

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO. 3922
TO BE ANSWERED ON 12TH AUGUST, 2026

WAGE BUNCHING

3922 SHRI BHAUSAHEB RAJARAM WAKCHAURE:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government is aware that an anomaly of wage bunching between senior and junior employees has arisen in Food Corporation of India (FCI) following the wage revision implemented with effect from 01.01.2017;

(b) whether it is a fact that the FCI Board and Department of Food and Public Distribution (DFPD) were priorly aware of the difference between the 15% fitment factor and the actual pay scale increase of approximately 23%;

(c) whether Department of Expenditure (DPE) through its Office Memorandum dated 12.12.2019 had clarified that the issue of bunching in the category of workers/labourers would be resolved through wage agreement between management and trade unions;

(d) whether the concurrence and clarification from DPE were obtained by DFPD while rejecting the proposal on 02.03.2026 and if so, the details thereof; and

(e) if not, the reasons for which matter was not referred back to the Department of Expenditure despite the provisions of the Memorandum of Settlement dated 01.10.2019?

A N S W E R

MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a): Settlement of wage revision with effect from 01.01.2017 in respect of Category-III/IV (Unionized employee) employee of the Food Corporation of India had taken place through mutual negotiation between FCI Management and recognized staff union as per MoU signed on 01.02.2019. In MoU, point no. 3.1(b) states, Bunching of pay, if applicable, shall be dealt as per the instruction issued by DPE vide Annexure III(A) of OM no. W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 03.08.2017.

Department of Food and Public Distribution while conveying the approval of Government of India on wage settlement, vide its letter dated 07.08.2019, averred that no bunching is to be

considered because in terms of Annexure-III(A) of the OM of the DPE dated 03.08.2017, bunching is admissible only in case where fitment benefit is lower than 15%. But, both in case of officers and in this case of staff, 15% fitment has been proposed.

(b): The Memorandum of Understanding (MoU) regarding the wage revision/revision of pay scales of Category-III and Category-IV employees, including the proposal relating to the revised pay scales and fitment formula, was recommended by the Board of Directors and was thereafter finally approved by the Department of Food & Public Distribution (DFPD) and conveyed vide letter dated 07.08.2019.

(c): Yes Sir.

(d) & (e): The directions regarding bunching of pay were issued by this Department vide letter dated 07.08.2019, in consultation with the Integrated Finance Division (IFD) of the Department of Food and Public Distribution, Department of Expenditure (DoE) and Department of Public Enterprises (DPE). Hence, this Department reiterated the direction regarding Bunching of Pay vide letter dated 02.03.2026.
