

BHARAT DYNAMICS LIMITED
KANCHANBAGH : HYDERABAD

CORPORATE – P&A

Ref: BDL/04/51/034/C-P&A

Dated : 09-05-2009

C I R C U L A R

PC No.07/2009 dt.09-05-2009.

Sub : Revision of Scales of Pay of Executives.

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In pursuance of the approval conveyed by the Ministry of Defence, Government of India, vide letter No. H-62030/1/2007-D(BDL) dated 27th April 2009 the Management is pleased to announce the revised scales of pay for Executives in Grade – I to IX, Functional Directors and CMD as indicated in column 5 of the table below w.e.f. 1st January 2007.

2 Accordingly pay scales, Dearness Allowance etc in respect of Board Level and below Board Level Executives will stand revised w.e.f 01-Jan-2007 as under:

| S. No. | Designation | Grade | Pre-revised Pay Scales Pay (Rs.) | Revised Pay Scales Pay (Rs.) |
|--------|---------------------|-------|-------------------------------------|---------------------------------|
| (1) | (2) | (3) | (4) | (5) |
| 1. | Junior Manager | I | 6550-200-11350 | 12,600-32,500 |
| 2. | Asst. Manager | II | 8600-250-14600 | 16,400-40,500 |
| 3. | Dy. Manager | III | 10750-300-16750 | 20,600-46,500 |
| 4. | Manager | IV | 13000-350-18250 | 24,900-50,500 |
| 5. | Senior Manager | V | 14500-350-18700 | 29,100-54,500 |
| 6. | Dy. Gen. Manager | VI | 16000-400-20800 | 32,900-58,000 |
| 7. | Addl. Gen. Manager | VII | 17500-400-22300 | 36,600-62,000 |
| 8. | General Manager | VIII | 18500-450-23900 | 43,200-66,000 |
| 9. | Executive Director | IX | 20500-500-26500 | 51,300-73,000 |
| 10. | Functional Director | Sch.B | 22500-600-27300 | 65,000-75,000 |
| 11. | C&MD | Sch.B | 25750-650-30950 | 75,000-90,000 |

Contd..2/-

3. Fitment Benefit : A uniform Fitment Benefit @ 30% on Basic pay, Dearness Pay and DA as on 1st January 2007 would be provided to all Executives. The aggregate amount will be rounded off to the next 10/- Rs and pay fixed in the revised pay scale. Additional Increments granted earlier vide PC No. 13/2007 dated 29th August 2007 to arrest attrition of employees will not be considered for the purpose of Fitment/ Pay Revision w.e.f. 1st January 2007.

3.1 Bunching : Where Executives drawing pay at two or more consecutive stages in the existing scale get bunched, then for every two stages so bunched, benefit of one increment in the revised scale will be given.

3.2 Increment : Annual increment will be @ 3% of the revised basic pay and will be granted on yearly basis as per the procedure / practice and will be regulated on two dates i.e., 1st January / 1st July depending on individual Executives joining time and promotion. In respect of those Officers who were due for annual increment as on 1.1.2007 their pay in the revised pay scale will be fixed with reference to the pay drawn by them in the pre-revised scale as on 1.1.2007 (without adding increment) and the increment due on 1.1.2007 will be granted in the revised scale of pay.

3.3 Dearness Allowance: 100 % DA neutralization will be adopted for all the Executives w.e.f 1st January 2007. Thus DA as on 1st January 2007 will become zero with link point of All India Consumer Price Index (AICPI) 2001= 100, which is 126.33 as on 1st January 2007. The periodicity of adjustment of DA will be once in 3 months as per the existing practice. The quarterly DA payable from 1st January 2007 will be as per new DA rates as given below:

| Date of Dearness Allowance | Rate of Dearness Allowance (In percentage) |
|-----------------------------------|---|
| 01-01-2007 | 0 |
| 01-04-2007 | 0.8 |
| 01-07-2007 | 1.3 |
| 01-10-2007 | 4.2 |
| 01-01-2008 | 5.8 |
| 01-04-2008 | 6.3 |
| 01-07-2008 | 9.2 |
| 01-10-2008 | 12.9 |
| 01-01-2009 | 16.6 |
| 01-04-2009 | 16.9 |

