MACP	Grade pay	Designation	MACP	Grade pay	
MTS	1 <sup>ST</sup> MACP (AFTER 10 YEARS)	1800	Chargeman (Proposed Junior Engineer)	1 <sup>ST</sup> MACP (AFER 10 YEARS)	4200	JTO / AM/ AWM		5400 in PB-3	
Semi Skilled		1900				TO / Manager/ Works Manager		1 <sup>ST</sup> Promotion (after 4 Yrs)	6600 PB-3
Skilled		2000	Foreman (Proposed Asst. Engineer)		4600	STO/ Deputy General Manager		2 <sup>nd</sup> Promotion (after 9 Yrs)	7600 PB-3
Highly Skilled-II		2400				CTO / Addl.GM/ Jt. General Manager		3 <sup>RD</sup> Promotion (after 13 Yrs)	8700 in PB-4
Highly Skilled-I	2 <sup>ND</sup> MACP (AFTER 20 YEARS)	2800		2 <sup>ND</sup> MACP (AFTER 20 YEARS)	4800	----		8900 PB-4	
Master craftsman		4200		3 <sup>RD</sup> MACP(AFTER 30 YEARS)	5400 in PB-2	GM/ Addl. General Manager		10000 PB-4	
Foreman	3 <sup>RD</sup> MACP (AFTER 30 YEARS)	4600				Chief GM/ Sr. General Manager		12000	
		4800				Member/ Addl DG		75000-80000	

It is visible from the comparison table that there is a **serious discrimination and injustice for granting promotions/financial up-gradations to group 'B'** as compared to group 'C' and group 'A' cadre. In view of these facts, it is proposed that during 7<sup>th</sup> CPC, the provision of time bound promotion policy/ financial up-gradations up to five promotional grades be introduced.

**CHAPTER- 5**

**CONDITIONS OF SERVICE**

(Including Hours of Work, Leave, Holidays and, Health Care etc.)

<b>Srl.</b>	<b>Description</b>
5.1	Introduction
5.2	Hours of work
5.3	Grant of Restricted Holidays to Technical Staff & Technical Supervisors
5.4	Five days a week - extension to Workshop, Production units etc.
5.5	Weightage for Night Duty Allowance (NDA)
5.6	Leave Facilities
5.6.1	Maximum accumulation of leave- limit should be removed
5.6.2	Encashment of leave
5.6.3	Commutation of half pay leave without medical certificate
5.6.4	Casual leave : Restoration of 12 days casual leave per annum
5.6.5	Accumulation of Casual Leave – Credit to next years Earned Leave
5.6.6	Maternity Leave, Paternity Leave & Child Care Leave
5.7	Medical Facilities
5.8	Group Insurance Scheme (GIS)

## **5.1 INTRODUCTION**

The conditions of service have a great impact and bearing on the morale of the Staff who not only need adequate remuneration but also proper “Rest, Leisure and Congenial Working Environment”, for serving an organization effectively and efficiently.

## **5.2 HOURS OF WORK**

- (a) Hours of work have a lot of effect on the health and working efficiency of an Employee. Longer working hours not only reduce the time for much required leisure and rest but also result in erosion of concentration and efficiency and safety.
- (b) Almost all Countries have reduced the number of Working Hours of Industrial Workers to 40 hours per week in most cases and 42 to 44 hours a week in certain cases (including lunch break). Most of the Government Undertakings (in India) have 42 to 45 hours of working in a week.
- (c) In Indian Navy, the Working Hours for most of the Industrial Workers are 48 hours a week. Many Technical Supervisors however, have to work for even much longer hours in the interest of work and exigency of services and administrative pressure.
- (d) Many of the staff in the non-industrial departments in Indian Navy work for 40 hours only. Non-industrial staffs in industrial establishments, following industrial routine are not compensated for additional working hours.
- (e) Another glaring anomaly in this regard is that the “Lunch-Break” is not reckoned in computing the above-said working hours on the Indian navy, which is contrary to the provisions of the Factories Act 1948.
- (f) It is also contrary to the position prevailing in other Industrial Houses/Government Undertakings, where the “Lunch- Break” is included in reckoning of working hours in a week.
- (g) It is regretted that the recommendations of the Third Pay Commission and National Commission of Labour have not been implemented on the Indian Navy organizations for working 40 hours a week, thereby leading to a lot of frustration and discontentment amongst the Naval Civilians, most of them have to put in 45 hours or even many more hours per week in addition to the Lunch-Break – without any compensation or Over Time Allowance etc.

### **Our suggestions**

- i. It is suggested that a working week of net 40 hours may be adopted for all Non-Industrial Naval Civilians in the Indian Navy.

- ii. It is further requested that the Government should be asked to reduce the working hours for the Industrial Workers to 40 hours a week (*in about a period of say 10 years*) as recommended by the National Commission on Labour.
- iii. It is requested that Lunch Break should be counted for computing maximum number of working hours in a week, under the Factories Act 1948.
- iv. Pay Commission is also requested to give additional weightage for additional working hours required to be put in for the exigency of work, by the Technical Supervisors while arriving the pay scale /Grade Pay & Pay Band etc.

### **5.3 GRANT OF RESTRICTED HOLIDAYS TO TECHNICAL SUPERVISORY STAFF**

It is regretted while the office / Secretarial Staff get the Restricted Holidays in addition to the Gazetted Holidays, the Technical supervisory Staff do not get the facility in Workshops, Industrial Units etc. This is quite discriminatory.

It is therefore, requested that the Technical supervisory Staff be also granted at least two Restricted Holidays to attend the Religious Functions / Festivals etc.– at par with the Secretarial Staff.

### **5.4 FIVE DAYS' WEEK FOR INDUSTRIAL ESTABLISHMENTS OF INDIAN NAVY**

The Technical Supervisory Staff, who are non-industrial employees, have been discriminated against in so far as the facility of "5 Days a Week" is concerned. While this pattern has been allowed for Secretarial/Ministerial Staff who already had lesser working hours, the former continue to work for 6 days a week. It is, thus, requested that this discrimination be removed and **"5-Days a Week" be implemented for the Technical supervisory Staff (i.e. CMs & FMs) in Industrial Establishment also.**

### **5.5 WEIGHTAGE FOR NIGHT DUTY ALLOWANCE (NDA) FROM SUNSET TO SUNRISE**

- a. Night Duty Allowance (*NDA*) should be introduced for Naval Civilians at par with Indian Railways.
- b. Weightage for Night Duty Allowance (*NDA*) be given for hours of Duty between Sunset to Sunrise (i.e. *from 6 PM to 6 AM*).
- c. Additional Transport Allowance for Night Duties may please be granted to the concerned staff, who have to attend the night duty.

## **5.6 LEAVE FACILITIES**

### **5.6.1 MAXIMUM ACCUMULATION OF LEAVE – LIMIT SHOULD BE REMOVED**

It may be mentioned that many a times, leave is not granted to an Employee due to exigencies of service especially in Naval Establishments and the leave lapses due to over accumulations. As such, the employee suffers.

In many other cases, the Employees have to take leave even when they do not require availing it, merely to avoid the lapsing of the same, on account of over accumulation. Consequently, the work suffers.

It is therefore requested that limits on maximum accumulation may please be removed, in order to avoid hardship to the Staff, as well as to improve Attendance in the offices and Industrial Establishments.

### **5.6.2 ENCASHMENT OF LEAVE DURING SERVICE**

Leave up to 10 days of Earned Leave are at present encashed at the time of availing LTC - subject to the following conditions.

Balance of at least 30 days EL should be available at the credit of the employee after taking into account the EL encashed and EL taken for this purpose.

Total EL encashed during the total career of an Employee should not exceed 60 days.

Successive encashment cannot be made before a minimum period of two years has elapsed.

Cash equivalent =  $(\text{Pay in Pay band} + \text{GP})/30 * \text{EL encashed (max 10 days)}$ .

#### **Our suggestions:**

It is requested that:

- Employees may please be allowed to encash at least 50% of leave available to their credit, subject to the minimum credit availability of 30 days after the encashment.
- Cash equivalent may please be calculated based on  $(\text{Basic Pay} + \text{DA})/30 * \text{Number of days}$ .
- Encashment may please be allowed once in a year.

### **5.6.3 COMMUTATION OF HALF PAY LEAVE WITHOUT MEDICAL CERTIFICATE**

It is requested that Commutation of Half Pay Leave may be allowed without the need to produce a Medical Certificate, in case of emergency.

#### **5.6.4 CASUAL LEAVE – RESTORATION OF 12 DAYS CASUAL LEAVE PER ANNUM.**

Most of the Government Undertakings and State Governments have more liberal Casual Leave Rules as compared to those under the Central Government Services. The number of Casual Leaves was unjustly reduced after Fifth CPC. This has caused much hardship and heart burning to the Employees. It is requested to please restore the reduced quantum of 4 CL.

#### **5.6.5 ACCUMULATION OF CASUAL LEAVE**

It is requested that the accumulation of Casual Leave may be allowed and the un-availed Casual Leave in a calendar year be credited to the Earned Leave Account, as permitted in many Public Undertakings.





Employees may please be permitted to Prefix or Suffix Casual Leave with other type of Leave, especially in cases of hardship where the employee does not have adequate/requisite leave to his / her credit.

#### **5.6.6 Maternity Leave, Paternity Leave & Child Care Leave**

Women employees are eligible for 180 days of maternity leave and 730 days of Child Care Leave. Child Care Leave can be availed in different spells.

Many times women employees do not require full day leave to take care of their children, instead continuous half days leave over a period of time will serve the purpose of leave to the women employees and at the same time they can also contribute at their work continuously without taking a long brake from work. Hardship of non availability of staff for a longer period can also be avoided.

#### **Our suggestions:**

-  Enhancement of paternity Leave & Extension of Child Care Leave to male Employees.
-  It is requested that Child Care Leave may be allowed for half days if so required, equivalent to total of 730 full days.
-  Male employees are eligible for 15 days of Paternity leave and presently no Child Care Leave is granted to them. Whereas responsibility of Child care is to be shared equally by the father.
-  It is therefore requested to enhance the paternity leave from 15 days to 30 days and extension of Child Care Leave to male employees to the tune of 60 days as per the conditions of eligibility to the women employees.

## **5.7 MEDICAL FACILITIES**

The Medical facilities in Naval organization require the following improvements:-

The Naval civilians living or employed in remote areas or employed at stations which do not have CGHS / Health Units, should be entitled to get appropriate Fixed Medical Allowance (FMA) for day to day Medical Treatment - if they opt out of OPD treatment from CGHS / other Health Units.

All Central Government Employees, including Naval civilians, should be entitled for cashless Specialized Treatment from Super Specialty Hospitals.

## **5.8 GROUP INSURANCE SCHEME (GIS)**

Amount of Group Insurance cover in respect of technical supervisors may please be enhanced at par with their counterpart Defence service personnel. Because in the last one year, the Navy suffered over 16 major accidents in which it lost 21 of its personnel. The biggest accident occurred on August 14 last year when the front line submarine INS Sindhurakshak sank in the Mumbai harbor after an explosion in which all the 18 officers and sailors on board the vessel were killed. It is pertinent to mention here that there were a large number of Defence civilians involved in the repair, maintenance, gun and missile and system trial activities over INS Sindhurakshak and had the accident took place during the day time between working hours, there would have been many more losses of lives of our civilians. There is no substantial insurance / life coverage for civilian employees at par with Defence service personnel when the amount of risk factor is equally evolved.



**CHAPTER - 6**

**ALLOWANCES**

<b>Srl. No</b>	<b>Description</b>
6.1	Risk Allowance
6.2	Industry / Factory Allowance for employees working on 6 days per week as per Factories Act,1948
6.3	Higher Qualification Allowance
6.4	Professional allowance
6.5	Special Working Allowance for working in Submarine
6.6	Hard Station Working Allowance for technical supervisors working at NSRY(Karwar)
6.7	HRA (House Rent Allowance) in 7th CPC
6.8	Special Compensatory Hill Allowance
6.9	Children Education Allowance Scheme & Hostel Subsidy
6.10	City Compensatory allowance
6.11	Transport Allowance
6.12	Travelling Allowance & Daily Allowance
6.13	TA on transfers, Composite grant / TA on retirement
6.14	Dearness Allowance (DA)
6.14.1	Merger of DA on crossing 50% DA since 1 <sup>st</sup> January, 2011
6.15	Provision of CUG SIM cards & Mobile Phones or Communication Allowance
6.16	Family Planning Allowance for Adoption of Small Family Norms
6.17	Overtime Allowances

**6.1 RISK ALLOWANCE FOR TECHNICAL SUPERVISORS WORKING IN HAZARDOUS AREA**

Workmen are covered with Risk allowance whereas Chageman/Foreman working in same hazardous / danger areas/buildings of the departments are not entitled for the same. In some of the units of Navy, there is high health hazard and risk of life due to the hazardous nature of explosives and propellants, lead poisoning etc. MoD has already identified such operations for grant of risk allowance for the employees engaged there but so far it is not materialized. Therefore it is an utmost requirement to extend the said Risk allowances upto Chageman/Foreman and introduction of a Life Insurance Scheme for those Chageman/Foreman who work in such hazardous areas.

The Recommendations made by various Pay Commissions in this regard are as follows.

<b>Second CPC</b>	Recommended Rs.3 to unskilled staff working in Defence and Railways whose work was exceptionally heavy or whose normal duty involved special risks such as those of chemical process or those who handled explosives Also extended to sweepers working in underground sewers.
<b>Third CPC</b>	Recommended Rs.10. Included semi - skilled workers worked in boiler plants and cold storage plants.
<b>Committee on Risk allowance</b>	Classified the beneficiaries into four categories, namely, Semi-skilled, skilled, supervisors and Certain gazetted and non-gazetted officers. The rate ranged from Rs.15 to Rs.100 per month.
<b>Fourth CPC</b>	Recommended 100% increase in the existing rates.
<b>Fifth CPC</b>	<b>Contingent Risk</b> Relate to one-time events where the event is uncertain. <b>Continuous Risk</b> Situation where the risk is inherent and continuous in the occupational itself with adverse effects on health. Fifth CPC recommended Risk allowance for those categories which fall under sl.no.2. It also de-notified number of categories. Recommended Risk allowance ranged from Rs.40 to Rs.300.
<b>Sixth CPC</b>	Sixth CPC opinioned that risk factors in any job should be removed instead of making allowance for them and all other conditions of work should be taken care in the pay scale itself. But Sixth CPC didn't followed its own recommendations and granted common pay scales for all non technical, technical and staff who works in open to sky areas

There are other areas which are having continuous inherent risk in their occupation for example:

**In Welding shops, Paint shops, Forge & Smith shop, Electroplating shops** in Workshops and Production Units of Indian Navy having adverse effects of health.

