

CHAPTER IV

WAGE POLICIES & RELATED MATTERS

(a) Wage Policy/Pay Revision/HPPC Recommendations

DPE/Guidelines/IV(a)/2

High Power Pay Committee—Implementation of its recommendations

In pursuance to directives given by the Hon'ble Supreme Court on 14th March, 1986 in connection with several writ petitions filed by the employees of certain public sector enterprises, Government had appointed a High Power Pay Committee on 7th April, 1986. The Committee under the Chairmanship of Hon'ble Mr. Justice R.B. Misra gave its final report to the Government on 24th November, 1988. The Government after considering all aspects of the Report, filed an affidavit before the Supreme Court on 17th April, 1990 seeking the directions from the Supreme Court in regard to the manner of implementation of the Report. The Hon'ble Supreme Court delivered their judgement on 3rd May, 1990 giving directions for implementation of the Report. A copy of the judgement is enclosed at Annexure-I.

2. The public enterprises which have been following the 3rd/4th CPC DA pattern may be advised to take action as brought out in the following paragraphs. References to paras of the Report have been given wherever applicable which may be consulted for clarifications/elucidations. In case any doubts regarding applicability still persist, the matter may be referred to the Department of Public Enterprises for clarifications.

3. Applicability of the recommendations

(i) Employees appointed on or after 1.1.1986: All employees following 3rd CPC DA pattern appointed on or after 1.1.1986 but before 31.12.88 would be deemed to have been appointed in the revised scales.

(ii) Employees on CDA promoted after 1.1.1986: Employees who have been promoted after 1.1.86 but were in receipt of central DA on pre-revised pay in posts held by them before their promotion, their pay would be first fixed in the manner indicated in Annexure VI in the lower posts.

(iii) Employees appointed on or after 1.1.1989: All appointments made on or after 1.1.1989 in respect of all categories of employees by these PSEs would be deemed to have been governed by the IDA pay scales and IDA. Appropriate pay scales on the IDA pattern for employees appointed on or after 1.1.1989 may be formulated by the PSEs concerned, in consultation with the administrative Ministry and referred to DPE for approval. (Supreme Court judgement dated 3.5.90 Annexure – I)

(iv) Employees initially appointed on industrial DA: All employees who were earlier appointed on industrial DA pattern will continue to be governed in accordance with the terms and conditions of their appointment. (SC judgement at 3.5.90 Annexure – I)

(v) Employees on IDA promoted to executive cadres after 1.1.1989 : Unionised employees and unionised/non-unionised supervisors who have been and are on IDA pattern and related scales of pay on their promotion to the executive posts on or after 1.1.1989 would be entitled to IDA only and their pay will be fixed in scales related to the IDA scheme.

(vi) Employees who changed over from CDA to IDA since July, 1984: The unionised and non-unionised employees of enterprises working in PSEs like Food Corporation of India, Hindustan Paper Corporation Ltd., National Hydro-Electric Power Corporation Ltd., Housing and Urban Development Corporation Ltd., Hindustan Cables Ltd., Hindustan Photofilms Ltd. etc. who voluntarily agreed to change over before or after 1.1.1986 but before the Supreme Court Judgement of 3.5.1990 to the Industrial D.A. scheme and related scales of pay on retrospective basis w.e.f.1.8.1983 or thereafter would not be entitled to the benefits of the recommendations made by the High Power Pay Committee. In such cases, they would get their wage/pay revision as per the norms laid down by the Government for such categories of employees from the date of expiry of their wage/pay settlement.

(vii) Employees who did not opt for IDA Scheme : Employees who did not opt for IDA and related scales of pay would get the benefit of revised pay under these orders.

(viii) Employees who have ceased to be in service of PSEs after 1.1.1986 : All employees, who were on the rolls of these PSEs as on 1.1.1986, but subsequently ceased to be in service on account of superannuation, resignation, voluntary retirement, termination of employment, death, etc., would be eligible for the benefits of these orders up to the period they were in employment.