3.4 Stagnation Increment : The rate of stagnation increment will be at 3 % of the revised basic pay. Executives will be allowed to draw maximum of three stagnation increments, one increment after every two years of service upon reaching maximum of the revised pay scale. The stagnation increment will be granted to the Executive provided the Executive gets performance rating of “GOOD” or above in the Annual Performance Appraisal Report.

3.5 Pay fixation on Promotion : One notional increment equal to the increment being drawn by the Executive in the revised pay scale before such promotion would be granted and pay fixed in the promoted pay scale and rounded off to next multiple of Rs.10/-.

3.6 Pay fixation of Executives joining on or after 1st January 2007 :

3.6.1 All Executives who are appointed on or after 1st January 2007 would be deemed to have been appointed in the revised scales of pay directly without any additional increments. (attrition increments). Their pay will be fixed at the minimum of the revised pay scales after withdrawing the additional increments granted.

3.6.2 Any recovery due to earnings received by such Executive over and above the revised pay because of the Additional Increments (attrition increments) granted, will be kept in abeyance till a decision is received on the subject from MOD.

3.6.3 The Executives who are appointed or promoted from non-executive cadre on or after 1st January 2007 will be provisionally fixed into the corresponding revised scales of pay from the date of their promotion. Their final pay fixation in the revised scale will be done after revision of pay scales of non-executives which is due from 1st January 2007.

3.7 Leave Encashment: Encashment of leave availed by the Officers between 1st January 2007 till the date of implementation of revision of pay scales will be considered for payment of differential amount calculated based on the pay in the revised scale and actual amount paid.

3.8 House Rent Allowance: House Rent Allowance to the employees of the Company will be at the following rates and will be effective from 26th November 2008.

| Cities with population | Rates of HRA |
|------------------------|-------------------|
| 50 lakhs and above | 30 % of Basic Pay |
| 5 to 50 lakhs | 20% of Basic Pay |
| Less than 5 lakhs | 10% of Basic Pay |

No HRA will be paid to employees to whom the Company is in a position to provide accommodation.

3.9 Leased Accommodation : The existing rates for self leasing of residential accommodation are revised as follows:

| Executives Eligible | Place | Lease Rent |
|---|---------------|---|
| CMD & Functional Directors | Hyderabad | 50% of maximum of the Revised Pay Scale |
| Executives in Gr. VII, VIII & IX (i.e., AGM, GM & ED) | Hyderabad | 40% of maximum of the Revised Pay Scale |
| | Visakhapatnam | 30% of maximum of the Revised Pay Scale |

No change in rate of recovery i.e., @ 10% towards unfurnished accommodation and 12.5% for furnished accommodation.

