

CHAPTER IV

WAGE POLICIES & RELATED MATTERS

(a) Wage Policy/Pay Revision/HPPC Recommendations

DPE/Guidelines/IV(a)/22

Pay revision of CPSEs employees following CDA pattern in 69 Central Public Sector Enterprises.

On the recommendations of High Power Pay Committee (HPPC), and the Supreme Court's Judgment dated 03.05.1990 in CMP No. 10864/1989, DPE had issued OM No. 2(43)/90-DPE (WC) dated 12.06.1990, implementing the Central Government pay scales to the employees of Public Sector Enterprises following CDA pattern in 69 CPSEs as indicated in Annexure IV of said OM dated 12.06.90. The DPE, vide OM dated 24.10.1997 further revised the pay and allowances of said 69 CPSEs following CDA pattern. Consequent to the issue of notification dated 29.08.2008 by the Department of Expenditure, Ministry of Finance on the revision of pay scales of the Central Government Employees w.e.f. 01.01.2006, the pay scales in respect of the Public Sector employees following CDA pattern of pay in 69 Public Sector Enterprises would also be revised w.e.f. 01.01.2006 as per the judgment dated 3.5.90 of Supreme Court on recommendations of the HPPC.

2. The pay scales of the employees of said 69 CPSEs following CDA pattern will be revised w.e.f. 01.01.2006 as per **Annexure I** (copy enclosed). The rates of HRA & CCA will be as per **Annexure-II** (copy enclosed). The rates of Dearness Allowance will be as per **Annexure- III**(copy enclosed). Order in connection with the revision of other allowances will be issued separately.

3. The benefit of pay revision may be allowed only to employees of those CPSEs that are not loss making and are in a position to absorb the additional expenditure on account of pay revision from their own resources without any budgetary support from the Government. The Board of Directors would consider the proposal of pay revision of all the employees in the CPSE, keeping in mind the affordability and capacity of the CPSE to pay and submit a proposal to its Administrative Ministry / Department, which will approve the proposal with the concurrence of its Financial Advisor. In respect of Food Corporation of India, the concurrence of Department of Expenditure would also be required.

4. All Administrative Ministries/Departments of the Government of India are requested to bring the foregoing to the notice of CPSEs under their Administrative control, who are following CDA pattern of scales for their information and necessary action.

(DPE OM. No. 2(54)/2008-DPE (WC) GL- XI/08 dated 14th October, 2008)