4. PAYMENT OF INTERIM RELIEF:

(a) First Interim relief – quantum
(Effective Date)

The payment of IR would be regulated in the manner indicated in the Deptt. of expenditure's O.M.No.7(39)/E.III dated 2.8.1983. (Annexure – II)
1.6.1983

(b) Second interim relief - quantum

The payment of second IR would be regulated in the manner indicated in Deptt. of Expenditure's O.M. No.7(32)E.III/85 dated 29.4.1985. (Annexure – III)
1.3.1985

(Para 16.3 Page 185).

Wherever IRs have been paid by the public enterprises to their employees suo moto or under directions of Supreme Court/various High Courts, the amount so paid would be adjusted against the present authorisation. The unionised staff of DTC in whose case revised pay structure has been adopted w.e.f. 1.6.1983 in lieu of the first I.R. would not be eligible for payment of this I.R.

(para 8.107 page 131)

5. PAY SCALES

(a) Revised Pay Scales w.e.f. 1.1.1986 : The revised scales of pay as set out in the statement enclosed will be adopted by the PSEs concerned in respect of posts specified by the HPPC in toto w.e.f. 1.1.1986 (Annexure-IV). Rates of increments for the revised scales would be as per details given in Annexure-V

(Para 16.1 Page 184)

(b) Modifications in Existing Pay Scales of PSEs having Fourth Pay Commission Scales:

(i) MTNL, VSNL and NAA which have been established after 1.1.1986 would adopt the scales as recommended by the Committee. The modifications suggested by the Committee would be made effective from 1.4.1986 in the case of MTNL & VSNL and from 1.6.1986 in the case of NAA (Annexure – IV).

(Para 8.13 Page 64)

(ii) National Instruments Limited which under ad-interim directions of the Calcutta High Court had adopted 4th Pay Commission's scales of pay and DA pattern should modify its pay structure in accordance with Committee's recommendations, details of which are given in Annexure-IV.

(Para 8.34 page 82)

(c) Personal Pay Scales, Grant of : Wherever adoption of the revised scales as recommended by the Committee causes hardship to the employees who were following the 3rd CPC, they would be allowed personal scales of pay indicated in Annexure – IV.If on promotion, the prescribed scales of even the higher posts happen to be less than those of the personal scales, the persons promoted may be allowed to continue to draw pay in their personal scales.

(Paras 9.1 - 9.8 page 140)

(d) Pay Scales for Below Board level posts-Creation of : No posts would be created by these PSEs in scales of pay equivalent to those notified by Government for posts at Board level.

(Para 8.25 page 77)

(e) Modification in the scales of pay recommended by HPPC : No PSE is authorised to modify the scales recommended by the HPPC. The designations of the posts should correctly reflect the duties and responsibilities.

(Para 8.14 Page 64)

(f) Pay Scales for Medical Officers : Designation-wise the existing scales and the revised scales for Medical Officers in public sector enterprises on CDA pattern have been indicated in a separate statement at the end of Annexure-IV.

(g) Non-Practicing Allowance : The non-Practicing Allowance for Medical Officers would be regulated in the following manner:-

(Para 8.102 page 129)

(h) Post Graduate Allowance: Post Graduate Allowance can be increased by these public enterprises to their Medical Officers to Rs. 100/- in the case of those possessing a recognised Post-Graduate Diploma and to Rs.200/- in the case of those possessing a recognised Post Graduate Degree for Medical Officers in the scale of pay of Rs. 2200-4000 and Sr. Medical Officers in the scale of Rs. 3000-4500. Medical Officers entitled for Post Graduate Allowance of Rs. 100/- p.m. for possession of recognised Post Graduate Diploma could also be granted an additional amount of Rs. 1 00/- in case they have acquired a recognised Post Graduate Degree subsequently. The Post Graduate Allowance would not be admissible to Medical Officers on promotion from the scale of Rs. 3000-4500 to the scale of Rs. 3700-5000. In such cases, their pay has to be fixed as prescribed in the Ministry of Health and Family Welfare O.M.No.A/45012/1/87-CHS.V. dated 24th August, 1987. All other terms and conditions laid down in the MH & FW's O.M. dated 16.10.1975 would also apply.

