

No.1-6/2016-IC/E-IIIA  
• Govt. of India  
Ministry of Finance  
Department of Expenditure

North Block, New Delhi  
Dated the 07<sup>th</sup> February, 2019

Office Memorandum

**Subject: Bunching of stages of pay in the pre-7<sup>th</sup> CPC pay scales consequent upon fixation of pay in the revised pay scales based on 7<sup>th</sup> CPC-Regarding**

The undersigned is directed to invite attention to this Departments OM No. 1-6/2016-IC dated 3<sup>rd</sup> August, 2017, explaining in detail the methodology for applying the principle of "bunching" consequent upon pay fixation in the revised pay scales (applicable Levels of the Pay Matrix) effective from 1.1.2016 based on implementation of the recommendations of the 7<sup>th</sup> Pay Commission.

2. Notwithstanding the fact that the said OM dated 3.8.2017 has elaborately explained the issue of bunching in the context of the revised pay scales based on 7<sup>th</sup> Central Pay Commission, references are being received in this Ministry seeking clarification as to the methodology to carry out the principle of bunching. It is seen that some of the clarifications received seem to arise out of the position on bunching as obtaining during the pay structure in vogue based on 6<sup>th</sup> Pay Commission before 1.1.2016 vis-à-vis the position explained in terms of this Ministry's aforesaid OM dt. 3.8.2017 in the context of pay structure currently in vogue from 1.1.2016 based on the recommendations of the 7<sup>th</sup> Pay Commission.

3. Therefore, the matter has been considered keeping in view the clarifications sought and the issue is clarified heretofore. At the very outset, bunching as a sequel to pay fixation based on the formula for such pay fixation on the date of effect of revised pay scales based on the recommendations of the 7<sup>th</sup> Pay Commission, is to be considered strictly as per the recommendations of the 7<sup>th</sup> Pay Commission, as illustrated in para 5.1.37 of its report. The principle of bunching as recommended by the 7<sup>th</sup> Pay Commission, as accepted by the Government in terms of the erstwhile Implementation Cell's OM dt. 7.9.2016 and 3.8.2017, is different from the principle recommended by the 6<sup>th</sup> Pay Commission and as accepted by the Government based thereon. Therefore, the principle of bunching in the revised pay structure based on the recommendations of the 7<sup>th</sup> Pay Commission is independent of the principle followed earlier and has no link thereto.

4. The 6<sup>th</sup> Central Pay Commission in para 2.2.21 of its Report recommended - "To alleviate the problem of bunching in these cases, the Commission has allowed the benefit of one extra increment wherever two or more stages in any of the pre-



revised pay scales were getting bunched together at one level in the revised pay bands.... The Commission has prepared a detailed fixation chart which gives the fitment in the revised running pay bands in every stage". However, in the fitment charts prepared by the 6<sup>th</sup> Pay Commission, the Commission illustrated the bunching meant by it. The examples from the fitment tables prepared by the 6<sup>th</sup> Pay Commission are given in **Annexure I**.

5. The same principle of bunching was adopted in terms of the fitment table prescribed by the Ministry of Finance, Department of Expenditure, as per the OM No.1-1/2008-IC dated 30.8.2008. The examples of which are given in **Annexure II**.

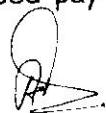
6. The 7<sup>th</sup> Pay Commission has dealt with the issue of bunching in paras 5.1.36 and 5.1.37, which are reproduced below.

"5.1.36 Although the rationalisation has been done with utmost care to ensure minimum bunching at most levels, however if situation does arise whenever more than two stages are bunched together, one additional increment equal to 3 percent may be given for every two stages bunched, and pay fixed in the subsequent cell in the pay matrix.

5.1.37 For instance, if two persons drawing pay of Rs. 53,000 and Rs. 54,590 in the GP 10000 are to be fitted in the new pay matrix, the person drawing pay of Rs. 53,000 on multiplication by a factor of 2.57 will expect a pay corresponding to Rs. 1,36,210 and the person drawing pay of Rs. 54,590 on multiplication by a factor of 2.57 will expect a pay corresponding to Rs. 1,40,296. Revised pay of both should ideally be fixed in the first cell of level 15 in the pay of Rs.1,44,200 but to avoid bunching the person drawing pay of Rs. 54,590 will get fixed in second cell of level 15 in the pay of Rs.1,48,500."

