

STEEL AUTHORITY OF INDIA LIMITED

NEW DELHI

No.PER/EC/1213/07

November 21, 2009

OFFICE ORDER

Sub: Revision of Scales of Pay of executives holding posts below Board level w.e.f. 1.1.2007.

In pursuance of the 'Presidential Directives' received from the Government of India, Ministry of Steel vide letter No. 7(12)/2008-SAIL(PC) dated 5th October, 2009 and Board decision, the management of Steel Authority of India Ltd. is pleased to announce the revision of the salary structure of the Executives of SAIL Steel Plants/Units holding posts below Board level as per details hereunder:-

1.0 Scope and Coverage

- 1.1 The revision of the scales of pay/allowances will cover all executives holding posts below Board level of SAIL Steel Plants/Units.
- 1.2 Executives who have been deputed to other Organisations / PSEs in the scales of pay of the borrowing Organisations / PSEs are not covered in this revision.

2.0 Scales of Pay

- 2.1 The revised scales of pay effective from 1.1.2007 for the executives holding posts below Board level are given below:

| Code | Revised Scale of Pay w.e.f. 1.1.2007 |
|-------------|---|
| E-0 | 12600-32500 |
| E-1 | 20600-46500 |
| E-2 | 24900-50500 |
| E-3 | 32900-58000 |
| E-4 | 36600-62000 |
| E-5 | 43200-66000 |
| E-6* | -- |
| E-7* | -- |
| E-8 | 51300-73000 |
| E-9 | 62000-80000 |

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* Revised pay scales for E-6 and E-7 grade shall be notified later after obtaining necessary clearance from Administrative Ministry and DPE. Meanwhile, revised pay for existing incumbents in these grades shall be fixed as per clause 2.3.

2.2 The executives at E-6 and E-7 grades shall be paid the revised Pay on provisional basis as per the fitment formula given in Clause 2.3, which shall not to exceed Rs.68,000/- (in case of E-6 grade) and Rs.70,000/- (in case of E-7 grade) respectively.

2.3 **Fitment**

2.3.1 The executives on the rolls of the Company as on 1.1.2007 will be fitted in the corresponding revised scales of pay as per the following fitment formula:

i) Basic Pay (including stagnation increment, if any) in the pre-revised Scale of Pay multiplied by a common factor of 1.782;

plus

ii) Fitment benefit @ 30% of amount arrived at (i) above

The aggregate amount arrived would be rounded off to the next ten rupees and would be the revised Basic pay as on 1.1.2007. If the amount arrived is less than the minimum of the revised pay-scale, basic pay shall be fixed at the minimum of the revised pay-scale.

Sample illustrations are enclosed (Annexure-IA, IB and IC).

2.3.2 Where executives drawing pay at two or more consecutive stages in an existing scale get bunched, then for every two stages so bunched, benefit of one increment shall be given to the executive drawing higher pay in the pre-revised structure.

2.3.3 The executives who have joined after 1.1.2007, their pay would be fixed as under:

i) Basic pay of executives/Management Trainees appointed/absorbed in SAIL 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.

ii) In case of executives/Management Trainees who have been allowed higher start in the pre-revised scales of pay, their pay shall also be re-fixed at the minimum of the corresponding revised scale of pay and payments made would be adjusted/recovered accordingly.

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iii) Employees promoted/appointed after 1.1.2007 from non-executive grade to the executive grade shall draw provisionally 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:

- a) 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, then the difference of the same shall be allowed as personal pay, which shall be considered for all payments linked to Basic pay.
- b) On revision of pay structure of the applicable non-executive category, personal pay so granted shall be adjusted/ recovered against arrears payable.

2.3.4 Those executives who are on deputation to SAIL will be entitled to draw their salary with all other benefits as per their entitlement in their parent department/organization. Those executives who have joined SAIL on permanent absorption basis will get the scales of pay, perks and benefits as applicable in SAIL.

2.3.5 The Government officers already on deputation with SAIL as on 26.11.2008 (the date of issue of O.M. by the DPE regarding the revision of scale of pay of the executives and non-unionized supervisors of CPSEs) will continue to avail the option already available and exercised by them till the end of their deputation tenure. The extension, if any given after 26.11.2008 will not qualify for this dispensation. [Reference DPE OM No. 10(2)/09-DPE(WC)-GL-XV/09 Date 8th June 2009]

2.4 Annual Increment

2.4.1 The rate of Annual Increment will be at the rate of 3% of the revised Basic pay. The fraction of a rupee, if any, in the Basic Pay would be rounded off to the next multiple of Rs.10. The annual increment from 1.1.2007 shall be paid on revised Basic pay, as per laid down provisions on annual increment.

2.4.2 The existing increment date applicable to the executive shall not change as a consequence of fitment in revised scales. As a result of annual increment, only such representations 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 revised pay scale than the junior employee for a continuous period of more than six months, provided both are in the same grade.

