

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

of CVOs and other officers on deputation to the Vigilance Department of CPSEs who have been given the option to draw CPSE pay scale, allowances and other benefits vide DPE O.M. dated 03.12.2010 (Annex-V).

The standard terms & conditions for those joining on deputation may be seen at Annex-VI. Officers of the level of Joint Secretary and above are not entitled for deputation duty allowance (Annex-VII).

4. CPSEs are following different IDA pay scales (i.e. as per pay revision in the years 1987, 1992, 1997 and 2007) based on their affordability. Besides, CPSEs are also classified into A, B, C and D schedules. CPSEs placed in a lower schedule may subsequently get upgraded to a higher schedule. While the scale of pay for each grade for below Board level executives is identical across all CPSEs, the scales of pay in respect of Board level executives vary according to the schedule of the CPSE. Board level executives of a CPSE in a higher schedule enjoy a higher pay scale. The scales of pay of Board level executives in the 1987, 1992, 1997 and 2007 pay scales may be seen at (Annex-VIII). The terms & conditions of Board level executives are specific to the pay scales of each CPSE depending on its schedule. The standard terms & conditions in respect of 2007 pay revision are available on DPE website. While the scale of pay of a Board level executive will depend upon the schedule of the CPSE, the pay fixation could vary depending on the following variations.

(A) Appointment from Board level to Board Level

- i) Within the same CPSE (Appendix – example 1)
- ii) Between different CPSEs (of the same schedule and with the same pay scales) (Appendix – example 1)
- iii) Between different CPSEs (of different schedules but the same pay scales) (Appendix – example 2)
- iv) Between different CPSEs (of the same schedule but in different pay scales) (Appendix – example 3)
- v) Between different CPSEs (of different schedules and in different pay scales) (Appendix – example 4)

(B) Appointment from Below Board level to Board Level

- i) Within the same CPSE (Appendix – example 5)
- ii) Between different CPSEs (of the same schedule and with the same pay scales) (Appendix – example 5)
- iii) Between different CPSEs (of different schedules but the same pay scales) (Appendix – example 6)
- iv) Between different CPSEs (of the same schedule but in different pay scales) (Appendix – example 7)

- v) Between different CPSEs (of different schedules and in different pay scales)
(Appendix – example 8)

(C) Employees coming from Government service to CPSE at Board level on permanent absorption, and other cases of dissimilar pay scales.

Dissimilar cases are generally those where an executive moves from a higher pay scale to a lower pay scale. Cases of Government employees joining CPSEs at Board level posts on permanent absorption basis, and cases of fixation of pay on posting in a CPSE with lower (pre-revised) pay scales are examples which fall in this category. DPE OM dated 05.03.2010 (Annex IX), deals with protection of emoluments in such cases (Appendix, example 9).

5. While fixing the pay of Board level executives of CPSEs, the following points will have to be taken into consideration:-

- i) The last pay drawn by the incumbent should have been drawn as per DPE guidelines. If any stagnation increments were given to the executive, either in 1997 or in 2007 pay revision, the same should have been granted only after reaching the maximum of the prescribed scale and once in two years, with a maximum of three such stagnation increments only. It may be clarified that there was no such concept of stagnation increment in 1987 and 1992 pay revisions.
- ii) Any Personal Pay, Special Pay, additional increment(s), or any increase in pay granted in any pay scales are not to be taken into consideration for pay fixation as they are aberrations from DPE O.Ms. Similarly, no such benefits can be extended after 2007 Pay Revision. No amount can be given as pay which is in contravention of the approved pay scales. However, protection of emoluments as specified in para 4 (C) above is permissible vide DPE O.M. dated 05.03.2010. Flexibility in grant of benefits is restricted to different forms of Perks & Allowances, Superannuation benefits, PRP, within the parameters laid down in DPE O.Ms. dated 26.11.2008, 09.02.2009 and 02.04.2009.
- iii) Increment, if any, due on 01.01.2007 should be granted first in the pre-revised scale (1997 pay revision) and only thereafter should fitment be granted, and pay fixed in the revised scale as on 01.01.2007 (Appendix, example 10).
- iv) Stagnation increment will be permissible only after reaching the maximum of the scale. As there are no fixed stages of increment in 2007 pay scales, the last increment due in a scale before reaching the maximum of the scale, may be less than 3%. Stagnation increment will be provided once after every two years, and there can be a maximum of three stagnation increments in a grade (Appendix, example 11).

v) On appointment to dissimilar pay scales, for example from 2007 to 1997). There would be no notional increment on pay fixation in such situations, but only protection of emoluments (refer Appendix, examples 3,4,7, 8 and 9).

vi) As per the formula for fixation of pay in 2007 pay scales, the pay is fixed by adding one notional increment equal to the increment being drawn in the pay of the lower scale and pay fixed in the higher scale by rounding off the amount to the next 10 rupees. If the amount so arrived at is less than the minimum of the higher scale then the pay will be fixed at the minimum of the higher scale, and if the amount so arrived at is more than the maximum of the scale then the pay will be fixed at the maximum of the scale. (Appendix, example 12)

vii) On promotion, the pay fixed should not exceed the maximum of the scale to which the employee is promoted.

viii) Unlike 1997 pay scales, which had fixed increment and defined stages, there are no pre-determined fixed stages of increment in the 2007 pay scales. (Appendix, example-13)

ix) Benefit of bunching of increment would be provided in terms of para 2 (iii) of DPE O.M. dated 26.11.2008 read with para 3 (i) of DPE O.M. dated 24.09.2010 (Appendix, example 14), while benefit of stepping up of pay would be provided in those cases covered in DPE O.M. dated 27.11.2012 (Appendix, example 15).

x) All perks and allowances admissible to executives, which have a Cost to the Company (CTC) would be within the ceiling of 50% of basic pay of individual executives. Only four specified allowances (para 10 of O.M. dated 26.11.08 refers) have been kept outside this ceiling. All other perks & allowances are to be kept within the limit of 50% (in this regard DPE O.Ms. dated 02.04.2009, 01.06.2011 and 29.06.2012 also refer, **Annex X, XI, XII**).

6. Some Board level executives in CPSEs are re-employed Government pensioners. They would be allowed to draw pay only in the prescribed pay scale of the post in which they are re-employed. No protection of the pay of the post held by them prior to re-employment would be given. In all such cases of re-employment at Board level posts in CPSEs, the initial pay shall be fixed at the minimum of the pay scales as applicable to the post in the concerned CPSE. The pension admissible to the retired would be subtracted from admissible pay. The fixation of pay of re-employed pensioners at Board level in CPSEs will be governed by provisions of DPE O.Ms. issued from time to time. In case of any difficulty in fixation of pay of Board level executives in CPSE, who happen to be re-employed Government pensioners pay fixation results in an unviable financial proposition, administrative Ministry/Department may refer such case to DPE for advice

7. In case a person from a private organization is appointed in a CPSE, his/her pay would be fixed at the minimum of the prescribed pay scale without any pay protection.

8. The following DPE O.Ms. are also annexed for ready reference, which are self-explanatory:-

S.No.	Date of Issue	Subject	Annex.
i.	14.03.2002	Fixation of Pay of Board Level Executives	XIII
ii.	24.09.2010	Bunching of increments to Board Level – Leave Encashment during service and on superannuation	XIV
iii.	03.06.2011	Fixation of Pay of Board Level - % rate of Notional/Stagnation increment	XV
iv.	27.11.2012	Stepping up the pay of a CMD/MD in a CPSE in special circumstances	XVI

9. The pay fixation principles, which apply in respect of Board level executives of CPSEs would also be applicable mutatis mutandis in respect of below Board level executives and non-unionized supervisors of CPSEs. However, the date of accrual of next increment in respect of Board level executives of CPSEs, who are contractual appointees and appointed on fixed tenure basis, will be the anniversary date of their appointment as already provided in DPE model terms and conditions pertaining to them. The date of annual increment in respect of below Board level executives of CPSEs would be as per rules and regulations of the respective CPSEs.

10. As required vide DPE O.Ms. dated 15.05.2008 and 08.08.2012 (**Annex-XVII & XVIII**), the CPSE shall secure a Bond from the incumbent for an appropriate sum of money payable by him/her as damages for any violation of the restrictions imposed on him/her regarding his/her joining private commercial undertakings after retirement. Standard terms & conditions would stand modified to include the requirement of this Bond.

11. DPE does not vet/finalize the terms & conditions of CVOs in CPSEs. This practice would continue.

12. It is observed that IFW of concerned administrative Ministry/Department invariably examines and approves the terms & conditions including pay fixation case of a Board level executive, before sending it to DPE for vetting. As stated in para 1 above, there is a need to review the present procedure in order to minimize the time taken in finalization of the terms & conditions, including pay fixation cases of Board level executives of CPSEs. It is, therefore, decided that henceforth, the practice of sending the proposals for pay fixation and terms & conditions of appointment of Board level executives of CPSEs for vetting by DPE will be discontinued. All proposals for framing the terms & conditions, including pay fixation, of Board level executives of all CPSEs, will be finalized by their respective administrative Ministries/Departments with the concurrence of their IFW. Consequently,

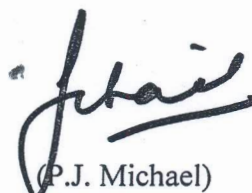
Para 3 of Standard Terms & Conditions for 2007 Pay Scales in respect of board level executives of CPSEs circulated vide DPE O.M. dated 30.12.2009 (Annex II) and Para 2 of Annex-VI regarding Standard Terms & Conditions for those joining on deputation and similar clauses under 1987, 1992 and 1997 stand modified accordingly.

13. In case of any difficulty, or need for clarification, in the implementation of the above provisions, reference may be made to DPE along with all relevant documents through the administrative Ministry/Department, with the approval of an officer not below in the rank of Joint Secretary and with the concurrence of the IFW.

14. This mechanism of finalization of Terms & Conditions including pay fixation in respect of Board level executives by respective administrative Ministry/Department as provided in para 12 above will be reviewed by DPE after one year.

This issues with the approval of Minister (HI & PE).

Encl. As above



(P.J. Michael)
Under Secretary to the Government of India

To

Administrative Ministries/Departments (Secretary by name) of the Government of India.

Copy to:-

1. Copy to Chief Executive of CPSEs.
2. Financial Advisors in the Administrative Ministries/Departments.
3. Office of the Comptroller & Auditor General of India, Commercial Audit Wing, 9, Deen Dayal Upadhyay Marg, New Delhi.
4. Department of Expenditure, E-II Branch, North Block, New Delhi.
5. Secretary, PESB, Block-14, CGO Complex, Lodhi Road, New Delhi.
6. All Officers in DPE.
7. NIC, DPE for uploading this O.M. on to the DPE website. (Guidelines/wage policy-IV/@ wage policy/pay revision HPPC recommendation).



(P.J. Michael)
Under Secretary to the Government of India

Appendix

Examples

1. Appointment from a Board level post to another Board level post (like appointment from Director's post to CMD) within the same CPSE, or a different CPSE, but within the same schedule and same pay scales of same pay revision. [Para 4 (A) (i), and (ii) refer].

Lower post prior to appointment	Director, Schedule 'A'
Lower scale	₹ 75000 – 100000
Basic Pay in lower scale as per LPC	₹ 90000
Higher Post after appointment	CMD, Schedule 'A'
Higher scale of the appointed post	₹ 80000 - 125000
Pay fixation in the higher scale on selection as CMD	
Pay plus one notional increment @ 3%	₹ 2700
Pay to be fixed in the higher scale on promotion (Pay + one notional increment	₹92700 (90000 + 2700)

2. Appointment from a Board level post to a Board level post in a different CPSE in different schedule but same pay scales of same pay revision. [Para 4 (A) (iii) refer]

Lower post prior to appointment	Director in Schedule 'A'*
Lower scale	₹ 75000 – 100000
Pay in lower scale	₹ 80000
Higher post after appointment	CMD in Schedule 'B' CPSE*
Scale of pay in schedule 'B' CPSE	₹ 75000 – 90000
Pay as CMD schedule 'B'	₹80000
(i) No change in basic pay as the scale of pay of CMD schedule 'B' is lower than that of Director schedule 'A'.	
(ii) If the basic pay, which may or may not include stagnation increment, exceeds the maximum of the scale of pay the residual amount would be payable as personal pay.	
(iii) This Personal Pay (PP) would be absorbed during fixation of pay in higher scale/pay revision. PP would not be counted for any purpose including DA.	
*It can be vice-versa also i.e. from a CMD in schedule 'B' CPSE to a Director in schedule 'A' CPSE.	

3. Appointment from a Board level post to a Board level post in a different CPSE in different pay scales of different pay revisions but same schedule. [Para 4 (A) (iv) and (C) refer]

Lower Post prior to appointment	Director in 2007 pay scale, Schedule 'A'
Lower Scale	₹ 75000 – 100000
Pay in lower post	₹ 80000/-
Higher Post after appointment	CMD in 1997 pay scale Schedule 'A' CPSE
Scale of pay of CMD in 1997 scale	₹ 27750-750-31500
Plus DA (%)	₹ 80000 + DA = X
Maximum of the pay scale to which promoted	₹ 31500/-
Emoluments to be protected	₹ 31500 + DA + PP* = X
* This Personal Pay would be absorbed during fixation of pay in higher scale/pay revision. PP would not be counted for any purpose including DA.	

4. Appointment from a Board level post to a Board level post in different CPSE in different pay scales of different pay revisions and in different schedule. [Para 4 (A) (v) and (C) refer].

Lower Post prior to appointment	Director in 2007 pay scale, Schedule 'B'
Lower Scale	₹ 65000 – 75000
Pay in lower post	₹ 70000/-
Higher Post after appointment	CMD in 1997 pay scale Schedule 'A' CPSE
Scale of pay of CMD in 1997 scale	₹ 27750-750-31500
Plus DA (%)	₹ 70000 + DA = X
Maximum of the pay scale to which promoted	₹ 31500/-
Emoluments to be protected	₹ 31500 + DA + PP* = X
* This Personal Pay would be absorbed during fixation of pay in higher scale/pay revision. PP would not be counted for any purpose including DA.	

5. Appointment from a below Board level post to a Board level post within the same CPSE or different CPSE but within the same schedule and same pay scales of same pay revision. [Para 4 (B) (i) and (ii) refer]

Lower Post prior to appointment	Executive Director (E-9), Schedule 'A'
Lower scale	₹62000 – 80000
Pay in the lower scale	₹78000
Higher Post after appointment	CMD, Schedule 'A'
Higher scale of the appointed post	₹ 80000 - 125000
Pay fixation in the higher scale on selection as CMD	
Basic Pay in lower scale	₹78000
Plus one notional increment @ 3%	₹2340
Pay in the higher scale on promotion (Pay + one notional increment)	₹80340 (78000 + 2340)

6. Appointment from a below Board level post to a Board level post in different CPSE in different schedules but same pay scales of same pay revision. [Para 4 (B) (iii) refer]

Lower post prior to appointment	General Manager (E-8) (Sch-A)
Lower scale	₹ 51300 – 73000
Pay in lower scale	₹ 69000
Higher post after appointment	CMD in Schedule 'C' CPSE
Scale of pay in schedule 'C' CPSE	₹ 65000 – 75000
Notional increment @ 3%	₹ 2070
Pay as CMD schedule 'C' (Pay + one notional increment)	₹ 71070 (69000 + 2070)

7. Appointment from a below Board level post to a Board level post in different CPSE in different pay scales of different pay revisions but same schedule. [Para 4 (B) (iv) and (C) refer]

Lower Post	General Manager (E-8), Schedule 'B' (2007)
Lower scale prior to appointment	₹ 51300 – 73000
Pay in the lower scale	₹ 58000
Higher Post after appointment	Director (Schedule B) (1997)
Higher scale of the appointed post	₹ 22500-600-27300
Pay in the higher scale on selection of Director	
Basic Pay in lower scale	₹ 58000
No notional increment as it is dissimilar, only emoluments will be protected	
Pay + DA	₹ 58000 + DA = X
Maximum of the scale to which promoted	₹ 27300
Emoluments to be protected	₹ 27300 + DA + PP* = X
*This Personal Pay would be absorbed during fixation of pay in higher scale/pay revision. PP would not be counted for any purpose including DA.	

