

DPE guidelines - D.O. No. 4 (12)/82 –BPE (WC) dated 4.4.90

i. Model scales prescribed w.e.f. 1/1/87 as under :

| Existing | Revised (w.e.f 1/1/87) |
|-----------------------|-------------------------------|
| 900-50-1450 | 2100-90-2550-100-3150 |
| 1100-60-1940 | 2400-100-3000-120-3960 |
| 1450-60-1750-70-2240 | 3000-120-3720-140-4560 |
| 1800-70-2080-80-2480 | 3700-140-4540-150-5340 |
| 2050-80-2450-100-2750 | 4300-150-5050-160-5850 |
| 2475-100-3075 | 4900-160-5700-175-6225 |
| 2650-100-3250 | 5500-175-7075 |
| 3000-100-3700 | 6000-175-7225 |
| 3500-100-4000 | 6700-200-7700 |
| 4000-125-4500 | 7500-200-8300 |

Since the existing scales for non-unionized supervisors and the executives were not common and variations existed due to the peculiar circumstances existing in respective enterprises, proposals were required to be formulated by them for revision of the existing pay-scales on the basis of the model scales prescribed.

ii. The fitment method for Basic pay in the revised scale was as follows :

Basic pay in the existing scale of pay as on 1.1.1987.

plus first ad-hoc relief related to actual basic pay as on 1.1.87.

plus industrial DA amounting to Rs 838.35/- at AICPI 685 as on 1.1.1987.

plus fitment amount i.e fitment benefit as applicable.

On the aggregate arrived at, pay was to be fixed in the revised scale. Where the total did not fit in a stage of the revised scale of pay, the pay had to be fixed at the next higher stage.

- iii. The second ad-hoc relief sanctioned by the Government to the executives and non-unionized supervisors was to be absorbed in the fitment benefit.
- iv. No stagnation increment on reaching the maximum of the scale.
- v. Rent recovery in respect of housing accommodation provided by the PSEs would be made at the rate of 10% of the revised basic pay or the standard rent, whichever is lower.
- vi. Model Pay Scales recommended w.e.f 1/1/92 and 1/1/97

Board-Level

| Schedule | Pay-scales (for the period 1/1/92 to 31/12/96) | Pay-scales (for the period 1/1/97 to 31/12/06) |
|----------|--|--|
| A | 13000-500-15000 | 27750-750-31500 |
| B | 12000-400-14000 | 25750-650-30950 |
| C | 10000-400-12000 | 22500-600-27300 |
| D | 9000-300-10500 | 20500-500-25000 |

Below Board-Level executives

| Schedule | Pay-structure (for the period 1/1/92 to 31/12/96) | Pay-structure (for the period 1/1/97 to 31/12/06) |
|----------|---|---|
| E-0 | 3500-150-6200 | 6550-200-11350 |
| E-1 | 4000-175-7150 | 8600-250-14600 |
| E-2 | 4800-200-5800-225-8275 | 10750-300-16750 |
| E-3 | 5400-225-6300-250-9050 | 13000-350-18250 |
| E-4 | 6500-250-7500-275-9425 | 14500-350-18700 |
| E-5 | 7000-275-8100-300-9600 | 16000-400-20800 |

| Schedule | Pay-structure (for the period 1/1/92 to 31/12/96) | Pay-structure (for the period 1/1/97 to 31/12/06) |
|----------|---|---|
| E-6 | 7500-300-9900 | 17500-400-22300 |
| E-7a | 8250-300-10050 | 18500-450-23900 |
| E-7b | 8500-300-10300 | 18500-450-23900 |
| E-8 | 9500-400-11500 | 20500-500-26500 |
| E-9 | 11500-400-13500 | 23750-600-28550 |

Non-unionized Supervisors

| Schedule | Pay-structure (for the period 1/1/92 to 31/12/96) | Pay-structure (for the period 1/1/97 to 31/12/06) |
|----------|---|---|
| S-1 | 2800-90-3430-100-4830 | 5200-140-8000 |
| S-2 | 3000-105-3735-110-5055 | 5600-150-8600 |
| S-3 | 3200-110-3970-120-5290 | 6000-160-9200 |
| S-4 | 3375-120-4335-140-5875 | 6400-180-10000 |

**DPE GUIDELINES (O.M. No. 2(50)/86-DPE(WC) dated 19.07.95) revising
the pay scales w.e.f 1/1/92.**

- i. Upward revision in rates of Non-Practising Allowance (ranging from Rs 1000/- to Rs 1500/-) payable to medical executives.