- 4. City Compensatory Allowance (CCA) :** The City Compensatory Allowance stands dispensed with w.e.f. 1st January 2007.
- 5 Period:** The revised pay scales will remain operative till the next pay scale revision as per DPE guidelines applicable to CPSEs or till further orders.
- 6. Family Planning Incentive:** Employees who have undergone sterilization operation prior to 01-01-2007 will be allowed to draw the Personal Pay equivalent to the lowest rate of increment in the revised pay scale corresponding to the pay scale against which the individual had earned the Personal Pay in the pre-revised scale of pay. This will be allowed with effect from 01-01-2007. It will not be reckoned as pay for calculation of DA.
- 7. Employees Provident Fund and Pension Scheme:** Consequent upon revision of pay scales and DA, Employer's as well as Employee's contribution to the Employees Provident Fund and Pension Scheme will be recalculated at the applicable rates on the basis of revised pay and DA w.e.f 01-01-2007. An option is given to the employees to contribute towards V.P.F. from the arrears.
- 8. Recovery of Income Tax, etc:** Recoveries towards income tax will be effected as per rules.
- 9. Additional Increments / Dearness Pay :** The amounts paid on account of grant of additional increments vide PC No. 13/2007 dated 29-08-2007 and Dearness Pay paid in terms of PC No.17/2008 dated 11-06-2008 will be adjusted in full against payment of arrears to be made in due course.
- 10. Cases of pay anomaly,** if any, arising out of implementation of 2007 pay scales will be addressed separately. Clarification will be sought from MOD/DPE in respect of Executives who will be drawing pay less than the pre-revised scale on revision.
- 11. Interpretations / Clarifications:** All issues arising out of the provisions contained in this Personnel Circular which may require interpretations/clarification are to be referred to the Corporate office for a decision.
- 12 Other Perks and Allowances:** In terms of DPE guidelines, as referred above, Perks and Allowances shall be considered for revision from 26th Nov 2008 subject to a maximum ceiling that may be approved by the Board in due course.
- 13** The quantum/entitlement of benefits, Perks, Allowances and deductions, as allowed to Executives as on 25-Nov 2008, shall remain unchanged till further orders.
- 14. General:**
 - 14.1** The revision of pay scales of Executives w.e.f. 01-Jan-2007 shall be implemented along with the salary of May 2009. Arrears/recoveries as applicable in respect of concerned Executives for the period from 01-Jan-2007 to 30th April 2009 against relevant heads shall be disbursed in due course taking into account other aspects under consideration.
 - 14.2** The excess payment, wrong payments, arithmetical and system errors, in calculations shall be subject to corrections, adjustments and recoveries.
 - 14.3** A separate Circular will be issued with regard to extending the benefit of revision of pay scales to the Executives separated from the Company on or after 01-Jan-2007.

(P.P.C.AJAY KUMAR)
GENERAL MANAGER (P&A)

STANDARD DISTRIBUTION.

BHARAT DYNAMICS LIMITED
KANCHANBAGH : HYDERABAD

CORPORATE – P&A

Ref: BDL/04/51/017/C-P&A

Dated 22-01-2011

C I R C U L A R

PC No.07/2011 dt. 22.01.2011.

Sub: Revision of Scales of pay of Executives-Reg.

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Further to the Circular P.C.No.07/2009 dated 9.5.09, on Revision of scales of Pay of Executives, following clarification is given regarding grant of annual increment (clause 3.2 of P.C. No 07/2009 dated 9.5.09) in r/o cases involving loss of pay/absence without leave.

“ In the case of Executives having loss of pay/absence without leave, their annual increment shall be granted proportionately on the due date of increment.”

This issues with the approval of the Competent Authority.

(P.P.C.AJAY KUMAR)
GENERAL MANAGER (P&A)

STANDARD DISTRIBUTION
HINDI VERSION FOLLOWS

BHARAT DYNAMICS LIMITED
KANCHANBAGH : HYDERABAD

CORPORATE – P&A

Ref: BDL/04/51/034/ C-P&A

Dated : 14-08-2009

C I R C U L A R

PC No.16/2009 dt.14-08-2009.

Sub : Non-Practicing Allowance (NPA) to Medical Officers – Reg.

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The Medical Officers who are on the rolls of the Company will be paid Non- Practicing Allowance (NPA) @ 25% of the basic pay (2007 pay scales) or Rs.7,500/- (Rupees seven thousand five hundred only) whichever is less, per month w.e.f. 26th November 2008. Other Terms and Conditions in this connection will remain unaltered.

(P.P.C.AJAY KUMAR)
GENERAL MANAGER (P&A)

- STANDARD DISTRIBUTION.

BHARAT DYNAMICS LIMITED
KANCHANBAGH::HYDERABAD
 (Office of General Manager (Personnel & Administration))

Ref: BDL/04/51/035/C-P&A

Date: 07 Oct 2010.