8. Appointment from a below Board level to a Board level post in different CPSE in different pay scales of different pay revisions and in different schedule. [Para 4 (B) (v) and (C) refer]

Lower Post prior to appointment	General Manager (E-8), Schedule 'B' (2007)
Lower scale	₹ 51300 – 73000
Basic pay in the lower scale	₹ 60000
Higher Post after appointment	Director (Schedule A) (1997)
Higher scale of the appointed post	₹ 25750-650-30950
Pay in the higher scale on selection of Director	
No notional increment as it is dissimilar, only emoluments will be protected	
Pay + DA	₹ 60000 + DA = X
Maximum of the scale to which promoted	₹ 30950
Emoluments to be protected	₹ 30950 + DA + PP* = X
This Personal Pay would be absorbed during fixation of pay in higher scale/pay revision. PP would not be counted for any purpose including DA.	

9. Employees coming from Government, for example if a Joint Secretary is appointed as CMD of a schedule 'B' CPSE on permanent absorption. [Para 4 (C) refers]

Joint Secretary, GoI	₹ 37400 – 67000
Basic Pay	₹ 67000
Grade Pay	₹ 10000
CMD, Schedule 'B' (2007 pay scale)	₹ 75000 – 90000
Pay fixation	₹ 67000 + Grade Pay + DA = X ₹ BP in CMD scale of pay + DA = X However, Basic pay would not exceed the maximum of the CPSE pay scale and any residual amount would be paid as PP, which would be absorbed in fixation of pay in higher scale/pay revision. This Personal Pay would be absorbed during fixation of pay in higher scale/pay revision. PP would not be counted for any purpose including DA.

10. Pay fixation on 2007 pay revision if increment date is 01.01.2007 [para 5 (iii) refers]

Basic Pay as on 31.12.2006	₹ 16800
Scale	₹ 16000-400-20800
Date of increment	01.01.2007
Effective date of pay revision	01.01.2007
Increment due on 01.01.2007 in pre-revised scale to be granted	₹ 400
Pay fixation formula = Basic pay in pre-revised scale + one increment + DA (78.2%) + fitment (30%)	
Pay fixation ₹ 16800 + 400 + DA (78.2%) + fitment (30%) ₹ 39850	

11. Increment can be an amount less than 3% of basic pay, and stagnation increment to be drawn once in two years after reaching maximum, and maximum three stagnation increments [para 5 (iv) refers]

Basic Pay as on 31.12.2008	₹ 57500
Scale	₹ 32900 – 58000
Date of next increment	1 st January, 2009
Next increment	3% of ₹ 57500 or (₹ 58000-57500) whichever is less = ₹ 500
Pay after granting increment	₹ 58000 (maximum of scale)
Next increment	3% of ₹ 58000
Next increment date	01.01.2011 (as stagnation increment)

12. Pay fixation if the amount arrived at after providing a notional increment is more than the maximum of the scale. [para 5 (vi) refers]

Lower Post prior to appointment	E-8
Lower scale	₹51300 – 73000
Higher Post after appointment	Director in schedule 'B'
Higher scale of the appointed post	₹ 65000 – 75000
Pay in the lower post	₹ 75190 (after grant of one stagnation increment)
Plus one notional increment @ 3%	₹ 75190 + 3% = 77450 (rounded off)
Pay to be fixed	₹75000 i.e. maximum of the scale

13. In the scale of pay Rs.12600-32500 (E0 grade – 2007 pay scales), there are no stages like Rs.12980, 13370 etc. Therefore, while fixing the pay in the 2007 pay scales, the aggregate amount calculated as per Para 2(i) of O.M. dated 26.11.2008 would be rounded off to the next ten rupees and pay fixed in the corresponding revised pay scale. [para 5 (viii) refers].

14. **Benefit of bunching of increments on 2007 pay revision on pay fixation for revised 1997 scale to 2007 pay scale.** The benefit of bunching, as per DPE O.M. dated 26.11.2008 read with O.M. dated 24.09.2010, will be admissible only if two executives in the same grade in same CPSE were at different stages in the 1997 pay scales as on 01.01.2007 and on pay fixation in the 2007 pay scales get fixed at the same stage (minimum of scale). In such a case for every two stage difference in 1997 scale, the senior would get one bunching increment [para 5 (ix) and Annex XIV refer] as under:-

Pay scale of Director in schedule 'A' CPSE in 1997 pay scale	₹ 25750-650-30950
Pay scale of Director in schedule 'A' CPSE in 2007 pay scale	₹ 75000 – 100000
Basic pay of Director 'X' in 1997 pay scale as on 01.01.2007 in CPSE Z	₹ 30300
Basic pay of Director 'Y' in 1997 pay scale as on 01.01.2007 in same CPSE i.e. Z	₹ 26400
Basic pay of Director 'X' in 2007 pay scale after pay revision as on 01.01.2007	₹ 75000
Basic pay of Director 'Y' in 2007 pay scale after pay revision as on 01.01.2007	₹ 75000
Benefit of bunching to Director 'X' who is senior to 'Y'	
No. of increments drawn more than the junior in 1997 scale	6 : (30300 – 26400 ÷ 650)
No. of bunching increment provided in 2007 scale to Director 'X'	3 @ ₹ 75000 minimum of the revised scale (@75000 x 3% = 2250 x 3)
Pay of Director 'X' to be fixed in 2007 pay scales after providing benefit of bunching to Director 'X' ₹ 81750/- (₹ 75000 + 6750)	

15. **No benefit of bunching of increments in case of CMD/MD of a CPSE from 1997 to 2007 but stepping up in specified cases:** CMD/MD is a stand-alone post in a CPSE, therefore, no comparison for the purpose of benefit of bunching of increments can be made in that CPSE. However, there may be some rare cases of stepping up of pay of CMD/MD in a CPSE. To illustrate, if the Director 'X' of 'Z' CPSE who was junior to a CMD/MD of 'Z' CPSE, and Director 'X' was drawing a lower basic pay in 1997 pay scale (as on 01.01.2007) draws higher basic pay than his CMD/MD on 2007 pay revision as on 01.01.2007, (because of the reasons of getting the benefit of bunching), the pay of a CMD/MD of a 'Z' CPSE may

be stepped up [para 5 (ix) and Annex XVI refer] to the level of that Director 'X' as on 01.01.2007 as under:-

Pay scale of Director 'X' in 'Z' CPSE in 1997 pay scale in schedule 'A' CPSE	₹ 25750-650-30950
Pay scale of CMD in 'Z' CPSE in 1997 pay scale in schedule 'A' CPSE	₹ 27750-750-31500
Basic pay of Director 'X' in 1997 pay scale as on 01.01.2007	₹ 30300
Basic pay of CMD in 1997 pay scale as on 01.01.2007	₹ 31500
Pay of Director in 2007 pay scale fixed after allowing the benefit of bunching (as on 01.01.2007) {also see example 14 above}	₹ 81750
Pay of CMD in 2007 pay scale as on 01.01.2007 in normal case	₹ 80000
Pay of CMD with stepped up revised pay in view of Director 'X' of 'Z' CPSE, as on 01.01.2007	₹ 81750

No.2(49)/98-DPE(WC)
Government of India
Ministry of Industry
Department of Public Enterprises

Block 14, CGO Complex,
Lodi Road, New Delhi-110003

Dated, the 25th June, 1999

OFFICIAL MEMORANDUM

Subject: Board level posts and below Board level posts including non-unionised supervisors in Public Enterprises - Revision of scales of pay w.e.f. 1.1.1997.

The last revision of the scale of pay of non-unionised supervisors, below Board level executives and executives holding Board level posts in Central Public Sector Undertakings was made effective from 1.1.92 for a period of five years. As the next pay revision fell due from 1.1.97, the Government had set up a high level Committee under the chairmanship of Justice S. Mohan, Retd. Supreme Court Judge, to recommend revision of pay and allowances for these executives following IDA pay scales. Based on the recommendations of the Committee, the Government have decided that the scale of pay attached to these Board level posts and below Board level posts would stand revised w.e.f. 1.1.1997 as indicated in Annexure-I.

2. In enterprises, where the scales of pay are different from those prescribed in the DPE guidelines or where rates of increments higher than those provided had been adopted in the past, it may be necessary for such enterprises to introduce certain intermediary scales or modify the scales to be provided in the guidelines with appropriate adjustments in their span and rate of increments. In doing so, it should be ensured that the minimum and the maximum of the individual scales prescribed herein are not altered. Such enterprises shall introduce these modifications only in consultation with their administrative Ministries and the DPE.

3. The grant of one increment in the revised scale against every three increments drawn in the pre-revised scales. The fitment benefit and fitment method would be as indicated in Annexure-II.

4. There will be a provision for grant of upto a maximum of three stagnation increments for those who reach the maximum of their scales.

5. 100 per cent DA neutralisation may be adopted for all employees covered by the Committee's recommendations who are on IDA scales of pay with effect from 1 January, 1997. The periodicity of adjustment should be once in three months, as per existing practice for these categories.

The Industrial DA at AICPI-1708 as on 1.1.97 admissible to the incumbents in these posts in the revised scale would be 'nil', as the amount of IDA as on 1.1.97 has been merged in the revised basic pay. The DA payable from 1.1.97 to the incumbents of these posts would be as per new DA scheme (Annexure-III).

6. In respect of sick enterprises referred to the BIFR, revision of pay scales would be strictly in accordance with rehabilitation packages approved or to be approved by the BIFR and after providing for the additional expenditure on account of pay revision in these packages.

7. Presidential directives would be issued by all the administrative Ministries/ Departments indicating these scales as a ceiling, as the actual payments would depend on the capacity to pay of the enterprises. The resources for meeting the increased obligation for salaries and wages must be internally generated and must come from improved performance in terms of productivity and profitability and not from Government subvention. The Presidential directives would also cover guidelines relating to dearness allowance and ceilings on perquisites. A format of the Presidential directive is suggested in Annexure-IV.

8. The next pay revision would be after 10 years.

9(I). House Rent Allowance to public sector employees would be at the rates applicable to Central Government employees based on the reclassified list of cities as notified by the Government of India. The HRA rates and classification of cities are given in Annexure-V.

9(II). Rent recovery on revised pay would be computed from the date of implementation of these guidelines at the percentages in practice before 1.1.97 or on the basis of standard rent to be fixed by the companies.

9(III) HRA, leased accommodation and rent recovery would be computed on revised basic pay but the amount to be paid or recovered would be from the date of implementation of these guidelines.

10. In respect of leased accommodation, the boards of public enterprises will have the flexibility to review and provide for an adequate level of leased accommodation for the executives who are entitled to this facility.

11. City Compensatory Allowance to be granted are as under, from the date of implementation of these guidelines:-

Basic Pay per month	A-1 Population > 50 lakhs	A Population > 20 lakhs and <= 50 lakhs	B-1 Population > 10 lakhs and <= 20 lakhs	B-2 Population >= 5 lakhs and <= 10 lakhs
Below Rs.4000	90	65	45	25
Rs.4001-5250	125	95	65	35
Rs.5251-6499	200	150	100	65
Rs.6500 & above	300	240	180	120

12. Payment of perquisites and allowances may be upto a maximum of 50 per cent of the basic pay. payments over and above the ceiling of 50 per cent should be entirely in the nature of Performance Related Payments which should not exceed 5 per cent of the distributable profits in an enterprise.

13. The Public Sector Enterprises should look into Mediclaim cover through insurance companies for their retired employees. The said policies could be funded from collateral contributions from both employees and organisations. The rules of the EPS 1995 should be amended so that the decisions to either choose EPS 1995 or to work out their own new contributory pension schemes must be that of, and made by the public sector enterprises themselves.

14. There should be no notional revision of pay for the purpose of determining of VRS in sick enterprises.

-17-

-4-

15. The administrative Ministries are requested to fix the pay of the incumbents of the Board level posts who were in employment in their enterprises as on 1.1.97 in the manner indicated above and forward their files to the DPE for vetting as required under the existing instructions contained in BPE's D.O. letter No.1/1/89-BPE (S&A) Cell dated 14.2.89 and DOPT's O.M. No.27(14)/EO/89 (ACC) dated 6.12.89, and as per procedure indicated in Annexure-VI.

16. A copy of the direction issued to the Public Enterprises may be endorsed to the Department of Public Enterprises.


(S. Talwar)

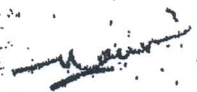
Joint Secretary to the Govt. of India

To

All the administrative Ministries/Departments of the Govt. of India.

Copy to:

1. Chief Executives of Central Public Enterprises.
2. All Financial Advisers in the administrative Ministries/Departments.
3. Deptt. of Expenditure, E-II Branch, North Block, New Delhi.
4. C&AG of India, 10, Bahadur Shah Zafar Marg, New Delhi.
5. Secretary (PESB).
6. Cabinet Secretariat (Shri S. Sasi Kumar, Under Secretary).


(Dr. S. Banerjee)
Joint Adviser

ANNEXURE - I

Pay Scales for Public Sector Executives

Schedule	Existing scales effective from 1.1.92 (Rs.)	Proposed scales effective from 1.1.97 (Rs.)
'A'	13000-500-15000	27750-750-31500
'B'	12000-400-14000	25750-650-30950
'C'	10000-400-12000	22500-600-27300
'D'	9000-300-10500	20500-500-25000

Below Board Level

'E-0'	3500-150-6200	6550-200-11350
'E-1'	4000-175-7150	8600-250-14600
'E-2'	4800-200-5800-225-8275	10750-300-16750
'E-3'	5400-225-6300-250-9050	13000-350-18250
'E-4'	6500-250-7500-275-9425	14500-350-18700
'E-5'	7000-275-8100-300-9600	16000-400-20800
'E-6'	7500-300-9900	17500-400-22300
'E-7a'	8250-300-10500	18500-450-23900
'E-7b'	8500-300-10300	18500-450-23900
'E-8'	9500-400-11500	20500-500-26500
'E-9'	11500-400-13500	23750-600-28550

Non-Unionised Supervisors Scales

S-1	2800-90-3430-100-4830	5200-140-8000
S-2	3000-105-3735-110-5055	5600-150-8600
S-3	3200-110-3970-120-5290	6000-160-9200
S-4	3375-120-4335-140-5875	6400-180-10000

FITMENT METHOD

A	B	C	D
Basic pay as on 31.12.96 and* personal pay as on 1.1.92	Corresponding Dearness Allowance at AICPI of 1708 (base 1960=100) as on 1.1.97	Upto 20% of 'A'	Aggregate amount #
	+		=

- * Personal Pay resulting as a consequence of the Department of Public Enterprises guidelines dated 19.7.95 on the 1992 Executive salary revision.
- # The new basic pay will be determined by placing the aggregate amount at Column D in the revised scale of pay. Where the aggregate amount in Column D thus arrived, does not fit into a stage in the revised scale of pay. The new basic pay will be determined by fixing the Aggregate Amount at the next higher stage in the revised scale of pay

PUBLIC SECTOR DEARNNESS ALLOWANCE SCHEME

SALIENT FEATURES:

- A) All India Consumer Price Index number for industrial workers (general) based on 1960 = 100 (AICPI) is used for grant of compensation to the employees of PSEs for price rise.
- B) DA instalments would be released 4 times a year w.e.f. 1st January, 1st April, 1st July and 1st October.
- C) DA would be paid for the increase in AICPI above quarterly index average of 1708 to which the revised scales of pay are related.
- D) The percentage increase in the quarterly average of the AICPI for the period ending February, May, August and November over index 1708 would be taken upto one decimal point.
- E) The rate of compensation of the employees of PSEs over the basic pay at index average of 1708 is also in whole numbers with fractions carried forward..
- F) The percentage neutralisation to employees in different pay ranges would be 100%.

