

No. 2 (8)/12-DPE (WC) - GL-XX/13
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

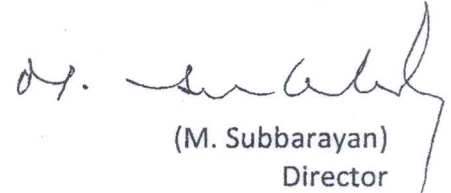
Public Enterprises Bhawan
Block No.14, CGO Complex, Lodhi Road
New Delhi, the 18th September, 2013

OFFICE MEMORANDUM

Subject:- Deduction of Interest on idle cash/bank balances for the purpose of calculating Profit Before Tax (PBT) and distribution of Performance Related Pay (PRP) in Central Public Sector Enterprises (CPSEs).

The undersigned is directed to refer to this Department OM No. 2 (70)/08-DPE (WC) dated 26.11.2008 on the subject noted above.

2. DPE guidelines of 2007 pay revision of executives and non-unionized supervisors of CPSEs inter-alia provide for payment of PRP subject to a ceiling of 5% of Profit Before Tax (PBT) of a CPSE. In response to queries from CPSEs/administrative Ministries/Departments in this regard, it has been clarified that interest on idle cash/bank balances may be deducted from PBT and PRP may be distributed based on profit accruing only from core business activities of the CPSEs. This position is once again reiterated to remove any doubts in this matter.


(M. Subbarayan)
Director

To
All the administrative Ministries/Departments of the Government of India

Copy to :

1. The Chief Executives of Central Public Sector Enterprises
2. The Comptroller & Auditor General of India, 9 Deen Dayal Upadhyaya Marg, New Delhi.
3. All Financial Advisers in the administrative Ministries.
4. Department of Expenditure, E-II Branch, North Block, New Delhi
5. NIC, DPE for uploading this O.M. onto the DPE website.