

EXTRAORDINARY

MINISTRY OF DEFENCE

(Department of Defence)

NOTIFICATION

New Delhi, the 3rd May, 2017

SRO_____. In exercise of the powers conferred by section 184 of the Navy Act, 1957 (62 of 1957), the Central Government hereby makes the following regulations, namely:—

1. Short title and commencement:— (1) These regulations may be called Navy Pay Regulations, 2017.

(1) They shall be deemed to have come into force on the 1st day of January, 2016.

2. Application.—

(1) Save as otherwise provided by or under this regulation, these shall apply to Honorary Commissioned Officers, Master Chief Petty Officer I/II, Chief Petty Officer, Petty Officer, Leading Seaman, and Seamen I/II, and includes Artificers or Mechanics, who were on the effective strength of the Navy as on 1 January 2016; and recruits in Navy undergoing training.

3. Definitions.— In these regulations, unless the context otherwise requires.

(a) “**existing basic pay**” means pay drawn in the prescribed existing Pay Band and Grade Pay but it does not include any other types of pay like Special Pay, Military Service Pay, Group ‘X’ Pay etc;

(b) “**existing Pay Band and Grade Pay**” in relation to a Sailor means the Pay Band and the Grade Pay applicable to the rank held by him (including under Modified Assured Career Progression) as on the date immediately before the notification of these regulations, in a substantive capacity;

Explanation.— For the purpose of these rules, the expressions “existing basic pay”, “existing Pay Band and Grade Pay” in respect of a Sailor who, on the 1st day of January, 2016, was on deputation out of Indian Navy or on leave or on foreign service, or who would have on that date officiated in one or more lower

ranks but for his officiating in the higher rank, shall mean such basic pay, Pay Band and Grade Pay in relation to the rank which he would have held but for his being on deputation out of Indian Navy or on leave or on foreign service or as the case may be, but for his officiating in that rank;

(c) **“existing pay structure”** in relation to a Sailor means the present system of Pay Band and Grade Pay as per Sixth Central Pay Commission applicable to the rank held by him (including under Modified Assured Career Progression) as on the date immediately before the coming into force of these regulations, in a substantive capacity;

(d) **“existing Military Service Pay”** in relation to a Sailor means the amount of Military Service Pay applicable to the rank held by him as on date immediately before coming into force of these regulations;

(e) **“existing Group ‘X’ Pay”** in relation to a Sailor means the amount of Group ‘X’ Pay applicable to him as on date immediately before coming into force of these regulations;

(f) **“existing emoluments”** mean the sum of (i) existing basic pay; (ii) existing Military Service Pay; (iii) existing Group X Pay; and, (iv) existing dearness allowance at the index average as on 1st day of January, 2016;

(g) **“Pay Matrix”** means the Matrix specified in Part A of the Schedule, with Levels of pay arranged in vertical cells as assigned to corresponding Pay Band and Grade Pay;

(h) **“Level”** in the Pay Matrix, means the Level corresponding to the existing Pay Band and Grade Pay specified in the Part A of the Schedule;

(i) **“pay in the Level”** means the pay drawn in the appropriate Cell of the Level as specified in Part A of the Schedule;

(j) **“Military Service Pay”** in relation to a Sailor means the Military Service Pay applicable to the rank held by him on drawal of pay in the prescribed Level in the Pay Matrix;

- (k) **“Group ‘X’ pay”** in relation to a Sailor means the *Group ‘X’ pay* applicable to him on drawal of pay in the prescribed Level in the Pay Matrix;
- (l) **“revised pay structure”** in relation to a rank means the Pay Matrix and the Levels specified therein corresponding to the existing Pay Band and Grade Pay of the rank (including under Modified Assured Career Progression);
- (m) **“basic pay”** in the revised pay structure means the pay drawn in the prescribed Level in the Pay Matrix;
- (n) **“revised emoluments”** means the sum of (i) basic pay; (ii) Military Service Pay; and, (iii) Group ‘X’ Pay; and
- (o) **“Schedule”** means a schedule appended to these regulations.

4. Level of ranks.— the Level of ranks shall be determined in accordance with the various Levels as assigned to the corresponding existing Pay Band and Grade Pay (including under Modified Assured Career Progression) as specified in the Pay Matrix. The Level in Pay Matrix corresponding to the rank of a Sailor is specified in Part B of the Schedule.