Foot Note -I

Quarterly averages would be computed in the following manner:

Quarterly Averages

Payable from

September, Oct. & November	1st January
December, January & February	1st April
March, April and May	1st July
June, July & August	1st October

FOOT NOTE II:-

The quarterly average of AICPI for the months of September, October and November, 1996 worked out to 1708 and the DA under the IDA scheme at the admissible rates payable from 1.1.97 is being merged in the basic pay. DA admissible under the new formula evolved for the public sector employees would be NIL on 1.1.1997. The first instalment of DA would become due from 1.4.1997.

Draft Directive to be issued by the administrative Ministries/Departments to the Central Public Sector Enterprises under their administrative control regarding pay revision and other benefits for Board level and below Board level executives.

The scale of pay of the Incumbents of the Board level and below Board level executives were last revised by the Government w.e.f. 1.1.92. Government have now decided that the pay revision and other benefits for these executives w.e.f. 1.1.97 may be Implemented through Presidential Directives.

2. In exercise of the powers conferred by Article of Articles of Associations of/Section..... of theAct setting up (name of the PSE), the President is pleased to direct the (name of the PSE) that the approved pay scales, fitment formula, DA guidelines and ceiling on perquisites for Board level and below Board level executives w.e.f. 1.1.97 may be Implemented.

* Delete whichever is not applicable.

ANNEXURE V

Classification of
Cities/Towns

Rates of House
Rent Allowance

'A-1'	30% of basic pay
'A', B-1 & B-2	15% of basic pay
'C'	7.5% of basic pay
Unclassified	5% of basic pay

A-1	A	B-1	B-2	C
1	2	3	4	5
	Hyderabad	ANDHRA PRADESH		
		Visakhapatnam (UA), Vijayawada (UA)		Srikakulam, Vizianagram, Anakpalle, Kakinada (UA), Rajahmundry (UA), Narsapur, Palacole, Tadepalligudem, Tanuku, Eluru, Bhimavaram, Gudivada, Machilipatnam, Bapatla, Chilakaluripet, Narsaraopet, Ponnuru, Tenali, Mangalagiri, Ongole (UA), Chirala (UA), Cudur, Kavali, Nellore, Madanapalle, Srikalahasti, Tirupati (UA), Chittoor, Cuddapah (UA), Proddatur, Dharmavaram, Kadiri, Tadipatri, Anantapur, Guntakal, Hindupur, Yemmiganur, Kurunool (UA), Adoni, Nandyal, Mahbubnagar, Sangareddy, Siddipet, Bodhan, Nizamabad, Adilabad, Bellampalle, Kaganagar, Mancherial, Nirmal, Jagtial, Sircilla, Karimnagar, Ramagundam, Palwancha, Khammam (UA), Suryapet, Miryalaguda, Nalgonda, Kothagudem (UA), Guntur, Warangal (UA).
		ANDAMAN & NICOBAR ISLANDS		
				Port Blair
		ASSAM		
		Guwahati City		Dhubri, Tezpur, Jorhat (UA), Nagaon, Dibrugarh (UA), Tinsukia, Silchar, Karimganj

A-1	A	B-1	B-2	C
1	2	3	4	5
		BIHAR	Ranchi (UA) Patna (UA)	Mokameh, Bihar, Buxar, Arrah, Dehri, Sasaram, Jehendabad, Nawada, Gaya (UA), Chapra, Bettiah, Bagaha, Motihari (UA), Muzaffarpur, Siwan, Hajipur, Barauni, Begusarai (UA), Darbhanga, Madhubani, Saharsa, Purnia (UA), Katihar, Jamalpur, Lakhisarai, Munger, Bhagalpur (UA), Deoghar (UA), Dhanbad (UA), Giridih, Phusro (UA), Jhmrtilaiya, Hazaribagh, Ramgarh (UA), Saunda, Daltonganj, Chaibasa, Adityapur, Kishanganj, Bokaro Steel City (UA), Jamshedpur (UA).
		CHANDIGARH	Chandigarh (UA)	
Delhi (UA)		DELHI		
		GOA		Margao (UA), Marmugao (UA)
	Ahmedabad (UA)	GUJARAT Surat (UA) Vadodara (UA)	Rajkot (UA)	Jamnagar (UA), Upleta, Gondal (UA), Dhoraji (UA), Jetpur (UA), Morvi (UA), Dhrangadhra, Surendranagar, Botad, Mahuva (UA), Amreli (UA), Veraval, Keshod, Junagadh (UA), Anjar, Porbandar (UA), Gandhidham, Bhuj (UA), Deesa, Palanpur (UA), Himatnagar, Unjha, Sidhpur (UA), Visnagar (UA), Kalol (UA), Mahesana (UA), Viramgam, Khambhat (UA), Nadiad (UA), Anand (UA), Dohad (UA), Godhra (UA), Dabhol, Anklesvar (UA), Bharuch (UA), Navsari (UA), Valsad (UA), Gandhinagar, Patan (UA), (Under Dist. Mahesana), Petlad, Bhavnagar (UA), Savarkundla (UA)

A-1	A	B-1	B-2	C
1	2	3	4	5
		HARYANA	Faridabad Complex	Panchkula Urban Estate, Ambala, Ambala (UA), Yamunagar (UA), Thanesar, Kaithal, Karnal (UA), Panipat, Sonapat, Bahadurgarh (UA), Rohtak, Palwal, Gurgaon (UA), Rewari, Narnaul, Bhiwani, Jind, Hansi, Hissar (UA), Sirsa
		HIMACHAL PRADESH		Shimla (UA)
	Bangalore (UA)	KARNATAKA	Hubli-Dharwad	Channarayana, Dodaballapur, Ramanagaram, Gokak, Nipani, Belgaum (UA), Bellary, Bidar (UA), Bagalkot, Raichur, Banhatti, Bijapur (UA), Chikmagalur, Chitradurga (UA), Davangere (UA), Mangalore (UA), Ranibennur, Gadag-Batigeri, Gulbarga (UA), Hassan (UA), Chintamani, Kolar Gold Fields (UA), Kolar, Mandya, Gangawati (UA), Raichur (UA), Bhadravati (UA), Shimoga (UA), Tumkur (UA), Dandeli, Karwar, Hospet (UA), Harihar, Mysore (UA).
		KERALA	Thiruvananthapuram (UA), Kochi (UA)	Kasargod, Kanhangad (UA), Payyannur, Vadamakara (UA), Ponnani, Manjeri, Palakkad (UA), Thrissur (UA), Changanassery, Kottayam (UA), Alappuzha (UA), Thiruvalla, Kollam (UA), Taliparamba, Kassar (UA), Kayamkulam, Kozhikode (UA)
		MADHYA PRADESH	Indore (UA), Bhopal	Morena, Bhind, Datia, Tikamgarh, Chhatarpur, (UA), Sagar (UA), Damoh (UA), Satna (UA), Guna, Mandasaur, Nagda, Ratlam (UA), Ujjain (UA), Dewas, Dhar, Khandwa, Barhanpur, Vidisha, Sehore (UA), Sarni, Betul (UA), Hoshangabad, Itarsi (UA), Murwara (Katni), Chhindwara (UA), Seoni, Balaghat (UA).

A-1	A	B-1	B-2	C
1	2	3	4	5
MADHYA PRADESH (CONTD.)				
				Balaghat (UA), Ambikapur (UA), Shivpuri, Dhamtari, Jagdalpur (UA), Mhow (UA), Kharagone, Durg, Raigarh (UA), Jagra (UA), Rajanandgaon, Neemuch (UA), Rajharajharan Dalli, Raipur (UA)
MAHARASHTRA				
Brihan Mumbai (UA)		Pune (UA), Nagpur (UA)	Nashik (UA), Solapur (UA), Aurangabad (UA)	Virar, Nalasopara, Bhiwandi (UA), Panvel, Ratnagiri, Manmad, Malegaon, Nandurbar, Dhule, Chalisgaon, Amalner, Bhursawal (UA), Jalgaon, Shrirampur (UA), Ahmednagar (UA), Satara, Karad, Sangli (UA), Barshi, Pandharpur, Ichalkaranji (UA), Jalna, Hingoli, Parbhani, Parli, Ambejogai, Bid, Nanded (UA), Osmanabad, Udgir, Latur, Buldana, Malkapur, Khamgaon, Akot, Akola, Achaipur, Pusad, Yavatmal (UA), Hinganghat, Wardha, Bhandara, Kamptee (UA), Gondiya, Ballarpur (UA), Chandrapur, Kolhapur (UA), Amravati
MANIPUR				
				Imphal (UA)
MEGHALAYA				
				Shillong (UA)
MIZORAM				
				Aizawl
NAGALAND				
				Kohima, Dimapur
ORISSA				
				Bargarh, Brajrajnagar, Jharsuguda, Sambhalpur (UA), Bhadrak, Balleshwar (UA), Balangir, Bhawanipatna, Jeypur, Sunabeda, Brahampur, Puri, Cuttack (UA), Bhubaneswar
PUNJAB				
		Ludhiana	Amritsar, Jalandhar	Gurdaspur, Pathankot (UA), Batala (UA), Firozpur Cantt., Fazilka, Abohar, Khanna, Kapurthala, Phagwara (UA), Hoshiarpur, SAS Nagar (Mohali), Rajpura, Nabha, Patiala (UA), Maler Kotla, Sangrur, Firozpur, Barnala

A-1	A	B-1	B-2	C
1	2	3	4	5
PUNJAB (CONTD.)				
				Manisa, Bhatinda, Faridkot (UA), Kotkapura, Muktsar, Malout, Moga (UA)
PONDICHERRY				
				Pondicherry (UA), Karaikal, Oulgaret, Yanam (UA)
RAJASTHAN				
		Jaipur (UA)	Jodhpur, Kota	Hanumangarh, Ganga Nagar, Sardar Shahar, Ratangarh, Sujangarh, Bundi, Jhunjhunun, Nawalgarh, Alwar (UA), Bharatpur (UA), Dhaulpur, Hindaun, Gangapur City (UA), Sawai Madhopur (UA), Fatehpur, Sikar, Kishangarh, Beawar (UA), Nagaur, Makrana (UA), Pall, Barmer, Bhilwara, Udaipur, Chittorgarh, Tonk (UA), Baran, Banswara (UA), Churu (UA), Bikaner, Almer.
TAMIL NADU				
Chennai (UA)			Coimbatore (UA), Madurai (UA), Salem, Tiruchirapalli (UA)	Chengalpattu, Kanchipuram (UA), Arakkonam, Ambur, Tiruppattur, Gudiyattam (UA), Vanyambadi (UA), Attur, Vellore (UA), Krishnagiri, Dharmapuri, Arani, Tiruvannamalai, Tindivanam, Villupuram, Panruti, Vaidhyanthapuram , Chidambaram (UA), Kuddalore, Neyveli (UA), Tiruchengudi, Kumaranalaya, Erode (UA), Udhamandalam, Mettupalaiyam, Udumalaipettai, Tiruppur (UA), Pollachi (UA), Palani (UA), Dindigul, Karur (UA), Mayiladuthurai, Mannargudi, Pattukkottai, Nagappattinam (UA), Kambakonam (UA), Thanjavur, Pudukkottai, Tiruvallur (UA) , Bodinayakanur, Kambam, Teni Allinagaram, Srivilliputtur, Virudunagar, Aruppukkottai, Rajapalaim, Sivakasi (UA), Paramakkudi, Ramanathapuram, Kovilpatti, Tuticorin (UA), Puliyangudi, Kadaiyannallur, Tenkasi, Tirunelveli (UA), Nagercoil, Mettur, Valparai

A-1	A	B-1	B-2	C
1	2	3	4	5
		TRIPURA		Agartala
		UTTAR PRADESH		
		Lucknow (UA), Kanpur (UA)	Meerut (UA), Bareilly (UA), Allahabad (UA), Varanasi (UA), Agra (UA), Gorakhpur	Dehradun (UA), Kashipur, Rudrapur, Haldwani-cum- Kathgodam, Najibabad, Nagina, Chandpur, Bijnore (UA), Chandausi, Sambhal, Noida, Amroha, Rampur, Deoband, Sharanpur, Roorkee (UA), Hardwar (UA), Shamli, Kairana, Muzaffarnagar (UA), Baraut, Mawana, Pilkhus, Hapur, Modinagar (UA), Khurja, Sikandrabad, Bulandshahr, Hathras, Mathura, Shikohabad, Firozabad (UA), Kasganj, Etah, Mainpuri, Sahaswan, Badaun, Pilibhit, Unnao, Shahjahanpur (UA), Lakhimpur, Sitapur, Hardoi, Shahabad, Gangaghat (Distt. Unnao), Raebareilly, Kannauj, Orai, Furrukhabad- cum-Fatehgarh (UA), Auraiya, Etawah, Jhansi (UA), Lalitpur, Mahoba, Banda, Fatehpur, Bela Pratapgarh, Behraich, Balrampur, Gonda, Nawabganj, Tanda, Faizabad (UA), Sultanpur, Basti, Deoria, Maunath, Bhanjan, Azamgarh, Jaunpur, Ballia, Ghazipur, Shadoli, Mugalsarai (UA), Mirzapur-cum-Vindhyachal, Moradabad (UA), Ghaziabad (UA), Aligarh.
		WEST BENGAL		
Calcutta (UA)				Raiganj (UA), Jalpaigudi, Alipurdwar (UA), Darjeeling, Siliguri, Valurghat (UA), Habra (UA), English Bazar (UA), Jangipur, Bharampur (UA), Chakdaha, Krishnanagar, Nabadwip (UA), Santipur, Ransghat (UA), Bargaon, Basirhat, Rajpur (UA), Contai, Medinipur, Haldia, Kharagpur (UA), Bishnupur, Bankura, Puruliya, Katwa, Asansol (UA), Raniganj (UA), Bardhaman, Suri, Bolpur, Koch-Bihar (UA), Chittaranjan, Debgam, Durgapur

PROCEDURE FOR APPROVAL AND ADOPTION OF NEW SCALES
OF PAY ON IDA PATTERN BY PSEs.

- a) PSEs which have been making profit consistently for the last 3 years viz. 1996-97, 1997-98 and 1998-99 would be allowed to adopt the scales of pay for the executives holding posts at and below the Board level and non-unionised supervisors strictly in accordance with these guidelines.
- b) PSEs which did not make profit during the last 3 years viz. 1996-97, 1997-98 and 1998-99 or had incurred net loss during any of these financial years would also be allowed to adopt these scales of pay of their executives holding posts at and below the Board level and non-unionised supervisors with the approval of the Govt. i.e. the administrative Ministry acting in consultation with the DPE, provided they give an estimate as to how resources would be generated by them to meet the extra expenditure.
- c) In respect of sick enterprises referred to BIFR, revision of pay scales for all employees following IDA pattern would be strictly in accordance with the rehabilitation packages approved or to be approved by the BIFR and after providing for the additional expenditure on account of pay revision in these packages.
- d) PSEs under construction or new PSEs should submit their proposals for adoption of revised scales of pay and DA pattern for their executives holding posts at the Board level, below Board level and non-

unionised supervisors, to their administrative Ministries for appropriate approval in consultation with the DPE, giving details of their likely date of going on commercial production, etc.

e) The conditions prescribed for Sixth Wage Negotiations of unionised workers in DPE's OMs No. 2(11)/96-DPE/WC dated 14.1.99 shall be applicable for the above pay revisions.

f) DPE will issue detailed instructions, wherever necessary regarding the matters dealt with in the Note.