C I R C U L A R

PC No. 24 /2010 dated 07 Oct 2010

Sub: Revision of Perks/ Allowances / Advances payable to Executives

The Board of Directors in its 191st meeting held on 03 Sep 2010 held at Hyderabad approved 45% of basic earned as Perks and Allowances under Cafeteria approach. The Management is pleased to revise the Perks /Allowances /Advances payable to Executives, as detailed below:

1.0 PERKS & ALLOWANCES

1.1 The Executives will be eligible to draw up to 45% of the basic pay earned w.e.f. 26 Nov 2008 as perks and allowances under Cafeteria Approach. The total value of perks and allowances in a financial year would not exceed 45% of basic pay earned for the year or the part of the year as the case may be. All the executives will be allowed to choose a set of perks and allowances from out of the following:

| | | |
|-----|---|---|
| | <u>Compulsory Perks And Allowances</u> | |
| 1. | Canteen Coupons (Deduction @ Rs.50/- Per day will be made only in case of LOP) | Rs.1500/ p.m. |
| 2. | Medical reimbursement towards Outpatient treatment | upto 8% of basic earned subject to max. of Rs.1250/- p.m. |
| 3. | Washing or Uniform Allowance | 2% of running basic earned |
| | <u>Optional Allowances:</u> | |
| 4. | Conveyance Allowance (car) | upto 8% of basic earned |
| 5. | Conveyance Allowance(Scooter) | upto 8% of basic earned subject to a max. of Rs.1500/- p.m |
| 6. | News Paper allowance | 1% of basic earned. |
| 7. | Professional Development Allowance | 4% of the basic earned. |
| 8. | Leave Travel Allowance | upto 5% of basic earned |
| 9. | Children Education Allowance (Max. for two children) as per existing rules. | Rs.300/-p.m. per child(Tuition fee) Rs.300/-p.m. per child(Hostel fee) |
| 10. | Interest Subsidy on House Building Advance (As per existing rules and modified limits) | Rs.175/- per Rs. One lakh loan subject to maximum Rs.1225/-p.m. |
| 11 | SPECIAL ALLOWANCE: Balance amount; if any; after deducting the compulsory perks and optional perks from 45% of basic earned will be paid as Special allowance. There shall be no other allowances. | |

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Note: Monetisation of expenditure towards Canteen, Hospital (Chronic/OP), School, Transport and Interest subsidy on advances will be either recovered from Pay or adjusted from 45% perks.

- 1.2 While total value of Perks and allowances in a financial year would not exceed 45% of basic pay earned for the year, the actual costs/expenditure incurred by the Company, in cash or kind, for running/operating of schools, transport, issue of chronic medicines and cost of outpatient treatment at Company run hospitals and MI Room, interest differences on various advances i.e., difference between notified percentage of interest [(presently 12%) minus interest actually charged on such advances] would be recovered from the executives who are receiving such benefit/using such facility as the case may be.
- 1.3 The canteen food rates will be worked out once in three months after considering all costs incurred / services provided in cash or kind and would be charged at such rates from the canteen users. The Canteen Management Committee (CMC) has to manage the canteen on no profit / no loss basis. No subsidies either in cash or kind will be provided. The revision of canteen food rates will be automatic based on expenditure. The CMC will have powers only to control expenditure and audit the same.
- 1.4 Executives have to give an option at the beginning of every financial year in respect of their choice in selecting the perks / allowances which shall be valid till the end of that financial year.
- 1.5 Expenditure on transport will also be reviewed on quarterly basis and modifications would be made for recoveries.
- 1.6 In respect of other expenditure i.e., medical, school, interest subsidy on advances, the review will be on yearly basis. Management shall notify percentage of interest on loans and advances from time to time.
- 1.7 Management reserves the right to alter percentage of item wise perks under cafeteria approach including advances / deletion of perks and / or item wise limits / percentages.
- 1.8 The deductions that will be made for use of transport, school facility will be notified separately every year. Deductions will be made towards the chronic disease medicines and out patient medicines being supplied at MI Rooms / hospitals based on the purchase cost of such medicines. However, there will be no deductions for first aid medicines issued through MI Rooms in Factory premises.

