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Govt approves revised pay scales for PSU employees

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In a bonanza to officers of Central Public Sector Undertakings, the government on Thursday announced a hefty 50 to 300 per cent increase in pay-packages with effect from January 1, 2007.

A [Cabinet](#) meeting, chaired by Prime Minister Manmohan Singh, approved the new scales for 1,20,000 non-unionised supervisory staff and 2,58,000 board level officers in 216 operational Central PSUs.

It approved uniform fitment of 30 per cent of basic pay plus dearness allowance for profit making PSUs with effect from January 1, 2007. For weak and non-profitable PSUs, the fitment will depend on their affordability and will range between 10 per cent and 20 per cent.

The package would include revision in other allowances like house rent allowance, besides performance related incentives, Minister of State in Prime Minister's Office Prithviraj Chavan told reporters in New Delhi.

"The revised pay scales would be implemented by issue of Presidential Directive in respect of each CPSE separately by the administrative ministry concerned," he said.

While the new pay structure would be implementable from January 1, 2007, the new allowances would accrue to [employees](#) only after the decision is notified by individual units.

The Cabinet relied on the Committee of Secretaries recommendations to classify PSUs into four categories - A, B, C and D, instead of five categories - A+, A, B, C and D recommended by the Rao Committee in May.

The chairman of 'A' category PSU will now be eligible for Rs 80,000 to 1,25,000 pay scale as against Rs 18,500 to 23,900 currently.