(Para 8.103 page 130)

(i) Stagnation Increments : One stagnation increment on completion of every two years subject to a maximum of three such increments can be granted to such employees who reach the maximum of the scale of pay. The stagnation increment would be equal to the rate of increment last drawn and this would be treated as personal pay. This scheme of stagnation increment would be applicable to all posts upto the scale of Rs. 5900 – 6700. Pay plus stagnation increment should not in any case exceed Rs. 7300/-.

(Para 8.15 Page 65)

(j) Selection grade : Selection grades granted by PSEs to the non-unionised employees would stand abolished w.e.f. 1.1.86

(Para 8.15 page 65)

(k) Flying Pay : Pilots & Co-pilots appointed as direct recruits by NAA would be paid flying pay @ Rs. 750/- p.m. against Rs. 375/-p.m. w.e.f. 1.1.1986 subject to compliance of other formalities like obtaining flying pay certificate at the end of each month.

(Para 8.104 page 130)

6. FIXATION OF PAY IN REVISED/PERSONAL PAY SCALES : The pay of employees will be fixed in revised pay as indicated in Annexure VI. For Unionised employees of Delhi Transport Corporation, who had a limited pay revision effective from 1.6.1983, fixation of pay will be regulated in the manner indicated in Annexure VII.

(Para 10.2 Page 141-142)

7. DATE OF INCREMENT : Dates for grant of increments in the revised scales of pay would be regulated in the manner indicated in Annexure VIII

(Para 10.3 Page 142)

8. DEARNESS ALLOWANCES: The DA payable to the employees to whom the revised scales of pay as recommended by the HPPC are applicable would be paid in accordance with the DA scheme spelt out in Annexure -IX.

(Para 6.18 Page 50)

The actual percentage of the Dearness Allowance, which has become payable w.e.f. 1.7.1986 and onwards under the revised Dearness Allowance formula has been indicated in Annexure-X.

9. PERQUISITES: The Committee noted that although the CDA PSEs did not have the system of bilateral negotiations as pay revision had taken place as a consequence of Government pay revision, nonetheless negotiations did take place in regard to perquisites. In all PSEs except 32, there is a mixture of IDA and CDA employees and bilateral negotiations had been taking place in these PSEs i.e. IDA employees. Perks being common to all employees, they were, therefore, the subject matter of negotiations. An analysis of the perks enjoyed by the employees of these PSEs by the HPPC showed that they fall broadly into three categories:-

(i) Perks, which are available in almost all the PSEs.

Under this category would fall

- a. Compensatory (City) Allowance.
- b. House Rent Allowance.
- c. Medical facilities.
- d. Leave Travel Concession.

(ii) Perquisites which are related to specific working conditions or the hardships of specific areas such as a Project Allowance, a Mining Allowance or a Bad Climate Allowance.

(iii) Others

(Para 111.6 Page 150)

The HPPC have given various specific recommendations regarding perquisites in these PSEs. The Committee have recommended rationalisation of some of these perquisites inter alia providing for discontinuance in some cases. Some of the perquisites are in the nature of ceilings, the actual quantum being left to the Board of Directors of the PSE concerned to decide. While implementing the directions given herein below, the Board of Directors of the PSEs concerned should decide the date from which a particular perquisite is to be introduced/modified/discontinued, unless otherwise a specific date is mentioned in these orders. While taking decisions regarding implementation of these orders, to the extent where discretion has been permitted to the Board of Directors of the PSE concerned, the following observations of the HPPC should be kept in view:

