

F. No. 2(56)/2008-DPE (WC)-GLX/08
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhavan
Block No. 14, CGO Complex
Lodhi Road, New Delhi

Dated: 16.09.2008


OFFICE MEMORANDUM

Sub: Grant of increment (s) or pay revision of executives with retrospective effect by CPSEs.

The undersigned is directed to refer to the subject noted above. Based on the recommendations of Justice Mohan Committee (1st Pay Revision Committee), pay scales for the executives and non-unionized supervisors of CPSEs were revised w.e.f. 1.1.1997, for a period of 10 years. Accordingly, the next pay revision fell due w.e.f. 1.1.2007, for which the Government had constituted 2nd Pay Revision Committee (2nd PRC) on 30.11.2006, headed by Justice M. Jagannadha Rao. The 2nd PRC submitted its report on 30.5.2008 to the Government and the Report was also placed on this Department's website.

2. It has been noticed recently that some CPSEs have granted extra-ordinary increments and/ or increased the pay of executives with retrospective effect. The Government orders on the revision of pay of executives of CPSEs are yet to be issued. Any orders granting out of turn increments/ pay revision in respect of executives/ non-unionized supervisors in CPSEs with retrospective effect, while the decision in respect of pay revision of executives of CPSEs is yet to be taken, amounts to circumventing the Government decision to be taken on the recommendations of the Committee. It also works against the interests of executives in CPSEs, which abide by Government guidelines in respect of pay revision. Administrative Ministries/ Departments concerned with the CPSEs may issue strict instructions to the Chief Executives of CPSEs and Government Directors on the Board of CPSEs that no such decisions are taken by the Boards of CPSEs.

3. This issues with the approval of Secretary, DPE.


(P. J. Michael)
Under Secretary
Tel. No. 24360823

All Administrative Ministries/ Departments.