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2.5 Stagnation Increment

2.5.1 Executives would be allowed upto a maximum of three stagnation increments, one after every two years, upon reaching the maximum of the revised scales of pay provided the executive is rated "good" or above.

2.5.2 Stagnation increment(s) shall be treated as basic pay for all purposes except for further stagnation increments and promotion benefit.

2.6 Pay Fixation on Promotion

One notional increment at 3% of Basic Pay in the pay-scale before such promotion would be added and pay fixed in the promoted pay scale shall be rounded off to the next multiple of Rs.10.

3.0 Dearness Allowance

The existing pattern of 100% neutralisation of Dearness Allowance (DA) shall continue. The DA as on 1.1.2007 will become zero linked to AICPI (2001=100), which is 126.33 as on 1.1.2007. The periodicity of adjustment will be once in three months, as per the existing practice. The quarterly DA payable from 1.1.2007 is given at Annexure-II.

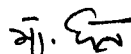
4.0 House Rent Allowance

4.1 The rates of HRA on revised basic pay w.e.f. 5th October, 2009 would be paid as under based on the classification of cities as notified by DPE :

| Cities with Population | Percentage of Basic pay |
|---|-------------------------|
| 50 lakh and above (Classified as 'X' – Previously A1) | 30% |
| 5 to 50 lakh (Classified as 'Y' – Previously A, B1 and B2) | 20% |
| Less than 5 lakh (Classified as 'Z' – Previously C and Unclassified) | 10% |

4.2 In case the amount of House Rent Allowance as per prescribed rate is less than the actual amount of HRA drawn earlier by a particular executive, the difference would be allowed to be drawn by the executive as 'Personal Allowance' until the difference is eliminated in course of time subject to the condition that the difference would be subsumed with in the overall limit prescribed for the perks and allowances.

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5.0 House Rent Recovery (HRR)

5.1 House Rent Recovery from the executives would be made as under:

(i) HRR for the period from 1.1.2007 till 30.9.2009

HRR for the period from 1.1.2007 till 30.9.2009 will continue to be made @ 10% of the pre-revised Basic pay or Standard Rent, whichever is less.

(ii) HRR from 1.10.2009

From 1.10.2009, HRR would be made @ 10% of the revised Basic pay or Standard Rent, whichever is less.

6.0 City Compensatory Allowance

The City Compensatory Allowance stands dispensed with w.e.f. 5th October, 2009.

7.0 Non-Practicing Allowance

7.1 Non-Practicing Allowance (NPA) to doctors w.e.f. 5.10.2009 shall be as under:

| Qualification | Percentage of Basic pay |
|-------------------|-------------------------|
| MBBS | 20% |
| MBBS with Diploma | 22.5% |
| PG Degree | 25% |

7.2 The NPA shall replace the Non-Practicing Pay payable to Doctors w.e.f. 5.10.2009.

7.3 The above NPA shall not be counted for any other purpose like PF etc.

8.0 Superannuation Benefits

8.1 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 & Post Superannuation Medical Benefits. The Pension and Medical Benefits can be extended to those executives, who superannuate from SAIL and have put in a minimum of 15 years of service in SAIL, prior to superannuation.

8.2 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.

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8.3 Gratuity

The ceiling of Gratuity for executives' stands revised to Rs.10 lakh w.e.f. 1.1.2007.

9.0 Miscellaneous

9.1 The lumpsum Adhoc Adjustable Advance paid for the period 1.1.2007 till 31.12.2007 vide letter No.PER/EC/1213 dated 13.12.2007, payment on account of merger of 50% of DA with Basic Pay w.e.f. 1.1.2007 (vide order No.PER/EC/1305 dated 17.9.2008) and second Adhoc Adjustable Advance paid vide letter No.PER/EC/1213 dated 03.09.2009 and 17.09.2009 would be fully adjusted against the payments arising out of revision of pay, pay scales, pay related payment and other pay related allowances.

9.2 The executives who were on the rolls of SAIL as on 1.1.2007 but separated from the service after 1.1.2007 due to resignation, superannuation and Voluntary Retirement or death, as the case may be, will be eligible for salary revision benefits upto the period of their separation. Recoveries and deductions to be effected on the revised pay will similarly be applicable in these cases for the period upto the date of separation.

9.3 All payments shall be subject to income tax as per Income Tax Act.

10.0 Interpretation/clarification

10.1 All issues pertaining to this order which may require interpretation/clarification may be referred to Corporate Personnel Directorate (Employee Compensation Group), SAIL Corporate Office, New Delhi.

