

Department of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhawan
Block 14, CGO Complex, Lodi Road
New Delhi, 9th April, 2009

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The undersigned is directed to refer to this Department's O.M. of even number dated 02.04.2009 on the subject mentioned above. In this regard specific attention is invited to Paras 4 and 5 of the above-mentioned O.M.

3. The Committee of Ministers constituted by the Prime Minister to look into some issues regarding pay revision of executives of CPSEs has observed that, “Justice Mohan Committee (First PRC) had not recommended any ‘Protected Pay’ with effect from 01.01.1997. It is also noted that for the purpose of fitment, the Second PRC had specifically recommended to include Basic Pay plus Stagnation Increments as on 01.01.2007 and recommended exclusion of the personal pay/special pay. Government has accepted this recommendation.” The Committee of Ministers also concluded that, “there is no case for modifying the Government’s decision.”

Government has accepted the above recommendation of the Committee of Ministers as well, and orders in this regard were issued vide DPE O.M. of even number dated 02.04.2009.

4. DPE O.M. dated 26.11.2008 has, inter alia, stated that, "If any extra ordinary increment(s) and/or increase in the pay in respect of executives/non unionized

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supervisors have been granted with retrospective effect, which affect the revision of pay as on 1.1.2007, such increments and/or increase in pay will be ignored for the purpose of fitment/pay revision.”

5. It may also be mentioned that the Committee of Ministers in their report has observed that violations/aberrations from DPE guidelines cannot be perpetuated. The Committee of Ministers has also recommended that, “If there have been any aberrations, they need to be corrected now”.

6. In view of the above, the administrative Ministries/Departments should give proper attention so that the pay of individual executives and non-unionised supervisors in a CPSE as on 01.01.2007, for fitment purpose, should be calculated as per DPE guidelines issued from time to time. Any extra ordinary/unauthorized increments or increase in pay, which do not conform to the prevailing DPE guidelines should be ignored for pay revision of the executives and non-unionised supervisors. CPSEs should be instructed suitably.



(Rajendra Kumar)
Director
Tel: 24360624

To

1. All administrative Ministries/Departments concerned with CPSEs of the Government of India (Secretaries by name)
2. All Financial Advisors in the Administrative Ministries/Departments concerned with CPSEs.

Copy to

1. The Comptroller & Auditor General of India, 10-Bahadur Shah Zafar Marg, New Delhi.
2. Department of Expenditure (Smt. Sushma Nath, Secretary)


(P.J. Michael)
Under Secretary

provided, in
(iv)
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