

MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES**(Department of Public Enterprises)****RESOLUTION**

New Delhi, the 9th June, 2016

No. W-08/0005/2016-DPE (WC).—Recognizing that in the prevailing business environment in the country and in the world, the Central Public Sector Enterprises (CPSEs) have to be commercially viable and competitive, and that the employees of the CPSEs have to be provided with suitable working conditions, emoluments and incentives to motivate them to strive for further growth, productivity and profitability of their enterprises, the Government of India has decided to review and revise the existing structure of salary and emoluments of the CPSE executives.

2.1 The competent authority has decided to appoint the 3rd Pay Revision Committee (3rd PRC) comprising of the following:

Chairman	:	Justice Satish Chandra (Retd)
Members	:	(i) Shri Jugal Mohapatra, Ex-IAS Officer (ii) Prof. Manoj Panda, Director, Institute for Economic Growth, Delhi (iii) Shri Shailendra Pal Singh, Ex Director (HR), NTPC Ltd.
Ex-Officio Member	:	Secretary, DPE, Government of India
Member Secretary	:	Jt. Secretary/Additional Secretary, DPE, Government of India

2.2 The terms of reference of the Committee are follows:

2.2.1 The Committee will review the structure of pay scales, allowances, perquisites, and other benefits for the following categories in CPSE taking into account the salary, emoluments, incentives and other benefits (including non-monetary benefits) available to them and suggest changes which may be desirable, feasible and affordable:

- (i) Board level functionaries
- (ii) Below board level executives
- (iii) Non-unionized supervisory staff

2.2.2 The Committee will make recommendations to enable CPSEs to become modern, professional, consumer friendly, commercially successful and competitive entities committed to national development goals and dedicated to the service of the people.

2.2.3 The Committee will devise a comprehensive pay package for categories of employees of CPSEs mentioned at sub-para 2.2.1 above that is suitably linked to promoting efficiency, productivity and profitability of CPSEs through rationalization of structures, systems and processes in the CPSEs with a view to leverage latest technology, management skills, global best practices, while ensuring accountability, responsibility, discipline and transparency in the operations and processes of these organizations.

2.2.4 While devising a suitable pay and compensation structure for the executives and the non-unionized supervisors of the CPSEs, the Committee will take into account the existing pattern of scales based on Industrial Dearness Allowance (IDA) and Central Dearness Allowance (CDA) pattern, wherever applicable, the prevalent categorization of CPSEs into 'A', 'B', 'C' and 'D' Schedule, the status of Maharatna, Navratna, Miniratna bestowed on the CPSEs, the overall condition of the loss/ marginal profit making CPSEs, and those CPSEs, which by the very nature of their business, are not-for-profit companies (registered under Section 25 of the Companies Act, 1956, or under Section 8 of the Companies Act, 2013).

2.2.5 The committee will make recommendations as would equip the CPSEs to compete in the emerging domestic and global economic scenario taking into consideration the special role of public sector, the demands and expectations of the stakeholders including the Government, the need to observe financial prudence in the management of CPSEs due to resource constraints, economic conditions, and the requirements of social and economic development in the country.

2.2.6 The Committee will examine the concerns of the CPSEs including the general principles, financial parameters and conditions which should govern the desirability, feasibility and continuation/modification of the Productivity Linked Incentives Scheme and Performance Related Payments.

2.2.7 While finalizing its report, the Committee will also take into account the report of the 7th Central Pay Commission.

3. The Committee may devise its own procedures as may be considered necessary for fulfilling the task assigned to it. Ministries and Departments of the Government of India and the State Governments will furnish such relevant information and documents as may be required by the Committee and which they are in a position and at liberty to give, and extend the necessary cooperation and assistance to it.

4. The Committee will make its recommendations to the Government within a period of six months from the date of its constitution and have its headquarters in Delhi.

5. The decision of the Government on the recommendations of the Committee will take effect from 1.1.2017.

6. The Committee will be serviced by the Department of Public Enterprises.

RAJESH KUMAR CHAUDHRY, Jt. Secy.