No. 2(30)09-DPE (WC)
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Annex-II

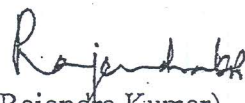
Public Enterprises Bhawan
Block No.14, CGO Complex,
Lodi Road, New Delhi-110003
Dated: 30th December, 2009

OFFICE MEMORANDUM

Subject: - Standard Terms and Conditions for 2007 IDA pay scales in respect of Board level executives of CPSEs.

The undersigned is directed to state that orders on revised pay scales etc. in respect of executives of CPSEs following IDA pattern of pay scales, w.e.f. 01.01.2007 have been issued vide DPE O.Ms. dated 26.11.2008, 09.02.2009 and 02.04.2009. Based on the Government policy declared in these O.Ms. standard terms and conditions in respect of Board level executives of the CPSEs following IDA pay scales have been finalized by DPE. A copy of the standard terms and conditions is enclosed.

2. All proposals for pay fixation and terms & conditions of Board level executives in 2007 pay scales may be forwarded to DPE for vetting along with draft terms and conditions in the revised format.
3. Cases, where DPE has already approved the pay fixation based on 2007 IDA pay scales in respect of Board level executives of CPSEs, the terms and conditions of such Board level executive may be finalized as per the enclosed standard terms & conditions. A copy of the terms & conditions so finalized may be endorsed to DPE, by quoting the DPE's reference No. given in the pay fixation case of the respective Board level executive.
4. This issues with the approval of Secretary in this Department.


(Rajendra Kumar)
Director

To
All Administrative Ministries/Departments.

Copy to :-
i) Secretary, PESB
ii) Office of the Comptroller & Auditor General, 10, Deen Dayal Upadhyay Marg, New Delhi
iii) FAs in Administrative Ministries/Departments.

Copy also to :- i) NIC for uploading on DPE website.
ii) Dir (R), DPE

**STANDARD TERMS AND CONDITIONS FOR 2007 PAY SCALES IN
RESPECT OF BOARD LEVEL EXECUTIVES OF CPSEs**

MINISTRY OF _____

DEPARTMENT OF _____

To _____

Subject:- Appointment of Shri/Smt./Kum. _____ as _____,
in _____ terms and conditions of .

Sir/Madam,

I am directed to convey the sanction of the President to the appointment of
Shri/Smt./Kum. _____ as _____
in _____ w.e.f. _____
on the following terms and conditions:-

1.1 Period: His/her appointment will be for a period of five years w.e.f. _____ (date
of appointment) in the first instance or till the date of superannuation or until further orders,
whichever event occurs earlier and in accordance with the provisions of the Companies Act, 1956 as
amended. The appointment may, however, be terminated even during this period by either side on 3
months notice or on payment of three months salary in lieu thereof.

1.2 After the expiry of the first year, the performance of
Shri/Smt./Kum. _____ will be reviewed to enable the Government to take a
view regarding continuance or otherwise for the balance period of tenure.

1.3 Headquarters: His/her headquarters will be at _____ where
the registered office/ headquarters of the CPSE is located. He/She will be liable to serve in any part
of the country at the discretion of the CPSE.

1.4 Pay: Shri/Smt./Kum. _____ will draw a basic pay of Rs. _____
per month in the scale of Rs. _____ from the date of assumption of Office
(w.e.f. date of pay revision in case appointed earlier than that).

1.5 Dearness Allowance: He/She would be paid DA in accordance with the new IDA scheme as spelt out in the DPE's O.M. dated 26.11.2008 & 02.04.2009.

1.6 Annual Increment: He/She will be eligible to draw his/her annual increment @ 3% of basic pay on the anniversary date of his appointment in the scale and further increments on the same date in subsequent years until the maximum of pay scale is reached. After reaching the maximum of the scale, one stagnation increment equal to the rate of last increment drawn will be granted after completion of every two-year period from the date he/she reaches the maximum of his/her pay scale provided he/she gets a performance rating of "Good" or above. He/She will be granted a maximum of three such stagnation increments.

1.7 House Rent Allowance:- He/She will be entitled to HRA as per the rates indicated in O.M. dated 26.11.2008.

1.8 Residential accommodation and recovery of rent for the accommodation so provided.

1.8.1 Company's own accommodation: Wherever the CPSE has built residential flats in the industrial township or purchased residential flats in the cities, arrangements would be made by the CPSE to provide a suitable residential accommodation to him/her.

1.8.2 Leased accommodation: If the CPSE either in township or is not able to provide residential accommodation out of the residential flats & purchased by it in the Headquarter, suitable accommodation could be arranged by the CPSE by taking the premises on lease basis at headquarter of the company. The Boards of Directors may decide the size, type and locality of such accommodations as per DPE O.Ms. dated 05.06.2003, 26.11.2008 and 02.04.2009. For purposes of CTC, 30% of basic pay may be considered as expenditure on Housing.

1.8.3 Self- lease: If he/she owns a house at the place of his posting (Headquarter) and is desirous of taking his/her own house on self-lease basis for his/her residential purposes, the CPSE can permit him/her to do so provided he/she executes a lease-deed in favour of the CPSE. The Boards of Directors may decide the size, type and locality of such accommodations.

1.8.4 Repair/maintenance of leased accommodation: The responsibility for repair and maintenance of leased accommodation is that of the lessor. Lease rent will be allowed only for 12 months in a year and no additional amount will be provided towards repair/maintenance of leased accommodation.

1.8.5 Existing lease deeds: The lease agreement signed by the CPSE in respect of the accommodation taken on lease basis for him/her, if any, prior to 26.11.2008 would not be re-opened during the pendency of the lease period. The lease money, in other words, should not be hiked till the expiry of lease period. This proviso would be applicable even if he/she had been permitted to take his/her own house on self-lease basis.

1.8.6 Office accommodation: No office accommodation at the expense of the CPSE would be provided or arranged by the CPSE at his/her residence.

1.9 Rent Recovery:

1.9.1 CPSE's township/own flats: Recovery of rent for the accommodation arranged by the company in its own township or from the pool of flats purchased by it in cities and towns and so allotted to him/her would be made at the rate of 10% of revised basic pay from (date of Joining) _____ or the standard rent fixed by the company. Where the CPSE has prescribed flat rates of recovery in respect of accommodation in its townships depending on each type of accommodation i.e. recovery of rent on uniform basis for each type of accommodation, then rent would be paid by him/her as prescribed by the CPSE.

1.9.2 Leased accommodation: In respect of leased accommodation arranged by the CPSE, rent would be recovered from him/her at the rate of 10% of revised basic pay from (date of Joining) _____ or the actual rent which ever is lower.

1.10 Conveyance: He will be entitled to the facility of staff car for private use as indicated below:

<u>Name of the City</u>	<u>Ceiling on non-duty journeys</u>
Delhi, Mumbai, Kolkata, Chennai Bangaluru, Hyderabad	1000KM/PM
All the other cities	750 KM/PM

Monthly rate of recovery for non-duty journeys would be as follows:

<u>Non-air conditioned cars</u>	<u>Rupees per month</u>
Below 16 HP	325/-
Above 16 HP	490/-

Air-conditioned cars (The Chief Executive of Schedule 'A' PSE may be allowed air-conditioned cars)

Below 16 HP	520/-
Above 16 HP	780/-

1.11 Leave: He/She will remain subject to the Leave Rules of the CPSE.

1.12 Other Allowances / Perks: The Board of Directors will decide on the Allowances and Perks subject to a maximum ceiling of 50% of his/her basic pay as indicated in O.M. dated 26.11.2008 and 02.04.2009.

1.13. Performance Related Payment: He / She shall be eligible for approved PRP as per O.Ms. dated 26.11.2008, 09.02.2009 and 02.04.2009.

1.14. Superannuation Benefits: He/She shall be eligible for superannuation benefit based on approved schemes as per O.Ms. dated 26.11.2008 & 02.04.2009.

1.15. Conduct, Discipline & Appeal Rules:

1.15.1 The Conduct, Discipline and Appeal Rules framed by the CPSE in respect of their non-workmen category of staff would also mutatis mutandis apply to him/her with the modification that the Disciplinary Authority in his/her case would be the President of India.

1.15.2 The Government also reserves the right not to accept his/her resignation, if the circumstances so warrant i.e. the disciplinary proceedings are pending or a decision has been taken by the competent authority to issue a charge sheet to him/her.

1.16 Restriction on Joining Private Commercial Undertakings after Retirement/Resignation

Shri/Smt./Kum. _____ after retirement/resignation from the service of this CPSE shall not accept any appointment or post, whether, advisory or administrative, in any firm or company whether Indian or foreign, with which the CPSE has or had business relations, within one year from the date of his retirement/resignation, without prior approval of the Government.

2. In respect of any other item, concerning him/her which is not covered in preceding paras, he/she will be governed by the relevant Rules/ instructions of the CPSE/Government.

3. This issues with the concurrence of the Finance Division vide their U.O. No. _____ dated _____ and Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises (DPE) vide their U.O. No. _____ dated _____.

Yours faithfully

()

Copy to Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Wage Cell, Block No. 14, CGO Complex, Lodhi Road, New Delhi, w.r.t. U.O. Note No. dated

No.2 (70)/08-DPE (WC)
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 26th November, 2008.

OFFICE MEMORANDUM

Sub: Board level and below Board level executives and Non Unionised Supervisors in Central Public Sector Enterprises (CPSEs) -revision of scales of pay w.e.f. 01.01.2007.

The last revision of the scale of pay of below Board level and Board level executives and non-unionised supervisors, in Central Public Sector Enterprises was made effective from 1.1.1997 for a period of ten years. As the next pay revision fell due from 1.1.2007, the Government had set up a Pay Revision Committee (2nd PRC) under the chairmanship of Justice M. Jagannadha Rao, Retd. Judge of Supreme Court of India, to recommend revision of pay and allowances for above categories of employees following IDA pattern of pay scales. The Government after due consideration of the recommendations of 2nd Pay Revision Committee, have decided as follows:-

1. **Revised Pay Scales:-** The revised Pay scales for Board and below Board level executives would be as indicated in Annex.-I.
2. **Fitment Benefit:**
 - (i) A uniform fitment benefit @ 30%, on basic pay plus DA @ 68.8% as on 01.01.2007 would be provided to all executives. The aggregate amount would be rounded off to the next ten rupees and pay fixed in the revised pay scale.
 - (ii) If any extra ordinary increment (s) and / or increase in the pay in respect of executives/ non unionized supervisors have been granted with retrospective effect, which affects the revision of pay as on 1.1.2007, such increment and / or increase in pay will be ignored for the purpose of fitment/ pay revision.
 - (iii) Where executives drawing pay at two or more consecutive stages in an existing scale get bunched, then, for every two stages so bunched, benefit of one increment shall be given.
3. **Affordability for implementation of pay revision:** - The revised pay scales would be adopted, subject to the condition that the additional outgo by such revision for a period of 12 months should not result in more than 20% dip in profit before tax (PBT) for the year 2007-08 of a CPSE in respect of executives as well as non-unionised supervisory staff taken together in a CPSE. CPSEs that cannot afford to pay full package, can implement with either part PRP or no PRP. These CPSEs

may pay the full package subsequently, provided the dip in the profit (PBT) is fully recouped to the original level.

4. The CPSEs, which are not able to adopt revised pay scales (2007), may give an increase on the basic pay plus DA drawn in the pre-revised scale as on 01.01.2007, with a uniform lower fitment of 10% or 20%, depending upon their affordability, with the approval of their Ministry/ Department.

5. **Increment:** Annual increment will be at the rate of 3% of the revised basic pay. Stagnation increment and increment for pay fixation on promotion will be as per Annex.-II (A).

6. **Dearness Allowance:** 100% DA neutralization will be adopted for all the executives and non-unionised supervisors, who are on IDA pattern of scales of pay, w.e.f. 01.01.2007. Thus, DA as on 01.01.2007 will become zero with link point of All India Consumer Price Index (AICPI) 2001=100, which is 126.33 as on 01.01.2007. The periodicity of adjustment will be once in three months, as per the existing practice for these categories. The quarterly DA payable from 01.01.2007 will be as per new DA scheme as given in Annex.-II (B).

7. **House Rent Allowance:** The House Rent Allowance to the employees of CPSEs will be at the following rates.

Cities with population	Rates of HRA
50 lakhs and above	30% of Basic Pay
5 to 50 lakh	20% of Basic Pay
Less than 5 lakh	10% of Basic Pay

8. **Leased Accommodation:** The Board of Directors may decide the level of executives, who will be provided company leased accommodation and the size, type and locality of such accommodation. For purposes of CTC, 30% of basic pay may be considered as expenditure on Housing.

9. **City Compensatory Allowance:** The City Compensatory Allowance stands dispensed with.

10. **Other Allowances/ Perks:** The Board of Directors will decide on the allowances and perks admissible to the different categories of the executives subject to a maximum ceiling of 50% of the Basic Pay. Instead of having a fixed set of allowances, the CPSEs may follow "Cafeteria Approach" allowing the executives to choose from a set of perks and allowances. In places, where CPSEs have created infrastructure such as hospitals, colleges, schools, clubs, etc., these facilities should be monetized at replacement cost for the purpose of computing the perks and allowances. The following allowances will, however, be outside the purview of ceiling of 50% of the Basic Pay:

- i) North-East Allowance limited to 12.5% of Basic Pay.
- ii) Allowance for Underground Mines limited to 15% of Basic pay.

- iii) Special Allowance upto 10% of Basic Pay for serving in the difficult and far flung areas as approved by concerned Ministries in consultation with the Department of Public Enterprises from time to time.
 - iv) Non Practicing Allowance limited to 25% of Basic Pay for Medical Officers.
11. **The admissibility, quantum and procedure for determination of Variable Pay/Performance Related Pay** has been given in Annex.-III.
12. **Long Term incentives, introduction of cost to the company (CTC) concept in CPSEs, Pay of Executives on deputation / transfer to CPSEs, Pay of Government officers on deputation to CPSEs and Superannuation Benefits** will be as per Annex.-IV.
13. **Gratuity:** The ceiling of gratuity of the executives and non-unionised supervisors of the CPSEs would be raised to Rs. 10 lakhs with effect from 1.1.2007.
14. **Company Car:** The company car would be provided to the Directors and CMDs. The Executive Directors/ General Managers heading the projects of CPSEs may also be provided with the company car. For purposes of CTC, the expenditure on car provided should be excluded.
15. **Pay Revision in respect of non-unionised supervisory staff:** The revision of scales of pay for non-unionised supervisory staff may be decided by the respective Board of Directors of the CPSEs.
16. **Financial Implications:** The CPSE concerned has to bear the additional financial implications on account of pay revision from their own resources and no budgetary support will be provided.
17. **Issue of Presidential Directive, effective date of implementation and payment of allowances etc.:** The revised pay scales would be implemented by issue of Presidential Directive in respect of each CPSE separately by the concerned Administrative Ministry/Department. The revised pay scales will be effective from 1.1.2007. The payment of HRA, perks and allowances based on the revised scales will, however, be from the date of issue of Presidential Directive. The Board of Directors of each CPSE would be required to consider the proposal of pay revision based on their affordability to pay and submit the same to the Administrative Ministry/ Department for approval. The concerned Administrative Ministry with the concurrence of its Financial Advisor will issue the Presidential Directive. A Copy of the Presidential Directive issued to the CPSEs concerned may be endorsed to the Department of Public Enterprises.
18. **Issue of instructions/clarifications and provision of Anomalies Committee:** The Department of Public Enterprises will issue necessary instructions /clarifications wherever required, in implementation of the above decisions. An Anomalies Committee consisting of the Secretaries of Department of Public Enterprises, Department of Expenditure and Department of Personnel & Training has been constituted to look into further specific issues / problems that may arise in implementation of Government's decision on the recommendations of 2nd PRC. Any

anomaly should be forwarded with the approval of Board of Directors to the administrative Ministry/ Department, who will examine the same and dispose off the issue. However, if it is not possible for the Administrative Ministry to sort out the issue, the matter may be referred to DPE, with their views, for consideration of the Anomalies Committee.