**In Diesel Shed** exposure to high noise to the decibel level of 180, working temperature around 50 degree centigrade and air pollution beyond permissible levels.

In manufacturing units exposure to lead fumes and poisoning, sand, coal dust, in certain level exposed to radiations like X-ray and many Chemicals.

## **6.2 INDUSTRY / FACTORY ALLOWANCE FOR EMPLOYEES WORKING ON 6 DAYS PER WEEK AS PER FACTORIES ACT,1948**

There is a wide difference between the working hours of the office i.e 40 hours a week (5 day working) and that of employees working under the Factories Act i.e.45 hrs a week (6 days working). To compensate the employees for the extra working hours, and working under the factory atmosphere under adverse conditions is required to be paid some allowance.

Working Hours in a Month for Industrial Establishments  $45 \times 4 = 180$  hrs

Working Hours in a Month for Non- Industrial Establishments  $40 \times 4 = 160$  hrs

The percentage increase of working hours in Industry over Other than Industry Comes to be around 15% and hence it is proposed that

All the employees working in the factory / workshops (under Factories Act) be granted the Industrial allowance @ **15% of the Basic Pay+GP**, so as to ensure **“EQUAL PAY FOR EQUAL WORK”**.

The Chargeman & Foreman are non-industrial operative cadres whose weekly working hours in Non-industrial units is 40 Hrs. whereas the same Chargeman or Foreman works in Industrial establishment and needs to work for 45 Hrs. Therefore it is needed to compensate the extra hours worked in Industrial establishments in light of the Hon'ble CAT, Ernakulum's judgment vide- CP(C) NO. 50 OF 2011 IN O.A 1089 OF 1997.

## **6.3 HIGHER QUALIFICATION ALLOWANCE**

This facility was accepted by the Govt. on the recommendations of Third Pay Commission for granting additional increments to the Central Govt. employees for acquiring higher qualification by the Central Govt. employees where eligible qualification is below that acquired. Fourth Pay Commission, however, withdrew this facility in their recommendation whereas this allowance has been extended to the similarly placed employees working in Railways through their respective negotiations for it. This discrimination should be removed by extending the facility to all Central Govt. employees with provision of at least three increments as a general rule. This shall boost up the morale of the employees who take extra efforts to enhance their qualifications which is in the interest of the estate.

Personnel are inducted as per the specified educational criteria for recruitment. However some people inducted with higher qualification than required and some getting higher education during their service which is beneficial to the department / government during their service and they become assets for the government. The followings are proposed:-

Incentives for acquiring higher education are required to be reviewed. The rates have not been revised since 5<sup>th</sup> CPC. Some more educational degrees should be included for incentives.

25% of Basic Pay may be granted as Special Pay or an additional increment/Allowance should be granted to an employee having higher educational qualification than the minimum required.

#### **6.4 PROFESSIONAL ALLOWANCE**

In respect of special functionaries like Doctors, Engineers, Scientists and other technocrats like Accountants/Auditors who normally prefer to work in the Private Sector and therefore either do not offer themselves for Government service or tend to leave it and go over to the Private Sector, Instead of giving them additional hike in pay scales and status (which de-motivates others) they may be given special professional allowance.

#### **6.5 SPECIAL WORKING ALLOWANCE FOR WORKING IN SUBMARINE**

The working conditions inside the submarine are very risky and hazardous to the health and human life. Continuous work inside the submarines is deteriorating the health of the workmen employed there. Considering these factors the Service Personnel of Navy are granted Submarine Allowance to the qualified submariners. The V CPC recommended Submarine Allowance to the personnel other than the qualified submariners who en-block on a submarine for trials, training or passage (para 150.16 of V CPC recommendations).



Source: <http://www.bbc.com/news/world-asia-india-23691558>  
<http://www.tamilnetonline.com/mumbai-submarine-sindhurakshak-fire-accident-status-7-marines-rescued/>  
<http://www.thehindu.com/news/national/other-states/fire-at-naval-dockyard-building/article2595012.ece>

The civilian employees of Navy who are engaged in repairing and attending the sea trials are also equally subjected to the hazard and discomfort and health concerns at par with the service personnel. The risk is inherent and continuous in occupation itself with its adverse ill effects on health. During the repair, working in confined spaces with dust, rust, heat smoke and humidity without ventilation is very risky and dangerous to health in nature. These persons are neither paid Risk nor Hazard Allowance. Though the service rules are not similar to the service and civilian personnel, the working conditions are similar and identical to all. We therefore demand that the Submarine Allowance be allowed for technical supervisors working in the submarines irrespective of service or civilian.

**6.6 HARD STATION WORKING ALLOWANCE FOR TECHNICAL SUPERVISORS WORKING AT NSRY(KARWAR)**

NSRY (Karwar) is located at a remote area where various essential facilities are difficult to reach like educational, medical, transportation etc for which the employees face a lot of hardship and very often opt to leave the station on permanent transfer which affect the individual's morale and organizational requirements severely. Therefore hard station allowances should be granted to the technical supervisors working at NSRY (Karwar).

**6.7 HRA (HOUSE RENT ALLOWANCE) IN 7TH CPC**

The population criteria as well as the Present HRA formula adopted for grant of the House Rent Allowance is defective particularly on the following accounts:-

Level of population considered for classification in each group of Cities is much higher than the level prescribed by the various states. HRA granted is extremely low to even partially meet the prevailing rents in all class of Cities. Rents have increased many folds over the years especially in recent past due to exorbitant rise in the cost of cities like Pune should also be included in A1 cities as the total population of 2 corporation taken together as around 50 lakhs (Being a city where IT, ITEs & Automobile and other manufacturing units are located so that rent in Pune, is very high comparing to other cities.

HRA should also be linked with the Dearness Allowance, so as to take the Fluctuations in the market into account, since the House Owners are in a tendency to increase the House Rents as and when the Prices of Essential Commodities are hiked in the market.

<b>Classification of Cities and Towns on Population Criteria</b>	<b>Classification of Cities/Towns</b>	<b>Rates of HRA as a percentage of Pay in the pay band + Grade Pay</b>
50 lakhs & above	X	40% + DA thereon
50 - 5 lakhs	Y	35%+ DA thereon
Below 5 lakhs	Z	30%+ DA thereon

It can also be appreciated that there are cities which do not contain adequate population to be classified in 'X' and 'Y' categories but factually the rents in those cities are at par with 'X' classified cities. The best example is Lonavala (District-Pune) which is a tourist spot and situated between two major cities like Mumbai & Pune. These unique places are needed to be identified and HRAs for such unique places are to be granted not only on the size of population but also considering the market value of the concerned place.

**HRA For Pensioners**

During the service period the employees who were not provided with govt accommodation used to get HRA at their place of posting. This facility is withdrawn after their retirement. Since the requirement of accommodation do not vanishes with

the retirement, the pensioners should also be granted HRA on the basis of their basic pensions and as per the the given slabs / classifications of city where they live.

**6.8 SPECIAL COMPENSATORY (HILL AREAS) ALLOWANCE**

Grade Pay	Composite HCA p/m for Altitude of the Place at 600 Mtrs & Above Proposal (in Rs)	
Grade Pay 5400 & Above	Rs. 2500	General multiplying factor used for calculating the revised rate of HCA
Grade Pay Below 5400	Rs. 2000	

The list of mountainous / hill area required to review in order to identify the ignored cities and to award justice to certain areas like Lonavala (Dist- Pune), which have environment just like mountains / hill. Its' altitude is 622 Mtrs from sea level.

**6.9 CHILDREN EDUCATION ALLOWANCE SCHEME & HOSTEL SUBSIDY**

Presently CEA is given till 12<sup>th</sup> standard for two children which needs to be extended upto Masters Degree.

It is therefore proposed:

1. The Tuition Fees including all other charges of the institution as actually paid should be fully re-imbursed up-to the Post-Graduate level of education/recognized Professional courses.
2. And other reimbursements in Children Education Allowance should be delinked with bills/cash receipts etc. This allowance should be exempted from Income Tax.
3. Up to 10<sup>th</sup> : Rs. 30,000/ ,  
11<sup>th</sup> to 12<sup>th</sup> : Rs. 50,000/-,  
Graduation / Post Graduation :As actual to a max. Rs. 1,00,000/-  
Children education allowance for children staying in hostel - Rs.1,50,000/-
4. Educational Loan for Professional courses without interests should be provided to the Central government employees.
5. The present condition saying that the hostel should be at a distance of 50 km away from the residence of the employee should be removed.
6. Children Education Allowance should also be given for the children of the retired employees provided their children are studying and eligible.

**6.10 CITY COMPENSATORY ALLOWANCE**

City Compensatory Allowance (CCA) was granted to Central Government employees to adjust the high cost of living in certain specified localities. As

mentioned by VI CPC big cities usually have problems of accommodation and transportation. Specific allowances in form of House Rent Allowance (HRA) and Transport Allowance already exist to address these problems. But the expenses on daily commodities are very high and being the High Cost of living in the Cities kept in mind the CCA may again be restored. The rates of CCA should be 5% of the basic pay should be CCA for A1/A Cities and 2.5% for Other Cities.

### **6.11 TRANSPORT ALLOWANCE (MONTHLY)**

TA as per 6<sup>th</sup> CPC was derived on the basis of City type. Now the fuels cost & inflation rates of necessary elements like educational, Grain rates etc are nearly equal, this allowance should be equal for all types of Cities. In the era of globalization & industrialization all the cities have been developed manifold. Due to expansion of city peripheries, people have to commute from long distances.

At least 50% hike should be in Basic Value of TA .

### **6.12 TRAVELLING ALLOWANCE / DAILY ALLOWANCE (TA/DA)**

Both Fifth & Sixth CPC had observed that the rates of TA/DA were grossly inadequate and said that considerable difficulties were being faced by employees in securing decent accommodation while on official tour and had recommended accommodation entitlements of actual expenditure.

**Sixth Pay commission recommended following entitlements of accommodations while on official tour (para 4.2.33)**

<b>Grade Pay</b>	<b>Travelling Allowance</b>
Rs.9000 and above	Reimbursement for Hotel accommodation of up-to Rs.5000 per day; reimbursement of AC taxi charges of up-to 50 Kms. for travel within the city and reimbursement of food bills not exceeding Rs.500 per day.
Rs.6600 to Rs.8400	Reimbursement for Hotel accommodation of up-to Rs.3000 per day; reimbursement of non-AC taxi charges of up-to 50 Kms. Per diem for travel within the city and reimbursement of food bills not exceeding Rs.300 per day.
Rs.5400 to Rs.6500	Reimbursement for Hotel accommodation of up-to Rs.1500 per day; reimbursement of taxi charges of up-to Rs.150 per diem for travel within the city and reimbursement of food bills not exceeding Rs.200 per day.
Rs.4200 to Rs 4800	Reimbursement for Hotel accommodation of up-to Rs.500 per day; reimbursement of travel charges of up-to Rs.100 per diem for travel within the city and reimbursement of food bills not exceeding Rs.150 per day.
Below Rs 4200	Reimbursement for Hotel accommodation of up-to Rs.300 per day; reimbursement of travel charges of up-to Rs.50 per diem for travel within the city and reimbursement of food bills not exceeding Rs.100 per day.

But while implementing the Sixth CPC recommendations, Government had considerably reduced the TA/DA amount recommended by Sixth CPC as given below.

**Daily Allowance on Tour granted by Govt. In VI CPC scale**

Grade Pay	Daily Allowance (per day)
Officers drawing grade pay of Rs.10000 and those in pay scale of HAG + and above.	Rs.520
Officers drawing grade pay of Rs.7600 to Rs.8900/-	Rs.460
Officers drawing grade pay of Rs.5400 to Rs.6600/-	Rs.400
Officers drawing grade pay of Rs.4200 to 4800/-	Rs.340
Officers drawing grade pay of below Rs.4200/-	Rs.210

Recommendation of Sixth CPC on Daily Allowance while on official tour to the tune of Rs.750/day (apart from cost of Journey by road at prescribed rates), has been unjustifiably brought down to Rs.340/day for the employees drawing Grade Pay of Rs.4200, Rs.4600 & Rs.4800.

**Our suggestions**

- Seventh Pay Commission is requested to work out new rate of TD/DA based on the recommendations of Fifth & Sixth Pay Commissions.
- Since TA/DA is basically linked with the cost of living, it is requested to increase the TA/DA at the rate equal to the increase given to the Basic Pay. *(Example – For employees in the Grade Pay of Rs.4200, Rs.4600 & Rs.4800 the new rate of TA/DA shall be Rs.750 X number of times increase given from VI CPC pay to VII CPC Pay.*
- In addition to the above, actual expenses incurred for journey by road or by other means may please be granted.
- TA/DA is also linked to the Consumer Price Index or D.A. The rates may please be automatically increase by 25% whenever the Dearness Allowance goes up by 25%.

**6.13 TA ON TRANSFER & ON RETIREMENT**

**Composite Transfer Grant**

T.A. on transfer comprises a Composite Transfer Grant equal to one month's Basic Pay + Dearness Pay along with actual fares for self & family as per the entitled class and cost of transportation of personal effects and conveyance possessed by the employee, in the case of transfer involving a change of station located at a distance of or more than 20 km from each other. No T.A. on transfer is payable in case no change of residence is involved or if the transfer is made at one's own request.

**Our suggestions**

It is requested that keeping in view heavy expenses involved in dislocation, especially on account of excessively high admission fee and new books etc. for the Children shifting to new Schools, the Transfer Grant / Allowance be revised as under:



- i. T.A. on transfer may please be granted equal to two months' Basic Pay + Dearness Allowance along with actual fares for self & family as per the entitled class and cost of transportation of personal effects and conveyance possessed by the employee.
- ii. TA on transfer may be linked to the Consumer Price Index or D.A. The rates shall automatically increase by 25% whenever the Dearness Allowance goes up by 25%.