5. Drawal of pay.— Save as otherwise provided in these regulations, a Sailor shall draw pay in the Level in the revised pay structure applicable to the rank to which he is appointed (including under Modified Assured Career Progression);

Provided that a Sailor may elect to continue to draw pay in the existing pay structure, until the date on which he earns his next or any subsequent increment in the existing pay structure, or until he ceases to hold his rank or ceases to draw pay in the existing pay structure;

Provided further that in case a Sailor has been placed in a higher grade pay between 1st day of January 2016 and the date of notification of these regulations on account of promotion, he may elect to switch over to the revised pay structure from the date of such promotion;

Explanation.— (i) For the purposes of these rules the option to retain the existing pay structure under the provisions of these regulations shall be admissible only in respect of one existing Pay Band and Grade Pay.

(ii) The aforesaid option will not be admissible to any Sailor appointed to a post on or after the 1st day of January, 2016, whether for the first time in government service or by transfer from another post and he shall be allowed pay only in the revised pay structure.

(2) (i) Military Service Pay is compensation for the various intangible aspects linked to the special conditions of service in Navy;

(ii) Military Service Pay shall be admissible on drawal of pay in the prescribed Level in the Pay Matrix, at the rate of Rs 15,500 for Honorary Commissioned Officers, and Rs 5,200 for all other Sailors;

(iii) Military Service Pay shall be counted as pay for the purpose of computation of dearness allowance and pension only;

(3) (i) Group 'X' Pay is a fixed amount admissible to a Sailor of Group 'X' only, because of his higher educational qualification vis-à-vis a Sailor of Group 'Y';

(ii) the Levels for same ranks in trade Group 'X' and trade Group 'Y' shall be same. Group 'X' Pay shall be admissible on drawal of pay in the prescribed Level in the Pay Matrix at;

(a) a higher rate of Rs 6,200, for Group 'X' trades which requires a qualification equivalent to a diploma recognised by All India Council for Technical Education; and,

(b) a lower rate of Rs 3,600, for other Group 'X' trades, but not having a technical qualification recognised by All India Council for Technical Education.

(iii) when a Sailor in relevant Group 'X' trades drawing a lower rate of Group 'X' Pay acquires a higher technical qualification equivalent of a diploma recognised by All India Council for Technical Education, he shall be admissible to higher rate of Group 'X' Pay with the approval of concerned Competent Authority;

(iv) when a Sailor is re-mustered from Group 'Y' to Group 'X', he shall be admissible Group 'X' Pay as applicable under clause (ii).

(v) Group 'X' Pay shall be counted as pay for the purpose of computation of dearness allowance only.

6. Exercise of option.— (1) The option under the provisions to regulation 5 shall be exercised in writing in the form appended to these regulations so as to reach the Naval Pay Office Mumbai within one hundred and eighty days of the date of notification of these regulations, or where revision in the existing pay structure is made by any order subsequent to the date of notification of these regulations, within one hundred and eighty days of the date of such order.

Provided that;

(i) in the case of a Sailor who is, on the date of such notification or, as the case may be, date of such order, out of India on leave or deputation or foreign service or active service, the said option shall be exercised in writing so as to reach the Naval Pay Office Mumbai within one hundred and eighty days of the date of his taking charge of his post in India; and,

(ii) where a Sailor is under suspension on the 1st day of January, 2016, the option may be exercised within one hundred and eighty days of the date of his return to his duty, if that date is later than the date prescribed in this sub- regulation.

(2) The option, along with an undertaking appended to these regulations, shall be intimated by a Sailor to the Naval Pay Office Mumbai.

(3) If the intimation regarding option is not received by the Naval Pay Office Mumbai within one hundred and eighty days of the date of notification of these regulations, the Sailor shall be deemed to have elected to be governed by the revised pay structure with effect from the 1st day of January, 2016.

(4) The option once exercised shall be final.

Note 1. Sailors whose services were terminated on or after the 1st day of January, 2016 and who could not exercise the option within the prescribed time limit, on account of discharge on the expiry of the sanctioned strength, release, resignation, dismissal or discharge on disciplinary grounds, are entitled to exercise option under sub- regulation(1).