- ii. Fitment Method was as follows :

Basic pay in the revised scale was to be fixed as under :

Basic Pay in the existing scale of pay as on 1/1/1992.

plus actual DA as on 1/1/92 at AICPI 1099.

plus Fitment amount (upto 20% of basic pay in the existing scale of pay as on 31/12/91).

plus Personal Pay / Personal Allowance / Personal DA wherever payable alongwith existing basic pay.

On the aggregate arrived at, pay was to be fixed in the revised scale. Where the total did not fit in a stage of the revised scale of pay, the pay had to be fixed at the next higher stage. If the aggregate exceeded the maximum of the revised scale of pay or where basic pay fixed in the revised scale did not allow grant of three (3) increments to an executive / non-unionized supervisor, the basic pay had to be fixed at three stages below the maximum of the scale and the balance amount was to be treated as Personal Pay.

- iii. Ceilings for payment of HRA without production of rent receipt and monetary ceilings for Leased Accommodation were revised w.e.f 1/4/94.

- iv. No change in CCA. Other perks like Conveyance Reimbursement, Transport Subsidy, Canteen Subsidy, North Eastern Allowance, Underground Allowance, Project Allowance etc. were frozen as on 1.4.1994.

- v. For sick CPSEs registered with BIFR, pay revision and grant of other benefits allowed only if it was decided to revive the unit and the revival package included the enhanced liability on this account.

Resolution of 1st Pay Revision Committee

(TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY PART-I
SECTION-I)

**GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
Department of Public Enterprises**

New Delhi, Dated: 10.12.96

RESOLUTION

No.2(15)/95/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 1.1.1992. Accordingly it has been decided to appoint the Pay Revision Committee comprising the following:-

| | |
|------------------|---|
| Chairman | Shri Justice S. Mohan (Retired Judge, Supreme Court of India) |
| Members | (1) Shri S. Venketaramanan, (Ex-Governor, RBI) |
| | (2) Dr. Deepak Nayyar, (Ex Chief Economic Advisor, Government of India) |
| | (3) Shri Deepak Parekh, (Chairman, Housing Development & Finance Corporation) |
| Member Secretary | (4) Shri P.G. Mankad, (Secretary, Department of Public Enterprises, Government of India) |

The Committee will examine the 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

While finalizing its report, the Committee will take into account the Report of Fifth Pay Commission.

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. The Committee will make its recommendations to the Government within a period of 6 months. .

The decision of the Government on the recommendations of the Committee will take effect from 1.1.1997.

(S. Talwar)
Joint Secretary to Government of India

DA (% Of Basic Pay) under both CDA & IDA system from 1/1/97 onwards.

| S | Date | DA under CDA (% of Basic Pay) | DA under IDA (% of Basic Pay) |
|----------|-------------|--------------------------------------|--------------------------------------|
| 1. | 1/1/97 | 8% | 0% |
| 2. | 1/4/97 | 8% | 1% |
| 3. | 1/7/97 | 13% | 1.7% |
| 4. | 1/10/97 | 13% | 3.2% |
| 5. | 1/1/98 | 16% | 5% |
| 6. | 1/4/98 | 16% | 9.5% |
| 7. | 1/7/98 | 22% | 10.8% |
| 8. | 1/10/98 | 22% | 17.7% |
| 9. | 1/1/99 | 32% | 24.2% |
| 10. | 1/4/99 | 32% | 21.7% |
| 11. | 1/7/99 | 37% | 20.1% |
| 12. | 1/10/99 | 37% | 22.2% |
| 13. | 1/1/00 | 38% | 25.5% |
| 14. | 1/4/00 | 38% | 24.3% |
| 15. | 1/7/00 | 41% | 26.2% |
| 16. | 1/10/00 | 41% | 28% |
| 17. | 1/1/01 | 44% | 29.3% |
| 18. | 1/4/01 | 44% | 28.3% |
| 19. | 1/7/01 | 46% | 29.3% |
| 20. | 1/10/01 | 46% | 33.4% |
| 21. | 1/1/02 | 49% | 35.2% |
| 22. | 1/4/02 | 49% | 34.9% |
| 23. | 1/7/02 | 53% | 35.6% |
| 24. | 1/10/02 | 53% | 38.6% |
| 25. | 1/1/03 | 56% | 40.6% |
| 26. | 1/4/03 | 56% | 39.6% |
| 27. | 1/7/03 | 59% | 41.8% |
| 28. | 1/10/03 | 59% | 44% |
| 29. | 1/1/04 | 61% | 44.9% |
| 30. | * 1/4/04 | 61% | 45.3% |
| 31. | 1/7/04 | 64% | 45.8% |
| 32. | 1/10/04 | 64% | 49.2% |
| 33. | 1/1/05 | 67% | 51.4% |
| 34. | 1/4/05 | 67% | 51.2% |
| 35. | 1/7/05 | 71% | 52.1% |
| 36. | 1/10/05 | 71% | 54.6% |
| 37. | 1/1/06 | 74% | 58.1% |