K.D. Tripathi

(K.D. Tripathi)

Joint Secretary to the Government of India

Administrative Ministries/ Departments (Secretary by name) of the Government of India.

1. Copy to:

Chief Executives of CPSEs.

2. Copy also to:

- i) Financial Advisors in the Administrative Ministry/Department.
- ii) C & AG of India, 10, Bahadur Shah Zafar Marg, New Delhi.
- iii) Department of Expenditure, E-2 Branch, North Block, New Delhi.
- iv) Department of Personnel & Training, North Block, New Delhi.
- v) Chairman, PESB/Member(s), PESB/Secretary, PESB, CGO Complex, New Delhi.

3. Copy also to:

Prime Minister Office, (Shri Kamal Dayani, Director)

4. Copy also to:

- i) Cabinet Secretariat (Shri C.S. Kedar, Joint Secretary)
- ii) Cabinet Secretariat (Shri K. L. Sharma, Director)

5. Copy also to:

- i) PS to Minister (HI&PE).
- ii) PS to MoS (HI&PE).
- iii) PS to Secretary(PE).
- iv) AS & FA (PE).
- v) All officers of DPE.
- vi) NIC Cell, DPE with the request to upload the O.M. on the DPE website.

P.J. Michael
(P.J. Michael)
Under Secretary

**REVISED SCALES OF PAY OF BOARD AND BELOW BOARD LEVEL
EXECUTIVES IN CPSEs**

1	2	3
Grade	Existing	Revised
E0	6550-200-11350	12,600-32,500
E1	8600-250-14600	16,400-40,500
E2	10750-300-16750	20,600-46,500
E3	13000-350-18250	24,900-50,500
E4	14500-350-18700	29,100-54,500
E5	16000-400-20800	32,900-58,000
E6	17500-400-22300	36,600-62,000
E7*	18500-450-23900	43,200-66,000
E8*	20500-500-26500	51,300-73,000
E9*	23750-600-28550	62,000-80,000
Grade	Existing	Revised
Director (D)	18500-450-23900	43200-66,000
CMD (D)	20500-500-25000	51300-73,000
Director (C)	20500-500-25000	51300-73,000
CMD (C)	22500-600-27300	65,000-75,000
Director (B)	22500-600-27300	65,000-75,000
CMD (B)	25750-650-30950	75,000-90,000
Director (A)	25750-650-30950	75,000-1,00,000
CMD (A)	27750-750-31500	80,000-1,25,000

*E7 only in CPSEs of Schedule A, B & C.

*E8 only in CPSEs of Schedule A & B.

*E9 only in CPSEs of Schedule A.

- i) **Stagnation Increment:** The rate of stagnation increment will be 3% of the revised basic pay and executives will be allowed to draw maximum three stagnation increments, one after every two years, upon reaching the maximum of the revised pay scale provided the executive gets a performance rating of "Good" or above.
- ii) **Pay Fixation on Promotion:** One notional increment equal to the increment being drawn by the executive in the pay scale, before such promotion would be granted and pay fixed in the promoted pay scale and rounded off to the next multiple of Rs. 10.

**Rates of Dearness Allowance for the employees of
CPSEs following IDA pattern**

Date of Dearness Allowance	Rate of Dearness Allowance (in percentage)
01.01.2007	0
01.04.2007	0.8
01.07.2007	1.3
01.10.2007	4.2
01.01.2008	5.8
01.04.2008	6.3
01.07.2008	9.2
01.10.2008	12.9

i) **Variable Pay/Performance Related Pay:**

The PRP has been directly linked to the profits of the CPSEs/units and performance of the executives. The percentage ceiling of PRP progressively increasing from junior level to senior level executives, expressed as percentage of pay are indicated below.

Grade	Percentage of Basic Pay
E-0 to E-1	40
E-2 to E-3	40
E-4 to E-5	50
E-6 to E-7	60
E-8 to E-9	70
Director (C&D)	100
Director (A & B)	150
CMD(C&D)	150
CMD(A & B)	200

For Non Unionised Supervisors, PRP as percentage of Basic Pay will be decided by the respective Board of Directors in a CPSE.

The above PRP will, however, be on the following conditions:

a) The PRP would be payable at 100% eligibility levels in case the CPSE achieves the Memorandum of Understanding (MoU) rating as "Excellent". If the CPSE's MoU is rated as "Very Good", the eligibility of PRP would be 80% of the Basic Pay. In respect of "Good" and "Fair" ratings, the eligibility levels would be 60% and 40% respectively. However, there will be no PRP irrespective of the profitability of the CPSE, in case it is rated as "Poor".

b) The PRP would be based on physical and financial performance and will come out of profits of the CPSE. 60% of the PRP will be given with the ceiling of 3% of Profit before Tax (PBT) and 40% of PRP will come from 10% of incremental profit. Incremental profit would mean the increase in profit as compared to previous year's profit. The total PRP, however, will be limited to 5% of the year's PBT, which will be for executives as well as non unionized supervisors in a CPSE. The PRP for the year will be calculated latest by December of the following year based on the CPSE's performance as per audited accounts. The proposed PRP scheme will begin from the financial year 2007-08. There will be no incremental profit for the

year 2007-08 as it will be the first year of introduction of PRP scheme. The amount available for PRP for above will be 3% of PBT of 2007-08. For the purpose of calculating the incremental profit, the starting year would be 2007-08. The Variable Pay component coming from incremental profit for the first time will be after knowing the results of CPSE's performance for the year 2008-09. Thus, this portion of PRP will be payable w.e.f. 2009-10.

ii) **Memorandum of Understanding (MoU):** Each CPSE would be required to sign the MoU with its parent Ministry/ Department/holding company. The MoU rating will form the basis of PRP with all the Key Result Areas identified in the MoU. No PRP will be eligible for the CPSEs that do not enter into MoU.

iii) **Performance Management System (PMS):** Each CPSE would develop a robust and transparent Performance Management System. CPSEs would adopt "Bell Curve Approach" in grading the officers so that not more than 10% to 15% executives are "Outstanding/ Excellent". Similarly, 10% of executives should be graded as "Below Par". Some CPSEs already have a PMS and others will have to frame a robust and transparent PMS to be able to pay PRP. However, CPSEs which do not have a robust and transparent PMS till date may put in place a robust and transparent PMS by 31.03.2009. For the period 01.01.2007 and till a PMS is in place not later than 31.03.2009, the executives will be governed by the existing guidelines of DPE on PRP, which is limited to 5% of distributable profit in an enterprise.

iv) **Remuneration Committee:** Each CPSE would have Professional Boards with Independent Directors. CPSE to constitute a Remuneration Committee headed by an Independent Director. CPSE will not be eligible for PRP unless the Independent Directors are on its Boards. Remuneration Committee will decide the annual bonus/variable pay pool and policy for its distribution across the executives and Non Unionised Supervisors, within the prescribed limits.

i) **Long Term Incentives:**

All CPSEs would formulate Employees Stock Option Plan (ESOP) and 10% to 25 % of the PRP should be paid as ESOPs. In order to see that Enterprises are able to operate ESOPs scheme, the concerned Administrative Ministry/Department should encourage the CPSEs coming under its control to get them listed on the Stock Exchanges.

ii) **The concept of cost to company (CTC) in CPSEs:**

The concept of cost of Company would be introduced in all the CPSEs. The entire cost of an executive is explicitly made known by the CPSEs adopting the system of CTC for the purpose of reporting executive compensation. Pay, allowances, perquisites and retirement benefits should all be monetized and included while reporting the cost of manpower to the CPSE.

iii) **Pay etc. of Executives of CPSEs, on deputation / transfer:** The executives, who are brought into holding companies from subsidiary companies or vice-versa on deputation/transfer, will continue to draw their basic pay as drawn in the original company. They will, however, be entitled to draw the allowances and variable pay /performance related pay as applicable to the borrowing CPSE.

iv) **Pay etc. of Government officers on deputation to CPSEs:** The government officers, who are on deputation to the CPSE, will continue to draw the salary as per their entitlement in the parent Department. Only those, who come on permanent absorption basis, will get the CPSE scales, perks and benefits.

v) **Superannuation Benefits:** CPSEs would be allowed 30% of Basic Pay as Superannuation benefits, which may include Contributory Provident Fund (CPF), Gratuity, Pension and Post-Superannuation Medical Benefits. The CPSEs should make their own schemes to manage these funds or operate through Insurance companies on fixed contribution basis. The amount of Pension, Gratuity and Post-Retirement Benefit will be decided based on the returns from the schemes to be operated. The Pension and Medical benefits can be extended to those executives, who superannuate from the CPSE and have put in a minimum of 15 years of service in the CPSE, prior to superannuation.

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No. 10(2)/09-DPE (WC) - G.L. - XV / 09

Annex-IV

Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhawan,
Block No. 14, C.G.O. Complex
Lodi Road, New Delhi-110 003
Dated: 8th June, 2009

OFFICE MEMORANDUM

Subject :- Revision of scales of pay of executives of CPSEs w.e.f. 01.01.2007, pay etc of Government Officers on deputation CPSEs.

The undersigned is directed to invite attention to para '12' Annex. IV, Point No. (iv) of DPE O.M. No. 2(70)/08-DPE (WC) dated 26.11.2008 which provides that "the Government Officers, who are on deputation to the CPSEs, will continue to draw the salary as per their entitlement in the parent Department. Only those, who come on permanent absorption basis, will get the CPSE scales, perks and benefits".

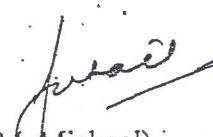
2. Some Ministries/ Departments particularly Ministry of Railways raised difficulties in implementation of the aforesaid clause. In accordance with the provisions as contained in para '18' of O.M. dated 26.11.2008, issues so raised were considered by the Anomalies Committee. Based on the recommendations of the Anomalies Committee, it has been decided as follows:-

- (a) ✓ The Government officers already on deputation with the CPSEs as on 26.11.2008 (the date of issue of O.M. by the DPE regarding the revision of scale of pay of the executives and non unionised supervisors of CPSEs) will continue to avail of the option already available and exercised by them till the end of their deputation tenure. The extension, if any given after 26.11.2008 will not qualify for this dispensation.
- (b) The Board level executives who have been selected through PESB mechanism in IDA scales, and appointed on deputation basis, by ACC/Competent Authority prior to 26.11.2008 will continue to get the same scales with all its associated benefits till the end of their tenure.

- (c) It may be emphasized that the pay revision of the executives is a total package and the scales, perks and allowances should not be mixed. Accordingly the executives getting the CDA pay scales will continue to get benefits, perks and allowances applicable to CDA scales and executives who are getting IDA pay scales will get perks and allowances applicable to IDA scales.

3. The decisions contained in para 2 above are enabling provisions. All the conditions indicated in DPE O.Ms dated 26.11.2008, 09.02.2009 and 02.04.2009 will be applicable mutatis mutandis to such executives also.

4. All administrative Ministries/ Departments of the Government of India are requested to issue suitable instructions to the CPSEs under their administrative control.


(P.J. Michael)

Under Secretary to the Government of India

To:

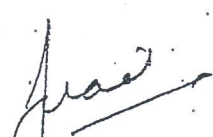
1. All the Administrative Ministries/Departments of the Government of India (Secretaries by name).
2. Financial Advisers in the Administrative Ministries/ Departments.

Copy to:

Chief Executives of Central Public Sector Enterprises.

Copy also to:

1. Department of Expenditure (Smt Sushma Nath, Secretary), North Block, New Delhi.
2. Department of Personnel and Training, (Shri Rahul Sarin, Secretary), North Block, New Delhi.
3. Secretary, PESB, CGO Complex, Lodhi Road, New Delhi.
4. The Comptroller & Auditor General of India (Commercial Audit Wing), 9 Deen Dayal Upadhyay Marg, New, New Delhi
5. NIC, DPE with the request to upload this OM on to the DPE website.


(P.J. Michael)

Under Secretary to the Government of India

Public Enterprises Bhawan
Block No.14, CGO Complex,
Lodi Road, New Delhi-110003
Dated: 03rd December, 2010

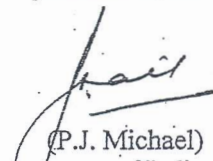
OFFICE MEMORANDUM

Subject: - Allowing vigilance functionaries on deputation to CPSEs the option to draw pay either in the scale of pay of the CPSE concerned or pay in the parent cadre plus deputation (duty) allowance thereon plus personal pay, if any - Cabinet decision-reg.

The undersigned is directed to refer to Department of Personnel & Training O.M. No. 372/21/2009-A VD-III dated 12.10.2010 on the above mentioned subject and to state that para '3' of aforesaid DoPT's O.M. dated 12.10.2010 has modified (with the approval of Cabinet) the DPE O.M. dated 26.11.2008 (Annex IV, point No. iv refers) to the extent indicated therein (DoPT O.M. dated 12.10.2010).

2. In this regard a reference is invited to DPE O.M. dated 08.06.2009, which is based on the recommendations of the Anomalies Committee. In view of the position explained in para '1' above, O.M. dated 08.06.2009 is also modified to the effect as indicated in para '1' above.

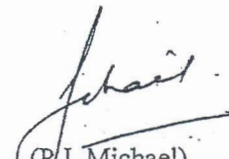
3. It is clarified that in view of DPE O.M. dated 26.11.2008 read with DoPT O.M. dated 12.10.2010, effective date of above provisions in respect of CVOs and other officers on deputation to the vigilance Department of CPSEs would be 01.01.2007. However, provisions as contained in DPE O.Ms dated 26.11.2008 and 08.06.2009 will be relevant in respect of all Government Officers who come on deputation to CPSEs in posts other than CVOs and other officers on deputation to the Vigilance Department of CPSEs.


(P.J. Michael)

Under Secretary to the Government of India

All Administrative Ministries/Departments

1. Copy to :
Chief Executives of CPSEs.
2. Copy also to :
 - i) Financial Advisors of the Administrative Ministries/Departments.
 - ii) The Comptroller & Auditor General of India (Commercial Audit Wing), 9, Deen Dayal Upadhyaya Marg, New Delhi.
 - iii) Department of Expenditure, North Block, New Delhi.
 - iv) Department of Personnel & Training, North Block, New Delhi.
 - v) Chairman, PESB/Member(s), PESB/Secretary, PESB, CGO Complex, New Delhi.
 - vi) Director General SCOPE, SCOPE Complex, New Delhi.
3. Copy also to :
 - i) PS to Secretary (PE).
 - ii) PS to Secretary (BRPSE).
 - iii) Dir. (G), Dir.(RB), Dir.(P), Joint Advisor (RC) of DPE.
 - iv) NIC, DPE for uploading on to the DPE website.


(P.J. Michael)

Under Secretary to the Government of India

GOVERNMENT OF INDIA

MINISTRY OF _____

DEPARTMENT OF _____

To

Subject:- Appointment of _____ as _____,
terms and conditions of .

Sir,

1. I am directed to convey the sanction of the President to the appointment of _____, as _____ of _____ w.e.f. _____ on the following terms and conditions:-

1.1 Period: The period of his appointment will be w.e.f. _____ on deputation basis and in relaxation of the rule of immediate absorption and will continue till _____ or until further orders, whichever event occurs earlier.

1.2 Headquarters: His headquarters will be at _____ where the registered office/ headquarters of the CPSE is located. He will be liable to serve in any part of the country at the discretion of the CPSE.

1.3 Pay: _____ as _____, will draw a basic pay of Rs. _____/- in the scale of pay of Rs. _____ per month during the deputation period.

1.4 Deputation Allowance:- He will not be entitled to any deputation (duty) allowance.

1.5 Dearness Allowance: He will be eligible to draw DA at Central Government rate.

1.6 Payment of House Rent Allowance: If the CPSE is not in a position to arrange residential accommodation for him out of its residential quarters or even on lease basis or if he prefers to stay in

a house taken by him on rent basis, he can be paid HRA at the rates prescribed by Central Government.

