

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

Public Enterprises Bhawan
Block No.14, CGO Complex, Lodi Road
New Delhi, the 14th January, 2009.

OFFICE MEMORANDUM

Subject: - Recommendations of 2nd Pay Revision Committee (PRC) on compensation package in Sick CPSEs and CPSEs in category 'D' having income levels of less than Rs 50 Crores; examination thereof.

Government, while considering the recommendations of the 2nd PRC, which was constituted for recommending revision of pay and allowances for executives and non-unionised supervisors of CPSEs w.e.f. 01.01.2007 decided, inter alia to examine the recommendations of the 2nd PRC on the subject mentioned above separately. The relevant extracts as given in para 6.2.4 and para 6.2.5 (b) of the report of 2nd PRC are at annexure-I.

2. A list of CPSEs under administrative control of your Ministry / Department, that had incurred losses for the year 2006-07 as per information available in Public Enterprises Survey 2006-07 is at annexure-II.

3. The Ministries/Departments concerned with the CPSEs are requested to furnish their considered views by 12.02.2009 about the feasibility of implementing these recommendations and the methodology of operationalising the same. The status of the proposal with regard to sick CPSEs, if any, sent to DPE for reference to BRPSE may also be intimated.

Encl: As above.

(Rajendra Kumar)
Deputy Secretary to the Government of India
Tel. 24360624

Administrative Ministries/Departments of the Government of India
(Secretary by name as per List)

Copy alongwith a list of 59 loss incurring CPSEs in 2006-07, with the request to furnish their comments by 12.02.2009 on the above recommendations, is also forwarded to:

1. Department of Expenditure (Smt. Sushma Nath, Secretary).
2. Planning Commission (Dr. Subas Chandra Pani, Secretary).
3. Ministry of Labour and Employment (Smt. Sudha Pillai, Secretary).
4. Ministry of Law (Shri T.K Viswanathan, Secretary).

(Rajendra Kumar)
Deputy Secretary to the Government of India

2nd PRC's recommendations on compensation package in Sick CPSEs and CPSEs in Category 'D' having income levels of less than Rs. 50 Crores.

"6.2.4 SICK COMPANIES

The Committee recommends that Sick Enterprises that are making cash profit may be allowed to implement the pay revision without Risk Pay or Variable Pay. CPSEs that are not making cash profit should be examined by BRPSE in a period of six months for revival or closure. Enterprises that are recommended for revival should include the proposal for revised Pay scales. If Enterprises are recommended for closure, the executives should be compulsorily retired by paying compensation based on the revised basic pay recommended. They may be paid compensation at the rate of 2 months Basic Pay plus DA for every year of service completed or amount equal to the salary for the remaining period of service which ever is less. The Committee also recommends that where a sick company has been brought to the level of earning cash profits on account of the efforts made by the Chairman/Managing Director/Director, such officials should be allowed to continue up to the age of 60 years in order to enable them to continue the good work in reviving the CPSE."

"6.2.5 OTHER RECOMMENDATIONS

b) Enterprises in Category D having income levels of less than Rs. 50 Crores are too small to be managed by the Central government for the reasons stated in the Paradigm shift Chapter. The Government may withdraw from these Enterprises through merger, privatization or otherwise."

A list of 59 CPSEs that had incurred loss in 2006-07

(Rs in Lakhs)

S. No.	Name of the Ministry/ Department /CPSE	Loss incurred in 2006-07
	Department of Heavy Industry	
1	Hindustan Salts Ltd.	-43
2	Tyre Corporation of India Ltd.	-4793
3	HMT Bearings Ltd.	-716
4	Scooters India Limited	- 2250
5	Tungabhadra Steel Products Ltd.	-3750
6	Nagaland Pulp & Paper Co. Ltd.	-1436
7	NEPA Ltd.	-4447
8	Bharat Wagons & Engineering Co. Ltd.	-2414
9	Richardson & Cruddas Ltd.	-3762
10	National Instruments Ltd.	-160
11	HMT Machine Tools Ltd.	-14978
12	Triveni Structurals Ltd.	-4685
13	Bharat Heavy Plate & Vessels Ltd.	-3470
14	Hindustan Cables Ltd.	- 31068
15	HMT Watches Ltd.	-19581
16	Instrumentation Ltd.	- 2780
17	Andrew Yule & Co. Ltd.	- 8957
18	HMT Chinar Watches Ltd	-3991
19	Burn Standard Company Ltd.	-15186
20	Hindustan Photo Films Manufacturing Corpn. Ltd.	-65306
21	Sambhar Salts Ltd.	-95
	Ministry of Textiles	
22	Birds, Jute &Exports Ltd.	- 463
23	British India Corporation Ltd.	- 366
24	Brushware Ltd.	- 4
25	National Textiles Corporation Ltd. & its subsidiaries	- 53580
26	National Jute Manufactures Corporation Ltd.	- 79449
27	Jute Corporation of India Ltd.	- 4404
28	Handicrafts and Handloom Exports Corp. of India Limited	- 267
	Department of Fertilizers	
29	Madras Fertilizers Ltd.	-11478
30	Fertilizers & Chemicals Travancore Ltd	-12473
31	Fertilizer Corporation of India Ltd.	-143259
32	Hindustan Fertilizer Corporation Ltd.	- 106514
33	Brahmaputra Valley Fertilizer Corpn. Ltd.	- 6237

	Department of Chemicals & Petrochemicals	
34	Bengal Chemicals & Pharmaceuticals Ltd.	- 469
35	Indian Drugs & Pharmaceuticals Ltd.	- 35116
36	Hindustan Fluorocarbons Ltd.	- 931
37	Orissa Drugs & Chemicals Ltd.	- 71
38	IDPL (Tamilnadu) Ltd.	- 120
	Ministry of Steel	
39	Hindustan Steelworks Construction Ltd.	- 8350
40	Bharat Refractories Ltd.	- 1532
41	J&K Mineral Development Corporation Ltd.	- 18
	Department of Shipping	
42	Hooghly Dock & Port Engineers Ltd.	-7297
	Ministry of Urban Employment & Poverty Alleviation	
43	Hindustan Prefab Ltd.	- 1463
	Department of Food & Public Distribution	
44	Hindustan Vegetable Oils Corporation Ltd.	- 2291
	Ministry of Railways	
45	Konkan Railway Corporation Ltd.	-23328
46	Fresh and Healthy Enterprises Limited	- 19
	Ministry of Civil Aviation	
47	Air India Charters Ltd.	-7053
48	Airline Allied Services Ltd.	- 8536
49	Indian Airlines Ltd.	-24029
50	Air India Air Transport Services Limited	- 23
51	Air India Limited	- 44793
52	Hotel Corporation of India Limited	- 1271
	Department of Telecommunications	
53	ITI Ltd.	- 40526
	Ministry of Development of North Eastern Region	
54	North Eastern Regional Agricultural Marketing Corporation	- 153
55	North Eastern Handicrafts & Handloom Dev. Corpn. Ltd.	- 247
	Ministry of Environment & Forests	
56	Andaman & Nicobar Isl. Forest & Plant. Dev. Corp. Ltd	- 1340
	Ministry of Tourism	
57	Utkal Ashok Hotel Corpn. Ltd.	-117
	Department of Bio -technology	
58	Bharat Immunologicals & Biologicals Corp. Ltd.	- 343
	Ministry of Information & Broadcasting	
59	National Film Development Corporation Ltd.	- 527