### **TA ON RETIREMENT**

To settle down at places other than the last station of duty at a distance of or more than 20 kms.

#### **Our suggestions**

- T.A. on retirement may be granted equal to two months' Basic Pay + Dearness Pay along with actual fares for self & family as per the entitled class and cost of transportation of personal effects and conveyance possessed by the employee.
- T.A on transfer should be granted without any distance restriction.

#### **TA/DA ON Transfers:**

Transfers on personal/ compassionate grounds should be given TA/DA and transfer grant at par with all other normal transfers.

#### **TA/DA ON TOUR**

Entitlement of AC Taxi fare for all Group-'B' (Gazetted & Non-Gazetted) should be allowed.

### **6.14 FAMILY PLANNING ALLOWANCE**

The main obstacle in the development of India is the rate of increased population. Hence our immediate responsibility is to control the population. Hence a handsome amount should be given in terms of Family Planning Allowance, which should be minimum Rs. 2500/-plus DA for promoting Small Family Norms. Further, Family planning allowance should be increased according to Grade pay.

### **6.15 DEARNESS ALLOWANCE**

Unrealistic and erroneous compilation of Price Index (for Industrial Workers) on which calculation of DA is based.

Compilation of Consumer Price Index for Industrial Workers (CPI – IR) (on which payment of DA is based) –is totally unrealistic and not in accordance with the actual Market rates prevailing all over the Country for all the Consumer items.

Weightage given to various items for compilation of Consumer Price Index, are disproportionate and not in accordance to the existing pattern of consumption by the working class due to changed economic and social requirements, especially in respect of Housing, Education and Other elements due to following reasons:

Food has been given more (percentage) weightage than its actual contribution in the consumer's basket due to changed economic scenario. Pan, Supari, tobacco and intoxicants which are being banned in public interest, continue to be reflected in the compilation of the CPI (IW) and given weightage in compilation thereof. Indices of high inflation like Education, Medical care and Transport are not given adequate weight in the compilation of Price Index. The percentage of weightage given to various items in compilation of Consumer Price Index for Industrial Workers is not justified and not keeping in line with the present day requirements of the salaried class and, as such, it requires a revision as proposed in the table below,

**Proposed/Projected percentage Weightage for Various Items of Consumption by the Salaried/working Class:**

Considering the existing pattern of consumption by the working class due to changed economic and social requirements, we propose that the following percentage of wages should be given to various items of consumption, while compiling the Consumer Price Index:

**Proposed/Projected percentage Weightage to various items of consumption in CPI**

SI No	Groups	Existing %age Weightage in CPI-IW ( Percent ) Base 2001	Proposed %age Weightage in CPI for Salaried Class ( Percent )
1	Food		
	a) Cereals & Cereal Products		
	b) Pulses and Pulse Products		
	c) Oils and Fats		
	d) Meat, Fish and Eggs	46.19	25.00
	e) Milk and Milk Products		
	f) Condiments & Spices		
	g) Vegetables & Fruits		
	h) Other Food		
2	Pan, Supari, tobacco and intoxicants	2.27	NIL
3	Fuel and light	6.43	7.00
4	Housing	15.27	25.00
5	Clothing, bedding and footwear	6.58	8.00
6	Miscellaneous		
	a) Medical Care		
	b) Education, Recreation & Amusement	23.26	35.00
	c) Transport & Communication		
	d) Personal Care & Effects		
	e) Others		
	<b>Grand Total</b>	<b>100.00</b>	<b>100.00</b>

### **6.14.1 MERGER OF DA ON CROSSING 50% DA SINCE 1<sup>ST</sup> JANUARY, 2011**

DA had crossed 50% mark in January 2011, and the 100% mark in January 2014. But unlike in the past, it had not been merged with Pay on the grounds that it had not been recommended by the Sixth Pay Commission. This was one of the most retrograde part of the Sixth Pay Commission's Report. Employees have become very restless and frustrated – both on account of erosion of wages due to inflation and refusal of the Government to merge the Dearness Allowance. Sixth Pay Commission (*vide Para 4.1.18*) had mentioned as under:

4.1.18. The corollary to this merger should necessarily have been a revision in the existing reference base of price index of 306.33. The new reference base, therefore, should have been the 12 monthly average index when the index increased by 50 percent. The reference base index would have, therefore, been higher than 306.33, given the uptrend in price levels, which would translate to a lower DA rate compared to the extant rates. Logically, therefore, conversion of dearness allowance as dearness pay should invariably be DA had crossed 50% mark in January 2011, and the 100% mark in January 2014 accompanied with simultaneous revision of the base index. This conversion, however, is not necessary in the revised structure being recommended where increments are payable as a percentage of the pay in the pay band and grade pay thereon and provision has been made for all allowances/benefits to be revised periodically linked to the increase in the price index. The Commission is, therefore, not recommending merger of dearness allowance with basic pay at any stage."

This was most unjustified and against the practice and recommendations of all the previous three Pay Commissions (from 3<sup>rd</sup> CPC to 5<sup>th</sup> CPC) all of whom had recommended for automatic Merger of DA with Basic Pay/Pension whenever it crosses 50%.

Fifth CPC In the Chapter on Dearness Allowance had recommended that "each time the CPI increases by 50% over the basic index used by the last Pay Commission it should be converted into Dearness Pay. Such DP should be counted for all purposes, including retirement benefits."

The main justification for merger of DA is on account of inadequate compensation against the inflation provided by DA. As stated heretofore - many of the factors leading to inflation do not get reflected in the Consumer Price Index (CPI). Many unwanted items are included which reduces the weightage of vital items in compilation of CPI – as they are not given due weightage while compiling the CPI (for Industrial Workers) – on which the DA is Based. Consequently, **Cost of living as per actual cost of prices has gone up by over 200% but the DA being paid is only 100% from January, 2014.**

**It is therefore, requested that the DA (Dearness Allowance) be counted as Pay/Pension whenever the Cost of Living Index exceeds 25% over the Base Index at which the Pay Scales are prescribed and may please be counted for all purposes – including for calculation of all Allowances and Retirement Benefits etc**

**6.15 SPECIAL / ADDITIONAL INSURANCE COVER FOR THE DEFENCE CIVILIAN EMPLOYEES WORKING IN SIMILAR CONDITIONS WITH DEFENCE SERVICEMAN ON NAVAL SHIPs / SUBMARINES**

In the last one year, the Navy suffered over 16 major accidents in which it lost 21 of its personnel. The biggest accident occurred on August 14 last year when the front line submarine INS Sindhurakshak sank in the Mumbai harbor after an explosion in which all the 18 officers and sailors on board the vessel were killed. It is pertinent to mention here that there were a large number of Defence civilians involved in the repair, maintenance, gun and missile and system trial activities over INS Sindhurakshak and had the accident took place during the day time between working hours, there would have been many more losses of lives of our civilians. There is no substantial insurance / life coverage for civilian employees at par with Defence service personnel when the amount of risk factor is equally evolved.

**6.16 INTRODUCTION OF DEFENCE CIVILIAN SERVICE ALLOWANCES AT PAR WITH MILITARY SERVICE PAY.**

Technical supervisors work with their counterpart Defence / Naval Officers in all the installations / establishments of Indian Navy, performing absolutely similar nature of jobs and responsibilities with same amount of risk involved. It is easily appreciated and understood by the laymen, outside the Defence Services that it is logical for a Defence personnel to get some special allowances like 'military service pay' while performing his duties on borders or in similar war like situations. But it is very difficult for him to understand as to why the officers who perform the managerial/overseeing duties in various defence workshops and onboard ships during refits in Naval Dockyards and NSRYs alongwith our technical supervisors are also entitled the same amount of allowances as allowed to the defence personnel deputed at borders. Being working as defence civilians we can realize the service conditions of these officers, who are working in Naval Dockyards, NSRYs etc. alongwith our technical supervisors in almost similar capacities are not less than those who are deployed in Border or war like situations. They also perform duties under same amount of pressure and risk involved with them so as we, the technical supervisors. Understanding the sentiments of the laymen out side, the earlier pay commissions never granted any such allowances to the Defence civilians though they very much knew the facts after repeated visiting such defence installations / establishments before recommending the pay commission. As per the provisions of the Constitution of India, under article 14 (Right to equality) the same amounts of allowances are to be granted to the defence civilians in the form of "Defence Civilian Service Pay".

**OVER TIME ALLOWANCES (OTA)**

**Fifth & Previous Pay Commissions' views on over Time Allowance**

Prior to Fifth Central Pay Commission, all non-gazetted employees in receipt of monthly basic pay of upto Rs.2200 were entitled to Over Time Allowance for performing duties beyond the designated working hours. The Fifth Pay Commission had recommended abolition of Over Time Allowance for all categories except the Staff Car Driver, operational staff and industrial employees. The Pay Commission had also recommended that the staff deployed on weekly off days should be given a compensatory leave rather than any cash compensation in the form of OTA or otherwise. The recommendations of the Fifth CPC were, however, not accepted and

status-quo was maintained with notional pay admissible in pre- revised (Fourth CPC) pay scales being taken into account for this purpose.

Sixth Pay Commission recommended abolition of compensation in the form of Over Time Allowance or any other similar allowance to any of the Central Government employees except those belonging to the categories of operational staff and industrial employees governed by statute. The categories of operational staff and industrial employees who are governed by statutory provisions will need to be paid this allowance in accordance with the extant rules and instructions because payment of this allowance in their case is a statutory requirement.

**Non-payment of Over Time Allowance to Chargeman in Indian Navy involved in Refits, Maintenance and various operations and those are being classified as Industrial Workers for the purpose by MoD.**

Technical Staff - including Chargeman & Foreman who are directly involved and deployed in refits, Maintenance and various operations of Naval Ships/ Submarines, are require to work for additional hours over the stipulated working hours for which they are being denied of Over Time Allowance as per proper rates. Similar is the case of Technical Staff including Chargeman & Foreman working in Production Units & Workshops of Indian Navy classified as industrial employees. Since 1988, from the 4<sup>th</sup> CPC, the Chargeman of Ordnance Factories were paid overtime allowances at par with Artisan staff, i.e. on the actual basic pay, whereas Chargeman of Indian Navy working under same ministry are being disallowed with the proper rates. It is discrimination and needs to view seriously.

#### **Denial of Over Time Allowance to Foreman**

Even though Sixth Pay Commission has extended the Over Time Allowance to all operational staff & industrial employees, Foreman who also actively belongs to the above mentioned category are being denied of the Over Time Allowance.

#### **Our Demands**

All the staff contributing directly for refits, Maintenance and various operations of Naval Ships/ Submarines may please be made eligible for Over Time Allowance at par to Artisan staff.

Foreman, who work in above mentioned areas may also be made eligible for Over Time Allowance.

## CHAPTER 7

### **BONUS & INCENTIVE SCHEME**

In Naval Dockyards / NSRYs / NADs (Ministry of Defence)

#### **With Reference to ToR 2.d)**

To examine the existing schemes of payment of bonus, keeping in view, among other things, its bearing upon performance and productivity and make recommendations on the general principles, financial parameters and conditions for an appropriate incentive scheme to reward excellence in productivity, performance and integrity.

<b>Srl. No</b>	<b>Description</b>	<b>Page No</b>
7.1	Productivity Linked Bonus (PLB) in Naval Dockyards / NSRYs / NADs (Ministry of Defence), Our Views on Sixth CPC Recommendations on PLB & PRIS	
7.2	Unrealistic & unjust ceiling on PLB	

#### **PLB Scheme for Naval Civilian Employees:**

Indian Naval Civilian employees in Group B & C are paid Productivity Linked Bonus (PLB) based on the norms and criteria decided & reviewed by the Union Cabinet, main features of which are submitted below:

#### **Cabinet Decision on PLB Scheme Naval Civilian Employees**

The salient features of the PLB scheme evolved as a result of review of the scheme and approval of the Cabinet on 23.09.2000 and applied for making payment for the financial years 1998-99, 1999-2000, 2000-01 and 2001-02 are as under :-

The **ratio of the output to the input** is the productivity index for the year.

However the ceiling limit for payment of PLB continues to be Rs.3500 for the entire Group C Staff – even though their actual wages are much higher than even that of the lowest paid employee.

#### **Sixth Pay Commission Recommendation on Bonus & PRIS**

Sixth Central Pay Commission in para 4.4.5 of their report had recommended that all Departments should ultimately replace the existing productivity linked bonus schemes with Performance Related Incentive Scheme (PRIS) and also that in places where PLB is applicable and it is not found feasible to implement PRIS immediately, the existing productivity linked bonus schemes may be continued in a modified manner where the formula for computing the bonus has a direct nexus with the increased profitability/productivity under well-defined financial parameters. In

respect of the Defence civilian's PLB scheme, the VIth CPC in Para 4.412 of their report have opined that a new formula for computing PLB that is based on financial parameters and where profit is computed as per the established principles of commercial accounting, wages with appropriate adjustments for increases, the impact of the capital investment, element of subsidy etc. needs to be devised in case the PRIS is not implemented immediately in Ministry of Defence.

### **7.1 Our Views on Sixth CPC Recommendations on PLB & PRIS**

Existing PLB has to be continued for Naval civilians with the modifications suggested in this chapter in coming paras.

PLB for Naval Civilian employees cannot be based on financial parameters as the financial inputs and returns are purely based on political decisions of the Government and not as per actual requirements of the system. PLB should be based on performance and not financial inputs.

### **7.2 Unrealistic & unjust ceiling on PLB**

Until the year 2006-07; ceiling limit for payment of PLB was kept as low as Rs.2500, which was then increased very marginally to Rs.3500 during 2007-08. It remains unchanged till date. While minimum basic pay w.e.f. 1.1.2006 is fixed as Rs.7000 and with 100% DA from 1-1-2014 the lowest paid employee gets a Salary of Rs.14000 pm (excluding other Allowances), the very low ceiling limit of Rs.3500 pm is making the PLB meaningless. Whatever be the increase in number of Bonus days happening every year it has not really reflected in the amount of money received by civilian employee.