1.7 Annual Increment: He will be eligible to draw his annual increment as per AIS Rules. The date of next annual increment will be 1st July of the year.

1.8 Residential accommodation and recovery of rent for the accommodation so provided.

1.8.1 Company's own accommodation: Wherever the CPSE has built Residential flats in the industrial township or purchased residential flats in the cities, arrangements would be made by the CPSE to provide a suitable residential accommodation to him.

1.8.2 Leased accommodation: If the CPSE is not able to provide residential accommodation either in township or out of the residential flats purchased by it in the Headquarter, suitable accommodation could be arranged by the CPSE by taking the premises on lease basis at headquarter of the company. The Boards of Directors may decide the size, type and locality of such accommodations as per DPE O.Ms. dated 05.06.2003, 26.11.2008 and 02.04.2009. For purposes of CTC, 30% of basic pay may be considered as expenditure on Housing.

1.8.3 Self- lease: If he/she owns a house at the place of his posting (Headquarter) and is desirous of taking his/her own house on self-lease basis for his/her residential purposes, the CPSE can permit him/her to do so provided he/she executes a lease-deed in favour of the CPSE. The Boards of Directors may decide the size, type and locality of such accommodations.

1.8.4 Repair/maintenance of leased accommodation: The responsibility for repair and maintenance of leased accommodation is that of the lessor. Lease rent will be allowed only for 12 months in a year and no additional amount will be provided towards repair/maintenance of leased accommodation.

1.8.5 Existing lease deeds: The lease agreement signed by the CPSE in respect of the accommodation taken on lease basis for him/her, if any, prior to 26.11.2008 would not be re-opened during the pendency of the lease period. The lease money, in other words, should not be hiked till the expiry of lease period. This proviso would be applicable even if he/she had been permitted to take his/her own house on self-lease basis.

1.8.6 Office accommodation: No office accommodation at the expense of the CPSE would be provided or arranged by the CPSE at his/her residence.

1.9 Rent Recovery:

1.9.1 CPSE's township/own flats: Recovery of rent for the accommodation arranged by the company in its own township or from the pool of flats purchased by it in cities and towns and so allotted to him/her would be made at the rate of 10% of basic pay from (date of Joining) _____ or the standard rent fixed by the company whichever is lower. Where the CPSE has prescribed flat rates of recovery in respect of accommodation in its townships depending on each type of accommodation i.e. recovery of rent on uniform basis for each type of accommodation, then rent would be paid by him/her as prescribed by the CPSE.

1.9.2 Leased accommodation: In respect of leased accommodation arranged by the CPSE, rent would be recovered from him/her at the rate of 10% of basic pay from (date of Joining) _____ or the actual rent which ever is lower.

1.10 Conveyance : He will be entitled to the facility of staff car for private use as per his entitlement in parent cadre.

1.11 Leave : He will remain subject to the Leave Rules of All India Services, as amended from time to time. The CPSE shall pay towards leave contribution according to the rates prescribed by the Central Government from time to time. The expenditure in respect of any compensatory allowance for the period of leave in or at the end of Foreign Service deputation to the CPSE shall be borne by the CPSE. The CPSE will also be liable to pay leave amount in respect of disability leave granted to him on account of any disability incurred and through foreign service under the PSE even if such disability manifests itself after termination of service under the CPSE.

1.12 Pension: He will continue to be governed by the provisions of AIS (DCRG) Rules. He will not join the Contributory Provident Fund or any pension scheme of the CPSE. The CPSE shall pay the pension contribution during his foreign service at the rates prescribed by the Central Government.

1.13 Provident Fund: During the period of foreign service, he will continue to subscribe to the All India Service Provident Fund in accordance with the conditions laid down in the All India Service (Provident Fund) Rules, 1955.

1.14 Medical Concession: The CPSE shall extend to him medical facilities not inferior to those admissible under the All India Service (Medical Attendance) Rules, 1954.

1.15 Leave Travel Concession: He will not be entitled to LTC as admissible to executives of his status under the PSE Rules, he will continue to be eligible for LTC as admissible to the Central Government Servants and the whole expenditure will be met by the PSE. This, however, is subject to the condition that the executives had not already availed of the concession during the particular block of years before deputation. This concession shall not at any time be inferior to that which he would be entitled to under AIS (LTC) Rules, 1973.

1.16 Group Insurance Scheme: The Central Government Employees Group Insurance Scheme, 1980, appended to the AIS (Group Insurance) Rules, 1981, shall be applicable to him. An amount deducted from his salary as per prescribed rates of subscriptions towards the Insurance Scheme shall be remitted to the Government of India.

1.17 Joining Time & Traveling Allowance: He will be entitled to traveling allowance and joining time both on joining the post on foreign service and on reversion there from under the rules of the CPSE but, in any case not lower than those admissible to officers of equivalent status and grades of the Central Government. The expenditure on this account will be borne by the CPSE.

1.18 Conduct Discipline & Appeal Rules: He will be governed by All India Service (Conduct, Discipline & Appeal) Rules.

1.19 Residuary Matters: For all matters relating to the conditions of service and benefits/facilities and perquisites in the borrowing organization not covered by item (1.1) to (1.19) above, he will be governed by the existing Rules, Regulations and Orders applicable to his parent cadre.

1.20 Other Conditions:

The perquisites and allowances may be as applicable to him under All India Service Rules. No other perks & allowances /PRP benefits will be provided as per the Rules of the CPSE.

No. 29018/10/2003-AIS (II)
Government of India
Ministry of Personnel, Public Grievances and Pensions
Department of Personnel & Training

New Delhi, dated 18th May, 2004

OFFICE MEMORANDUM

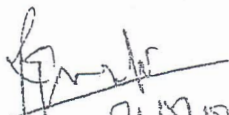
Subject: Clarification regarding option of Scale of pay of PSE scale of AIS officers.

The undersigned is directed to refer to the Ministry of Heavy Industry & Public Enterprises, Department of Public Enterprises may please refer to their OM NO. 10 (4)/03-DPE (WC) dated 23rd May, 2003 on the subject noted above and to say that in terms of Rule 9 (1) of the IAS (Pay) Rules and analogous provisions in IPS/IFS (Pay) Rules equivalence of the ex-cadre post to be held by an AIS officer, is required to be drawn with a post in Schedule-III of the respective pay rules. Such equation may be dispensed with under Rule 9 (4) of the rules ibid for sufficient reasons to be recorded in writing. Further, under Government of India's decision below Rule 9 it is provided that if the timescale of pay of the ex-cadre post is identical to the timescale of the schedule post of the respective pay rules, to which it is sought to be equated, the Ministries/Departments may draw equivalence in such cases without reference to the Ministry of Home Affairs (DOPT) and Ministry of Finance, Department of Expenditure and in other cases such cases would be required to be referred to these Ministries for prior concurrence.

2. This Department's Standard Terms and Conditions dated 21.8.2002 provides allowing an option to the AIS officers to draw their grade pay + deputation allowance or the pay of the post in the borrowing organization. However, this will be subject to the above provisions in the rules ibid.

3. It is also clarified that in terms of the extant provisions of AIS (Pay) Rules, deputation allowance is not permissible to the officers of the level of Joint Secretary and above. If the member of the Service opts for the pay scale of the post of the borrowing organization, he will not be eligible for the deputation allowance. For conditions of service and benefits/facilities and perquisites in the borrowing organization not outlined in Item 1 to 16 in the Standard Terms of Deputation, 21st August, 2002, the rules, regulations and orders of the borrowing organization will apply.

Department of Public Enterprises,
(Dr. S. Banerjee, Joint Adviser)
CGO Complex, Lodi Road,
New Delhi.


(R.K. Gupta)
Desk Officer

1.13 Provident Fund: During the period of foreign service, he will continue to subscribe to the All India Service Provident Fund in accordance with the conditions laid down in the All India Service (Provident Fund) Rules, 1955.

1.14 Medical Concession: The CPSE shall extend to him medical facilities not inferior to those admissible under the All India Service (Medical Attendance) Rules, 1954.

1.15 Leave Travel Concession: He will not be entitled to LTC as admissible to executives of his status under the PSE Rules, he will continue to be eligible for LTC as admissible to the Central Government Servants and the whole expenditure will be met by the PSE. This, however, is subject to the condition that the executives had not already availed of the concession during the particular block of years before deputation. This concession shall not at any time be inferior to that which he would be entitled to under AIS (LTC) Rules, 1973.

1.16 Group Insurance Scheme: The Central Government Employees Group Insurance Scheme, 1980, appended to the AIS (Group Insurance) Rules, 1981, shall be applicable to him. An amount deducted from his salary as per prescribed rates of subscriptions towards the Insurance Scheme shall be remitted to the Government of India.

1.17 Joining Time & Traveling Allowance: He will be entitled to traveling allowance and joining time both on joining the post on foreign service and on reversion there from under the rules of the CPSE but, in any case not lower than those admissible to officers of equivalent status and grades of the Central Government. The expenditure on this account will be borne by the CPSE.

1.18 Conduct Discipline & Appeal Rules: He will be governed by All India Service (Conduct, Discipline & Appeal) Rules.

1.19 Residuary Matters: For all matters relating to the conditions of service and benefits/facilities and perquisites in the borrowing organization not covered by item (1.1) to (1.19) above, he will be governed by the existing Rules, Regulations and Orders applicable to his parent cadre.

1.20 Other Conditions:

The perquisites and allowances may be as applicable to him under All India Service Rules.

No other perks & allowances /PRP benefits will be provided as per the Rules of the CPSE.

TABLE - I**REVISED SCALES OF PAY OF BOARD AND BELOW BOARD LEVEL EXECUTIVES IN CPSEs**

1	2	3	4	5
Grade	1987	1992	1997	2007
E0	13 Scales - From Min. 2100 - Max.-4150	3500-150-6200	6550-200-11350	* 12600-32500
E1	10 Scales - From Min. 2400-Max.4830	4000-175-7150	8600-250-14600	16400-40500
E2	5 Scales - From Min.3000-Max.5470	4800-8275	10750-300-16750	20600-46500
E3	4 Scales - From Min.3700-Max.-5750	5400-9050	13000-350-18250	24900-50500
E4	6 Scales - from Min.4150-Max.-6790	6500-9425	14500-350-18700	29100-54500
E5	6 Scales - from Min.4900-Max.-6975	7000-9600	16000-400-20800	32900-58000
E6	6 Scales - from Min.5500-Max.-7200	7500-9900	17500-400-22300	36600-62000
E7*	2 Scales - from Min.6250-Max.7725		18500-450-23900	43200-66000
E8*	7250-200-8250	9500-11500	20500-500-26500	51300-73000
E9*	9250-200-9250	11500-13500	23750-600-28550	62000-80000
Director (D)	-	-	18500-450-23900	43200-66000
CMD (D)	6500-175-7550	9000-300-10500	20500-500-25000	51300-73000
Director (C)	6500-175-7550	9000-300-10500	20500-500-25000	51300-73000
CMD (C)	7500-200-8500	10000-400-12000	22500-600-27300	65000-75000
Director (B)	7500-200-8500	10000-400-12000	22500-600-27300	65000-75000
CMD (B)	8500-200-9500	12000-400-14000	25750-650-30950	75000-90000
Director (A)	8500-200-9500	12000-400-14000	25750-650-30950	75000-100000
CMD (A)	9000-250-10000	13000-500-15000	27750-750-31500	80000-125000

* Rate of increment will be 3% of last drawn pay rounded off to the next Rs.10/-

No.2(24)/09-DPE(WC) G.L.-IV | 2010
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhawan,
Block No. 14, CGO Complex,
Lodhi Road, New Delhi-110003
Dated: 5th March 2010

OFFICE MEMORANDUM

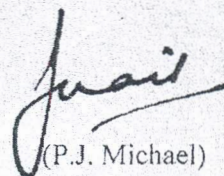
Subject: Fixation of pay in the cases, based on emoluments, of the Board Level incumbents in CPSEs.

The undersigned is directed to refer to DPE O.M. of even number dated 02.06.2009 on the subject mentioned above. After careful consideration, it has been decided to withdraw the O.M. dated 02.06.2009 and restore the status of protecting the emoluments drawn as was applicable prior to 02.06.2009, in such cases.

2. If the pay drawn is more than the maximum of the scale (in which the incumbent has been appointed), then the pay would be fixed at the maximum of the scale and the difference, if any, between the earlier pay/emoluments {basic pay, grade pay(if any) + DA} and pay to be fixed (BP+DA) will be permitted to be drawn as 'Personal pay', as was being done prior to 02.06.2009 in such cases.

3. It is clarified that, the above pay fixation formulae, would be applicable only in dissimilar cases, i.e. incumbents pay is to be fixed in the pre-revised scale from a later scale of pay or in case of movement from CDA scales to IDA scales.

4. It is further clarified that the Personal Pay permitted under above provisions may not be confused with Special/Protected/Personal Pay disallowed under DPE O.M. No. 2(76)/08-DPE(WC) 09.04.2009.

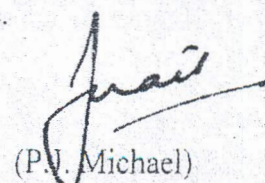


(P.J. Michael)

Under Secretary to the Government of India
Tel: 24360823

All Administrative Ministries/Departments of the Government of India

1. Chief Executive of Central Public Sector Enterprises.
2. Financial Advisor in the Administrative Ministries/ Departments.
3. Secretary, PESB, CGO Complex, Lodhi Road, New Delhi.
4. Department of Expenditure, E-II Branch North Block, New Delhi.
5. The Comptroller & Auditor General of India (Commercial Audit Wing), 9 Deen Dayal Upadhyay Marg, New Delhi.
6. NIC, DPE with the request to upload this OM on to the DPE website.



(P.J. Michael)

Under Secretary to the Government of India

Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Annex-X

Public Enterprises Bhawan
Block No.14, CGO Complex, Lodi Road
New Delhi, the 2nd April, 2009

OFFICE MEMORANDUM

Sub: Revision of scales of pay w.e.f. 01.01.2007 for Board level and below Board level executives and Non-Unionised Supervisors in Central Public Sector Enterprises (CPSEs) — Report of the Committee of Ministers thereon.

The undersigned is directed to refer to this department's O.Ms. of even number dated 26.11.2008 and 09.02.2009 regarding pay revision of Executives and Non-unionised Supervisors of CPSEs w.e.f. 1.1.2007. Subsequent to issue of O.M. dated 26.11.2008, the Government constituted a Committee of Ministers to look into the demands raised by CPSE executives of Oil and Power Sectors.

2. The Government, after due consideration of the recommendations of the Committee of Ministers have decided further as follows:

i) **Benefit of merger of 50% DA with Basic Pay for fitment purpose:** The benefit of merger of 50% DA with Basic Pay w.e.f. 01.01.2007, effectively amounting to 78.2%, would be allowed for the purpose of fitment and pay fixation in the revised pay scales (para 2 (i) of DPE O.M. dated 26.11.2008)

ii) **Superannuation Benefit:** The ceiling of 30% towards superannuation benefits would be calculated on Basic Pay plus DA instead of Basic Pay alone. Any superannuation benefit will be under a "defined contribution scheme" and not under a "defined benefit scheme". CPSEs that do not have superannuation scheme, may develop such scheme and obtain the approval of their Administrative Ministry. However, no other superannuation benefit can be granted outside this 30% ceiling. (para 12, Annex IV(v) of O.M. dated 26.11.2008 refers)

iii) **House Rent Allowance:** There is no change in HRA rates as provided in O.M. dated 26.11.2008. However, in case the actual amount of House Rent Allowance as per prescribed rate is less than the actual amount of HRA drawn earlier in the case of a particular officer, the difference would be allowed to be drawn by the officer as 'Personal Allowance' until the difference is eliminated in course of time subject to the condition that the difference will be subsumed within the overall limit prescribed for perquisites and allowances. (para 7 of O.M. dated 26.11.2008 refers)

iv) **Other perquisites and allowances:** Para 10 of O.M. dated 26.11.2008 provided, inter alia, that "in places, where CPSEs have created infrastructure such

-59-

as hospitals, colleges, schools, clubs, etc., these facilities should be monetised at replacement cost for the purpose of computing the perks and allowances."