Note 2. Sailors who have died on or after the 1st day of January, 2016 and could not exercise the option within the prescribed time limit, are deemed to have opted for the revised pay structure on and from the 1st day of January, 2016 or such later date as is most beneficial to their dependents, if the revised pay structure is more favourable and in such cases, necessary action for payment of arrears shall be taken by the Commodore Bureau of Sailors/Naval Pay Office, Mumbai as appropriate.

Note 3. Sailors who were on Annual Leave or any other leave on the 1st day of January, 2016, which entitled them to leave salary, shall be entitled to exercise option under sub-regulation(1).

7. Fixation of pay in the revised pay structure.– (1) The pay of a Sailor who elects, or is deemed to have elected under regulation 6 to be governed by the revised pay structure on and from the 1st day of January, 2016, shall, unless in case the President by special order otherwise directs, be fixed in the following manner,

(i) the pay in the applicable Level in the Pay Matrix shall be the pay obtained by multiplying the existing basic pay by a **factor of 2.57**, rounded off to the nearest rupee, and the figure so arrived at shall be located in that Level in the Pay Matrix, and if such an identical figure corresponds to any Cell in the applicable Level of the Pay Matrix, the same shall be the pay, and if no such Cell is available in the applicable Level, the pay shall be fixed at the immediate next higher Cell in that applicable Level of the Pay Matrix.

(ii) if the minimum pay or the first Cell in the applicable Level is more than the amount arrived at as per sub-clause (i) the pay shall be fixed at the minimum pay or the first Cell of that applicable Level.

Illustration:

1.	Existing Pay Band : PB-1	Pay Band			5200 –20200		
2.	Existing Grade Pay : 2400	Grade Pay			2000	2400	2800
3.	Existing Pay : 10160	Levels			3	4	5

4.	Existing Basic Pay [(2)+(3)=(4)] : 2400 + 10160 = 12560	1	21700	25500	29200
5.	Pay after multiplication by a fitment factor of 2.57 [(4) x 2.57] : 32279.2 (rounded off to 32279)	2	22400	26300	30100
6.	Level corresponding to Grade Pay 2400 (PB-1) : Level 4	3	23100	27100	31000
7.	Revised Pay in Pay Matrix (either equal to or next higher to 32279 in Level 4) : 32300	4	23800	27900	31900
8.	Revised Pay in Pay Matrix: 32300	5	24500	28700	32900
		6	25200	29600	33900
		7	26000	30500	34900
		8	26800	31400	35900
		9	27600	32300	37000
		10	28400	33300	38100
		11	29300	34300	39200
		12	30200	35300	40400
		13	31100	36400	41600
		14	32000	37500	42800
		15	33000	38600	44100
		16	34000	39800	45400

(2) A Sailor who is on leave on the 1st of January, 2016 and is entitled to leave salary shall become entitled to pay in the revised pay structure from the 1st day of January, 2016, or the date of option for the revised pay structure.

(3) A Sailor under suspension shall continue to draw subsistence allowance based on existing pay structure, and his pay in the revised pay structure shall be subject to the final order on the pending disciplinary proceedings.

(4) Where the existing emoluments exceed the revised emoluments in the case of any Sailor, the difference shall be allowed as Personal Pay to be absorbed in future increases in pay.

(5) Where in the fixation of pay in the Pay Matrix under regulation 7, the pay in the Pay Matrix of a Sailor, who, in the existing pay structure was drawing immediately before the 1st of January, 2016 more pay in the Pay Band than another Sailor in the

same arm or service, gets fixed in the revised pay structure at a stage lower than that of such junior, his pay in the Pay Matrix shall be stepped up to the same Cell in the revised pay structure as that of the junior.

(6) Where a Sailor is in receipt of Personal Pay immediately before the date of notification of these regulations, which together with his existing emoluments exceed the revised emoluments, then the difference representing such excess shall be allowed to such a Sailor as Personal Pay, to be absorbed in future increase in pay.

(7) In case of Sailors who are in receipt of Personal Pay for passing Hindi Pragya, Hindi Typewriting, Hindi shorthand and such other examinations under the “**Hindi Teaching Scheme**” or on successfully undergoing training in cash and accounts matters prior to – January, 2016, while the Personal Pay shall not be taken into account for purposes of fixation of initial pay in the revised pay structure, they shall continue to draw Personal Pay after fixation of their pay in the revised pay structure on and from the – day of January 2016 or subsequently for the period for which they would have drawn it but for the fixation of their pay in the revised pay structure and the quantum of such Personal Pay would be paid at the appropriate rate of increment in the revised pay structure from the date of fixation of pay for the period for which they would have continued to draw it.