#### **OUR SUGGESTIONS:**

**“PLB ON REAL WAGES WITHOUT CEILING & AD-HOC BONUS SYSTEM SHOULD BE ABOLISHED”.**

**As briefed in the earlier para, PLB with the ceiling of Rs.3500 is meaningless.**

- It is requested to Seventh Pay Commission to make the PLB more meaningful and realistic by paying it based on real wages (including Pay plus DA).
- The present system of Productivity linked bonus is the product of bilateral agreements and cannot be changed through unilateral decisions. What is needed is that the Government must issue necessary guidelines to enable all departments to enter into such bilateral agreements with their staff unions and associations so that the ad-hoc bonus system presently in vogue in many departments could be abolished. This apart, the Commission must recommend that PLB, being an incentive scheme in nature, must be computed on actual pay of an employee instead of the notional emoluments.

**CHAPTER-8**

**REDRESSAL OF THE ANOMALIES OF 6<sup>TH</sup> CPC PENDING UN-RESOLVED**

**ANOMALY : 01**

**DENIAL OF ANNUAL INCREMENT FOR THE QUALIFYING SERVICE OF ONE YEAR TO THOSE EMPLOYEES RETIRING JULY MONTH DUE TO RATIONALISATION OF INCREMENT DATE**

On implementation of sixth CPC recommendation the date of annual increment of Central Government employees has been rationalized and introduced a common date of first July of every year. As per the criteria adopted by the Government for grant of annual increment, it is specified that, a government servant having continuous six months qualifying service in a year is entitled for annual increment on first July of that year. In accordance with the above principle, a government servant entered in service on first January of a particular year is eligible for first increment on completion of 6 months service on first July of the initial year. On the contrary, when an employee is retiring on first July of a particular year, that employee is not being considered for grant of annual increment on that year even after rendering one year continuous service from July of previous year to 30 Jun of retiring year. Since the principle adopted for grant of annual increment is completion of six months qualifying service in the entire year, it is a clear anomaly that the advantage of last annual increment is not being granted to such government servants even after they are rendering more than six months to one year qualifying service. Therefore, it is appropriate to examine the matter and to incorporate necessary recommendation in the 7th CPC report for rectifying the anomaly.

The following are proposed for consideration of 7th CPC:-

- The pension of Govt employees retiring on 01 Jul be calculated adding one annual increment of the retiring year.
- Since grant of annual increment has been rationalized irrespective of the date of entry into service, the date of superannuation also be rationalized, irrespective of the date of birth, to a common month i.e, 01 April after attaining the date of superannuation.
- An increment be granted to the retiring personnel completed minimum of 06 months eligibility service from the date of last increment earned.

**ANOMALY : 02**

**DENIAL OF GRANT OF GRADE PAY OF HIEARCHICAL HIGHER POST WHILE GRANTING FINANCIAL UPGRADATION UNDER MACP SCHEME**

Consequent to the implementation of 5<sup>th</sup> CPC a new scheme of financial upgradation under ACP was introduced for compensating the lack of promotional avenues in certain cadres. As per the ACP Scheme the financial upgradation was applicable to the eligible employees to their next hierarchical higher promotion posts. However, the 6<sup>th</sup> CPC by introducing a modified ACP Scheme changed the concept of the financial upgradation by restricting the upgradation to the newly introduced



next higher Grade Pay. Though this change assured three financial upgradation instead two, the modification is not at all attractive to the directly recruited employees of Pay Band-1 comparing to the two upgradation of ACP Scheme. The Pay Band-1 consists 5 grade pays from Rs.1800/- to Rs.2800/- and most of the central Govt Group 'C' employees are recruited in PB-1 with GP Rs.1900/-. In such cases the employees entered in service in GP Rs.1900/- are only entitled for GP Rs.2800/- after 30 years service on getting third upgradation. However in the case of ACP Scheme an employee (E.g. Skilled worker) entering in service with GP Rs.1900/- was supposed to reach GP Rs.4200/- on second financial upgradation on attaining 24 years service. The periodical pay commissions are expert bodies to recommend better service conditions and financial benefits to the employees. However, the recommendation of 6<sup>th</sup> CPC in the case of MACP scheme have resulted in a negative impact, which is to be considered as an anomaly and the 7<sup>th</sup> CPC may rectify this anomaly by reinstating the financial upgradations under MACP scheme to the hierarchical promotion posts instead next higher grade pay.

It is further submitted for consideration that, the introduction of financial upgradations under ACP/MACP scheme was aimed to alleviate the stagnation in promotion prevailing in many cadres. The main reason for the stagnation prevailing in certain cadre/posts is due to non-revision of the cadre structure and the unscientific and unrealistic numerical strength/structure of that cadre. Therefore, where ever functional promotion could not be granted on completion of requisite qualifying service specified in the Recruitment Rules, it is not due to the fault of the employee and it is necessary to compensate such delay by introducing financial upgradation scheme in non-functional basis to such cadres on completion of the requisite qualifying service specified in the Recruitment Rules and on meeting other eligibility criteria. For e.g in the case of Chargeman working in Navy the requisite qualifying service specified in Recruitment Rule is 3 years, but, normally it takes 15 years or more for functional promotion due to lack of regular vacancy in the higher posts. It is pertinent to mention that, even after specific rules existing for periodical revision in cadre structure through cadre review by the department, this has not been happened in the case of Chargemen of Indian Navy. Similarly various other cadres are facing such ignorance and therefore, provision of non-functional promotion be introduced to all categories/cadres by granting non-functional financial upgradation to the next promotion posts on completion of the requisite period of qualifying service prescribed in the Recruitment rules.

### **ANOMALY : 03**

### **DENIAL OF ACTUAL FINANCIAL BENEFIT TO THE EMPLOYEES PLACED AT UPGRADED / MERGED POSTS ON IMPLEMENTATION OF 6<sup>TH</sup> CPC**

In accordance with CDS (RP Rules) 2008 the principle adopted for determining the pay as on 1.1.2006 was by multiplying the existing basic pay on 1.1.2006 by a factor of 1.86. However this principle has not been adopted while fixing the pay of those posts merged with and upgraded to a higher pay/post. In this context it is stated that the pre-revised pay scale of 5000-8000 and 5500-900 have been merged and the posts of Chargeman-II and Chargeman-I, Senior Store Keeper/Foreman of Stores etc are merged and granted upgraded revised pay structure and grade pay. However, while fixing the pay as on 1.1.2006, the financial benefit of such upgraded pay structure has not been taken into consideration and pay was calculated only

based on the pre-revised pay scale as on 31 Dec 2005 multiplied by 1.86. For e.g, an employee held in the post carrying pre-revised pay scale 5000-8000 if drawn Rs.5450/- on 31.12.05 his pay was calculated  $5450 \times 1.86$  Rs. 10140/- instead the upgraded revised pay scale i.e,  $Rs.6500 \times 1.86 = Rs. 12090/-$  (difference Rs. 1950/-). The aim and intention of 6<sup>th</sup> CPC behind the recommendation for upgrading and merging of certain posts/pay scale was to alleviate the anomalies happened in certain categories while implementing the 5<sup>th</sup> CPC and to ensure the genuine upgraded financial benefits to such categories. E.g, the aim of the Commission by merging the posts of Chargeman-II and Chargeman-I and granting the upgraded pre-revised pay scale Rs.6500/-. Unfortunately this was not happened as the pay of Assistant of subordinate office was fixed on 1.2006 by multiplying the factor of 1.86 with the pay as on 31.12.05. Therefore, the intention behind the upgradation was totally unsuccessful and on the other hand the grade pay of the subordinate staff of other cadres like ministerial, Assistants of CSS has again been upgraded to Rs. 4600/- after implementation of the 6<sup>th</sup> CPC. Therefore the anomalies existed on implementation of 5<sup>th</sup> CPC and after the implementation of 6<sup>th</sup> CPC in the case of Technical Supervisory staff cadre still persist. This anomaly was raised in the anomaly committee constituted for rectifying anomalies of 6<sup>th</sup> CPC, but positive decision not arrived in the committee.

**CHAPTER-9**

**PENSIONERY BENEFITS**

<b>Srl. No</b>	<b>Description</b>	<b>Page No</b>
9.1	New Pension Scheme – A case for withdrawal of NPS from Naval Dockyards / NSRYs / NADs (Ministry of Defence)	
9.2	Pension Entitlement Emoluments for Pension	
9.3	Qualifying service for pension	
9.4	Rates of Family Pension	
9.5	Additional Pension	
9.6	Minimum Pension	
9.7	Grant of Interim Relief	
9.8	Parity Between Past And Future Pensioners “ <b>ONE RANK ONE PENSION</b> ”	
9.9	Family Pension	
9.10	Extra Ordinary Pension	
9.11	Gratuity And Commutation Of Pension Gratuity	
9.12	Commutation of Pension and its Restoration	

## **9.1 NEW PENSION SCHEME (NPS)**

The contributory pension system brought in by the GOI through their notification dated 22.12.2003, now renamed as National Pension System under PFRDA Act, has been imposed on Government employees who entered service on or after 1.1.2004.

This is an illegal act in as much as the Supreme Court of India had held Pension as an enforceable inalienable fundamental right. Therefore it should be scrapped or at least not made applicable to Government employees. This has also divided the CG employees into two categories and therefore it is discriminatory in respect of persons who have entered service on or after 1.1.2004 who had been denied the statutory pension. Any discriminatory scheme is illegal and ultravires of Article 14 of the Constitution. On this count also the NPS cannot be made applicable to the Government employees.

The Centre for Economic Studies and Policy, Institute for Social & Economic Change, Bangalore in a Study of Terminal Benefits of the Central Government Employees sponsored by the VI CPC had also observed that Civil Services Pension is in the nature of a deferred wage. It is well known that the principle guiding the pay package of civil servants is one of intentionally spreading out the compensation over a long period of time, thereby the wages paid out during the course of the work tenure is kept low by design, and the pension payments made during the retirement phase compensate for the low working wages.

The above mentioned study under the heading "Arguments against pension reforms" states as follows:

"Deferred Wage: In the context of civil servant pension payments, it is argued that, the principle guiding the fixation of pay package is one of intentionally spreading out the compensation over a long period of time, whereby the wages paid out during the course of work tenure is kept low by design, and the pension payments made during the retirement phase compensate for the low working wages. The Supreme Court of India held that pension is neither a bounty nor a matter of grace depending upon the sweet will of the employer. It is not an ex-gratia payment, but a payment for past services rendered. It is a social welfare measure, rendering socio-economic justice to those who in the heyday of their life ceaselessly toiled for the employer on an assurance that in their old age, they would not be left in the lurch."

"Larry Williams observes "Actually, civil service pensions, because they are not based on contributions, are best described as deferred wages. Civil servants accept a lower current wage in exchange for the promise of a pension in their old age. If this pension were contributory, they would insist on a higher wage and government would have to either

increase taxes or borrow (issue debt) to pay it. The real cost of civil servants is thus much higher than recorded under the current system of cash accounting. A good reform would be to move to a system of accrual accounting setting up at least a notional fund to pay these deferred wages" (Larry Wilmore, 2004)" "Public and private sector pay differentials: A

comparison of the public and private sector wages reveals that while the public sector wages for the lower grades compares well with that of the private sector, the salaries of the employees belonging to the higher grades are highly unfavorable to the public sector employees. The post-retirement benefits that the government employees are entitled to act as some incentive to retain them in government sector."

The above study had submitted the following estimated pensionery outgo which tends to increase during the period from 2014-2038. It is only after 2043 that it starts declining and will be reduced to zero only in 2088. The table is given below:

Table showing estimated pensionery outgo Year	Employee Pension Payout (in Rs Crores)	Family Pension Pay out (in Rs.Crores)	Total pension payout (in Rs.Crores)
2004	11300.69	2983.38	14284.07
2008	13532.84	3572.68	17105.52
2013	16549.07	4368.94	20918.02
2018	21862.54	5771.79	27634.33
2023	27723.68	7319.11	35042.80
2028	34076.27	8996.13	43072.41
2033	39321.68	10381.01	49702.69
2038	45164.50	11923.41	57087.90
2043	41747.23	11021.30	52768.53
2048	35011.92	9243.18	44255.10
2053	25405.44	6707.07	32112.51
2058	16303.15	4304.07	20607.22
2063	8179.51	2159.39	10838.90
2068	3159.88	834.19	3994.07
2073	800.68	211.34	1012.02
2078	110.26	29.17	139.43
2083	3.52	0.97	4.49
2088	0.00	0.00	0.00

The above study had also pointed out that expenditure on pensions of civil servants of high income OECD countries on an average is 2% of GDP (less than 1% in Ireland and more than 3.5% in Austria\*)(\* Source: OECD Social Expenditure Database). But in the 8 South Asian countries it is less than 1% of GDP (Source: World Bank Data base). However, in India between 1964-65 and 2004-05 on an average pension payments (Civil Service pension paid by Central Government) have constituted 0.51% share of GDP. The Pension liability would continue to increase and reach 0.54% level by 2014-15 and remain at that level till 2024-25 after which they would decline as a percentage of GDP according to the same study conducted by Dr.Gayatri at the instance of VI CPC. These figures argue themselves in favour of continuation of the Defined Benefit Pension Scheme for all Central Government employees instead of throwing a section of them to market based NPS. According to 2011 census 62.8% are in the age group of 15 to 60 and only 8.2% are above the age of 60.

From the above projection it is very clear that the benefit of NPS will commence only after 30 years i.e. in 2044. And during the period it will increase exponentially as because in addition to the Statutory pension liability the Government will be contributing to the NPS also @ 10% of annual salary bill of the CG Employees who have entered service on or after 1.1.2004.

The final conclusion of this study team has been as under:

"Mainly given the fact that the future liability although may be large in terms of the absolute size is not likely to last very long and does not constitute an alarmingly big share

of the GDP which is also on the decline, it appears that pursuing the existing "Pay As you

Go" to meet the liability would be an ideal solution."

Applying this conclusion we may suggest that the NPS may not be made applicable to the Government employees and all those who had been covered under NPS may be reverted back to statutory pension scheme. The Government may be asked to study the experiences of this scheme in several other countries in the world. In Chile such a scheme has been reversed as because the return which the low paid employees got out of the annuity purchased was not as good as 50% of LPD but as low as 20% of LPD. The UK Government had to pay out of the exchequer large amount by way of subventions in order to ensure that that annuities purchased yield 50% of LPD as pension. It is well known that in USA where there were similar pension schemes dependent upon the market had collapsed during the financial melt down from 2008 onwards. It is estimated that more than 3.5 trillion \$ worth of pension wealth was lost. The workers not only lost their pension but also their jobs. Our respectful submission is that taking into account the demographic considerations of India which is a country of young do not need any such market oriented pension scheme, particularly when the international experience is that such schemes had failed and our country can afford to pay pension to civil servants which stands at level of 1% of the GDP. We conclude by quoting the opinions of experts on the future of market dependent pension Scheme.

