

M. SHANMUGAM

Member of Parliament
(Rajya Sabha)

Member :

• Standing Committee on Labour

General Secretary :

• Labour Progressive Federation

Member
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Letter No. 81/MP/RS/ TN/ Wage Revision

10.12.2019

To,

Thiru. Prakash Javadekar

Hon'ble Minister

Ministry of Heavy Industries & Public Enterprises

Government of India

Room No. 176, Udyog Bhawan,

New Delhi

Respected Sir,

**Sub: Revision of wages of Central Public Sector employees / Executives
effective from 1.1.2017.**

All the workers in PSEs, categorized as Executives and Non-Executives are eligible for periodical wage revision. Presently, the PSE workers are eligible for wage revision from 1.1.2017. Out of the 280 PSEs owned by the Government, wage revision has been given effect and implemented in all the profit making PSEs. The instructions and guidelines of DPI, predominantly categorized the PSEs into profit making, sick, incipient sick and loss making, issued instructions and guidelines to the effect of wage revision from 1.1.2017 in PSEs.

Based on the guidelines of DPI, revision of wages, both for the Executives and Non-Executives have been implemented in about 75% of the PSEs, following laid down procedures and instructions of DPI. However, all the employees in the remaining 25% of the PSEs (categorised as sick, incipient sick, loss making) have been denied the benefit of wage revision.

The fact that workers in the PSEs are eligible for equality in treatment, and, periodical revision of wages is their legitimate and justified expectation. Besides, such denial of the due benefit will create a sense of dissatisfaction in the minds, de-motivate the employees and ultimately result in further reduction in productivity.

There are PSEs that cater to carryout and implement social responsibility of Government in rural, extreme and hilly areas, without due compensation from the State or no return of

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revenue from vulnerable areas against investment made. Applicability of instructions of DPE and denial of wage revision on the grounds of loss in such PSEs does not stand to justified reason.

An interim wage revision for all loss making PSEs, in the following method will provide certain measure of satisfaction in the minds of the workers who are totally denied revision of wages.

As on date, PSE employees are given the wage of their basic pay plus 152% of IDA and as on 1.1.2017, the IDA was 119.5%.

The basic pay with 119.5% IDA be merged and taken as an Interim wage from 1.1.2017.

Such revised interim scale (basic plus IDA 119.5%) be placed with the corresponding recommended pay slabs of wage by 3rd Pay review committee for Executives.

For Non-executives pay slabs may be finalized in consultation with the appropriate representative unions and revised interim scale is placed with the corresponding pay slabs.

The fitment percentage and other allowances can subsequently be decided through wage negotiation as and when the status of the industry blooms.

A decision to offer interim wage revision will remove the crept in frustration, demoralization and pave way to restore motivation amongst the PSE workers and will introduce a sense of belonging for the growth of Industry and to wriggle out from the said loss.

With regards

Yours

(M.SHANMUGAM)

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