11.0 This issues with the approval of Competent Authority.


[B. Dhal] 21.11
Executive Director [P&A]

Encl: As stated

Sample Fitment

Illustration-I (with January DNI)

E-1 10750-4%-16750
20600-3%-46500

| | Basic | Remarks |
|------------|-------|-------------------|
| 31.12.2006 | 11627 | Pre-revised Basic |
| 1.1.2007 | 26940 | Revised Basic |
| 1.1.2007 | 27750 | Annual Increment |
| 1.1.2008 | 28590 | Annual Increment |
| 1.1.2009 | 29450 | Annual Increment |

Illustration-II (with July DNI)

E-1 10750-4%-16750
20600-3%-46500

| | Basic | Remarks |
|------------|-------|-------------------|
| 31.12.2006 | 11627 | Pre-revised Basic |
| 1.1.2007 | 26940 | Revised Basic |
| 1.7.2007 | 27750 | Annual Increment |
| 1.7.2008 | 28590 | Annual Increment |
| 1.7.2009 | 29450 | Annual Increment |

Illustration-III (Promotion cases)

E-1 10750-4%-16750 (Pre-revised scale)
20600-3%-46500 (Revised scale)

| | Basic | Remarks |
|------------|-------|------------------------|
| 31.12.2006 | 11627 | Pre-revised Basic |
| 1.1.2007 | 26940 | Revised Basic |
| 1.1.2007 | 27750 | Annual Increment |
| 30.6.2007 | 28590 | Promotion to E-2 grade |
| 1.1.2008 | 29450 | Annual Increment |
| 1.1.2009 | 30340 | Annual Increment |

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Sample Fitment

Illustration-I (with January DNI)

E-4 17500-4%-22300 (Pre-revised scale)
36600-3%-62000 (Revised scale)

| | Basic | Remarks |
|------------|-------|-------------------|
| 31.12.2006 | 21485 | Pre-revised Basic |
| 1.1.2007 | 49780 | Revised Basic |
| 1.1.2007 | 51280 | Annual Increment |
| 1.1.2008 | 52820 | Annual Increment |
| 1.1.2009 | 54410 | Annual Increment |

Illustration-II (with July DNI)

E-4 17500-4%-22300 (Pre-revised scale)
36600-3%-62000 (Revised scale)

| | Basic | Remarks |
|------------|-------|-------------------|
| 31.12.2006 | 21485 | Pre-revised Basic |
| 1.1.2007 | 49780 | Revised Basic |
| 1.7.2007 | 51280 | Annual Increment |
| 1.7.2008 | 52820 | Annual Increment |
| 1.7.2009 | 54410 | Annual Increment |

Illustration-III (Promotion cases)

E-4 17500-4%-22300 (Pre-revised scale)
36600-3%-62000 (Revised scale)

| | Basic | Remarks |
|------------|-------|------------------------|
| 31.12.2006 | 21485 | Pre-revised Basic |
| 1.1.2007 | 49780 | Revised Basic |
| 1.1.2007 | 51280 | Annual Increment |
| 30.6.2007 | 52820 | Promotion to E-5 grade |
| 1.1.2008 | 54410 | Annual Increment |
| 1.1.2009 | 56050 | Annual Increment |

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Sample Fitment - Stagnation Increment

A. Basic with one Stagnation Increment

E-8 20500-4%-26500 (Pre-revised scale)
51300-3%-73000 (Revised scale)

| | Basic | SI | Remarks |
|------------|-------|------|-------------------|
| 31.12.2006 | 26500 | 1060 | Pre-revised Basic |
| 1.1.2007 | 63850 | - | Revised Basic |
| 1.1.2007 | 65770 | - | Annual Increment |
| 1.1.2008 | 67750 | - | Annual Increment |
| 1.1.2009 | 69790 | - | Annual Increment |

B. Basic with two Stagnation Increment

E-6 19000-4%-24400 (Pre-revised scale)

| | Basic | SI | Remarks |
|------------|-------|------|-------------------|
| 31.12.2006 | 24400 | 1952 | Pre-revised Basic |
| 1.1.2007 | 61050 | - | Revised Basic |
| 1.1.2007 | 62890 | - | Annual Increment |
| 1.1.2008 | 64780 | - | Annual Increment |
| 1.1.2009 | 66730 | - | Annual Increment |

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ANNEXURE-II

**STEEL AUTHORITY OF INDIA LIMITED
NEW DELHI**

REVISED RATES OF DEARNESS ALLOWANCE - EXECUTIVES

| Quarter | Percentage of Basic Pay |
|-------------------------|--------------------------------|
| 1.1.2007 to 31.3.2007 | 0 |
| 1.4.2007 to 30.6.2007 | 0.8 |
| 1.7.2007 to 30.9.2007 | 1.3 |
| 1.10.2007 to 31.12.2007 | 4.2 |
| 1.1.2008 to 31.3.2008 | 5.8 |
| 1.4.2008 to 30.6.2008 | 6.3 |
| 1.7.2008 to 30.9.2008 | 9.2 |
| 1.10.2008 to 31.12.2008 | 12.9 |
| 1.1.2009 to 31.3.2009 | 16.6 |
| 1.4.2009 to 30.6.2009 | 16.9 |
| 1.7.2009 to 30.9.2009 | 18.5 |
| 1.10.2009 to 31.12.2009 | 25.3 |

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