Mr Joseph Stiglitz (Chief economic advisor to former president of USA Bill Clinton, former vice- chairman and chief economic advisor, World Bank, Nobel Prize winner, Professor of economics, Columbia university) said that "Stock market does not guarantee returns. It does not even guarantee that the stock values will keep up with inflation. Privatization would not protect retirees against the social security systems insolvency. Argentina's privatization of its pension system was at the centre of its fiscal woes".

Mr Dean Baker (Co-director for centre for economic and policy research, Washington) said "Privatisation means that you would not have a guaranteed benefit that you have today. It would depend on how will your investments do or how well they have done at the point you retire. He quoted the collapse of NASDAQ and Enron. In Britain, Insurance companies could not honour their promises and the Government had to compensate with 8 billion pounds".

## **9.2 PENSION ENTITLEMENT EMOLUMENTS FOR PENSION:**

The entire income in form of basic pay, special pay or personal pay if any, deputation duty allowance etc are the elements of pay proper and therefore confining the emoluments to the basic pay as recommended by the IV and V CPCs is arbitrary and therefore, is only an addition to pay. In many countries there is no system of DA. Periodically the Pay is revised / indexed taking into account the rise in cost of living. Here also there is a system of merging the DA as DP for purposes of pensionary benefits. In respect of gratuity already the DA is being included with Pay and therefore there is no reason for excluding the DA from the emoluments. We therefore suggest that the emoluments for the calculation of pension should include:

- (a) Basic Pay
- (b) Any Special pay or personal pay, or deputation duty allowance.
- (c) Dearness Allowance
- (d) Non-practicing allowance in respect of Doctors

There are persons who retire after having served for full year since their last increment.

The next increment which has already accrued to them is however not added to their emoluments for purposes of computing pension and other pensionary benefits. It is therefore submitted that the Commission may kindly consider and recommend that if a person retire on the day he has completed 12 months of service since his last increment, the increment accrued to him may be added notionally to his basic pay and then the pension computed.

The VI CPC has already recommended that the ten monthly average emoluments or the last pay drawn, whichever is more beneficial, should be the basis of computation of pension. We have therefore no further suggestion to place before the Commission on this issue.

## **9.3 QUALIFYING SERVICE FOR PENSION**

Casual Labour / Contingent Paid Employees: At present Casual labourers / Contingency paid employees are allowed to count their service towards pension @ 50% of the total period falling between acquiring the temporary status and regularization and full service thereafter. The above benefit is also subject to further condition that such employees should be regularized and absorbed against a regular post. The operation of this condition is so harsh that there are many cases in which the entire service rendered non pensionable because the employee may be retired / retrenched / die before such regularization. We, therefore, propose that the 50% of service before acquiring temporary status and full service after acquiring temporary status irrespective of whether he / she was regularized or not should count towards pension. Similarly these employees have to remain for long durations without any regularisation and are deprived many amenities which a regular employee gets. Not to treat their service pensionable for a considerable period

leaves them with very meagre pension and in some cases with no pension. This is against the principle of social justice and therefore our above suggestion should be considered by the 7<sup>th</sup> CPC.

**Pensionable service of Casual and GDS:** Recent judicial pronouncements have directed the Government to take into account the date of entry in the service as a casual labourer or a temporary status Majdoors etc into criterion and not the date of regularization to determine as to whether he or she is to be brought under the CCS (Pension) Rules, 1972 or under the NPS. Therefore we propose that all casual labourers etc are to be brought under the Defined Benefit Pension Scheme under the CCS (Pension) Rules, 1972 for grant of pension on their regularization in the services, even though they are getting regularization after 1.1.2004 because they should be treated as having entered the services before 1.1.2004 as per the judgment of Court. We therefore propose that entire service rendered as a casual labour irrespective of the fact whether he was granted temporary status or ultimately regularized should be treated as pensionable service and the service rendered as GDS in Department of Posts also should be treated in the similar fashion.

**Interruption causing forfeiture of service for pension:** The existing provisions defining interruptions in service causing forfeiture of past service for purposes of pension are quite antiquated, unnecessary and unreasonably harsh, which should be removed from the statute book. In formative years when the British Authorities were recruiting Indians in their Administrative Services, it was noticed that during sowing and harvesting seasons, a large number of employees used to go back to the fields without any regular leave etc. As a deterrent, the rules regarding interruption in service had been legislated then. Since most of the employees have now lost their rural roots, such frequent and recurring interruptions are no longer there. Interruption as and when rarely caused is due to reason mostly beyond the control of an employee. We therefore, propose that instead of treating interruption to cause an automatic forfeiture of past service for pensions, it should be dealt with under CCA Rules. The provision causing forfeiture of service for pension purposes on account of interruption may, therefore, be deleted.

**Resignation as retirement:** Resignation is tendered by a Government Servant in varying circumstances. It is felt, therefore, that resignation need not always result in forfeiture of past services (Rule 26 of Pension Rules) and denial of Pension. An objective view is required to be taken by the appointing authority in the case of all those who tender resignation after completion of 20 years of service. Such resignation may be treated as voluntary retirement and benefits extended accordingly. In this connection we may cite the following decisions of the

Judiciary:

- (a) CAT Mumbai full bench OA No.1384/1985 decided on 8.7.1997
- (b) CAT Ahmadabad OA No.498/2002 decided on 18.03.2004
- (c) CAT Jabalpur O.S No.623.1991 decided on 13.10.1995
- (d) Bombay High Court WP No.615/1996 and WP No.2586/1997 decided on 28.02.2002



Even 5<sup>th</sup> CPC in Para 133.79 had recommended that terminal gratuity at different rates be paid to those who resign after putting in certain years of service and resignation after 20 years of service may be treated as voluntary retirement and pension may be paid accordingly. We, therefore, request the 7th CPC that the above recommendation may be reiterated.

There are certain employees who are in the CPF Scheme but could not opt for the Pension Scheme in the year 1986. These are mostly women employees employed in Atomic Energy Commission etc who could not make up their mind as to whether they could render the requisite number of service necessary for grant of full pension. In certain autonomous bodies while options for Pension scheme have been obtained, this is not being granted. They may now be allowed to revise their option. Our suggestion is that CPF / SRPF retirees may be granted Minimum Pension.

The VI CPC has done away with the requirement of 33 years of qualifying service for full pension. They have said that full pension may be granted to those who have the qualifying service of 20 years. Therefore we have no further suggestion to place before the Commission on this issue.

#### **9.4 RATE OF FAMILY PENSION**

We should keep in mind the observation of the Apex Court that the pension scheme must provide so much that the pensioner should be able to live:

(i) Free from want, with decency, independence and self-respect, and (ii) At a standard equivalent at the pre-retirement level.

(The Court had further observed that we owe it to the pensioners that they live; not merely exist.)

Therefore taking into account that on superannuation an employee is left with a two unit family generally and therefore if he is to be enabled to maintain a standard equivalent to the pre-retirement level, the rate of pension should be 67% of the last pay drawn. We therefore suggest that full pension should be at the rate of 67% of Last Pay Drawn or 10 months average emoluments, whichever is more beneficial.

It is pertinent to point out that several countries in the world pay higher rate of pension to their civilian pensioners. France is paying 75% of last six months average emoluments as pension; Belgium is paying 75% of last five years average as pension; Cyprus is paying 67% of final salary as pension; Malta is paying 80% of average of best 15 years wages as pension; Our neighbour Sri Lanka which is also in the lower middle income group of countries like India in South Asia, is having a scheme called "Public Servants Pension Scheme (Defined Benefit Scheme) established in 1901, as a mandatory scheme financed by the Government budget is paying 85% to 90% (for 30 years of service) of last one year annual salary at retirement as pension (Source: Sri Lanka Pension Department Circular No.3/2004 dated 16.01.2004); The life expectancy in Sri Lanka at 60 is 20.2% which is 3.5% higher than India.

In Pakistan which is another neighbor and remains in the same lower middle income group of countries is calculating pension on the following formula:

"Number of years of service X Last Basic Pay X 7 and divided by 300. If an employee has served 35 years of service and received last basic pay as Rs.10,000/- then that employee shall get a pension of 8.167/- (i.e., 81.67%).

In Bangladesh the retirement age is 57. The life expectancy at 60 in Bangladesh is 17.9 which is same as in India. This country also remains in lower middle income group of countries like India. But Bangladesh pays 80% of last pay as pension. In the war devastated country of Afghanistan,, pension is calculated on last 36 months average; for each year it is 2% and a maximum of 80% is given as pension in that country.

From the above comparison with some of the world countries of both European as well as our own South Asian countries, it is clear that all those countries are paying better percentage of pay as pension to their Civilian employees. India appears to be one of the less pensions paying country despite its image of one of the faster developing economies in the world. We therefore suggest that the basic pension to be determined should be 67% at least on the basis of the last pay drawn or the 10 months average emoluments, whichever is more beneficial to employee subject to the condition that the pension so determined shall not be less than the minimum of the pay scale of the post held by him at the time of his retirement.

#### **9.5 ADDITIONAL PENSION / FAMILY PENSION**

It has already been well recognized that as the age after superannuation further advances, not only the pensioner becomes weak in limbs but also becomes more susceptible to various geriatric diseases. He will have to incur additional expenses for his upkeep. There are also the social obligations and increased expenses on medical treatment etc.

The Government of India has accepted and implemented the 6th CPC recommendation of age-related additional pension beyond the age of 80. However the 6th CPC did not recommend any addition to the pension for a period of 20 years after superannuation at the age of 60. Their argument was that every pensioner gets increase in his / her pension after 15 years when the commuted portion of his pension is restored. This is not at all a valid ground. Even during these 15 years the Dearness Relief is calculated on his gross pension and not on his net pension after commutation and he earns interest on commuted value of pension. Therefore there is no increase in pension on account of restoration of commuted pension after 15 years.

In our opinion this needs certain revision. According to SSO survey (2007-08) 7.5% population only is above the age of 60. Naturally this may reflect among the pensioners also. Life expectancy at 60 is only 17.9 and at 70 it is only 11.8 (Source: Sample Registration System O/o the Registrar General India). This means a Government servant is receiving pension for 18 to 22 years. In the age group of 60 to 79, in Rural areas 5% and in Urban areas 5.5% is confined to bed. In the same age group 22.4% in Rural areas and 20.2% in Urban areas is confined to

home due to physical immobility (Source: National Sample Survey, 60th Round, 2004). After retirement, their income from pension is nearly 1/3rd of their gross salary at the time of retirement. But they have to spend more on medical care. This age-group therefore also needs some relief by way of additional pension. Incidentally Afghanistan which is one of the low income countries in Asia, is having a retirement age of 65 with a formula of grant of additional pension at the rate of 3% for each year after 65 years of age and the maximum 80% additional pension is paid.

Therefore we seek the 7th CPC to consider addition to the pension after granting 67% of last pay drawn (LPD) / Average of emoluments as full pension on superannuation at 60 years of age as under, because of prevailing life expectancy of Indian Citizen Age is 69.6 (assessed during the year 2011-15) and the old pensioner who is also considered to be senior citizen has to wait for a period of twenty years on his retirement to get an increase at his age of 80 maintaining his health from disease burden.

<b>On attaining Age of</b>	<b>Pension admissible</b>
65 Years	70% of L.P.D.
70 Years	75% of L.P.D.
75 Years	80% of L.P.D.
80 Years	85% of L.P.D.
85 Years	90% of L.P.D.
90 Years	100% of L.P.D.

Note: L.P.D= Last Pay drawn or ten monthly average of the pay drawn whichever is more beneficial.

## **9.6 MINIMUM PENSION**

Though the concept of minimum pension and the method of computing it have not been explained by any of the pay commissions or the Government, it is clear that the Minimum Pension is 50% of the Minimum Wage. The rationale behind the percentage has nowhere been explained. We however think that in order to ensure that it is adequate, 100% of the minimum wage should be the Minimum Pension. The very concept of Need Based Minimum Wage is that this is a level of wage below which a worker's family cannot subsist / survive and remain capable to perform. That being the concept of minimum wage, it should also apply in the case of Minimum Pension on the premise that any pension lower than the Minimum pay is insufficient to enable a pensioner / family pensioner to live or survive.

### Dearness Compensation

We have no suggestions for improvement of this issue except that Pensioners may be paid the same dearness compensation viz., at the same rate as it is being paid to the serving employees. It should be periodically merged with the basic pension so that deficiency in the 100% neutralization in the cost of living is partially compensated.

### Merger of Dearness Relief with Basic Pension

As on 01.01.2014, the Dearness Relief compensation stands at 100%. The suggestion for merger of DR to partially compensate the erosion in the real pension was first suggested by the Gadgil Committee in the post 2nd Central Pay Commission period. The 3rd CPC had recommended such merger when the cost of Living Index crossed over 272 points i.e. 72 points over and above the base index adopted for the pension revision. In other words, the recommendation of the 3<sup>rd</sup> CPC was to merge the Dearness Relief when it crossed 36%. The Government in the National Council JCM at the time of negotiation initially agreed to merge 60 % Dearness Relief and later the whole of the DR before the 4th CPC was set up. The 5th CPC merged 98% of DR with pension.

The methodology adopted for compensating the erosion in the real value of pension in the interregnum period had always been through the mechanism of merger of a portion of Dearness Relief. The 5th CPC had recommended that the Dearness Relief must be merged with basic pension as and when the percentage of Dearness compensation exceeds 50% accordingly even before the setting up the 6<sup>th</sup> CPC the Dearness Relief to the extent of 50% was merged with pension.

It was totally ironic to note that deviating from all other Pay Commissions, the 6th CPC had made a reversal and recommended that no Dearness Allowance / Dearness Relief should be merged with the Basic Pay of employees / Basic Pension of Pensioners. The recommendation had dealt a severe blow below the belt as this recommendation denied everyone from having any cushion against the erosion caused in the real value of pension in between two pay commissions. Had the recommendation of V CPC been continued, there would have been two automatic mergers of Dearness Relief by this time as V CPC recommended such a merger automatically whenever the dearness relief index crosses 50% mark.

