

NTPC LTD
Corporate HR Division
(HR-Policy & Wages Group)

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CORPORATE HR CIRCULAR NO. 662/2009

SUB : Revision of Pay-scales and Allowances for employees in the executive category.

The management is pleased to revise the pay-scales and allowances for employees drawing pay in the executive scales of pay or on secondment / deputation to other organizations in the regular pay-scales of NTPC, as per details given below.

1.0 Revised Scales of Pay

1.1 The existing and the corresponding revised scales of pay effective from 1.1.2007 for executives are as given below :

Grade	Existing Pay-Scale(Rs)	Revised Pay-Scale(Rs)
E1	10750-16750	20600-46500
E2	11225-17250	24900-50500
E2A	12000-17500	24900-50500
E3	13750-18700	29100-54500
E4	16000-20800	32900-58000
E5	17500-22300	36600-62000
E6	18500-23900	43200-66000
E7	19000-24750	51300-73000
E7A	19500-25600	51300-73000
E8	20500-26500	51300-73000
E9	23750-28550	62000-80000



- 1.2 The existing structure of grades and entitlements in case of executives shall remain the same wherever there is a sharing of pay scales .
- 1.3 Applications for Board level posts in Schedule A CPSEs shall be forwarded to Public Enterprises Selection Board in respect of executives in E8 and above grades only.

2.0 Fitment in the revised scales of pay

2.1 For executives including Executive Trainees on rolls of NTPC on 1.1.07 or on secondment / deputation to other organizations in NTPC pay-scales on 1.1.07:

- (a) The basic pay in the revised pay-scale shall be fixed as follows :
- Add
- (i) Basic Pay plus Stagnation Increments in the existing scale of pay as on 1.1.2007.
 - (ii) DA at the rate of 78.2% on (i) above.
 - (iii) Fitment Benefit at the rate of 30% of [(i)+(ii)] above.
- The aggregate so arrived at shall be rounded off to the next Rs 10/- and basic pay fixed equivalent to that amount. If the amount so arrived at is less than the minimum of the revised pay-scale, basic pay shall be fixed at the minimum of the revised pay-scale.
- (b) In case of executives stagnating at the maximum of their scales or in receipt of stagnation increments as on 1.1.2007 in the 1997 pay-structure, the maximum of scale shall be taken as Basic Pay for the purpose of fitment in the revised 2007 pay-scales.
- (c) In all other cases, Special Pay shall be ignored for the purpose of fitment in the revised 2007 pay-scales and shall be discontinued in the revised structure with effect from 1.1.2007.



- (d) Special Personal Pay / Personal Pay, if any, shall also stand discontinued in the revised structure with effect from 1.1.2007.
- (e) In case of bunching i.e. in case executives in same grade drawing different amounts as basic pay start drawing the same amount of revised basic pay as on 1.1.2007, for every such two different amounts of basic pay so bunched, benefit of one increment shall be given to the executive drawing higher basic pay in the pre-revised structure. However, bunching would not include cases drawing same revised basic pay on fitment in the revised pay-structure only on account of rounding off to the next Rs 10/-

2.2 For executives who have joined after 1.1.2007

- (a) Basic pay of executives / Executive Trainees appointed / absorbed in NTPC pay-scales after 1.1.2007 who were allowed basic pay at the minimum in the pre-revised scales of pay shall be fixed at the minimum of the corresponding revised scales of pay.
- (b) In case of Executives who were allowed a higher start in the pre-revised scales of pay, their pay may be refixed as on appointment in the new revised scales.
- (c) Employees promoted / appointed on or after 1.1.2007 from non-executive grade to the executive grade shall draw the minimum revised basic pay in the relevant executive grade pending revision of pay-structure of employees in non-executive category subject to the following conditions:
 - (i) In such cases if sum of revised Basic Pay and Dearness Allowance on the date of appointment / promotion is less than sum of pre-revised Basic Pay, Dearness Pay and



Dearness Allowance, the difference of the same shall be allowed as Personal Pay.

- (ii) In such cases if sum of revised Basic Pay and Dearness Allowance on the date of appointment / promotion is less than sum of pre-revised Basic Pay, Dearness Pay, Dearness Allowance and monthly Adjustable Advance, the difference to the extent of monthly Adjustable Advance being paid shall be allowed as Personal Adjustment.
 - (iii) While Personal Pay shall be taken into account for all payments linked to basic pay, Personal Adjustment shall not be considered for any payment linked to basic pay.
 - (iv) On revision of pay-structure of the applicable non-executive category, both Personal Pay and Personal Adjustment shall be adjusted / recovered against arrears payable.
- (d) Executives who have joined from other PSUs / Central / State Governments and whose pay is revised in their earlier organization shall be entitled to normal pay-protection, as per rules, with effect from 1.1.2007.

3.0 Annual Increment and Stagnation Increment

- 3.1 The rate of annual and stagnation increment in the revised scales of pay shall be 3% of Basic Pay being drawn. The amount of each increment shall be rounded off to the next Rs 10 (Rs ten).
- 3.2 The existing anniversary date of increment applicable to the executives shall not change as a consequence of fitment in revised scales. As a result of annual increment, only such representation for resolution of anomaly shall be examined where a senior employee drawing higher



basic pay than a junior employee as on 31.12.2006, draws less basic pay in the revised pay-scale than the junior employee for a continuous period of 12 months, provided both are in the same grade.

- 3.3 Executives shall be allowed to draw upto 3 stagnation increments, one after every 2 years, upon reaching the maximum of the revised pay-scale provided the executive gets a performance rating of "Good" or above.
- 3.4 Stagnation Increments shall be treated as basic pay for all purposes except for further stagnation increments and promotion benefit.