It has now been decided that for the purpose of reckoning the value of infrastructure facilities, the recurring expenditure on maintaining and running the infrastructure facilities alone would be taken into account. The recurring expenditure should be divided into two parts, based on the proportion of total basic pay of executives and non-unionised supervisors and the total basic pay of workmen. The part attributable to the executives and non-unionised supervisors would be reckoned as the expenditure on perquisites and allowances, subject to the condition that the said amount shall be restricted to 10 per cent of the basic pay of all executives and non-unionised supervisors within the overall limit of 50 per cent of basic pay. (para 10 of O.M. dated 26.11.2008 refers)

The benefit of North East Allowance limited to 12.5% of Basic Pay may also be extended to the Ladakh Region as admissible to Central Government employees. (para 10 (i) of O.M. dated 26.11.2008 refers)

v) **Effective date for revised allowances:** It has been decided that if Presidential Directives are issued by the respective Ministries/ Departments within one month from the date of issue of this O.M., the effective date for revising allowances may be taken as 26.11.2008, being the date of issue of first O.M. by DPE. However, where Presidential Directives are not issued within one month from the date of issue of this O.M., the revised allowances shall be effective only from the date of issue of Presidential Directives. The effective date of allowances can in no case be prior to 26.11.2008. (para 17 of O.M. dated 26.11.2008 refers)

vi) **Introduction of intermediary pay scales to correspond with existing pay scales:** It has been decided that there will be no change in the ten pay scales of below board level posts as indicated in O.M. dated 26.11.2008 and there is no justification for introducing intermediary pay scales. If there have been any aberrations, they need to be corrected. Every officer has to be fitted into the corresponding new pay scale.

However, if there is any exceptional case regarding intermediary pay scales, the same may be referred by the administrative Ministry concerned to the DPE. The issue will be decided by DPE with the concurrence of Department of Expenditure on a case to case basis without altering the minimum and the maximum of the revised pay scale.

vii) **Other demands:** Government has decided on the basis of the recommendations of the Committee of Ministers that no other change need be made in the O.M. dated 26.11.08 and 09.02.09 issued by the DPE regarding revision of pay scales of Executives and non-unionised supervisors of CPSEs.

3. Government has also decided that benefits under this O.M. read with the earlier decision as conveyed vide O.M. dated 26.11.2008 and 09.02.2009 has to be viewed as a total package. It has also been decided that the pay revision package as communicated by earlier O.Ms. along with the above modifications would be applicable to all the CPSEs.

4. The ceilings mentioned under various items given in O.Ms. dated 26.11.08, 09.02.09 and this O.M. are the maximum permissible limits. However, lower limits against these maximum permissible limits can be provided in the Presidential Directives, depending upon affordability, capacity to pay and sustainability of the concerned CPSE.

K.D. Tripathi
(K.D. Tripathi)

Joint Secretary to the Government of India

Administrative Ministries/ Departments (Secretary by name) of the Government of India.

1. Copy to:
Chief Executives of CPSEs.
2. Copy also to:
 - i) Financial Advisors in the Administrative Ministries/Departments.
 - ii) C & AG of India, 10, Bahadur Shah Zafar Marg, New Delhi.
 - iii) Department of Expenditure, E-2 Branch, North Block, New Delhi.
 - iv) Department of Personnel & Training, North Block, New Delhi.
 - v) Chairman, PESB/Member(s), PESB/Secretary, PESB, CGO Complex, New Delhi.
3. Copy also to:
 - i) PS to Home Minister.
 - ii) PS to Minister of P&NG.
 - iii) PS to Minister of Power.
 - iv) PS to MoS (EB&I).
4. Copy also to:
 - i) Prime Minister Office, (Shri T.K.A. Nair, Principal Secretary to PM).
 - ii) Prime Minister Office, (Shri Kama Dayani, Director).
5. Copy also to:
 - i) Cabinet Secretariat (Shri C.S. Kedar, Joint Secretary).
 - ii) Cabinet Secretariat (Shri K. L. Sharma, Director).
6. Copy also to:
 - i) PS to Minister (HI&PE).
 - ii) PS to MoS (HI&PE).
 - iii) PS to Secretary(PE).
 - iv) AS & FA (PE).
 - v) All officers of DPE.
 - vi) NIC Cell, DPE with the request to upload the O.M. on the DPE website.

P.J. Michael
(P.J. Michael)
Under Secretary

No. 2(51)/2010-DPE(WC) G.L.-X/2011

Government of India

Ministry of Heavy Industries & Public Enterprises

Department of Public Enterprises

Public Enterprises Bhawan,
Block No. 14, CGO Complex,
Lodhi Road, New Delhi-110003
Dated: 1st June, 2011

OFFICE MEMORANDUM

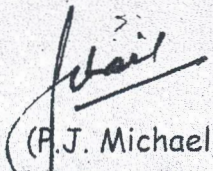
**Sub: Pay Revision of executives and Non-unionised supervisors of CPSEs
w.e.f. 1.1.07**

The undersigned is directed to refer to DPE's O.Ms dated 26.11.08, 09.02.09 and 02.04.09 on the subject mentioned above. Some Administrative Ministries/ Departments, Ministry of Petroleum & Natural Gas in particular, had forwarded the request of their CPSEs, to DPE for keeping specific perks and allowances outside the 50% ceiling. Similarly, M/o Mines had sent a proposal received from NALCO regarding their demand to consider Non Practicing Allowance (NPA) as pay to be treated as pay for calculation of other benefits.

2. These issues were placed before the Anomalies Committee as prescribed under DPE O.M. dated 26.11.08. The Committee viewed that the pay package of employees of Central Government and CPSEs are not comparable. For CPSE executives in 2007 pay revision, concepts like keeping the perks and allowances upto 50% of Basic Pay along with 'Cafeteria Approach' keeping 04 allowances (to the extent of 62.5%) including NPA outside 50% limit, provisions of PRP upto 200% and superannuation benefits upto 30% of Basic Pay plus D.A., have been provided. The Committee also observed that neither the Chidambaram Committee favoured such changes nor was there any such provision in the 1997 pay revision. The Committee also felt that the sanctity of the Government decision on pay revision may not be disturbed by providing an exception.

3. Based on the recommendations of the Anomalies Committee, it has now been decided as follows:-

- (i) NPA will not be considered as pay for the purpose of calculating other benefits.
- (ii) No other allowance or perks will be kept outside the 50% ceiling except the 4 that have been provided in above referred DPE O.Ms.


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

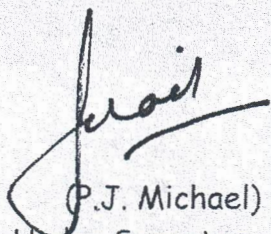
To: All Administrative Ministries/Departments

Copy to:

1. Chief Executive of CPSEs.
2. Financial Advisors in the Administrative Ministries/Departments.
3. Secretary, PESB, CGO Complex, Lodhi Road, New Delhi.
4. Secretary, Department of Expenditure, North Block, New Delhi.
5. Secretary, Department of Personnel & Training, North Block, New Delhi.
6. Comptroller & Auditor General of India (Commercial Audit Wing), 9 Deen Dayal Uadhayay Marg, New Delhi.
7. Director General, SCOPE, SCOPE Complex, New Delhi.

Copy also to:

- i. PS to Secretary (DPE).
- ii. PS to Secretary, BRPSE.
- iii. All officers of DPE.
- iv. NIC - with the request to upload this O.M. on to the DPE website.


(P.J. Michael)
Under Secretary

No.2(20)/2012-DPE(WC)
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhawan,
Block No. 14, CGO Complex,
Lodhi Road, New Delhi-110 003
Dated: 29th June, 2012

OFFICE MEMORANDUM

Subject:- Keeping certain allowances outside the 50% ceiling for Perks and Allowances.

The undersigned is directed to refer to O.M. No. 2(51)/2010-DPE(WC)GL-X/2011 dated 01.06.2011 regarding pay revision of executives and Non-unionized supervisors of CPSEs w.e.f. 1.1.2007. Representations have been received from CPSEs/Administrative Ministries regarding keeping various allowances/benefits/perks including project allowance, higher conveyance allowance to persons with disabilities, etc. outside the 50% allowance.

2. The subject mentioned issue was placed before the Anomalies Committee and based on its recommendations, it is clarified that no allowance/benefit/perks other than those mentioned in DPE O.M. dated 26.11.2008 is admissible outside the 50% ceiling. The Anomalies Committee reiterated its view as conveyed vide O.M. dated 1.6.2011 that no other allowance/benefit/perks is outside the prescribed ceiling. All CPSEs under respective Ministries/Departments may be directed for strict compliance of the relevant provision of DPE O.Ms.

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


(P.J. Michael)
Under Secretary

To

All administrative Ministries/Departments of the Government of India

Copy to:-

1. Chief Executives of CPSEs
2. FAs in administrative Ministries/Departments
3. Office of the Comptroller & Auditor General of India, Commercial Audit Wing
9, Deen Dayal Upadhyay Marg, New Delhi.
4. NIC, DPE with the request to upload this O.M. on to the DPE website.
5. All officers of the DPE

No. 2(10)02-DPE(WC)
Ministry of HI & PE
Department of Public Enterprises

Block No.14, CGO Complex,
Lodi Road, New Delhi,
Dated the 14th March, 2002

OFFICE MEMORANDUM

Subject:- Fixation of pay of Board Level executives in PSEs.

As per the existing principles, the pay of an executive appointed at the Board level of a PSU is fixed at the next higher stage available in the scale of pay in which the executive has been appointed with reference to the basic pay drawn by him/her in the previous post. This principle has been under review.

It has now been decided, after review of the existing principles, that the pay drawn by the executive in the lower post held by him/her on regular basis will be notionally increased by one increment or Rs.100/- whichever is more and the pay in the higher post will be fixed at the stage next above notionally increased pay of the lower post. This is as per pay fixation formula adopted in the Govt. of India under FR-22 on this subject. This principle would be applicable to the Board level executives of central PSUs appointed on or after 1.1.97.

All administrative Ministries/Departments are requested to bring the foregoing to the notice of the Public Enterprises under their administrative control, for necessary action.


(Dr. S. Banerjee)
Joint Director

To all administrative Ministries/Departments of the Govt. of India.

F. No. 2(41)/2010-DPE(WC)GL-~~XVII~~/2010

Government of India

Ministry of Heavy Industries & Public Enterprises

Department of Public Enterprises

Public Enterprises Bhawan,
Block No. 14, CGO Complex,
Lodhi Road, New Delhi-110003
Dated: 24th September, 2010

OFFICE MEMORANDUM

Sub: **Bunching of increments and leave encashment on pay revision w.e.f. 1.1.2007 of executives and Non-Unionised Supervisors of CPSEs following IDA pattern of pay scales.**

The undersigned is directed to refer to para 2(iii) and para 10 of DPE O.M. dated 26.11.2008.

2. Different Ministries/Departments/SCOPE, etc have raised the issues of bunching of increments to Board level executives of CPSEs and non considering the leave encashment as Perk & Allowance on pay revision (2007) w.e.f. 1.1.2007. These issues were placed before the Anomalies Committee, as provided under para '18' of DPE O.M. dated 26.11.2008.

3. Based on the recommendations of the Anomalies Committee it has been decided as follows:

- i) The benefit of bunching of increments be extended to board level executives of CPSEs also, where applicable, as per para 2(iii) of DPE O.M. dated 26.11.2008.
- ii) The component of leave encashment during service i.e. the expenditure on leave encashment, will not be treated as Perks and Allowance. It will not however, be treated as Pay and accordingly not qualify for any other benefit like HRA, etc.
- iii) Leave encashment on Superannuation will not be part of 30 % ceiling of Basic Pay and DA for superannuation benefits.

4. Since both viz. bunching of increments and treatment of leave encashment would result in extra financial burden on CPSEs, the concerned CPSEs may be requested to keep in mind the provisions relating to affordability, no budgetary support from Government, internal generation of resources, sustainability and capacity to pay by CPSE.

5. Administrative Ministries/Departments are requested to issue suitable instructions to the CPSEs under their administrative control for information and necessary action.

(P. J. Michael)

Under Secretary to the Government of India

All Administrative Ministries/Department

1. Copy to:

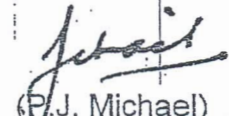
Chief Executives of CPSEs

2. Copy also to:

- i) Financial Advisors in the Administrative Ministry/Department.
- ii) C & AG of India, 9 Deen Dayal Upadhyaya Marg, New Delhi.
- iii) Department of Expenditure, (Smt. Madhulika P. Sukul, Joint Secretary), North Block, New Delhi.
- iv) Department of Personnel & Training, (Smt. Mamta Kundra, Joint Secretary), North Block, New Delhi.
- v) Chairman, PESB/Member(s), PESB/Secretary, PESB, CGO Complex, New Delhi.
- vi) Director General, SCOPE, SCOPE Complex, New Delhi.

3. Copy also to:

- i) PS to Secretary(PE).
- ii) PS to Secretary, BRPSE.
- iii) All officers of DPE.
- iv) NIC Cell, DPE with the request to upload the O.M. on the DPE website.


(P.J. Michael)
Under Secretary

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Annex-XV

F. No. 2(51)/10-DPE (WC) GL-XI/2011

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 3rd June, 2011.

OFFICE MEMORANDUM

Subject:- Procedure of pay fixation in some past cases of pay of Board Level Executives.

The undersigned is directed to inform this Department had earlier decided that for pay fixation purpose, the normal increment and also stagnation increment, whenever applicable, the fixed component of increment as per DPE approved scales (1997 scales) will be taken in all cases of pay fixation at Board Level executives. This Department has received request/representation from different Ministries/Department etc. Ministry of PNG in particular requesting for re-fixation of pay of Board Level executives with benefit of percentage (where competent Authority provided the same in 1997 pay revision) as against the fixed component.

2. Anomalies Committee prescribed under DPE O.M. dated 26.11.2008, considered this issue. Based on the recommendations of the Anomalies Committee it has now been decided as follows:

(i) Since the percentage based increment during the periodicity of 1997 pay revision was granted with the approval of the Competent Authority to specific CPSEs, it would not be proper to consider notional increment and stagnation increment based on fixed elements.

(ii) Stagnation increment can only be granted after reaching the maximum of scale of pay, once after two years and a maximum of three only

(iii) This mechanism would be applicable upto 31.12.2006.

(P.J. Michael)

Under Secretary to the Government of India

Tel: 24360823

To: All Administrative Ministries/Departments

1. Copy to:

Chief Executives of PCSEs

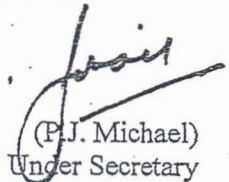
2. Copy also to:

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- i) Financial Advisors in the Administrative Ministry/Department.
- ii) C& AG of India, 9 Deen Dayal Upadhyaya Marg, New Delhi.
- iii) Department of Expenditure, (Smt. Madhulika P. Sukul, Joint Secretary), North Block, New Delhi.
- iv) Department of Personnel & Training, (Smt. Mamta Kundra, Joint Secretary), North Block, New Delhi.
- v) Chairman, PESB/Member(s), PESB/Secretary, PESB, CGO Complex, New Delhi.
- vi) Director General, SCOPE, SCOPE Complex, New Delhi.

