

F. No.2 (34)/12-DPE-(WC)-GL-~~XX~~/12

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 December, 2012

OFFICE MEMORANDUM

Subject:-Finalization of terms & conditions including pay fixation in respect of Board level executives of CPSEs, revised procedure thereof.

The undersigned is directed to state that at present the terms and conditions, including pay fixation, of Board level executives of CPSEs are finalized after vetting by DPE. In this regard para '15' of DPE O.M. dated 25.06.1999 (**Annex-I**) for 1997 pay revision and para '2' of DPE O.M. dated 30.12.2009 (**Annex-II**) standard terms & conditions for 2007 pay revision may be referred to. As per present procedure, the concerned Ministries/Departments propose the terms & conditions, including pay, to be fixed for the Board level executives of the CPSEs under their administrative control, with the approval of their Integrated Finance Wing (IFW), and refer the proposal to DPE. DPE while vetting the proposal ensures that it is as per the extant policy being followed uniformly in all CPSEs. Although the guidelines of DPE regarding terms & conditions, including pay fixation, have been simplified and are available on DPE website, it is noticed that the entire process takes considerable time in finalization. In order to reduce the time taken in issuing terms & conditions of Board level executives of CPSEs, the present procedure has been reviewed, and after due consideration a need is felt to revise it.

2. In CPSEs 96% (approx.) of the employees are on Industrial Dearness Allowance (IDA) pattern of pay scale and the remaining are on Central Dearness Allowance (CDA) pattern of pay scales. Almost all Board level appointees are on IDA pattern pay scale and they are inducted on a fixed tenure basis.

3. All appointments in CPSEs are on a permanent absorption basis. In rare and exceptional cases employees are appointed on deputation. Only in cases where a person from Government service, including Defence services, joins a CPSE on a permanent absorption basis, there is a need to protect his/her emoluments (Basic Pay + Grade Pay + DA). Pension, if any, drawn on account of service rendered in Government is regulated as per DoPT orders. As per Annex-IV (iv) referred to in para 12 of DPE O.M. dated 26.11.2008 (**Annex-III**), which relates to 2007 pay revision of IDA employees, all deputationists shall have to draw their parent cadre pay and allowances. All those who join a CPSE on deputation after 26.11.2008 cannot opt for CPSE pay scales, and have to draw their parent cadre pay and allowances, and are governed by the provisions contained in DPE O.M. dated 26.11.2008 and 08.06.2009 (**Annex-IV**). However, an exception has been made in the case