'Taking into consideration the various factors mentioned above, we have adopted a different approach in regard to the perks that fall under item (i) above and in regard to all other items. In regard to perks under item (i), since they are common to all enterprises, we take the view that our recommendations in regard to these perks should be uniformly applicable to all the CDA PSEs. In regard to all other perks, our recommendations may be taken merely as prescribing the rates and the conditions under which they should be given, if they are given. In regard to the question as to whether any particular perk should or should not be given in any particular PSE, the discretion should be left entirely to the PSE concerned. In other words, the approach that the BPE had suggested to us in regard to pay scales and allowances, we have adopted only in regard to the allowances, viz: 'Keeping all these factors the HPPC can suggest a number of pay scales and package of allowances out of which the PSEs can make appropriate choice depending upon their size, sophistication of operation, hierarchical requirements and the capacity to pay'.

(Para 111. 7 Page 150)

The PSEs will also keep in mind the following recommendation appearing in para 16.4 of the Report, which is reproduced below:

"16.4 We have recommended in the respective chapters that the revised rates of House Rent Allowance and City Compensatory Allowance be made effective from a prospective date. Regarding the remaining benefits

recommended in our report, we recommended that the public enterprises may take specific decisions to give effect to them keeping in view all relevant aspects including their financial position."

The above would regulate instructions contained in the sub-paragraphs which cover all perquisites.

9.1 COMMON PERQUISITES:

9.1.1 City Compensatory Allowance: With effect from 1.1.1989, CCA would be paid at rates indicated in the table below:-

Pay Range (basic pay) Amount of CCA in class of cities (Rs. Per month)

**A
B1
B2**

Below Rs. 950/-
Rs. 950 – 1499
Rs. 1500 – 1999
Rs. 2000 & above
30
45
75
100
25
35
50
75
20
20
20
20

(Para 11.6 page 152)

Between 1.1.1986 to 31.12.1988, CCA would be paid by these public enterprises to their employees to whom the recommendations of this Report are applicable at the existing rates on the notional pay in the pre-revised scales. The existing rates are as indicated in BPE's O.M. dated 5.4.1988.

(Para 11.7 page 153 and Supreme Court Judgement dt. 3.5.1990)

9.1.2. House Rent Allowance:

(i) The HRA would be paid by the PSEs following CDA pattern at the following rates:-

Delhi, Bombay - 30% of basic pay

Other A class cities - 25% of basic pay

B1 and B2 class cities - 15% of basic pay

'C' & Unclassified cities - 1 0% of basic pay

(ii) Between 1.1.1986 and 30.11.1988, HRA would be calculated by the enterprises on the notional pay in the pre-revised scale of pay. From 1.12.1988, HRA without production of rent receipt may be paid by these enterprises at the rates notified above on the revised scales of pay subject to a ceiling of Rs.1250/-, Rs.1000/-, Rs.680/-, Rs.340/- and Rs.310/- for Delhi, Bombay, A, B1 and B2 class cities & C class and other unclassified cities respectively.

(para 11. 15 pp. 154 and Supreme Court Judgement dt. 3.5.1990)

(iii) Employees who have been claiming HRA based on production of rent receipt or on the basis of the rental value assessed by the Municipal Authorities of the self-occupied houses would be entitled to HRA on revised basic pay w.e.f. 1.12.1988 provided 10% of their basic pay is borne by them towards house rent.

(iv) While Implementing these orders, the following recommendations of the HPPC in para 11.16, p.154 of the Report (reproduced below) may be kept in view:-

"The present rates prescribed by the BPE are in the nature of ceilings. We, however, note that some of the PSEs are sanctioning HRA at rates lower than these. This is perhaps the result of a process which we have discussed in the "introduction to Perquisites". It is not our intention that such rates should now be raised. The BPE guidelines will continue to be only prescribed ceilings and not obligatory rates."