4.0 Dearness Allowance

The Dearness Allowance in the revised pay-scales as on 1.1.2007 shall be zero. With effect from 1.4.2007, the Dearness Allowance (DA) payable would be governed as per the following provisions :

- 4.1 DA shall be revised on 1st April, 1st July, 1st October and 1st January of each year based on the percentage increase in the quarterly average of AICPI for the quarters ending February, May, August and November respectively over AICPI 126.33 (Basis 2001=100).
- 4.2 There shall be 100% neutralization of DA for all executives. Based on the revised DA scheme, payment of Dearness Allowance with effect from 1.1.2007 shall be as under :

Period	Rate of DA (% of Basic Pay)
01.01.2007 to 31.03.2007	0
01.04.2007 to 30.06.2007	0.8
01.07.2007 to 30.09.2007	1.3
01.10.2007 to 31.12.2007	4.2
01.01.2008 to 31.03.2008	5.8

Period	Rate of DA (% of Basic Pay)
01.04.2008 to 30.06.2008	6.3
01.07.2008 to 30.09.2008	9.2
01.10.2008 to 31.12.2008	12.9
01.01.2009 to 31.03.2009	16.6
01.04.2009 to 30.06.2009	16.9
01.07.2009 to 30.09.2009	18.5

5.0 Special Increment for promoting small family norms

- 5.1 Special Increment allowed to executives for undergoing sterilization operation earlier to 1.1.2007 shall be revised with effect from 1.1.2007 to an amount equivalent to one increment at the minimum of the pay-scale (3% of the minimum of the revised scales) corresponding to the pay-scale of the post against which the employee had earned the Special Increment. The other terms and conditions in this regard shall remain unchanged.
- 5.2 In respect of executives who become entitled to Special Increment on or after 1.1.2007, the amount of the same shall be revised on the basis of the applicable revised rate of increment on revised basic pay on the date of applicability. The effective date shall continue to be the first day of the month following the date of sterilization.

6.0 Pay-Fixation on Promotion

Basic Pay shall be fixed in the promoted grade after allowing one notional increment at the rate of 3% of basic pay in the pre-promoted revised pay-scale and rounding off the resultant to the next multiple of Rs 10/-.

7.0 City Compensatory Allowance (CCA)

CCA stands dispensed with in the revised structure with effect from 26.11.2008.

8.0 House Rent Allowance (HRA)

With effect from 26.11.2008, HRA shall be granted as per the revised classification of cities / towns declared by the Central Government on revised basic pay.

Revised Classification of Cities / Towns	Rates of HRA (% of revised basic pay)
X (previously classified as A1)	30%
Y (previously classified as A, B1 & B2)	20%
Z (previously classified as C).	10%

9.0 Superannuation Benefits

- 9.1 Superannuation benefits shall be paid at the rate of 30% of revised basic pay and DA. This shall include Contributory Provident Fund (CPF), Gratuity, Pension & Contributory Scheme of Post Retirement Medical Facilities.
- 9.2 With effect from 1.1.2007, employer's as well as employee's contribution to the Provident Fund shall be recovered on the basis of the revised salary.
- 9.3 Gratuity shall be calculated and paid on the basis of revised Basic Pay and DA. The ceiling on Gratuity stands revised to Rs 10 lakhs (Rs ten lakhs) with effect from 1.1.2007.
- 9.4 The existing scheme of Contributory Scheme of Post Retirement Medical Facilities (PRMS) for executives shall continue to remain operative.

- 10.0 Adjustable advance against salary revision extended to employees in executive scales of pay vide CHRC No. 624/2007 dated 7.11.2007 and CHRC No. 639/2008 dated 26.09.2008 shall be adjusted / recovered against pay revision arrears payable.
- 11.0 The existing scheme for providing Company Car to senior executives shall continue to operate.
- 12.0 In terms of DPE OM's dated 26/11/2008 and 8/6/2009 officers on deputation from Central Government who have joined NTPC upto 26.11.2008 and are drawing salary in NTPC pay-scales shall be allowed to draw salary in the revised 2007 NTPC pay-structure till the end of their deputation tenure. However, in case of those who have come on deputation after 26.11.2008 and in cases of extension given after 26.11.2008, salary shall be drawn as per entitlement in the parent department.
- 13.0 **Resignation / Death / Retirement cases**
- 13.1 The arrears arising out of revision of pay-scales and allowances mentioned above shall be admissible to executives who have separated from the company on or after 1.1.2007. The benefits of PF and Gratuity, shall also be admissible to these executives and or their nominee / legal heirs. Consequently the contribution towards the Provident Fund based on revised salary shall be recovered from arrears payable in all such cases.
- 13.2 Concerned HR and Finance departments shall ensure that before arrears are released in the afore-mentioned cases, all dues / advances, if any, of the company against the concerned employee are recovered.
- 14.0 Leave Encashment shall be payable on the basis of revised salary with effect from 1/1/2007. Consequently arrears on account of Leave encashment already



availed on or after 1/1/2007 shall be payable. The deduction on account of Half Pay Leave shall also be dealt with accordingly.

- 15.0 In case of employees under suspension, Subsistence Allowance shall be paid on the basis of revised basic pay.
- 16.0 In case of NTPC Family Economic Rehabilitation Scheme, the revised benefit to the nominees of an executive who died on or after 1.1.2007 shall be allowed only after deposit of balance amount of Provident Fund and Gratuity.
- 17.0 Any doubt/clarification relating to implementation of this circular shall be referred to Corporate HR Division.
- 18.0 All payments shall be subject to Income Tax as per Income Tax Act.

This issues with the approval of the Competent Authority.

Distribution : As enclosed.
Hindi version to follow


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GM(HR)