2.0 Interest Subsidy on House Building Loans

- 2.1 The Interest Subsidy Scheme is modified as follows:

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- 2.1.1 The ceilings on amount of loan for the purpose of Interest Subsidy for the purchase/construction of house/flat and for enlargement of existing house will be enhanced for the loans taken on or after 01 Jan 2007 from Rs. 4.0 lakh to Rs. 7.0 lakh and Rs. 1.2 lakh to Rs. 2.0 lakh respectively.
- 2.1.2 To allow interest subsidy for the balance period as per the earlier agreement in case the Executive sold his/her old house and purchased another house, within the prescribed period specified under the Interest subsidy scheme in vogue.
- 2.1.3 To allow transfer of the remaining amount of House building loan for the balance period from one approved Lending Agency to another, if the interest rates were lower and working out to be cheaper to the Company.
- 2.1.4 The other existing terms and conditions will remain unaltered.
- 2.1.5 W.e.f. 26 Nov 2008 onwards interest subsidy will form part of Perks under Cafeteria Approach and regulated accordingly.

3.0 ADVANCES:

Notified Rate of Interest of the Company is 12% Per Annum w.e.f. 26 Nov 2008 which may be changed from time to time.

3.1 Special Advance: The special advance will be increased from Rs. 10,000/- to Rs. 18,000/- recoverable in 12 equal installments for all executives. All other terms and conditions shall remain unaltered.

3.2 Computer Advance:

3.2.1 The existing advance shall be reduced from Rs. 35,000/- to Rs. 25,000/-.

3.3 Two Wheeler/Four wheeler Advances : Henceforth the two/four wheeler advances shall be as under:

3.3.1 Scooter/Motor Cycle -increased from Rs. 30,000/- to Rs. 50,000/-.

3.3.2 Car Advances shall be as under:

| Grade | Existing loan for old car | Existing loan for new car | Revised loan for old car | Revised loan for new car |
|------------|---------------------------|---------------------------|--------------------------|--|
| Gr. I & II | -- | -- | Rs. 1.20 lakh | Rs. 3.0 lakh or 80% of the cost of the new car whichever is less |
| Gr. III | | Rs. 0.80 lakh | Rs. 1.20 lakh | -do- |
| Gr. IV | Rs.0.80 lakh | Rs. 1.45 lakh | Rs. 1.20 lakh | -do- |

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|----------------|--------------|---------------|----|---|
| Gr. V | Rs.0.80 lakh | Rs. 1.60 lakh | -- | Rs. 6.0 lakh or 80% of the cost of the new car, whichever is less |
| Gr. VI & above | Rs.0.80 lakh | Rs. 1.80 lakh | -- | -do- |

3.3.3 There should be a left over service of 5 years to be eligible to draw computer/vehicle advance.

3.3.4 In case any executive is having less than 5 years service but not less than 2 years of service, he/she will be eligible for computer/vehicle advance on pro-rata basis.

3.3.5 The other existing terms and conditions for the advances in vogue shall remain unaltered.

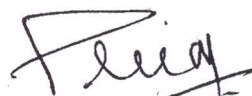
4.0 CONDITIONS AND EFFECTIVE DATE

4.1 In respect of all the above, the existing terms and conditions unless altered/modified as stated herein above will continue to be applicable. The effective date will be 26 Nov 2008, if not mentioned otherwise at the respective places.

4.2 All existing facilities and benefits, other than those, specifically dealt with herein may continue, till they are specifically withdrawn due to any order of the Government.

4.3 These perks and allowances shall be made applicable to all those officers who are on the Rolls of the Company as on 26 Nov 2008 and joined thereafter.

4.4 The arrears will be paid in due course and the same are subject to Audit. Any adjustments arising out of Audit verification shall be effected in subsequent payments.



(PPC AJAY KUMAR)
GENERAL MANAGER (P&A)

STANDARD DISTRIBUTION.