(v) The above ceilings would be revised after review of BPE's order No. 1(3)/82-BPE (WC) dated 1.7.1983, as recommended by the HPPC, has been completed and revised orders are issued.

(para 11. 15 p. 154 & S. C. Judgement dt. 3.5.1990)

(vi) **Leased Accommodation:** Limit on rental ceiling for leased accommodation in respect of key-officials as laid down in BPE's O.M. No. 1(3)/82-BPE(WC) dated 25.7.1983 and O.M. No.2 (50)/87-BPE(WC) dated 1.4.1987, as amended from time to time, would be strictly observed by these public enterprises.

(para 11.17page 154)

(vii) **Rent Recovery:** Rent recovery for township accommodation or for leased accommodation arranged by the P.S.E. would be at the rate of 10% of basic pay or standard rent. However, the PSEs may prescribe flat rates for each type of accommodation available in the township and recovery of rent on uniform basis for each type of accommodation. Rent recovery in respect of leased accommodation would, however, continue at the existing rates i.e. 10% of the Basic pay.

(Para 11.19 page 155)

9.1.3 Medical Facilities: Public enterprises should modify the Medical, attendance rules in line with parameters spelt out below:

i. PSEs following CS (MA) Rules, should continue to follow the same rules wherever extended to their employees for both indoor and outdoor treatment. PSEs who have framed their own rules could continue to follow the same, subject to the modifications indicated hereunder:

ii. For outdoor treatment, PSEs not having their own hospitals/ dispensaries should allow annual reimbursement of medical expenses upto a ceiling of Rs. 2400 or one months basic pay whichever is less, subject to a minimum of Rs. 1000/-. However, in case of special diseases like Cancer and TB, where outdoor treatment is advised, the Chief Executives/their authorised officers may be empowered to allow reimbursement beyond these limits, as a special case. These ceilings would apply to all PSEs irrespective of the Medical Rules being followed by them.

iii. In some PSEs, there is a system of giving a fixed lumpsum monthly allowance for indoor and outdoor treatment. This should be discontinued.

iv. The actual expenditure on indoor treatment/hospitalisation be reimbursed provided the treatment is carried out in any (a) Government hospital, (b) Government aided hospital, (c) Trust hospitals established on "no profit no loss basis", or, in (d) selected hospitals specifically approved by the PSEs for such purpose. However, in regard to (d), the PSEs while approving such hospitals should also finalise the rates to be charged by such hospitals from PSE employees, keeping in view the rates fixed by the All India Institute of Medical Sciences (AIIMS). However, diet charges need only be reimbursed to eligible employees as per CS (MA) Rules.

v. In PSEs, having their own hospitals/dispensaries, the employees should take treatment as indoor or as outdoor patient in such hospitals/dispensaries only and no reimbursement should be allowed. In case sufficient facilities are not available for outdoor/indoor treatment in such hospitals/dispensaries, the Specialists/Doctors of such PSEs, could refer cases to other approved hospitals and in such cases reimbursement could be allowed as per CS (MA) Rules.

vi. Wherever PSEs are having their own hospitals/dispensaries they could extend medical facilities to their superannuated employees and their families, in such hospitals/dispensaries.

vii. The treatment to be carried out in foreign countries would be permitted only as per Central Government orders issued from time to time, for their employees.

viii. For purpose of medical treatment, family would include besides employee's spouse, dependant parents, unmarried sisters, widowed dependant sisters, widowed dependant daughters, minor brothers and children provided they are wholly dependant and residing with the employee and also subject to the condition that their income from all sources put together does not exceed Rs. 500 per month.

ix. While admitting reimbursement claims, the PSEs should strictly disallow the inadmissible medicines, tonics, toilets and medicines as per orders of the Central Government issued from time to time in this regard.