Explanation.– For the purpose of this sub-rule, “appropriate rate of increment in the revised pay structure” means the difference with respect to the next immediate higher Cell in the applicable Level of the Pay Matrix, from the stage at which the pay of the Sailor is fixed in the revised pay structure.

(8) (i) in cases where a senior Sailor promoted to a higher rank before the 1st of January, 2016 draws less pay in the Pay Matrix in the revised pay structure than his junior who is promoted to the higher rank on or after the 1st of January, 2016, the pay in the Pay Matrix of the senior Sailor in the revised pay structure shall be stepped up to an amount equal to the pay in the Pay Matrix as fixed for his junior in that higher rank, and such stepping up shall be done with effect from the date of promotion of the junior Sailor, subject to fulfilment of the following conditions, namely:–

(a) both the junior and senior Sailors belong to the same group or branch and the rank to which they have been promoted are identical in the same group or branch.

- (b) the existing grade pay and the revised Level in the Pay Matrix of the lower and higher ranks in which they are entitled to draw pay are identical.
- (c) the senior Sailor at the time of promotion is drawing equal or more pay than the junior.
- (d) the anomaly is directly as a result of the application of the provisions of this regulation or any other regulation or order regulating pay fixation on such promotion in the revised pay structure.

Provided that if the junior Sailor was drawing more pay in the existing pay structure than the senior Sailor by virtue of any advance increments granted to him, the provisions of these regulations shall not be invoked to step up the pay in the Pay Matrix of the senior Sailor.

- (ii) The senior Sailor shall be entitled to the next increment on completion of his required qualifying service with effect from the date of re-fixation of pay.

8. Regulation of stipend of a recruit undergoing training and fixation of his pay after successful attestation or mustering.—

(1) A recruit undergoing training on or after 1st day of January 2016 shall draw a stipend of Rs. 14,600 per month.

(2) On successful attestation/ mustering, the pay of a recruit shall be fixed after adding increments, as may be admissible, to the first Cell in the Level to which he is recruited. For such fixation, the first annual increment shall be reckoned from his date of enrolment.

(3) On successful attestation or mustering, a recruit shall be paid “lump-sum amount”. For the purpose of this sub-regulation, “lump-sum amount” shall mean the difference between:

- (a) the aggregate of pay in the Level, Group ‘X’ Pay, allowance of the trade to which allotted, and dearness allowance, to which he would have been entitled had he been successfully mustered or attested from his date of enrolment; and
- (b) the stipend to which he is entitled during training (whether such stipend had been received or not).

(4) The “arrears of stipend” shall be paid. For the purpose of this sub-regulation, “arrears of stipend” shall mean the difference between:

- (a) the stipend to which he is entitled on account of the revision of his stipend under these regulations for the period effective from the 1st day of January, 2016; and
- (b) the stipend to which he would have been entitled (whether such stipend had been received or not) for that period had his stipend not been so revised.

9. Regulation of increments in the Pay Matrix:– The increment shall be as specified in the vertical Cells of the applicable Level in the Pay Matrix.

A Leading Seaman in the Basic Pay of Rs. 29,600/– in Level 4 will move vertically down the Cells in the same Level and on grant of increment, his Basic Pay will be Rs. 30500/–.	Pay Band	5200 – 20200		
	Grade Pay	2000	2400	2800
	Levels	3	4	5
	1	21700	25500	29200
	2	22400	26300	30100
	3	23100	27100	31000
	4	23800	27900	31900
	5	24500	28700	32900
	6	25200	29600 ↓	33900
	7	26000	30500	34900
	8	26800	31400	35900

10. Date of increment in revised pay structure:–

(1) There shall be two dates for grant of annual increment namely, 1st January and 1st July of every year, instead of existing date of 1st July, provided that a Sailor or a recruit shall be entitled to only one annual increment, either on 1st January or 1st July

depending on the date of his appointment or promotion or upgradation, or enrolment, as the case may be.