| S | Date | DA under CDA (% of Basic Pay) | DA under IDA (% of Basic Pay) |
|----------|-------------|--------------------------------------|--------------------------------------|
| 38. | 1/4/06 | 74% | 58.9% |
| 39. | 1/7/06 | 79% | 60.4% |
| 40. | 1/10/06 | 79% | 65.3% |
| 41. | 1/1/07 | 85% | 68.8% |
| 42. | 1/4/07 | 85% | 70.2% |
| 43. | 1/7/07 | 91% | 71.1% |
| 44. | 1/10/07 | 91% | 76% |

* Effective date of merger of 50% DA with basic pay

DPE GUIDELINES (O.M. No. 2(49)/98-DPE(WC) dated 25.06.99).

Board level posts and below Board level posts including non-unionised supervisors in Public Enterprises – Revision of scales of pay w.e.f. 1.1.1997.

The last revision of scale of pay of non-unionised supervisors, below Board level executives and executives holding Board level posts in Central Public Sector Undertakings was made effective from 1.1.1992 for a period of five years. As the next pay revision fell due from 1.1.1997, the Government had set up a high level Committee under the Chairmanship of Justice S. Mohan, Retd. Supreme Court Judge, to recommend revision of pay and allowances for these executives following IDA pay scales. Based on the recommendations of the Committee, the Government have decided that the scale of pay attached to these Board level posts and below Board level posts would stand revised w.e.f. 1.1.1997 as indicated in Annexure-I.

2. In enterprises, where the scales of pay are different from those prescribed in the DPE guidelines or where rates of increments higher than those provided had been adopted in the past, it may be necessary for such enterprises to introduce certain intermediary scales or modify the scales to be provided in the guidelines with appropriate adjustments in their span and rate of increments. In doing so, it should be ensured that the minimum and the maximum of the individual scales prescribed herein are not altered. Such enterprises shall introduce these modifications only in consultation with their administrative Ministries and the DPE.
3. The grant of one increment in the revised scale against every three increments drawn in the pre-revised scales.
4. There will be a provision for grant of upto a maximum of three stagnation increments for those who reach the maximum of their scales.
5. 100 per cent DA neutralisation may be adopted for all employees covered by the Committee's recommendations who are on IDA scales of pay with effect from 1 January, 1997. The periodicity of adjustment should be once in three months, as per existing practice for these categories.

The Industrial DA at AICPI-1708 as on 1.1.1997 admissible to the incumbents in these posts in the revised scale would be 'nil', as the amount of IDA as on 1.1.1997 has been merged in the revised basic pay. The DA payable from 1.1.1997 to the incumbents of these posts would be as per new DA scheme.

6. In respect of sick enterprises referred to the BIFR, revision of pay scales would be strictly in accordance with rehabilitation packages approved or to be approved by the BIFR and after providing for the additional expenditure on account of pay revision in these packages.
7. Presidential directives would be issued by all the administrative Ministries/Departments indicating these scales as a ceiling, as the actual payments

would depend on the capacity to pay of the enterprises. The resources for meeting the increased obligation for salaries and wages must be internally generated and must come from improved performance in terms of productivity and profitability and not from Government subvention. The Presidential directives would also cover guidelines relating to dearness allowance and ceilings on perquisites.