(Para 11.21 page 156)

9.1.4 Leave Travel Concession: The existing LTC Scheme should be reviewed and the LTC scheme available to the Central Government employees i.e., to visit home town once in a block of two years, and to visit any place in India once in a block of four years in lieu of one of the two concessions available to visit to home town, should be adopted by all PSEs uniformly without any deviation:

a. The management of the PSEs could consider permitting their employees who are on pay scales not lower than Rs.4500-5700 to travel by air with their families while availing LTC.

b. Encashment of LTC for home town as well as to visit any place in India wherever it presently exists, should be discontinued.

(para 11.22-11.25 pages 157-158)

9.2 Specific Perquisites: Specific perquisites like Field Allowance, Drilling Allowance, Underground/Mining allowance, Special Compensatory Allowance, etc., as set out in Annexure XI could be granted by PSEs at the rates specified therein subject to the satisfaction of the conditions laid down by the Central government for payment of similar allowance for government servants.

No modification in the rates of these allowances would be carried out by the Management of the CDA PSEs unless and until some changes in these rates are notified by the Government in respect of the Central Govt employees.

(paras 12.1 to 12.23 pages 159-166)

9.3 Other Perquisites

9.3.1 Conveyance Allowance: The managements of public enterprises following central DA could take a decision for payment of conveyance allowance to such of its executives and employees who own and maintain conveyance such as cars, scooters and mopeds and use them for official purposes.

Reimbursement of conveyance expenditure should be discontinued and instead conveyance allowance should be paid subject to the following ceilings : -

	SI.No.	Mode	Pay
			'A' Class cities (per month)
			Other than 'A' class cities
Maintaining Car	1.		Scale of Rs.3000 – 4500 & above Rs.450 Rs.400
	2.		

Maintaining Scooter		(i) BP Rs.3000 and above Rs.175 Rs.150
		(ii) BP between Rs. 1600 & Rs.2999 Rs.150 Rs.125
	3.	
Maintaining Moped		BP Rs.1400 & above Rs.125 Rs.100
	4.	
Transport subsidy		(i) BP below Rs.1400 Rs.40 Rs.40
		(ii) Not maintaining any vehicle

Employees presently drawing higher conveyance allowance than the ceilings specified above could be allowed to draw the existing conveyance allowance as personal to them till promotion to the next higher grade. In PSEs where conveyance allowance scheme does not exist, the question whether conveyance allowance scheme should be introduced is to be decided by the Board of Directors of the concerned enterprise. They could fix the rate of actual conveyance allowance subject to the ceilings indicated in the preceding table.

The enterprises who decide for payment of conveyance allowance to their employees should adopt the parameters as specified in the Annexure-XII while sanctioning conveyance allowance.

(Para 13.5-13.8 pages 167-168)

9.3.2 Encashment of leave while in service: The Management of the PSEs following Central DA pattern should modify their existing scheme for encashment of earned leave while in service on the basis of the parameters indicated in Annexure - XIII. Wherever such schemes do not exist a decision as to whether such a facility is to be extended to their employees is to be taken by their Board of Directors. The facility is to be extended on prospective basis and would be subject to the terms & conditions specified in Annexure XIII.

(para 13.9-13.10, page 169)

9.3.3 Leave encashment on resignation: An employee who resigns or quits service may be allowed 50% of encashment of non-encashable earned leave to his/her credit on the date of cessation of service. This would be limited to the maximum of 60 days as per BPE's O.M. No. 2(27)/85-BPE(WC) dated 24.4.87

(paras 13.10 (i –vii) page 170)

9.3.4 Half-pay leave: The facility of encashment of half pay leave /sick leave standing to the credit of an employee of a PSE should be discontinued.

9.3.5 Canteen subsidy: The existing provision relating to canteen facility in industrial unit and the scheme for provision of lunch subsidy etc. wherever they exist should be reviewed by the PSEs. This facility should be rationalised in the following manner:

(i) Where canteens are being run as a statutory obligation under various enactments, the existing arrangements could be continued.

