File No. 2(10)/06-DPE (WC)
Government of India
Ministry of Heavy Industries and Public Enterprises
Department of Public Enterprises
Block 14, CGO Complex,
Lodhi Road, New Delhi
Dated 8th December, 2006

OFFICE MEMORANDUM

Subject: 2nd Pay Revision Committee

The undersigned is directed to say that the 2nd Pay Revision Committee for revision of pay scales and other emoluments of Central Public Sector Enterprises executives has been set up. A copy of the Gazette Notification No. 2(10)/06-DPE (WC) dated 1.12.2006 indicating the composition of the Committee and its terms of reference is enclosed. The copy of the resolution is also available at the website http://dpe.nic.in.

Encl: As above.

(P.C. Cyriac)
Director

To
1. All Administrative Ministries.
2. The Chief Executives of Central Public Sector Enterprises.
3. All Financial Advisors in the Administrative Ministries.
4. Deptt. of Expenditure, E-II Branch, North Block, New Delhi.

Copy to: 1. PMO, (Ms. V. Vidyavathi, Director) South Block, New Delhi.
2. Cabinet Secretariat,
   (Shri Rajeev Ranjan, Director)
   Rashtrapati Bhawan,
   New Delhi.
3. Standing Conference of Public Enterprises (SCOPE)
   (Dr. S.M. Dewan, Director General)
   SCOPE Complex, Lodhi Road, New Delhi.
भारत का राजपत्र
The Gazette of India

असाधारण

भाग 1—खंड 1
PART 1—Section 1

प्रभावीकरण में प्रकाशित

PUBLISHED BY AUTHORITY

सं. 268] नई दिल्ली, जुलाई, दिसंबर 1, 2006/अग्रहायण 10, 1928
No. 268] NEW DELHI, FRIDAY, DECEMBER 1, 2006/AGRAHAYANA 10, 1928

भारी उद्योग और लोक उद्यम मंत्रालय
(लोक उद्यम विभाग)

संकल्प

नई दिल्ली, 30 डिसेम्बर, 2006

मंत्री (संयुक्त न्यायाधीश, भारत का सर्वोच्च न्यायलेखन)

1. दृष्टि-मत्री काज़्म, भारत सरकार ने उद्योगों का विकास करने के लिए लोक उद्यम बिभाग का स्थापित किया है। इस विभाग का मुख्य आयोग (पंजीकृत श्रेणी 'ए') भारत का सर्वोच्च न्यायलेखन है।

2.1 समस्त प्रभावीकरणों, ज्यददशन समिति के गठन का निर्णय लिया है, जिसमें समिति नियुक्त व्यक्ति होंगे—

अध्यक्ष

न्यायाधीश श्री एम. जे. झा
(सेवानिवृत्त न्यायाधीश, भारत का सर्वोच्च न्यायलेखन)

सदस्य

(1) एर्नार्ड निरोस्वरूप (अध्यक्ष एवं लोक उद्यम सचिव, पोज़िटिव ऑफिसेर)

(2) श्री पी. सी. फार्म (भारत सरकार)

(3) श्री आर.एम.ए.एल.ए. परम्परा (भारत सरकार)

पेशेवर-सर्वस्थ (4) सचिव, लोक उद्यम विभाग, भारत सरकार

सचिव

संयुक्त सचिव, लोक उद्यम विभाग, भारत सरकार

2.2 समिति के विचारार्थ मित्र नियुक्त की जाएँगे—

(ii) निदेशक मंडल सर के कार्यभारत
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

(Department of Public Enterprises)

RESOLUTION

New Delhi, the 30th November, 2006

No. 2(10)/06/DPE-WC. —The Government of India have been considering for some time past the changes that have taken place in the structure of emoluments of public sector executives over the years. Conditions have also changed in several respects since the last pay revision made with effect from 1-1-1997.

2.1 The competent authority has decided to appoint the Pay Revision Committee which comprises of the following:

Chairman
Mr. Justice M.J. Rao
(Reired Judge, Supreme Court of India)

Members
(1) Dr. Nitish Sen Gupta
(Economist & Former Member Secretary, Planning Commission, Government of India)
2.2 The Terms of Reference of the Committee will be as follows:

2.2.1 The Committee will examine the principles that should govern present structure of pay, allowances, perquisites, and benefits for the following categories of Central Government Public Sector Enterprises (CPSEs) executives, taking into account the total package of benefits available to them including non-monetary ones, and suggest changes therein which may be desirable and feasible:

(i) Board level functionaries
(ii) Below Board level executives
(iii) Non-unionised supervisory staff

2.2.2 The Committee will make recommendations so as to transform the CPSEs into modern, professional, citizen-friendly and successful commercial entities that are also dedicated to the service of the people.

2.2.3 The Committee will work out a comprehensive pay package for the categories of employees of CPSEs mentioned at sub-para 2.2.1 that is suitably linked to promoting efficiency, productivity and economy through rationalization of structures, organizations, systems and processes as well as promoting functional and operational autonomy within the Public Sector Enterprises with a view to leveraging economy, responsibility, transparency, discipline, accountability, assimilation of technology and research and development. The existing patterns of scales based on Central Dearness Allowance (CDA) pattern or Industrial Dearness Allowance (IDA) pattern, categorization of CPSEs such as Schedule ‘A’, ‘B’, ‘C’ and ‘D’, Miniratna, Navratna, loss, profit making CPSEs and CPSEs referred to BIFR or BRPSE may also be taken into account while evolving suitable pay packages. The Committee will also examine the issue concerning separate pay revision guidelines in respect of Navratna CPSEs.

2.2.4 The Committee will make recommendations to harmonize the functioning of the CPSEs with the demands of the emerging national and global economic scenario. This would also take into account, among other relevant factors, the totality of benefits available to the employees, need of rationalization and simplification thereof, the prevailing pay structure and retirement benefits available under the Central Public Sector Enterprises, the economic conditions in the country, the need to observe financial prudence in the management of the CPSEs, the resources of the CPSEs and the demands thereon account of economic and social development and the global economic scenario and competitive environment.

2.2.5 The Committee will examine and make recommendations with respect to the general principles, financial parameters and conditions which should govern the desirability, feasibility and continuation/modification of the Productivity Linked Incentives Scheme and Performance Related Payments.

2.2.6 While finalizing its report, the Committee will also take into account the report of the Sixth Pay Commission.

3. The Committee will devise its own procedures as it may consider necessary. Ministries and Departments of the Government of India and State Governments will furnish such relevant information and documents as may be required by the Committee and which they are in a position and at liberty to give, and extend the necessary cooperation and assistance to it.

4. The Committee will make its recommendations to the Government within a period of 18 months and it will have its headquarters in Delhi.

5. The decision of the Government on the recommendations of the Committee will take effect from 1.1.2007.

6. The Committee will be serviced by the Department of Public Enterprises.

K. D. TRIPATHI, Jr. Secy.