8. The next pay revision would be after 10 years.
- 9(i) House Rent Allowance to public sector employees would be at the rates applicable to Central Government employees based on the reclassified list of cities as notified by the Government of India. The HRA rates and classification of cities are given in Annexure-V.
- 9(ii) Rent recovery on revised pay would be computed from the date of Implementation of these guidelines at the percentages in practice before 1.1.1997 or on the basis of standard rent to be fixed by the companies.
- 9(iii) HRA leased accommodation and rent recovery would be computed on revised basic pay but the amount to be paid or recovered would be from the date of implementation of these guidelines.
10. In respect of leased accommodation, the boards of public enterprises will have the flexibility to review and provide for an adequate level of leased accommodation for the executives who are entitled to this facility.
11. City Compensatory Allowance to be granted are as under, from the date of implementation of these guidelines:

| Basic pay per month | A-1 Population > 50 lakhs | A Population >20 lakhs and <=50 lakhs | B-1 Population > 10 lakhs And <=20 lakhs | B-2 Population >=5 lakhs and <= 10 lakhs |
|----------------------------|-------------------------------------|--|---|---|
| Below Rs.4000 | 90 | 65 | 45 | 25 |
| Rs.4001- Rs.5250 | 125 | 95 | 65 | 35 |
| Rs.5251- Rs.6499 | 200 | 150 | 100 | 65 |
| Rs.6500 & above | 300 | 240 | 180 | 120 |

12. Payment of perquisites and allowances may be upto a maximum of 50 per cent of the basic pay. Payments over and above the ceiling of 50 per cent should be entirely in the nature of Performance Related Payments which should not exceed 5 per cent of the distributable profits in an enterprise.

13. The Public Sector Enterprises should look into Mediclaim cover through insurance companies for their retired employees. The said policies could be funded from collateral contributions from both employees and organisations. The rules of the EPS 1995 should be amended so that the decisions to either choose EPS 1995 or to work out their own new contributory pension schemes must be that of, and made by the public sector enterprises themselves.
14. There should be no notional revision of pay for the purpose of determining of VRS in sick enterprises.
15. The administrative Ministries are requested to fix the pay of the incumbents of the Board level posts who were in employment in their enterprises as on 1.1.1997 in the manner indicated above and forward their files to the DPE for vetting as required under the existing instructions contained in BPE's D.O. letter No.1/1/89-BPE(S&A) Cell dated 14.2.1989 and DOPT's OM No.27(14)/EO/89(ACC) dated 6.12.1989.
16. A copy of the direction issued to the Public Enterprises may be endorsed to the Department of Public Enterprises.

Pay Scales for Public Sector Executives

| Schedule | Existing scales effective from 1.1.92 (Rs.) | Proposed scales effective from 1.1.97 (Rs.) |
|-----------------|--|--|
| 'A' | 13000-500-15000 | 27750-750-31500 |
| 'B' | 12000-400-14000 | 25750-650-30950 |
| 'C' | 10000-400-12000 | 22500-600-27300 |
| 'D' | 9000-300-10500 | 20500-500-25000 |

Below Board Level

| | | |
|--------------|------------------------|-----------------|
| 'E-0' | 3500-150-6200 | 6550-200-11350 |
| 'E-1' | 4000-175-7150 | 8600-250-14600 |
| 'E-2' | 4800-200-5800-225-8275 | 10750-300-16750 |
| 'E-3' | 5400-225-6300-250-9050 | 13000-350-18250 |
| 'E-4' | 6500-250-7500-275-9425 | 14500-350-18700 |
| 'E-5' | 7000-275-8100-300-9600 | 16000-400-20800 |

| | | |
|---------------|-----------------|-----------------|
| 'E-6' | 7500-300-9900 | 17500-400-22300 |
| 'E-7a' | 8250-300-10500 | 18500-450-23900 |
| 'E-7b' | 8500-300-10300 | 18500-450-23900 |
| 'E-8' | 9500-400-11500 | 20500-500-26500 |
| 'E-9' | 11500-400-13500 | 23750-600-28550 |

Non-Unionised Supervisors Scales

| | | |
|------------|------------------------|----------------|
| S-1 | 2800-90-3430-100-4830 | 5200-140-8000 |
| S-2 | 3000-105-3735-110-5055 | 5600-150-8600 |
| S-3 | 3200-110-3970-120-5290 | 6000-160-9200 |
| S-4 | 3375-120-4335-140-5875 | 6400-180-10000 |

(O.M. No. 2(15)/2000-DPE(WC)- GL XIX, Dated 27.03.2000)

OFFICE MEMORANDUM

Subject :- Board level posts and below Board level posts including non-unionised supervisors in Public Enterprises – Revision of scales of pay w.e.f. 1.1.97.