(2) The increment in respect of a Sailor appointed or promoted or upgraded or in respect of a recruit enrolled during the period between the 2nd day of January and 1st day of July (both inclusive) shall be granted on the 1st day of January and the increment in respect of a Sailor appointed or promoted or upgraded or in respect of a recruit enrolled during the period between the 2nd day of July and 1st day of January (both inclusive) shall be granted on 1st day of July.

Illustration:

(a) Leading Seaman X gets promoted to Petty Officer on 1st of September, 2016. In this case, the first increment shall accrue to Leading Seaman X on the 1st day of July, 2017 and thereafter it shall accrue after one year on annual basis.

(b) Chief Petty Officer Y gets promoted to the rank of Master Chief Petty Officer II on 15th of June, 2016, and will, therefore, not draw annual increment on the 1st of July, 2016. In this case, the next increment shall accrue on 1st day of January, 2017 and thereafter it shall accrue after one year on annual basis.

Provided that in case of a Sailor whose pay in the revised pay structure has been fixed as on 1st day of January, the next increment in the Level in which the pay was so fixed as on 1st day of January, 2016 shall accrue on 1st day of July, 2016.

Provided further that the next increment after drawal of increment on 1st day of July 2016 shall accrue on the 1st day of July 2017.

11. Revision of pay from a date subsequent to the 1st day of January 2016.—

Where a Sailor who continues to draw his pay in the existing pay structure is brought over to the revised pay structure from a date later than the 1st day of January, 2016, his pay from the later date in the revised pay structure shall be fixed in the manner prescribed in accordance with regulation 7.

12. Fixation of pay on promotion or upgradation on or after 1st day of January, 2016.— For the fixation of pay in case of promotion or upgradation from one Level to another in the revised pay structure, one increment shall be given in the Level from which a Sailor is promoted or upgraded and he shall be placed at a Cell equal to the figure so arrived at in the Level of the rank to which promoted or upgraded, and if no

such Cell is available in the Level to which promoted or upgraded, he shall be placed at the next higher Cell in that Level.

Illustration:

1.	Level in the revised pay structure: Level 4	Pay Band	5200 – 20200		
2.	Basic Pay in the revised pay structure: 28700	Grade Pay	2000	2400	2800
3.	Granted promotion/ financial upgradation in Level 5.	Levels	3	4	5
		1	21700	25500	29200
		2	22400	26300	30100
4.	Pay after giving one increment in Level 4: 29600	3	23100	27100	31000
		4	23800	27900	31900
		5	24500	28700	32900
5.	Pay in the upgraded Level i.e, Level 5 (either equal to or next higher to 29600 in Level 5) : 30100	6	25200	29600	33900
		7	26000	30500	34900
		8	26800	31400	35900
		9	27600	32300	37000

13. Mode of Payment of Arrears of Pay.– (1) The arrears, computed after deduction of subscription at enhanced rate of AFPP Fund with reference to revised pay, shall be paid after deduction of adhoc arrears paid as per GoI MoD letter No 1(11) 2016/D(Pay/Services) dated 10/ 10/2016.

Explanation.– For the purpose of this regulation, “arrears of pay” in relation to Sailor, means the difference between,—

(i) the aggregate of the pay, dearness allowance, Group ‘X’ Pay and Military Service Pay to which he is entitled on account of the revision of his pay under this Regulation for the period effective from the 1st of January, 2016; and;

(ii) the aggregate of the pay, dearness allowance, Group 'X' Pay and Military Service Pay to which he would have been entitled (whether such pay and dearness allowance had been received or not) for that period had his pay and dearness allowance not been so revised.

14. Overriding effect of regulations.— The provisions of the Pay and Allowances Regulations for Navy 1966, and existing instructions and regulations shall not save as otherwise provided under this Regulation, apply to cases where pay is regulated under this Regulation, to the extent they are inconsistent with this Regulation and these Regulations shall supersede Special Navy Instructions 1/S/2008 except as respects things done or omitted to be done before such supersession.

15. Power to relax.— Where the President is satisfied that the operation of all or any of the provisions of this regulation causes undue hardship in any particular case, he may, by order, dispense with or relax the requirements of that provision to such extent and subject to such conditions as he may consider necessary for dealing with the case in a just and equitable manner.

16. Interpretation.— If any question arises relating to the interpretation of any of the provisions of the regulations contained in these Regulations, it shall be referred to the Central Government for decision.

