



**PLANNING AND ECONOMIC AFFAIRS (BPE)
DEPARTMENT
G.O. (Ms.) No. 17/94/Plg., Thiruvananthapuram
dated, 24th October. 1994.**

Abstract.- Public Sector Undertakings- Guidelines for wage revision and payment of D.A.-Further orders issued.
Read.- G.O.(P) No. 18/93/Plg., dated 14th October 1993.

ORDER

In the G.O. read above, Government have laid down certain guidelines in respect of the wage/pay revision and payment of D.A. in public Sector Undertakings. It has been inter alia ordered therein that :-

(i) In future, Variable D.A. alone shall be given in all Public Sector Undertakings. The variable D.A. will be linked to the 1970 base C.L.I. as applicable to the District in which the unit is situated and the value of neutralization (rate) as per point of C.L.I. will be uniform throughout the State and shall be as determined by a Cabinet Subcommittee once in five years.

(ii) Hereafter no wage revision will be allowed in loss making Undertakings.

2. Subsequent to the revision of pay scales of the State Government employees based on the report of the Pay Equalization Committee, Government have been receiving several request from Public Sector Undertakings for extension of the above benefits to their employees also. Government wish to clarify that, pay revision on the analogy of the State Pay Revision based on the report of the Pay Equalisation Committee (vide G.O. (P) 600/93/Fin., dated 25th September 1993) will not automatically extended to Public Sector Undertakings in the light of the policy decision that Variable D.A. alone shall be given in all Public Sector Undertakings. However in the case of statutory Boards and Corporations where pension scheme as in the Government, is already in existence, the Administrative Department will examine the recommendations made by the Board of Directors concerned and issue appropriate orders on the proposals for pay revision with D.A. as in Government after obtaining the approval of the Council of Ministers.

3. Further, as a policy decision, no wage revision is admissible in loss making Public Sector Undertakings. Doubts have been raised whether an Undertaking which has been incurring loss is entitled to a wage revision, if it starts making profit at some point of time. In this connection it is clarified that wage revision in an Undertaking will be considered only if the Undertaking has made net profit for a consecutive period of two years before the request for wage revision is taken up with the Government.

(By Order of the Governor)
R.C. Choudhury,
Commissioner and Secretary (BPE)