The Central Government also taking undue advantage out of the recommendations in the name of 6th CPC has been stiffly denying any such merger of DA/ DR. This issue requires course correction and we suggest that the 7th CPC should recommend for automatic merger of DA / DR as and when the index crosses the 50% mark and before setting up another Pay Commission entire DA should be merged with pay as was done by the V-CPC.

The submission made in Staff Side Memorandum on this issue are reiterated with a request that the commission may submit a interim report recommending that 100% of DR may be merged with the basic pay w.e.f. 1.1.2014

## **9.7 GRANT OF INTERIM RELIEF**

In Memorandum submitted on the above issue, 25% of basic pension as Interim Relief for Pensioners and G D S of Postal Department has been demanded. VII CPC may consider this demand and give an Interim Report to the Government recommending that 25% of basic pension may be granted to all pensioners w.e.f. September 2013 when the Government had announced the setting up of 7<sup>th</sup> Central Pay Commission.

### Periodical Revision of Pensionary benefits

We submit that there should be a system of periodical revision of pay / pension structure in Public Sector. It takes place after every five years. Pay and Pension structure of Central Government employees should also be revised after every five years. Present wage structure is based upon minimum which is lower than Need based Minimum only through periodical revision it may be attaining the fair wage and finally to living wage standard. Under Article 43 of the Constitution, State has to endeavor to secure living wage to all workers. And this is possible over a period of time. It is on these considerations that revision of wage / pension has to be done every five year till the living wage standard is achieved.

## **9.8 PARITY BETWEEN PAST AND FUTURE PENSIONERS**

The Government have recently announced that "**One Rank One Pension**" shall be implemented in respect of Armed Forces so that the glaring disparity between the persons of equivalent rank and status do not draw vastly unequal pensions if they retire at different point of time, is undone. Already there is a complete parity in pension among the Judges of Supreme Court, High Court and the Comptroller and Auditor General of India, irrespective of the date of their retirement.

In so far as the Civilian Employees are concerned the principle of parity in pension between the past and the future pensioners was implemented by the Government as had been recommended by the V CPC. The V CPC recommended that "as a follow up of our basic objective of parity we would recommend that the pension of all pre-1986 retirees may be updated by notional fixation of pay as on 1.1.1986 by adopting the same formula (Revised Pay Rules) as far as the serving employees. This step would bring all the past pensioners to a common platform on to the 4th CPC pay scales as on 1.1.1986. Thereafter, all pensioners who have been brought on the 4th CPC pay scales by notional fixation of pay and those who have retired on or after 1.1.1986 can be treated alike in regard to consolidation of their pension as on 1.1.1996 by allowing the same fitment weightage as may be allowed to the serving employees". They further recommended that "the consolidated pension shall not be less than 50% of the minimum pay of the post as revised by the CPC held by the pensioner at the time of retirement". The V CPC further said that "this attainment of reasonable parity needs to be continued so as to achieve complete parity over a period of time". However the VI CPC totally ignored these recommendations of the V CPC and has reintroduced the element of disparity by not adopting the same formula for post 1996 retirees, and by not recommending the same fitment benefit and other recommendations liberalising the pension rules in respect of pre-2006 retirees. Thus a huge disparity between pre-2006 and post-2006 retirees has been created by the VI CPC.

We therefore urge that pay of every pre-2014 retiree should be notionally re-determined (corresponding to the post from which he or she retired and not corresponding to the scale from which he or she retired) as if he or she is not retired and then the pension be computed under the revised liberalized rules which are to be applicable to the post-2014 retirees under the same rules which would be applicable to employees in service as on 1.1.2014.

### **9.9 FAMILY PENSION**

At present the family pension is given at the rate of 30% of Pay last drawn. However, family pension shall be equal to 50% (67% as proposed by us) of pay last drawn or twice the rates given above, whichever is less and the amount so admissible shall be payable from the date following the date of death of the Government Servant for period of 7 years or for a period up to the date on which the deceased Government Servant would have attained the age of 67 years had he survived / 10 years in case of death in harness. The family pension is not less than Minimum Pension.

The prescribed period for which the family pension is payable is as under:

- (i) In the case of a widow or widower, up to the date of death or remarriage whichever is earlier.
- (ii) In the case of a Son until he attains the age of 25 years. (iii) The unmarried / widowed / divorced daughter.
- (iv) The disabled mentally retarded child of the Government Servant.

We suggest as under:

(a) The VI CPC recommended enhanced family pension for ten years in the case of death in harness only stating that a special dispensation is justified for them( Para-5.1.42 )and the government accepted /implemented the same, thereby dividing a single class of Family Pensioners. Earlier the enhanced family pension was for 7 years subject to ceiling of  $58+7=65$ , /  $60+7=67$  years. The enhanced Family Pension on the death of the Head of the family is intended for the family to stabilize the sudden drop in the take home pay/pension. The distress due to loss of bread winner whether it is the death in harness or pensioner's death, is one and the same. Making an artificial distinction is unwarranted. There is, therefore, no need to differentiate between the two 'distress situations' The Commission is requested to recommend removal of this disparity to enable grant of enhanced family pension uniformly in both the cases for 10 years keeping in view the principle of social justice , equity and fair play.

(b) The quantum of family pension for the period of 10 years should be equal to the pension of the Government Servant was entitled as per Rules.

(c) After the expiry of the above 10 years period, the family pension may be reduced to 50% of last pay drawn

(d) The concession extended to a disabled mentally retarded child to receive family pension until his / her death is subject to the condition that the said disability should have manifested before the death of Government employee. We suggest that this condition may be removed.

(e) The family pension is also to be extended to widowed daughter-in-law.

(f) In case of a Son, the family pension may be allowed up to the age of 28 years. This is suggested because the recruitment age has been raised in certain cases to 28 year

A Government Servant retired on medical invalidation after rendering less than 10 years of service ( 5 years as per our proposal) gets no pension. We suggest that he should be granted full notional pension (i.e., 67% of his emoluments / Minimum pension, whichever is higher. On death of such a Government Servant his family should get:

(a) Full notional pension / Minimum pension during first 10 years after his death.

(b) 75% of last pay drawn or minimum pension, whichever is higher, thereafter.

#### **Additional Pension:**

In the case of family pensioners also taking into account their solitude and inability to earn and the ever rising cost of living etc we request for the enhancement of the family pension at the following rates:

<b>AGE OF PENSIONER</b>	<b>ADDITIONAL QUANTUM OF PENSION</b>
65 Years	5 % of basic pension
70 Years	5 % of basic pension
75 Years	5 % of basic pension
80 Years	5 % of basic pension
85 Years	10% of basic pension
90 Years	20% of basic pension

#### **9.10 Extra Ordinary Pension**

The 5<sup>th</sup> CPC in Para 135.17 of its Report has recommended that regulation of compensation or disabilities categorized under (b) and (c) should be:

"II - Cases of disability (100%) resulting in discharge from service"

"Normal pension and gratuity admissible under CCS (Pension) Rules, 1972, without insisting on the requirement of minimum service of ten years plus Disability Pension equal to the normal Family Pension, i.e., 30% (as per our proposal 50%) of the basic pay".

The Department of Pension & Pensioners Welfare, while issuing orders on acceptance of the recommendation vide OM No.45/22/97-P&PW(C) dated 3.2.2000 (incorporated in Appendix-3 of Swamy's Pension Compilation) the well-meaning recommendation has been altered as follows:

"III - Disability Pension - for cases covered under categories 'B' and 'C'.

"(1) Normal pension and gratuity admissible under the CCS (Pension) Rules, 1972 plus - Disability Pension equal to 30% of basic pay for 100% disability." This has resulted in a Group „D" employee with 6 years" service, who has been invalidated (with 45% disability) and boarded out of service not getting the minimum pension towards "Service element".

This injustice is required to be set right.

Extension of Family Pension Under CCS (Pension) rule, 1972 to CPSU absorbees who were compulsorily covered by the "Employees Family Pension Scheme, 1971 on their absorption in Central Public Sector undertaking and to those absorbees who were not eligible for family pension since they were drawing more pay than the prescribed limit for eligibility under the scheme.

Central Government employees who were on deputation to Central Public Sector Undertaking / Autonomous Bodies (AB) and who were subsequently permanently absorbed in the CPSU / AB were compulsorily covered by the 'Employees Family Pension Scheme, 1971 framed under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 (Administered by the Provident fund Commissioners), if the said scheme was in operation in the CPSU / AB in which the Central Government employees was absorbed. And such of those absorbees who were drawing more pay then the prescribed limit under the scheme not for family pension under EFPS - 1971.

Government of India , Department of Pension & Pensioners Welfare vide its O.M No. 1- 18/86-P&PW (D) dated January, 1990 accepting the request of the Staff Side in the 29<sup>th</sup> ordinary meeting of the National Council (JCM), revised the family pension entitlement of the absorbed employees and allowed them an option to choose either Family Pension

Scheme of the Central Government (i.e. CCS (Pension) Rules) or by that of the CPSUs /ABs (ie Employees Family Pension Scheme, 1971). These modifications to family pension entitlements of absorbees were given effect to from the date of issue of the O.M. ie 22.1.1990 and were extended to only such of those absorbed employees who were in service on the said date and who were permanent and had a qualifying service of not less than 10 years in the Government. All other absorbees were compulsorily covered by the Employees Family Pension Scheme, 1971.



The Central Government Employees who were permanently absorbed in CPSUs / ABs and who satisfied the conditions of qualifying service in the Government, but had retired before 22<sup>nd</sup> January, 1990 could not opt to come over to the Central Family Pension Scheme (CCS (Pension) rules, 1972) and were compulsorily covered by the Employees Family Pension Scheme, 1971.)

As a result of the above, there are now 3 categories of retired CPSU Absorbees. (1) Absorbees eligible for family pension under Employees family pension scheme, 1971, (2) Absorbees who are eligible for family pension under CCS (Pension Rules, 1972 and (3) Absorbees who are not eligible for family pension under any Scheme.

The VII Central Pay Commission is requested to recommend removed of the disparity existing between the 3 categories of CPSU Absorbees stated above by extending the provisions of CCS (Pension) Rules, 1972 to all the Absorbees uniformly making them eligible for family pension.

### **9.11 GRATUITY AND COMMUTATION OF PENSION GRATUITY**

Retirement Gratuity is paid at  $\frac{1}{4}$  of basic pay for each completed six monthly period of qualifying service subject to a maximum of 16.5 times of the emoluments. There is also a monetary ceiling of 10 lakhs. This is applicable to all Government Servants who retire on completion of 5 years of service. However, if a person dies in harness his family is granted the gratuity at certain prescribed rates:

We suggest that the gratuity may be calculated on the basis of 25 effective days as against 30 days in a month. We make this suggestion because the Government Servant should not be paid at a rate lesser than what is admissible under the Gratuity Act.

The ceiling of 16.5 times and the quantum limit of Rs. 10 lakhs should also be removed. This is because under existing rules gratuity is reduced in the case of a Government Servant who has put in less than 33 years of service. In the banking industry there is no such ceiling of 16.5 months" salary but the retiring bank employees are getting at the rate of  $\frac{1}{2}$  a month salary for every year of service even over and above 33 years of service. Therefore, it is but logical that for a service span exceeding 33 years, the gratuity should be higher and the above ceiling be withdrawn.

### **9.12 COMMUTATION OF PENSION AND ITS RESTORATION**

Central Government employees are permitted to commute up to 40% of their basic pension. We have no suggestion to make in this regard.

In the light of Supreme Court decision, commuted value of pension is restored on completion of 15 years or on reaching 75 years of age whichever is later. Most of the State Governments are restoring full pension after 12 years or on reaching 70 years of age. We, therefore, propose that full pension be restored after 12 years, or on reaching the age of 72 years, whichever is earlier. From the table given below it will be seen that the entire commuted value gets repaid to the Government by the Pensioners within 12 years.

Sl.No	Details Age next birth day = 61 years
1	Commutation factor 9.81
2	Amount commuted Rs.100
3	Commuted value received Rs. 11,772
4	recovered in 15 years Rs.18,000
5	Excess recovered in 10 years Rs.2,628
6	Excess recovered in 15 years Rs.6,228

Now when the commutation factor has been reduced and is applicable after 2008, the restoration of commuted pension should be after 10 years. It will be seen that entire commuted value gets repaid within 10 years as could be clear from the table given below.

Sl.No	Details Age next birth day = 61 years
1	Commutation factor 8.194
2	Amount commuted Rs.100
3	Commuted value received Rs.9,833
4	Amount recovered in 15 years Rs.18,000
5	Excess recovered in 10 years Rs.2,167
6	Excess recovered in 15 years Rs.8,167

Taking all these factors into account, we suggest that the commuted pension may be restored on completion of 10 years or reaching the age of 70 years, whichever is earlier.

## ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION (GOVT. RECOGNISED)

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# ALL INDIA NAVAL TECHNICAL SUPERVISORY STAFF ASSOCIATION

ESTD : 1949

(Recognised by the Govt. of India)

HEAD OFFICE: Supervisor's canteen, Gun gate, Naval Dockyard, Mumbai

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AINTSSA/HO/49-2014

Date: 12 May 2014

The Chairman,  
7<sup>th</sup> Central Pay Commission,  
Post Box No. 4599, Hauz Khas P.O,  
New Delhi 110 016

O/c

Respected Sir,

(Through –Secretary, Seventh CPC by Email to [secy-7cpc@nic.in](mailto:secy-7cpc@nic.in))

Sir,

**Subject:- Reply to Seventh CPC Questionnaire by AINTSSA.**

We hereby submit the Reply to Seventh CPC Questionnaire under, for the kind consideration of the Seventh Pay Commission with reference to Secretary Pay Commission, D.O No. 7CPC/15/Questionnaire, dated 9th April 2014.

