



PLANNING AND ECONOMIC AFFAIRS (BPE) DEPARTMENT

**No. 14617/BPE-1/97/Plg., Thiruvananthapuram**

**Dated 1<sup>st</sup> October 1997.**

CIRCULAR

Sub. - Public Sector Undertakings-Wage revision in Public Sector Undertakings-Compliance of guidelines issued by Government –Regarding..

- Ref- 1. Circular No. 27043/BPE/86/Plg., dated 2<sup>nd</sup> February 1987.  
2. Circular No. 26518/BPE/87/Plg., dated 11<sup>th</sup> December 1987.  
3. G.O. (Ms) No. 18/93/Plg., dated 14<sup>th</sup> October 1993.

In the Circular cited, instructions have been issued making it obligatory on the part of all Public Sector Undertakings to obtain guidelines from the Public Enterprises Board to start negotiations for revision of wages of employees. Detailed procedure to be followed for obtaining such guidelines has also been prescribed. In the G.O. cited, the Public Sector Undertakings and Administrative Departments have been directed to ensure that the instructions regarding obtaining of Public Enterprises Board guidelines before starting negotiations with the employees for any change in wage structure are strictly followed.

It has now come to the notice of Government that in a Public Sector Undertaking Management had signed a long term settlement with the workers deviating from the guidelines from Government for starting negotiations for the long term settlement, the Management of that Public Sector Undertaking agreed to treat the matter as an industrial dispute and reached a settlement which far exceeds the permissible norms given by the Public Enterprises Board. This procedure not only makes the existing practice of getting advance guidelines from the Public Enterprises Board meaningless but also leads to gross financial indiscipline.

The chief Executives of all Public Sector Undertakings are therefore directed to strictly abide by the guidelines issued by Government for arriving at long term settlement with workers. Any lapse in this regard will be viewed be very seriously.

**JOHN MATHAI**  
*Principal Secretary (BPE)*