Reference is invited to this Department OM No. 2(49)/98-DPE/WC dated 25.6.99 regarding revision of scale of pay and allowances for the executives of PSEs. In this OM the parameters on the basis of which the revision of scales of pay and allowances could be formulated by PSEs for their employees were spelt out. There are however certain points on which clarifications have been solicited by the PSEs as well as the administrative Ministries/Departments. The points raised as well as the clarifications thereon are given here under:

Points raised by PSEs/
Admn. Ministries / Deptts.

Clarification

i) Date of effect of the revised HRA and CCA on revised basic pay.

HRA/Leased accommodation/rent recovery and CCA would be computed on revised basic pay from the date of implementation of the guidelines i.e. the date of issue of Presidential Directive revising the pay scales.

ii) Interpretation of 50% of ceiling of perquisites and allowances and 5% of distributable profits.

In normal circumstances the Performance Linked Incentives should be within 50% of the basic pay and if the limit is not considered sufficient to reward the employees for their work, they can go beyond 50% of basic pay but within 5% of distributable profits.

The Board may exercise the autonomy extended hereby with utmost caution. The decision taken in the Board meeting in this regard has to be transparent, it needs to be recorded and signed by all the Board Members.

iii) Types of allowances to be within and outside the ceiling of 50%.

Basic pay, DA, HRA/ leasing accommodation, CCA and professional allowances like non-practicing allowance/ non-teaching allowance /locational allowance/difficult area posting allowance and retrieval benefits etc. are outside the purview of the ceiling of 50%. All other allowances including PLI would be within 50% ceiling.

iv) Payment of Domicillary Medical Expenses.

The managements of PSUs are left free to decide the amount to be paid by way of domicillary medical expenses of its employees on their own, keeping in view their paying capacity and the decision for such rates of payment may be taken at the Board meeting in a transparent manner and this may constitute part of 50% perquisites (50% of basic pay).

All the administrative Ministries / Departments of the Govt. of India are requested to bring the foregoing to the notice of the Public Enterprises under their administrative control for their information and necessary action.

(Dr. S. Banerjee)

JOINT ADVISER (F)

To,

All the Administrative Ministries/Departments of the Govt. of India.

Copy to:

1. Chief Executives of Central Public Sector Enterprises
2. All Financial Advisers in the administration Ministries/Deptts.
3. C &AG of India, 10 Bahadur Shah Zaffar Marg, New Delhi
4. Secretary (PESB)

(O.M. No. 2(49)/98-DPE(WC)- GL XXVII, Dated 06.06.01)

OFFICE MEMORANDUM

Subject :- Guidelines on pay revision of executives of Central PSEs w.e.f. 1.1.97 and implementation thereof.

The DPE issued guidelines on pay revision for the executives of Central PSEs w.e.f. 1.1.97 for implementation by the Central PSUs as per the laid down parameters/provisions as contained in O.M. No. 2(49)/98-DPE(WC) dated 25.6.99. There have been some deviations by some of the PSEs which were engaging attention of the Government.

2. In this context, the Government have taken note of the revised scales adopted by some of the Navratna PSUs which were departures from the Government directives. It has been decided that the Central PSUs shall hereinafter get explicit concurrence of the DPE for their pay revision proposals whenever there was a departure from or interpretation of the DPE guidelines dated 25th June, 1999 by submitting such proposals through the respective administrative Ministries/Departments.

3. It has also been decided that the Government nominee Directors on the Boards of Directors of these Central PSEs should ensure that in the matter of pay revision, Government guidelines are implemented in letter and spirit.

4. The issue concerning separate pay revision guidelines in respect of Navratna PSEs shall be considered at the time of appointment of the next Pay Revision Committee for the Central PSUs.

5. The administrative Ministries/Departments are requested to bring the above to the notice of the Central PSUs under their administrative jurisdiction for strict compliance. The Government nominee Directors on the Boards of these PSEs may also be suitably advised to ensure compliance of the Government guidelines on matter of pay revision by the PSUs in which they represent the Government.

(A.K.Rath)
Joint Secretary to the Government of India