## ANSWERS TO THE QUESTIONNAIRE OF 7th CPC

### 1. Salaries

**1.1 The considerations on which the minimum salary in case of the lowest Group C functionary and the maximum salary in case of a Secretary level officer may be determined and what should be the reasonable ratio between the two.**

**Answer :** Living wage is a constitutional guarantee based on which the minimum salary is determined. The earlier Pay Commissions had adopted a ratio of 1:10 between an unskilled worker (Group D) and a Secretary level officer. The ratio between Group C and a Secretary level officer in civil service was 1:8. As the question is about to suggest the minimum salary in case of the lowest Group C functionary and the maximum salary in case of a Secretary level officer, it has to be understood that Group C contains skilled workers. MTS is the lowest category of Group C. The 6th CPC evolved the MTS by amalgamating some of the unskilled, semiskilled and skilled functions without any scientific basis or logic. From the standpoint of the stipulation in the recruitment rules, eligibility criteria etc, MTS deserves to be categorized as a skilled worker. Since the minimum wage in the Central Government sector is no more related to an unskilled worker, this ratio must be proportionately changed to 1:8. Therefore, so far as maximum salary in the case of a Secretary level officer is concerned the reasonable ratio between minimum and maximum salary may be taken as 1:8 and salary of Secretary level officer may be fixed by multiplying the minimum wage by a factor of 8.

Contd...2

## Divisional Offices

VISAKHAPATANAM (Vijag), KOCHI

## Sub Divisional Offices

NSRY (Karwar), NHQ(Delhi), INS SHIVAJI (Lonavala), FMU(MBI), NSD (MO) MBI, SOT (Mumbai), SOT (Hazira), WOT (Mumbai), WOT (Kolkata), WOT (Kattaboman), INS VALSURA (Jamnagar), IU (Mumbai), IU(DELHI), NAD (Mumbai), NAD (Trombay), NAD (Karanja), NAD (Karwar)

**1.2 What should be the considerations for determining salary for various levels of functions falling between the highest level and the lowest level functionaries?**

**Answer:** Since 1<sup>st</sup>CPC, it was continues endeavor of pay commissions to rationalize the pay scales and bring them at minimum possible by maintaining a balance between entry level and their career prospects i:e promotional avenues. They have also developed the concept to collect the isolated posts and place them in a cadre and place these cadres into the service.

It seems to us proper that in absence of any distinguishable feature, the employees in different branches should be paid equally if their work, according to certain well established criteria, is adjudged to be of equal value. This is the only way by which horizontal and vertical parities among different organizations can be restored. No matter what should be the criteria for pay determination of various intermediately level, the pay structure should be simple and rationale.

Since the number of grades have been reduced to minimum possible the concept of job evaluation to very minute level have become redundant and instead it may be based on simple parameters of method of recruitment , the educational and technical qualification ,dealing with the public, avenues of promotion and constraints of horizontal and vertical relativities.

The approach of the seventh CPC should be to make well defined horizontal and vertical relativities for all CG employees and the recommendation of 6<sup>th</sup>CPC about absolute parity upto Assistant level post of Head Quarter of Secretariat cadre and their field offices may extended to all Non Secretariat offices without discrimination. This will be helpful in providing effective efficient and service oriented setup.

The sixth CPC has considered all these views positively and efficiently reduced pre-revised pay scales to mere 20 grades, spread across four distinct pay band; additionally there is one apex scale and another grade for the post of cabinet secretary.

It also owned the responsibility to restructure group C & D by the way of merging pay scales of various feeder and promotional cadres and also upgrading some of the post with recommendation to Govt. to take up initiative to restructure various other cadres further to the needs of functional requirements of the institution so that it can suit present grade pay structure and can bring sufficient monetary benefits on promotion.

The concept of Limited Departmental Exams for speedy promotion to talented employees from class C to class B and class B to class A must be resorted to.

The skills, the arduousness, the work atmosphere, the status the security, the prestige, the perquisites and everything that are quantified and non-quantified are to be considered for providing adequate pay package to the post. A few grades with clearly defined differences of responsibilities corresponding to different scales of pay will be acceptable, but the posts graded and paid differently yet without discernible differentiation of duties can have adverse effect on morale.

Contd...3

Further source of trouble is that if grades do not relate to recognizable difference in duties and departmental application it becomes a casual approach to evolve a cadre to the needs of organization and value of work. No post should be created, filled or held unless it is necessary and useful. Also the designation of the post should be standardized.

## **2. Comparison**

### **2.1 Should there be any comparison parity between pay scales and perquisites between Government and the private sector? If so, why? If not, why not?**

**Answer:** There should be no comparison parity between pay scales and perquisites between Government and the private sector for their functions and objectives are incomparable. While the private sector is motivated by the concept of maximization of profit, the requirement of service to public without any favor is the cardinal principle of governance. A civil servant is supposed to possess the qualities of being fearless but appreciative of inherent individual difficulties, non discriminatory between one citizen and the other; sense of equality; adherence to the rules and regulations etc. However a fair comparison with outside wages is a principle which has been adopted world over for determination of wages of Civil (Government) servants and therefore atleast at the level of unskilled work, the average minimum wage obtaining in selected Private Public sector undertakings is a must, subject to the condition that it should not be less than the Need Based Minimum wage determined and quantified on the basis of norms adopted by the 15 ILC.

So far as perquisites are concerned no comparison with those obtaining in Private sector is possible except in the case of House Rent Travelling Allowances. Other perquisites in the Private sector have been granted on altogether different considerations.

### **2.2 Should there at all be any comparison parity between pay scales and perquisites between Government and the public sector? If so, why? If not, why not?**

**Answer:** Yes. The parity between central govt employees and public sector employees was broken and gap widened as a consequence of only pay commissions for the CG employees once in 10 years without any bargaining opportunities, whereas, the public sector employees got away from the pay commission method and entered into collective bargaining and had wage increase every 4 or 5 years. The central govt employees wages were determined by demand and supply and the pay scales of CPSEs were determined by collective bargaining. Here lies the reason for doing away with the discrimination in the govt sector. Therefore the fair comparison with public sector is a must as the govt is a model employer. Apart from that the central govt employees should be placed above others to be able to monitor the implementation of govt policies. The position obtaining earlier should be restored.

Contd...4

**2.3 The concept of variable pay has been introduced in Central Public Sector Enterprises by the Second Pay Revision Committee. In the case of the Government is there merit in introducing a variable component of pay? Can such variable pay be linked to performance?**

**Answer:** No, there should not be any variable component of pay as it leads to discontentment due to subjectivity and favoritism. It will produce anomaly among similarly recruited employees and atmosphere of favoritism & discrimination and unnecessary victimization will be created which will in turn hamper the efficiency of organization.

Performance linked variable pay can boost morale of the employee only when transparency can be ensured in assessing performance. Otherwise, it will become a tool in the hand of the superiors to exploit and take undue advantage of the subordinates. In any case, in Government jobs, it is always a team work which decides the performance as a whole.

It is also pertinent to mention that most the western European countries, which adopted the Performance pay related scheme in civil service subsequently, discarded it as infeasible.

### **3. Attracting Talent**

**3.1 Does the present compensation package attract suitable talent in the All India Services & Group A Services? What are your observations and suggestions in this regard?**

**Answer:** Generally the pay package in Government service at all levels is at a low level compared to the exorbitant pay packets provided by some of the Transnational Corporation in the private Sector. This has no doubt a deleterious impact on the quality of personnel recruited to Civil service, especially at lower levels. Since the Group A Service officers in Civil Service enjoy enormous power, perks privileges and an incomparable job security it has continued to attract talents. As mentioned elsewhere, while parity with the pay and perquisites with the private sector is neither desirable nor feasible, the Commission must ensure that the widening gap in this regard is taken into account as an important factor to be addressed. The element of statutory Pension is one very important and significant factor in attracting persons for Government service. Therefore, the NPS and PFRDA Act may be scrapped and statutory pension as a service condition may be restored.

**3.2 To what extent should government compensation be structured to attract special talent?**

**Answer:** The salary structure should be coherent and should adequately reflect the substantial differences in the nature and responsibilities of various posts. The pay

Contd...5

should be sufficient and satisfactory enough to motivate the employee for the efficient performance of his duties and responsibilities with a sense of rectitude. But the pay structure of employees cannot be determined by a rule of thumb, or by a formula of universal application. It has to be correlated to the nature and culture of the employment, the degree of satisfaction it generates – both to the employees and to the others, the totality of what it takes and what it gives to the employees, the resources of employer, the public assessment and the satisfaction with the service rendered. Special Talent is required in certain areas only for which the Govt. should introduce a Package for certain period, where the services of Special Talent are required. But in our opinion such offer may not work and therefore the personals of All India Services Group A Services should be trained accordingly.

Further, it has been observed that Medical Officers are not showing keen interest for Government service due to service conditions imposed upon them. They may be attracted by giving them proper opportunity to enhance their qualification. Young graduates (MBBS) may prefer to join Government service if some percentage of seats is being reserved for lateral admission in Medical Colleges for acquiring higher qualification like Post Graduation, Super Specialty etc. for medical officers of Central Government. Apart from above, a Commission of Inquiry may be constituted to find out whether Medical Officers may be permitted for private practice or NonPracticing Allowance plus odd hours visit allowance in lieu of private practice.

#### **4. Pay Scales**

**4.1 The 6th Central Pay Commission introduced the system of Pay Bands and Grade Pay as against the system of specific pay scales attached to various posts. What has been the impact of running pay bands post implementation of 6th CPC recommendations?**

**Answer:** The Pay Band and Grade Pay system evolved by the 6th CPC in implementation of the concept of performance related pay structure in civil service, as mentioned elsewhere, was a disaster. Having introduced without proper consultation with the stake holders, It did not serve the requisite purpose. The system brought about innumerable anomalies of varied nature, which could not be addressed by the National or Departmental Anomaly committees within the parameters stipulated by the Government which are as under.

- i) System of running Pay Bands has reduced stagnation. But adoption of dual system of Pay Band and Grade Pay at lower & middle levels and Pay Scales at top level (S 30 to S 32) has caused serious misgivings about the whole matter creating doubts about the purpose behind it instead of having a uniform system from top to bottom.
- ii) Grade Pay from one level to the next did not have a uniform rise nor appropriately determined by the Sixth Pay Commission.



iii) Even the Formula used for determining the Grade Pay at 40% of maximum of the merged scale (vide Para 1.2.3. of 6th CPC Scale) was arbitrarily adopted by the 6th CPC without disclosing the reason for the same.

iv) All this had caused maximum resentment at various levels instead of promoting job satisfaction which is the basic purpose of a Pay Commission.

v) Placing the cadre of Supervisors and the category being supervised by them in the same Grade Pay resulted in hierarchical confusion. [In Defence, Senior Technicians (Master Crafts Man) working under Chargeman are placed in the same Grade Pay]

The failure of these committees to address the issues which were appreciated by all concerned as genuine stand testimony of the incorrigible character of the scheme leaving no alternative except to discard it. The system of Pay Bands and Grade Pay is to be replaced by the erstwhile Pay scale structure.

#### **4.2 Is there any need to bring about any change?**

**Answer:** Yes, following changes are suggested:

i) There should be one system from top to bottom;

ii) Grade Pay at each level should be rationally and scientifically determined with a Well defined uniform system of (pyramidal) rise from one Grade pay to the next. Technical posts should be fixed at least one Grade Pay higher than nontechnical Posts allowing due weightage to specialized qualifications, training and skill required for the same. Fixation of Pay on Promotion at par with Entry Pay in the Revised Pay Structure for Direct Recruits Basic Pay on Promotion should not be less than Entry Pay in the Revised Pay Structure for direct recruits (as indicated in Section-II of Revised Pay Rules, 2008) in the case of those cadres which have an element of direct recruitment.

#### **4.3 Did the pay bands recommended by the Sixth CPC help in arresting exodus and attract talent towards the Government?**

**Answer:** No. Not at all.

The Pay Band & Grade Pay structure has not prevented the highly qualified technocrats and professions to leave the Government in search of better career avenues in public and private sectors.

#### **4.4 Successive Pay Commissions have reduced the number of pay scales by merging one or two pay scales together. Is there a case for the number of pay scales pay band to be rationalized and if so in what manner?**

**Answer:** It must be noted that the successive Pay commissions had reduced the pay

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scales only at the Group C and D levels. It has now reached a saturation point. There is no much scope to have further exercise in this direction except where clear overlapping exists. The Commission must however attempt to bring about uniform hierarchical set up at all levels in all departments. The pay scales are to be constructed by a common multiplication factor as was done by the 5th CPC.

**4.5 Is the grade pay concept working? If not, what are your alternative suggestions?**

**Answer:** It is not working and must be replaced with the pay scale structure which was in vogue prior to the implementation of the 6th CPC. . The purpose for which it had been devised is not specified by the VI CPC. It also did not serve as a fitment benefit. At best the grade pay can only be termed as an ad-hoc increase which has been allowed over the existing basic pay and DA as on 1.1.2006.

**5. Increment**

**5.1 Whether the present system of annual increment on 1st July of every year uniformly in case of all employees has served its purpose or not? Whether any changes are required?**

**Answer:** No. In fact the single date increment system has brought in anomalies, which were discussed at length at the National Anomaly Committee, without reaching an agreement. In our Opinion, the commission must recommend, for administrative expediency, two specific dates as increment dates. Viz. 1st January and 1st July. Those recruited/appointed/promoted during the period between 1st Jan and 30th June, will have their increment date on 1st January and those recruited/appointed/promoted between 1st July and 31st December will have it on 1 July next. This apart the Commission is required to specifically recommend that those who retire on 30th June and 31st December are granted one increment on the last day of their service.

**5.2 What should be the reasonable quantum of annual increment?**

**Answer:** The reasonable quantum of increment should not be less than 5% of the basic pay or the rate of increment agreed upon through bilateral discussion in the Banking industry, whichever is higher.

**5.3 Whether there should be a provision of variable increments at a rate higher than the normal annual increment in case of high achievers? If so, what should be transparent and objective parameters to assess high achievement, which could be uniformly applied across Central Government?**

**Answer:** There is no need to have a provision of variable increment at a rate higher than the normal annual increment in the name of high achievers. High achievement performance improvements are the result of team work. Awarding individuals in the form of variable increment will result in negative performance growth of an organization section department.

**5.4 Under the MACP scheme three financial upgradations are allowed on completion of 10, 20, 30 years of regular service, counted from the direct entry grade. What are the strengths and weaknesses of the scheme? Is there a perception that a scheme of this nature, in some Departments, actually incentivizes people who do not wish to take the more arduous route of qualifying departmental examinations or those obtaining professional degrees?**

**Answer:** There should be 5 financial up gradation in the departmental promotional hierarchy. MACP is a time bound promotional scheme. The scheme is required to be continued to motivate personnel at all levels and at all departments especially in those organizations, where normal promotional avenues are few and far between. Normal promotions are dependent upon the availability of vacancies at higher levels. The job requirement of certain organizations may not be capable of creating requisite number of higher level positions whereas it might need large number of personnel at lower levels. MACP alone can take care of that specific situation. The arduous route of career progression through examination and professional qualification, no doubt will be preferred if and if only such promotions are made available for the eligible candidates within a reasonable period of residency in the feeder cadre. Say three years.