(ii) In PSEs having different subsidy provisions, such as canteen subsidy, lunch subsidy, etc. the existing arrangements could be continued.

(iii) The rates of food items, beverages, snacks etc. should be regularly reviewed so as to match the increase in the cost of provisions.

(iv) Cash allowance to employees as existing in some PSEs should be discontinued. The managements, however, should make efforts to make some alternative arrangements and provide at least minimum facilities for tea, beverages, snacks, etc. on the lines indicated above.

(v) In PSEs where due to historical reasons the practice exists of providing tea, coffee, etc. free of cost, the managements of PSEs should review such arrangements and take final decision regarding continuance or otherwise, keeping in view various factors.

(paras 13.11-13.16, page 170)

9.3.6 Entertainment expenses: The guidelines laid down by BPE from time to time, on entertainment should be followed by all PSEs. The entertainment allowance given should also be regulated as per the BPE's OM No.3(15)/79-BPE(WC) dated 9.4.84, 31.7.85, and 3.9.1985.

(para 13.17, page 170)

9.3.7 Children Education Assistance: (a) Children Educational facilities wherever extended by these PSEs should be reviewed. These facilities should only be extended by the PSEs subject to the conditions laid down for Central Government employees. Reimbursement should, however, be restricted as actuals. The following ceilings should be observed:-

(i) Reimbursement of tuition fee:

a) Class X and below Rs.20 p.m. per child

b) Class XI and XII Rs.25 p.m. per child

c) For physically handicapped & mentally upto XII class

retarded children

(ii) Children Educational Allowance. Rs.50 p.m. per child for

Primary, secondary &

Hr. Secondary class

(iii) Hostel Subsidy Rs.150 p.m. per child

b) Subsidy for purchase of books should be discontinued.

c) In regard to merit scholarship schemes existing in a few PSEs the Board of Directors could consider the need for continuance or otherwise of such scholarships.

d) The above facilities could be extended to all categories of employees without any pay limit but restricted to two children

e) The conditions for grant of educational facilities indicated above will be as applicable to Central Government employees.

(Para 13.18 – 13.24 , pages 170-172)

9.3.8 Uniform and uniform Allowance:

(a) The PSEs may consider providing employees other than industrial workmen with 2 sets of summer uniforms every alternative year and one set of winter uniform once in 2 years in summer and winter seasons respectively. The uniform should be correlated with the nature of duties. They should not be supplied merely to enable identification by the public. In such cases no uniform need at all be provided. The managements of PSEs could decide about the number and frequency of uniform sets for industrial workmen on CDA taking into account the nature of duties, working conditions, etc. However, on jobs where protective clothing is mandatory under the Factory Act, the employees should be provided the same in accordance with the provisions of such regulations.

(b) The nursing staff/para medical staff in the PSEs be granted uniform allowance at the rates not exceeding the norms prescribed for similar categories of Central Government employees. These facilities if not in existence in a PSE could be introduced by it with the approval of the Board. In the Central Government uniform allowance for the nursing staff has been enhanced from the existing rate of Rs.300 p.a. to Rs.1500 p.a. w.e.f. 1.10.1986. Government has also sanctioned a nursing allowance at the rate of Rs.150 per month to the nursing personnel of all levels w.e.f. 1.10.1986.

(paras 13.25-13.26, page 172)

9.3.9 Washing Allowance: Wherever PSEs are providing uniforms to certain categories of employees, washing allowance for these employees would be as given below:

Category of employees
Rates of washing allowance p.m.

- | | |
|---|-------|
| i) Workmen Auxiliary Nurses, Mid-wives and lady Health Visitors | Rs.20 |
| ii) Nursing Staff of all categories at all levels employed in hospitals/ dispensaries run by the PSEs | Rs.75 |
- (Para 13.27, page 172).