SCHEDULE
[See regulations 3(g) and 4]

PART A
Pay Matrix

Pay Band	5200–20200			9300–34800					15600–39100	
Grade Pay	2000	2400	2800	3400	4200	4600	4800	5400	5400	6100
Level	3	4	5	5A	6	7	8	9	10	10B
1	21700	25500	29200	33300	35400	44900	47600	53100	56100	61300
2	22400	26300	30100	34300	36500	46200	49000	54700	57800	63100
3	23100	27100	31000	35300	37600	47600	50500	56300	59500	65000
4	23800	27900	31900	36400	38700	49000	52000	58000	61300	67000
5	24500	28700	32900	37500	39900	50500	53600	59700	63100	69000
6	25200	29600	33900	38600	41100	52000	55200	61500	65000	71100
7	26000	30500	34900	39800	42300	53600	56900	63300	67000	73200
8	26800	31400	35900	41000	43600	55200	58600	65200	69000	75400
9	27600	32300	37000	42200	44900	56900	60400	67200	71100	77700
10	28400	33300	38100	43500	46200	58600	62200	69200	73200	80000
11	29300	34300	39200	44800	47600	60400	64100	71300	75400	82400
12	30200	35300	40400	46100	49000	62200	66000	73400	77700	84900
13	31100	36400	41600	47500	50500	64100	68000	75600	80000	87400
14	32000	37500	42800	48900	52000	66000	70000	77900	82400	90000
15	33000	38600	44100	50400	53600	68000	72100	80200	84900	92700
16	34000	39800	45400	51900	55200	70000	74300	82600	87400	95500
17	35000	41000	46800	53500	56900	72100	76500	85100	90000	98400
18	36100	42200	48200	55100	58600	74300	78800	87700	92700	101400
19	37200	43500	49600	56800	60400	76500	81200	90300	95500	104400
20	38300	44800	51100	58500	62200	78800	83600	93000	98400	107500
21	39400	46100	52600	60300	64100	81200	86100	95800	101400	110700
22	40600	47500	54200	62100	66000	83600	88700	98700	104400	114000
23	41800	48900	55800	64000	68000	86100	91400	101700	107500	117400
24	43100	50400	57500	65900	70000	88700	94100	104800	110700	120900

PART B**Level of ranks:**

Sl. No.	Rank	Level in Pay Matrix
(a)	Seaman I/II	3
(b)	Leading Seaman	4
(c)	Petty Officer	5
(d)	Mechanicians and Artificers	5A
(e)	Chief Petty Officer	6
(f)	Master Chief Petty Officer II	7
(g)	Master Chief Petty Officer I	8
(h)	Honorary Second Lieutenant	10
(i)	Honorary Lieutenant	10B

FORM OF OPTION
[See regulation 6(2)]

*1. Rank _____ Name _____ Service No _____
Branch _____ hereby elect the revised pay structure with effect from
1st January, 2016.

*2. Rank _____ Name _____ Service No _____
Branch _____ hereby elect to continue in Pay Band and Grade Pay
of my substantive rank mentioned below until:

the date of my next increment/ the date of my subsequent increment raising my pay to Rs
_____/ I vacate or cease to draw pay in the existing pay structure/ The date of
my promotion to _____ Existing Pay Band and Grade Pay / Existing
Scale _____.

Signature _____
Name _____
Rank _____
Service No _____
Unit _____

Date: _____

Station: _____

*To be scored out, if not applicable.

UNDERTAKING

I hereby undertake that any excess payment that may be found to have been made as a result of incorrect fixation of pay or any excess payment detected in the light of discrepancies noticed subsequently will be refunded by me to the Government either by adjustment against future payments due to me or otherwise.

Signature _____
Name _____
Rank _____
Service No _____
Unit _____

Date: _____

Station: _____

[F. No. 1(9)/2016/ D (P/S)
V. ANANDARAJAN, Jt. Secy.]

Explanatory Memorandum.— The Seventh Central Pay Commission has been implemented with effect from the 1st day of January, 2016. Likewise, the Defence Personnel of the Union of India are eligible for Seventh Central Pay revision with effect from the 1st day of January, 2016. Accordingly, these Rules have been given retrospective effect with effect from the 1st day of January, 2016. It is hereby, certified that by giving retrospective to these rules no one will be adversely affected.