7. Accordingly, the essence of the recommendations of the 7<sup>th</sup> Pay Commission is contained in the above illustration given by the 7<sup>th</sup> Pay Commission. As per this illustration, the pay of Rs. 53,000 and Rs. 54,590 were the pay applicable in PB-4 plus Grade Pay of Rs. 10,000 as applicable prior to 1.1.2016, which corresponds to Level-14 of the Pay Matrix applicable from 1.1.2016. The pay of Rs. 54,590 was 3% more than the pay of Rs. 53,000. That is, these two Pays were separated by a difference of 3% of Rs. 53,000. Thus, the pay of Rs. 54,590 was the stage next to the pay of Rs. 53,000. Considering that the 7<sup>th</sup> Pay Commission allowed the benefit of bunching at the level of the pay of Rs. 54,590 itself, it materially departed from the principle followed at the time of 6<sup>th</sup> Pay Commission because in the 6<sup>th</sup> Pay Commission regime the benefit was allowed at the 3<sup>rd</sup> consecutive stage and not at the 2<sup>nd</sup> stage itself (next stage) for the purpose of bunching.

8. Furthermore, in the illustration given in para 5.1.37 of its report, the 7<sup>th</sup> Pay Commission has not mentioned about the pay in respect of pre-revised pay of Rs. 56,230, which is 3% more than the pay of Rs. 54,590. The revised pay fixed in the Level 14 with reference to the pre-revised pay of Rs. 56,230 will be Rs. 1,48,500.



This will be the same as the pay to be given with reference to the pre-revised pay of Rs. 54,590 after allowing bunching. However, the 7<sup>th</sup> Pay Commission did not recommend any additional benefit in such cases, as it did not include in its illustration for any benefit in case of the further stages of pre-revised pay, consequent upon bunching at the lower stage.

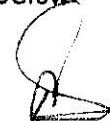
9. In view of the above, the benefit of bunching consequent upon fixation of pay in the revised pay structure effective from 1.1.2016 based on the recommendation of the 7<sup>th</sup> Pay Commission is to be considered in the light of the above and the clarifications already issued in terms of the aforesaid letter dated 3.8.2017. Accordingly:

- (i) Where consequent upon fixation of pay in terms of Rule 7 (1) (A)(i) of the CCS (RP) Rules, 2016, two different pay drawn in the pay structure obtaining immediately before 1.1.2016, which were separated by one another by 3% of the previous stage, are fixed at the same cell of the applicable Level of the Pay Matrix effective from 1.1.2016, then the benefit of bunching by way of one additional increment as on 1.1.2016 shall be admissible in respect of the pay which is more than 3% of the previous pay, as per the illustration given by the 7<sup>th</sup> Pay Commission in para 5.1.37, as mentioned above. This is further illustrated as below:

6<sup>th</sup> CPC Pay scale : PB-4 (37,400-67,000) + Grade Pay Rs.8,700/-  
7<sup>th</sup> CPC Pay Scale - Level-13 (1,23,100-2,15,900)

6 <sup>th</sup> CPC Pay Structure (PB-4 and GP of Rs. 8,700)	Pay fixation in 7 <sup>th</sup> CPC Pay Matrix (Level-13)		
	Pay	Consolidation based on 2.57 multiple	Pay fixed as on 1.1.2016
46,100	Rs.1,18,477	Rs.1,23,100/-	Rs.1,23,100/-
47,490 (46,100+3%)	Rs.1,22,049	Rs.1,23,100/-	Rs.1,26,800/-

- (ii) In view of the position explained in para 8 above and the specific recommendation of the 7<sup>th</sup> Pay Commission as per its illustration given in para 5.1.37 of its report, no further action is to be taken after the benefit of bunching as a result of application of Rule 7(1)(A)(i), as indicated above. This is as illustrated below:

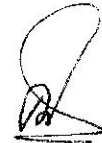


6 <sup>th</sup> CPC Pay Structure (PB-4 and GP of Rs. 8,700)	Pay fixation in 7 <sup>th</sup> CPC Pay Matrix (Level-13)			
Pay	Consolidation based on 2.57 multiple	Pay fixed as on 1.1.2016	Pay after bunching as on 1.1.2016	Remarks
46,100	Rs.1,18,477	Rs.1,23,100/-	Rs.1,23,100/-	
47,490 (46,100+3%)	Rs.1,22,049	Rs.1,23,100/-	Rs.1,26,800/-	Pay raised because of bunching.
48,920 (47,490+3%)	Rs. 1,25,724	Rs. 1,26,800	Rs. 1,26, 800	<b>No change.</b>

10. In the light of the above, the points of clarification as referred to this Ministry are explained in the **Annexure III**.