**6. What kind of incentives would you suggest to recognize and reward good performance?**

**Answer:** We are against the system of incentives to reward good performance as this would only encourage favoritism and nepotism for the reasons stated to our reply to question No. 2.3 and 5.2.

**7. Salary structures in the Central and State Governments are broadly similar. The recommendations of the Pay Commission are likely to lead to similar demands from employees of State Governments, municipal bodies, Panchayati raj institutions & autonomous institutions. To what extent should their paying capacity be considered in devising a reasonable remuneration package for Central Govt. employees?**

**Answer:** The working environment and conditions of Central Govt and other organizations are entirely different. Hence, such comparison does not arise. Also, financial condition of different State Governments and other institutions are varied. Central Government need to implement the same pay structure for all its employees placed around the country.

Pay fixation should be done based only on job evaluation.

The Central Government Employees are liable to be transferred anywhere in India, whereas the employees of State Governments, Municipal bodies etc. are not so inconvenienced and, therefore not disadvantaged like the former. In view of the above transfer liability to the Central Government employees, they are further disadvantaged

Contd...9

in improving their (self) educational qualification, like Post Graduate Studies/PhD, Children education, Payment of lump sum amount of several thousands of rupees for securing hiring of private accommodation, where there is no Govt. Accommodation available. Therefore, the Central Government employees pay and allowances should be higher than the State Government, Municipal & local body employees. Since the employees of State Government and local bodies are employed locally and attending to their jobs mostly at their hometown/home state, they are not required to incur much extra expenditure for attending to their jobs.

**8.1 What should be the considerations for fixing salary in case of Defence personnel and in what manner does the parity with civil services need to be evolved, keeping in view their respective job profiles?**

**Answer:** There are about 4 lakhs Defence Civilian Employees who are the fourth force of the Defence of our country and are committed and dedicated workforce. They work side by side with the uniformed personnel for the security of our great nation. Their contribution to the Defence preparedness cannot be underestimated. It has to be appreciated that their counterparts in the armed forces enjoy a different status and pay structure though they work in the same conditions in the civil areas like Naval Dockyards, Ship building establishments and even while working in onboard ships and submarines etc. under the same amount of risk involved. It has been a clear discrimination and therefore defence civilians must be fixed their salary at par with the Defence personnel.

**8.2 In what manner should the concessions and facilities, both in cash and kind, be taken into account for determining salary structure in case of Defence Forces personnel.**

**Answer:** The existing all the concessions and facilities need to be retained. They are at a realistic level having been evolved by successive Pay Commissions over detailed deliberations. In Defence Forces there are two types of employees, i.e. 1] Non Commissioned and 2] Commissioned officers. Likewise their counterpart civilians are classified into Non Gazetted and Gazetted officers. The concessions and facilities, both in cash and kind, which were taken into account for determining salary structure in case of Defence Forces personnel during the last Pay Commissions, should be extended in the existing Pay Commission to the Defence civilians also. All the existing concessions and facilities, both in cash and kind should be paid to the Non Gazetted posts at par with Non Commissioned posts and to the Gazetted posts, at par with commissioned posts.

**8.3 As per the November 2008 orders of the Ministry of Defence, there are a total of 45 types of allowances for Personnel Below Officer Rank and 39 types of allowances for Officers. Does a case exist for rationalization streamlining of the current variety of allowances?**

**Answer:** No. and the same are also to be extended to the civilian employees working with them in the same and similar conditions.

**8.4 What are the options available for addressing the increasing expenditure on defence pensions?**

**Answer:** Maximum personnel Below Officer Rank and Officers should be appointed in short service basis instead of permanent basis.

**8.5 As a measure of special recognition, is there a case to review the present benefits provided to war widows?**

**Answer:** All the present benefits provided to war widows need to be retained. In addition to that it is highly appreciated that in a special gesture towards families of its personnel who died in recent accidents, the Navy has allowed widows of five of them to apply for becoming officers in the maritime force and one of them has already cleared the process.

The Navy lost 21 of its personnel in accidents involving two submarine accidents and 17 families had sought help from the Navy to get jobs.

Based on the educational qualifications, five of the widows of officers and sailors have been given relaxations in several categories to appear for the selection procedure to become officers in the force, a senior Navy officer told PTI.

The wife of late Commander Kuntal Wadhwa, who lost his life in a accident on the under construction warship INS Kolkata in Mumbai, has cleared the Service Selection Board (SSB) and medical examination and would soon be joining the force, he said.

Navy chief Admiral Robin Dhowan has directed officials in the naval headquarters and the respective commands to help out the families in fast track mode to give them their dues.

The officer said the ladies would be allowed to become officers only after they clear the mandatory tests and the SSB selection process for selecting officers in the armed forces.

The families of the officers and sailors, who were not eligible to become officers, are being given jobs as civilian employees in Group B and Group C posts, the officer said.

The Navy took the requisite permissions from the defence ministry to give relaxation to these women in several categories including age and marital status.

Contd...11

After the Kargil war in 1999, the defence ministry started allowing widows of officers and jawans to join the services if they met the educational and other requirements for joining the forces.

The Navy had earlier given this relaxation to the families of its personnel who died in an air crash over INS Hansa air base in Goa involving the Ilyushin38 maritime surveillance aircraft.

In the last one year, the Navy suffered over 15 accidents in which it lost 21 of its personnel.

The biggest accident occurred on August 14 last year when the front line submarine INS Sindhurakshak sank in the Mumbai harbor after an explosion in which all the 18 officers and sailors on board the vessel were killed.

Another fatal accident took place on February 26 involving the INS Sindhuratna submarine in which two officers lost their lives.

Commander Wadhwa lost his life in the Mazagon Dockyards Limited during testing of the fire-fighting equipment of country's biggest indigenous destroyer INS Kolkata which was being readied for induction in the maritime force. It is a known fact that many other civilian employees were present during the said accident and anyone could be the victim with Commander Wadhwa. It is questionable as to whether a widow of a civilian got the similar treatment since many Defence Civilians lost their lives during various maintenance activities of ships and submarines in Naval Dockyards and other defence establishments but their widows were not shown any special gestures. They were not even considered for employment under the employment assistant scheme.

These special gestures are to be recommended in the reports of the 7<sup>th</sup> CPC in order to facilitate all the war widows uniformly along with the widows of the Defence civilians.

**8.6 As a measure of special recognition, is there a case to review the present benefits provided to disabled soldiers, commensurate to the nature of their disability?**

**Answer:** Yes. The present benefits provided to disabled soldiers, commensurate to the nature of their disability need to be reviewed in a larger scale. Same benefit should also be extended to the Defence Civilians.

**9.1 Whether the existing allowances need to be retained or rationalized in such a manner as to ensure that salary structure takes care not only of the job profile but the situational factors as well, so that the number of allowances could be at a realistic level?**

**Answer:** The existing allowances need to be retained. They are at a realistic level having been evolved by successive Pay Commissions over detailed deliberations.

**9.2 What should be the principles to determine payment of House Rent Allowance?**

**Answer:** The 3rd CPC had recommended that Government should lay down appropriate HRA rates in different cities and town based not on population criteria, but on an actual assessment of prevailing level of rent in different cities and Towns. Alternatively, certain notional rents for different types of accommodation meant for officers and personnel of specified pay groups should be laid down for particular cities after studying the actual market rent in that city. The house rent allowance will have to be the actual rent payable by an employee in a particular location as reduced by 10% of basic pay being the amount factored in the computation of minimum wage.

**10.1 The retirement benefits of all Central Government employees appointed on or after 1.1.2004 are covered by the New Pension Scheme (NPS). What has been the experience of the NPS in the last decade?**

**Answer:** We are of the considered opinion that the new pension scheme which came into existence for the employees recruited after 1.1.2004 must be scrapped. The old statutory pension scheme as was in vogue prior to 1.1.2004 must be made applicable to all Government employees irrespective of the date of their entry into Government service. The New pension scheme has in fact created a class within class amongst the Central Government employees which is discriminatory and impermissible. It is clearly in contravention of the dictum pronounced by the Constitution Bench of the Supreme Court in Nakara Vs Union of India and therefore deserves to be rescinded.

Since this New Pension Scheme has been introduced with effect from 01.01.2004, it will come into operation only after 30 years in the year 2034 or so when present new entrants retire and get pension from annuities purchased from 40% of total accumulated pension fund.

**10.2 As far as pre 1.1.2004 appointees are concerned, what should be the principles that govern the structure of pension and other retirement benefits?**

**Answer:** The concept of modified parity introduced by the 5th CPC as a measure to reduce the financial implication must be replaced with the full parity concept as was made applicable for the personnel retired prior to 1.1.1986. In other words, the pay of every retired person must be redetermined notionally as if he is not retired and then his pension to be computed under the revised rules. This alone will protect the value of pension of a retired person.

5<sup>th</sup> CPC in their Para 127.6 has observed, It needs to be averred emphatically that pension is not in the nature of alms being doled out to beggars.

Senior Citizens (Retired Government employees) need to be treated with dignity & courtesy benefiting their age. Pension is their statutory, inalienable, enforceable right & it has been earned by the sweat of their brow Hon'ble Supreme Court, in its landmark 5 Judge Constitutional Bench judgment dated 17.12.1982 in the case of D.S. Nakara Vs Union of India ruled – A Pension scheme consistent with available resources must provide (adequate pension) so that the Pensioner would be able to live

- i) Free from want, with decency, independence and self respect and
- ii) At a standard equivalent at per-retirement level.
- iii) Pensioners from payment of pension form a homogenous class. Different formulae affording unequal treatment cannot be adopted to compute their pension solely on the ground that some retired earlier and some retired later.

A comprehensive scheme of retirement benefit has been suggested by the stake holders both as an agenda in the National Council meeting of JCM and the meetings of SCOVA. The Commission is requested to consider the well thought out scheme formulated in those agenda and make recommendations to the Government, so that the pension and retirement benefits will really become meaningful for the retired employees. We shall elucidate the points in detail when we submit the memorandum to the Commission on retirement benefits.

**11.1 The 6th CPC recommended upgrading the skills of the Group D employees and placing them in Group C over a period of time. What has been the experience in this regard?**

**Answer:** The then existing Group D employees, to the best of our understanding have all been trained, upgraded or promoted to function as skilled group C employees.

**11.2 In what way can Central Government organizations functioning be improved to make them more efficient, accountable and responsible? Please give specific suggestions with respect to:**

**Answer:** a) Rationalization of staff strength and more productive deployment of available staff;

b) Rationalization of processes and reduction of paper work; and c) Economy in expenditure.

Whatever rationalization effected so far by the Government had been through an unscientific and arbitrary executive fiat like the one issued in 2001 and which was kept operative till 2009. The said exercise only reduced the staff strength drastically. We are not aware of any rationalization or reduction in Group A cadres through this exercise even though the executive instruction covered all grades and cadres in the Government service. It in effect made most of the departments of the Govt. of India either non functional or dysfunctional. In our considered opinion, the 7thCPC must recommend to

Contd...14



the Government to set up a Committee in each department with experts from outside the organization, the officials from within the organization and representative of the Unions of the respective department to study the functional changes taken place over the years, especially due to the induction of modern technology the new challenges and the best way to meet those challenges reduction in paper work, customer satisfaction and economy in expenditure and make suggestions to the Government for their acceptance and implementation in toto.

## **12. Training building competence**

**Answer:** To ensure that periodical professional training is imparted to all personnel to update the skills.

### **12.1 How would you interpret the concept of competency based framework?**

**Answer:** No comments. This in fact is a matter which must be considered by an Administrative Reforms Commission rather than a Pay Commission.

**12.2 One of the terms of reference suggests that the Commission recommend appropriate training and capacity building through a competency based framework.**

**a) Is the present level of training at various stages of a person's career considered adequate? Are there gaps that need to be filled, and if so, where?**

**b) Should it be made compulsory that each civil service officer should in his career span acquire a professional qualification? If so, can the nature of the study, time intervals and the Institution(s) whose qualification are acceptable, all be stipulated?**

**c) What other indicators can best measure training and capacity building for personnel in your organization? Please suggest ways through which capacity building can be further strengthened?**

**Answer:** In our opinion in service training is the best course for skill development. Outsourcing of Governmental functions per se is undesirable and must be stopped.

**13.1 What has been the experience of outsourcing at various levels of Government and is there a case for streamlining it?**

**Answer:** The experience has been sheer duplication of work by existing regular employees and deterioration of efficiency in public service.

**13.2 Is there a clear identification of jobs that can be outsourced?**

**Answer:** No. for reasons stated in reply to question No. 13.

#### 14. Regulatory Bodies

**Answer:** No comments.

**14.1 Kindly list out the Regulators set up under Acts of Parliament, related to your Ministry Department. The total number of personnel on rolls (Chairperson and members + support personnel) may be indicated.**

**Answer:** No comments. The reply has to be given Government Departments.

**14.2 Regulators that may not qualify in terms of being set up under Acts of Parliament but perform regulatory functions may also be listed. The scale of pay for Chairperson Members and other personnel of such bodies may be indicated.**

**Answer:** No comments. The reply has to be given Government Departments.

**14.3 Across the Government there are a host of Regulatory bodies set up for various purposes. What are your suggestions regarding emoluments structure for Regulatory bodies?**


**Answer:** No comments.

**15. One of the terms of reference of the 7th Pay Commission is to examine the existing schemes of payment of bonus. What are your suggestions and observations in this regard.**

**Answer:** The present system of Productivity linked bonus is the product of bilateral agreements and cannot be changed through unilateral decisions. What is needed is that the Government must issue necessary guidelines to enable all departments to enter into such bilateral agreements with their staff unions and associations so that the adhoc bonus system presently in vogue in many departments could be abolished. This apart, the Commission must recommend that PLB, being an incentive scheme in nature, must be computed on actual pay of an employee instead of the notional emoluments.

Thanking you,

yours faithfully,

  
(AL Mhatre)  
General Secretary