9.3.10 Working Hours/Conditions of Service : In respect of the employees connected with manufacture or falling under the definition of workers or governed by the Factories Act, a decision about the number of working hours should be taken by the individual public enterprises having regard to the legal provisions. However, in respect of the employees working in various types of offices, consequent upon introduction of revised pay scales and improvement in various allowances and perquisites, as spelt out in the preceding paragraphs, the Management should ensure that the hours of work in each enterprise is not less than 40 hours per week.

(Para 14.2, page 174)

9.3.11 Employment of dependents: Wherever a PSE is following the practice of giving employment to the dependents of its employees, it should ensure that employment is given, wherever possible only to dependents of such employees who die in harness or who retire due to invalidation. Employment need not be provided to dependents of employees retiring in the normal course.

(para 13.28, page 173)

9.3.12 Shift Allowance: Shift duty allowance paid by a PSE should be granted only to those employees who have to work during the night shifts.

(Para 13.29, page 173)

9.3.13 Punctuality Allowance/Attendance Bonus: The practice of payment of Punctuality Allowance/Attendance Bonus to employees for maintaining punctuality in attendance, if any, introduced by the Public Sector Enterprises should be discontinued.

(para 13.30, page 173)

9.3.14 Miscellaneous Items: Any allowance/perquisites which are being extended by some of the PSEs not covered by the HPPC Report, should be reviewed by the managements of the PSEs in consultation with the administrative Ministry and ensure that the benefits are in line with what is applicable to similarly placed Central Government employees.

10. PRODUCTIVITY LINKED INCENTIVE SCHEMES

10.1 The existing incentive schemes wherever introduced by PSEs following CDA pattern should be reviewed whether they have provided adequate motivation for higher productivity. The accelerating as well as inability factors effecting the operation of these schemes should be identified for improvement to ensure that the gap between the laid down targets and the actual output is reduced. Selection of a single factor as done presently in some PSEs requires reconsideration. Productivity factors should be limited to a maximum of 2 to 3. Base level production should also be identified beyond which incentive starts operating. The schemes now operated by DTC, MTNL, Modern Food (I) Ltd. NTC (APKKM), NTC (Gujarat) should be reviewed.

10.2 Enterprises which do not have any incentive scheme could introduce the same having regard to the parameters spelt out by the HPPC in paragraph 15.16 on pages 182-183. The provisions of BPE's O.M. No. 2(2)/80-BPE(WC) dated 3.3.1984 should be kept in view while introducing a PLI Scheme.

(Paras 15.10-15.16, pp. 180-183)

11. NEXT PAY REVISION: The employees in respect of whom the recommendations of the HPPC are now being implemented under orders of the Supreme Court dated 3.5.1990 would get pay revision only as and when similar changes are effected for the Central Government employees.

(Supreme Court Judgement dated 3.5.1990)

12. OPTION TO CHANGE OVER TO IDA PATTERN: These employees will, however, have an option to switch over to the Industrial D.A. pattern and related scales of pay notified by the Government on voluntary basis.

(Supreme Court Judgement dated 3.5.1990)

13. ANOMALIES IN ALLOTMENT OF PAY SCALES : If any anomalies are noticed in a fitment of the existing scales into the general pattern of scales now notified, these could be reviewed by a Committee set up by the PSE concerned and the formulations processed after taking approval of the administrative Ministry in consultation with their Integrated Finance Wing.

(Para8.20, p.68)

14. ADJUSTMENT OF THE AMOUNT ALREADY PAID BY THE PSEs: The amount already paid by the PSEs following CDA pattern under interim orders given by the Supreme Court/various High Courts by way of I.R., instalment of ADA and ad-hoc DA and on account payment' would stand adjusted against the arrear payments that may be admissible to the employees entitled to pay revision benefits under these orders.

15. All administrative Ministries/Departments of the Government of India are requested to bring the foregoing to the notice of public enterprises who are following CDA pattern for their information and necessary action.

(O.M. No. 2(43)/90-DPE (WC) dated 12th June, 1990)