11. These orders are issued after consultation with the Comptroller and Auditor General of India in their application to the employees belonging to the Indian Audit and Accounts Department.

12. Hindi version of these orders is attached.



(Amar Nath Singh)  
Director

To

1. All Ministries/Departments- As per standard list.
2. DoPT (Pay/AIS Divisions), North Block, New Delhi.
3. Comptroller and Auditor General of India, DDU Marg, New Delhi.
4. Union Public Service Commission, Dholpur House, New Delhi.
5. Controller General of Accounts, Mahalekha Bhawan, I.N.A, New Delhi.
6. NIC, D/o Expenditure, Ministry of Finance, North Block, New Delhi with a request to upload the OM on the website of the Department.

**The examples taken from the Fitment Chart prepared by the 6<sup>th</sup> Pay Commission**

**Example 1:**

Then existing scale = 8,000-275-13,500

6<sup>th</sup> CPC Scale PB-3 (15,600 - 39,100)

+ Grade Pay = Rs.5,400/-

Stages in pre-2006 scale		Pay fixation without bunching			Pay fixed as per fitment chart of 6 <sup>th</sup> CPC	Remarks
		Pay in Pay Band (1.74 factor)	Grade Pay			
1 <sup>st</sup>	8,000	15,600	5,400	21,000	21,000	This illustration in the fitment table given by the 6 <sup>th</sup> CPC brings out that if 3 consecutive stages of pay in the pay scale obtaining prior to 1.1.2006 are bunched based on the formula for fixation of pay, then the benefit of bunching was to be given at the 3 <sup>rd</sup> stage, i.e., at the pre-revised pay of Rs. 8,550.
2 <sup>nd</sup>	8,275	15,600	5,400	21,000	21,000	
3 <sup>rd</sup>	8,550	15,600	5,400	21,000	21,390	

**Example 2:**

Then existing scale = 14,300-450-22,400

6<sup>th</sup> CPC Scale PB-4 (39,200-67,000)

+ Grade Pay = Rs.9,000/-

Stages in pre-2006 scale		Pay fixation without bunching			Pay fixed as per fitment chart of 6 <sup>th</sup> CPC	Remarks
		Pay in Pay Band (1.74 factor)	Grade Pay			
1 <sup>st</sup>	14,300	39,200	9,000	48,200	48,200	Same as in above example.
2 <sup>nd</sup>	14,750	39,200	9,000	48,200	48,200	
3 <sup>rd</sup>	15,200	39,200	9,000	48,200	49,180	

The examples taken from the Fitment Table as per MoF, DoE OM dt.30.8.2008**Example 1:**

Then existing scale = 8,000-275-13,500

6<sup>th</sup> CPC Scale PB-3 (15,600 - 39,100)

+ Grade Pay = Rs.5,400/-

Stages in pre-2006 scale		Pay fixation without bunching			Pay fixed as per fitment chart of 6 <sup>th</sup> CPC	Remarks
		Pay in Pay Band (1.86 factor))	Grade Pay			
1 <sup>st</sup>	8,000	15,600	5,400	21,000	21,000	No bunching has been allowed at the 2 <sup>nd</sup> stage, even though 1 <sup>st</sup> and 2 <sup>nd</sup> stage are fixed at the same pay.
2 <sup>nd</sup>	8,275	15,600	5,400	21,000	21,000	
3 <sup>rd</sup>	8,550	15,910	5,400	21,310	21,310	

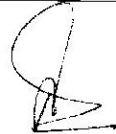
**Example 2:**

Then existing scale = 14,300-18,300

6<sup>th</sup> CPC Scale PB-4 (37,400-67,000)

