

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