

No.2(74)/08-DPE(WC) GL-XI/2010
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhavan,
Block-14, CGO Complex,
Lodhi Road, New Delhi-110003
Dated: 16th June, 2010

OFFICE MEMORANDUM

Subject: Recommendations of 2nd Pay Revision Committee (PRC) in respect to sick CPSEs and CPSEs having income level less than Rs. 50 crore.

The undersigned is directed to refer to the recommendations of 2nd Pay Revision Committee (PRC) in respect of the following 2 categories of CPSEs:

- (i) Sick CPSEs (Para 6.2.4 of the 2nd PRC Report) (copy attached)
- (ii) CPSEs having income level of less than Rs. 50 crore (Para 6.2.5(b) of the 2nd PRC Report) (copy attached)

2. The recommendations were circulated to concerned administrative Ministries/Departments for feasibility of implementing and methodology of operationalising these recommendations vide DPE's O.M. of even number dated 14.01.2009. However, response of the concerned Administrative Ministries/Departments has been extremely poor.

3. With regard to the 2nd PRC's recommendation on Sick CPSEs (Para 6.2.4 of the Report), it is worth mentioning that para '3' of the DPE O.M. dated 26.11.2008 provides condition of affordability (concept of 20% dip in PBT) for implementation of 2007 pay revision. Para 4 of the said O.M. dated 26.11.2008 provides uniform lower fitment of 10% or 20% for increase in pre-revised Basic Pay plus DA in respect of the CPSEs, which are not able to adopt 2007 pay revision. Further, para 4 of O.M. dated 02.04.2009 provides that ceiling mentioned in the O.Ms. dated 26.11.2008, 09.02.2009 and 02.04.2009, are the maximum permissible limits and lower limits against these maximum permissible limits can be provided, depending upon affordability, capacity to pay and sustainability of the concerned CPSEs. Further, apart from the statutory body viz. Board for Industrial & Financial Reconstruction (BIFR), there is a recommending body viz. Board for Reconstruction of Public Sector Enterprises (BRPSE), to advise the Government for revival or otherwise of the CPSEs. As regards 2nd PRC's recommendation regarding retirement age of Board level executives, DPE O.M. No.