+ GP Rs. 8,700

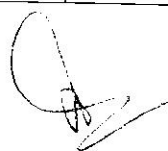
Stages in pre-2006 scale		Pay fixation without bunching			Pay fixed as per fitment chart	Remarks
		Pay in Pay Band (1.86 factor))	Grade Pay			
1 <sup>st</sup>	14,300	37,400	8,700	46,100	46,100	It brings out that if 3 consecutive stages of pay in the pay scale obtaining prior to 1.1.2006 are bunched based on the formula for fixation of pay, then the benefit of bunching was to be given at the 3 <sup>rd</sup> stage, as per the recommendation of 6 <sup>th</sup> CPC.
2 <sup>nd</sup>	14,700	37,400	8,700	46,100	46,100	
3 <sup>rd</sup>	15,100	37,400	8,700	46,100	47,230	



Points of doubt raised and clarifications thereon

Sl. No	Point of doubt	Clarification
1.	Whether one increment of 3% constitute one stage or a difference of 3% among the pay of two officers constitute two stages.	As explained in this Ministry's earlier OM dated 3.8.2017, the stages of every pay scale were well defined in the pay structure under 5 <sup>th</sup> CPC regime and the stages were not well defined in the 6 <sup>th</sup> CPC structure. Since there were no defined stages in the 6 <sup>th</sup> CPC structure and as pay in the running Pay Band in the 6 <sup>th</sup> CPC structure could be of any amount in the multiple of Rs. 10, as specific to an employee, it has been very clearly brought out therein, drawing upon the illustration given by the 7 <sup>th</sup> Pay Commission in para 5.1.37 of its Report, that a difference of at least 3%, the rate of annual increment in the 6 <sup>th</sup> CPC structure, was essential for counting of two stages. Therefore, for the purpose of considering bunching, two Pays drawn in a Pay Band with a particular Grade Pay, which are separated by 3% of the lower pay, are to be taken into account, as explained in the illustration given in para 9(i) of this order.
2.	Whether the pay at Cell 1 of any Level may be taken as first stage.	Bunching is to be considered with reference to the consecutive stages of pay drawn in the pay structure obtaining prior to 1.1.2016, as explained in these orders, and as such a reference to Cell 1, which is in the revised pay structure, is not relevant.
3.	Whether all pay stages lower than the entry pay in the 6 <sup>th</sup> CPC pay structure are not to be taken into account for	This point has been amply clarified in the aforesaid OM dated 3.8.2017. As mentioned in para

	the purpose of bunching.	8(iv) thereof, all pay stages lower than the Entry Pay in the 6 <sup>th</sup> CPC pay structure as indicated in the Pay Matrix contained in 7 <sup>th</sup> CPC Report are not to be taken into account for determining the extent of bunching.
4.	Whether benefit of bunching should be given only where previous and current pay stages of the officers (specific to each employee) are getting bunched and placed at the same Level in the 7 <sup>th</sup> CPC matrix without any comparison to any other officer's pay as per para 5 and 8(iii) of this Department's OM dated 3.8.2017 which stipulates that a difference of 3% to be reckoned for determination of consecutive pay stages, specific to each employee	The position clarified in these orders covers this point. As explained in the illustration, the pre-revised pay of Rs.46,100 and Rs. 47,490 are considered two stages of pay, as these are separated by 3% and these could be drawn by any two officers.
5.	Whether benefit of bunching is to be given to a senior officer with reference to the pay of his junior officer who is drawing less pay with the difference of 3% to the senior officer and now his pay got fixed in the same Level as that of the senior officer.	The issue of bunching is not a matter of pay drawn by a Senior Officer vis-a-vis a Junior Officer. As explained in these orders, bunching happens as in the illustration given in these orders and as such this is not related to the issue of seniority.
6.	Whether the benefit of bunching is also required to be given to a senior officer where his junior's pay has got fixed in the same Cell as that of the senior due to the benefit of bunching of pay given to the junior.	
7.	Whether the benefit of bunching may be extended on account of bunching of two stages of pre-revised pay of a Government servant alone.	It is not clear how two stages drawn by a single Government servant are relevant for pay fixation on 1.1.2016, as only the pay drawn on 31.12.2015 is to be taken into account for pay fixation on 1.1.2016





8.	Whether the benefit of bunching may be extended only on direct pay fixation where the pay of two officers in the pre-revised pay with a difference of 3% get fixed at the same stage in the revised pay structure (7 <sup>th</sup> CPC) or also on further bunching with next higher pay stage due to grant of additional increment to an officer for bunching on initial/direct pay fixation.	As explained in the illustration contained in para 9(ii) of these orders, no such benefit is admissible in such cases.
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