3. Copy also to:

- i) PS to Secretary (PE).
- ii) PS to Secretary, BRPSE.
- iii) All officers of DPE.
- iv) NIC Cell, DPE with the request to upload the O.M. on the DPE website.


(P.J. Michael)
Under Secretary

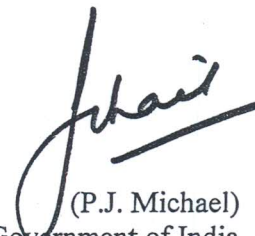
Public Enterprises Bhawan
Block No.14, CGO Complex, Lodi Road
New Delhi, the 27th November, 2012

OFFICE MEMORANDUM

Subject:- Stepping up the pay of a CMD/MD in a CPSE in case the pay of a Director in same CPSE fixed more than CMD/MD as on 01.01.2007 because of benefit of bunching of increments

The undersigned is directed to refer to para 2(iii) of DPE O.M. dated 26.11.2008 relating to the benefit of bunching of increments to below Board level executives. Thereafter, vide para 3 (i) of DPE O.M. dated 24.09.2010, Board level executives were extended the benefit of bunching of increments. However, the benefit of bunching of increments has not been made available to CMD/MD of a CPSE as the post of a CMD/MD in a CPSE is a stand alone, isolated post.

2. An anomalous situation arises where after 2007 pay revision the pay of a CMD/MD gets fixed at a lower level than the Director (s) of the same CPSE by virtue of the latter getting the advantage of bunching of increments in the revised (2007) pay fixation, even though in the pre-revised scales (i.e. 1997) the CMD/MD was drawing higher basic pay in comparison to the Director (s) of the same CPSE.
3. This issue has been examined in DPE. It is now decided that in the event of an anomalous situation as given in para '2' above, the pay of a CMD/MD in a CPSE would be stepped up to the level of the senior most Director of the same CPSE subject to the following conditions:
 - (i) The CMD/MD and the Director (s) were on the rolls of same CPSE before and after 01.01.2007,
 - (ii) On adoption of 2007 pay revision, the pay of the senior most Director of the CPSE gets fixed at a level higher than that of the CMD/MD by virtue of former getting advantage of benefit of bunching of increments,
 - (iii) CMD was drawing higher basic pay on 01.01.2007 before pay revision as compared to the senior most Director of same CPSE, and
 - (iv) On implementation of 2007 pay revision the basic pay of CMD/MD is fixed lower than that of the senior most Director of the same CPSE.
4. This issues with the approval ^{of} Competent Authority.


(P.J. Michael)

Under Secretary to the Government of India
Telephone No.24360823

To
All the administrative Ministries/Departments (Secretary by name) of the Government of India.

Copy to:

1. Chief Executives of Central Public Sector Enterprises.
2. Financial Advisers in the Administrative Ministries/ Departments.
3. Department of Expenditure, E-II Branch, North Block, New Delhi
4. The Comptroller & Auditor General of India, 9, Deen Dayal Upadhayay Marg, New Delhi
5. NIC, DPE with the request to upload this OM on to the DPE website.

CHAPTER II
PERSONNEL POLICIES

(b) Composition of Board of Directors

43. DPE/Guidelines/II(b)/43

Restrictions on top level executives of Central Public Sector Enterprises (CPSEs) joining private commercial undertakings after retirement.

1. DPE O.M. No. 2 (22)/99-GM-GL- 022 dated 25.1.2000	The undersigned is directed to refer to the marginally noted O.M.s on the subject mentioned above and to state that these instructions have been reviewed in consultation with CVC on the basis of the recommendations of the Committee which was set up to review DPE guidelines in the present day economic scenario.
2. DPE O.M. No. 2 (22)/99-GM-GL-31 dated 10.5.2001	
3. DPE O.M. No. 2 (22)/99-GM-GL-32 dated 10.5.2001	
4. DPE O.M. No. 2 (22)/99-GM-GL- 039 dated 2.9.2002	

2. In supersession of these guidelines, it has been decided to incorporate the following proviso in the CDA Rules/ Service Rules of the public enterprises and also in the terms & conditions of appointment of full time Directors, including Chief Executives.

"No functional Director of the company including the Chief Executive who has retired/resigned from the service of the company, after such retirement/ resignation, shall accept any appointment or post, whether advisory or administrative, in any firm or company, whether Indian or foreign, with which the company has or had business relations, within one year from the date of retirement without prior approval of the Government. The term retirement includes resignation; but not the cases of those whose term of appointment was not extended by Government for reasons other than proven misconduct. The term 'business relations' includes 'official dealings' as well."

3. Functional Directors including Chief Executives who after superannuation or resignation accept employment in private commercial firms without prior sanction of the Government, will henceforth be debarred from being appointed as full time/part time Directors of the CPSEs. Further, in order to secure compliance of the restrictions, the CPSEs shall secure a bond from the concerned person at the time of his/her employment/retirement/resignation as Director in CPSEs for an appropriate sum of money payable by him/her as damages for any violation of the restrictions.

4. The administrative Ministry/Department shall examine the requests received from the Functional Directors including Chief Executives on case to case basis depending upon the merit of the case after obtaining 'no objection' from the concerned CPSE and grant permission for post retirement employment with the approval of their Minister-in-charge.

5. The administrative Ministry/Department may grant permission keeping in view the following aspects:-

- a. The official concerned has had no official dealings with the prospective employers in the preceding five years.
- b. Whether the ex-functional Directors or ex-chief executives has been privy to sensitive or strategic information in the last years of his service which is directly related to the areas of interest or work of the organization which he proposes to join or the areas in which he proposes to practice/consult.
- c. Whether there is conflict of interest between the policies of the office (s) he has held in the last 5 years and the interest represented or work undertaken by the organization he proposes to join. Such conflict of interest, however, should not be interpreted narrowly to mean normal economic competition with Government or its Enterprises.
- d. Whether the service record of the ex-functional Director or ex-chief executive is clear, particularly with respect to integrity and dealings with Government as well as with CPSEs/non-Government organizations.
- e. Applicant's commercial duties will not involve liaison or contact with the Government Departments/PSEs,
- f. The employer of the applicant should not get an unfair advantage due to previous official positions/experience/knowledge of the incumbent and
- g. The present emoluments and pecuniary benefits should not be far in excess of those currently prevalent in the industry. The words "far in excess" should not be narrowly interpreted to cover increases in such benefits that may be result of buoyancy in the industry or in the economy as a whole.

6. With a view to ensuring that all the relevant particulars are available for considering the application for permission to take post retirement employment, a model form of application is enclosed.

- 7/-

7. The administrative Ministry/Department shall take a final decision on the application for granting permission to accept any appointment/post after retirement and communicate the same to the applicant within a time limit of 30 days from the date of receipt of the application complete in all respects. In case no decision is communicated within 30 days, the applicant may take up the assignment presuming that the permission has been granted.

8. Wherever permission is to be refused on such requests, an opportunity may be given to the applicant to present his case and final decision in this regard shall be communicated after consultation with DPE.

9. All administrative Ministries/Departments are requested for strict compliance and to bring the contents of these guidelines to the notice of the CPSE(s) under their administrative control.

(DPE OM No. 2(22)/99-GM-GL-91 dated 15th May, 2008)

Encl: As stated.

Form of application for permission to PSE executives to accept commercial employment within a period of one year after retirement.

1. Name of the Executive

(in BLOCK letters)

2. Date of retirement

3. Particulars of the Ministry/Department/Office/PSE in

which the executive served during the last 5 years

preceding retirement (with duration):

Name of Ministry/ Department/Office/PSE.	Post held	Duration	
		From	To

4. Post held at the time of retirement and

period for which held

5. Pay scale of the post and pay drawn by the

Executive at the time of retirement... ..

6. Pensionary benefits:

Pension expected/sanctioned, if any (communication if any, should be mentioned)	Gratuity, if any

7. Details regarding commercial employment proposed to be taken up –

- Name of the firm/company/co-operative society, etc.
- Products being manufactured by the firm/type of business carried out by the firm, etc.
- Whether the executive during last 5 years
- prior to his retirement/resignation had any official dealings with the firm.
- Duration and nature of the official dealings with the firm
- Whether the PSE in which the executive was working had any dealings with the firm, etc. if so, give details
- Name of the job/post offered
- Whether post was advertised, if not, how was offer made (attach newspaper cutting of the advertisement, and a copy of the offer of appointment, if any)
- Description of the duties of the job/post

(i) Remuneration offered for post/job

8. Any information which the applicant desires to

furnish in support of his request

9. Declaration:-

I hereby declare that –

- I had no official dealings with the prospective employer in the preceding 5 years. The proposed employment will not involve conflict of interest with the policies of the office held by me during the last 5 years and the interest represented or work undertaken by the organization;
- the employment which I propose to take up will not bring me into conflict with Government/PSE;
- my commercial duties will not be such that my previous official position or knowledge or experience under Government/PSE could be used to give my proposed employer an unfair advantage;
- my commercial duties will not involve liaison or contact with the Government departments/PSEs.

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- v. I have not been privy to sensitive or strategic information in the last 5 years of service which is directly related to the areas of interest of work of the firm that I propose to join or to the areas in which I propose to practice or consult.

Signature of the applicant

Dated:

Address

No. 2(22)/99-GM
Government of India
Ministry of Heavy Industries and Public Enterprises
Department of Public Enterprises

Public Enterprises Bhawan,
Block 14, CGO Complex,
Lodhi Road, New Delhi-110003.

Dated, the 8th August, 2012

OFFICE MEMORANDUM

Subject:- Restrictions on top level executives of Central Public Sector Enterprises (CPSEs) joining private commercial undertakings after retirement.

The undersigned is directed to refer to this Department's O.M. of even number dated 15th May, 2008 on the subject mentioned above.

2. Para 3 of the afore-mentioned O.M. dated 15th May, 2008, inter alia, provided that "Further, in order to secure compliance of the restrictions, the CPSEs shall secure a bond from the concerned person at the time of his/her employment/retirement/resignation as Director in CPSEs for an appropriate sum of money payable by him/her as damages for any violation of the restrictions".

3. The above matter has been considered in consultation with Central Vigilance Commission (CVC) and it has been decided to prescribe the model bond which would be executed by full-time functional Directors/MDs/CMDs of all CPSEs before release of terminal benefits. A copy of the model bond, duly vetted by the Ministry of Law & Justice and approved by the CVC, is enclosed.

4. All administrative Ministries/Departments are requested to take immediate action to get the above model bond executed by all full-time functional Directors/MDs/CMDs of all CPSEs under their respective administrative control.

Encl: As stated above.


(Umesh Dongre)
Director
Tel: 24363066

All administrative Ministries/Departments
(Secretaries by name)

...2/-

Copy to-

- (i) Establishment Officer & Additional Secretary, Department of Personnel & Training, North Block, New Delhi
- (ii) Secretary, Central Vigilance Commission, Satarkta Bhawan, GPO Complex, Block A, INA, New Delhi - 110 023
- (iii) Secretary, Public Enterprises Selection Board, 14 CGO Complex, Lodhi Road, New Delhi
- (iv) Director (Wage Cell), DPE - with the request to suitably incorporate the issue of execution of above model bond in the standard Terms and Conditions of the Board level appointees in CPSEs.

Copy also to-

- (i) PS to Minister (HI&PE)
- (ii) PS to Secretary (PE)
- (iii) PS to JS (AKS)
- (iv) PS to JS (AKP)
- (v) PS to Adviser (PE)


(Umesh Dongre)
Director

BOND CUM UNDERTAKING

160

(To be executed on a non judicial stamp paper of the appropriate value)

To be obtained from the concerned Functional Directors(s)/CMD alongwith
NON DUES CERTIFICATE prior to release of terminal benefits

KNOW ALL MEN BY THESE PRESENTS THAT WEs/d/o
..... resident of presently working as in
(Name of CPSE) (hereinafter called "the Obligor") and (i) Shri.....
s/d/o.....r/o..... (ii) Shri..... s/d/o.....
r/o..... (hereinafter called "the Sureties") do hereby jointly and severally
bind ourselves and respective heirs, executors and administrators to pay to the
.....(Name of the CPSE) on demand the sum of Rs.....
(Rupees.....) equivalent to the basic pay drawn by the Obligor during
the last six months of his/her tenure in (Name of CPSE) or Rs.10 (Ten) lakhs, whichever
is more, together with interest thereon from the date of demand at Government rates,
for the time being in force, on Government loans or, if payment is made in a country
other than India, the equivalent of the said amount in the currency of that country
converted at the then prevailing official rate of exchange between that country and
India AND TOGETHER with all costs between attorney and client and all charges and
expenses that shall or may have been incurred by the Company.

1. AND WHEREAS the Obligor has been appointed to the position of Director/CMD
in (Name of the CPSE) (hereinafter called 'the Company'), in terms of Offer of
Appointment ref. No..... Dated..... The aforesaid terms of the offer
were accepted by him/her and the Obligor assumed office on
2. AND WHEREAS in terms of the aforesaid Offer of Appointment it is required that
in the event of Obligor's retirement/resignation from the Company, the Obligor
will not accept any appointment or post, whether advisory or administrative, in any
firm or Company whether Indian or Foreign, with which the Company has or had
business relations, within one year from the date of Obligor's retirement/
resignation, without prior approval of the Government.
3. AND WHEREAS it was also required, in terms of the aforesaid Offer of
Appointment, that terminal benefits due to Obligor, in the event of his/her
retirement/resignation from the services of Company, would not be released unless
a bond regarding aforesaid restriction on the post retirement is executed by
him/her.
4. AND WHEREAS for the better protection of the Company, the Obligor has agreed
to execute this bond with such condition as herein under contained.
5. AND WHEREAS the said Sureties have agreed to execute this bond as sureties on
behalf of the above Obligor.
6. NOW THE CONDITIONS OF THE ABOVE WRITTEN OBLIGATION IS THAT in
the event of Obligor's failure to abide by the restriction pertaining to acceptance of
employment or post, whether advisory or administrative, in any firm or Company
whether Indian or Foreign, with which the Company has or had business relations,
within one year from the date of Obligor's retirement/resignation, without prior
approval of the Government, Obligor shall become liable for payment of the sum

equivalent to the bond amount to (Name of CPSE). In the event of the aforesaid failure and upon the Obligor failing to pay the sum equivalent to the bond amount to (Name of CPSE), the Company will be at liberty to initiate appropriate civil action for recovery of the aforesaid bond amount from the Obligor. This will be without prejudice to the rights of the Company to initiate any other action as deemed fit in the circumstances of the case.

AND upon the Obligor Shri..... and, or Shri..... and, or Shri..... and Shri....., the Sureties aforesaid making such payment, the above written obligation shall be void and of no effect otherwise it shall be and remain in full force and virtue.

PROVIDED ALWAYS that the liability of the Sureties hereunder shall not be impaired or discharged by reason of time being granted or by any forbearance act or omission of the Company or any person authorised by it (whether with or without the consent or knowledge of the Sureties) nor shall it be necessary for the Company to sue the Obligor before suing the Sureties Shri..... and Shri..... or any of them for amounts due hereunder.

THE bond shall in all respects be governed by the laws of India for the time being in force and the rights and liabilities hereunder shall where necessary be accordingly determined by the appropriate Courts in India.

In witness whereof, these present have been signed by a duly authorised officer on behalf of the Company and by the other person(s) party thereto.

Signed and delivered by the above Obligor along with his Sureties on this..... Day of Month 20....

Signature of Obligor

..... 1. Sign of Surety :
Name :
Designation :
Office to which attached :

In the presence of _____
For and on behalf of the Company

2. Sign of Surety :
Name :
Designation :
Office to which attached :

This bond should be executed accordingly & accepted by the accepting authority*

Signature of the Accepting Authority

* The accepting authority for Directors/MD and CMD of CPSEs would be as under

Directors	CMD/MD of the concerned CPSE
MD	Chairman of the concerned CPSE
CMD	Secretary of the concerned administrative Ministry/Department