

(TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY PART-I SECTION-I)

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

RESOLUTION

New Delhi, the October 5, 2006.
Asvina 13, 1928 (Saka)

No.5/2/2006-E.III(A). The Government of India have been considering for some time past the changes that have taken place in the structure of emoluments of Government employees over the years. Conditions have also changed in several respects since the last Pay Commission made its Report in 1997. Accordingly, it has been decided to appoint the Sixth Central Pay Commission comprising of the following: -

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|---------------------|---|-----------------------------|
| 1. Chairman | - | Mr. Justice B.N. Srikrishna |
| 2. Member | - | Prof. Ravindra Dholakia |
| 3. Member | - | Shri J.S. Mathur |
| 4. Member-Secretary | - | Smt. Sushama Nath |

2. The terms of reference of the Commission will be as follows: -

(A) To examine the principles, the date of effect thereof, that should govern the structure of pay, allowances and other facilities / benefits, whether in cash or in kind, to the following categories of employees:-

- (i) Central government employees – industrial and non-industrial.
- (ii) Personnel belonging to the All India Services.
- (iii) Personnel belonging to the Armed Forces.
- (iv) Personnel of the Union Territories;
- (v) Officers and employees of the Indian Audit and Accounts Department; and
- (vi) Officers and employees of the regulatory bodies set up under Acts of Parliament.

- (B) To transform the Central Government Organisations into modern, professional, and citizen-friendly entities that are dedicated to the service of the people.
- (C) To work out a comprehensive pay package for the categories of Central Government employees mentioned at (A) above that is suitably linked to promoting efficiency, productivity and economy through rationalization of structures, organisations, systems and processes within the Government, with a view to leveraging economy, accountability, responsibility, transparency, assimilation of technology and discipline.
- (D) To harmonize the functioning of the Central Government Organisations with the demands of the emerging global economic scenario. This would also take in account, among other relevant factors, the totality of benefits available to the employees, need of rationalization and simplification thereof, the prevailing pay structure and retirement benefits available under the Central Public Sector Undertakings, the economic conditions in the country, the need to observe fiscal prudence in the management of the economy, the resources of the Central Government and the demands thereon on account of economic and social development, defence, national security and the global economic scenario, and the impact upon the finances of the States if the recommendations are adopted by the States.
- (E) To examine the principles which should govern the structure of pension, death-cum-retirement gratuity, family pension and other terminal or recurring benefits having financial implications to the present and former Central Government employees appointed before January 1, 2004.
- (F) To make recommendations with respect to the general principles, financial parameters and conditions which should govern payment of bonus and the desirability and feasibility of introducing Productivity Linked Incentive Scheme in place of the existing ad hoc bonus scheme in various Departments and to recommend specific formulae for determining the productivity index and other related parameters.
- (G) To examine desirability and the need to sanction any interim relief till the time the recommendations of the Commission are made and accepted by the Government

3. The Commission will devise its own procedure and may appoint such Advisers, institutional consultants and experts, as it may consider necessary for any particular purpose. It may call for such information and take such evidence, as it may consider necessary. Ministries and Departments of the Government of India will furnish such information and documents and other assistance as may be required by the Commission. The Government of India trusts that State Governments, Service Associations and others concerned will extend to the Commission their fullest cooperation and assistance.

4. The Commission will have its headquarters in Delhi.

5. The Commission will make its recommendations within 18 months of the date of its constitution. It may consider, if necessary, sending reports on any of the matters as and when the recommendations are finalized.

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Ordered that the Resolution be published in the Gazette of India.

Ordered also that a copy of the Resolution be communicated to the Ministries/Departments of the Government of India, State Governments/ Administrations of Union Territories and all others concerned.



(Adarsh Kishore)
Finance Secretary