

No. 2 (8)/12-DPE (WC) - GL-~~XX~~/14
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 2nd September, 2014

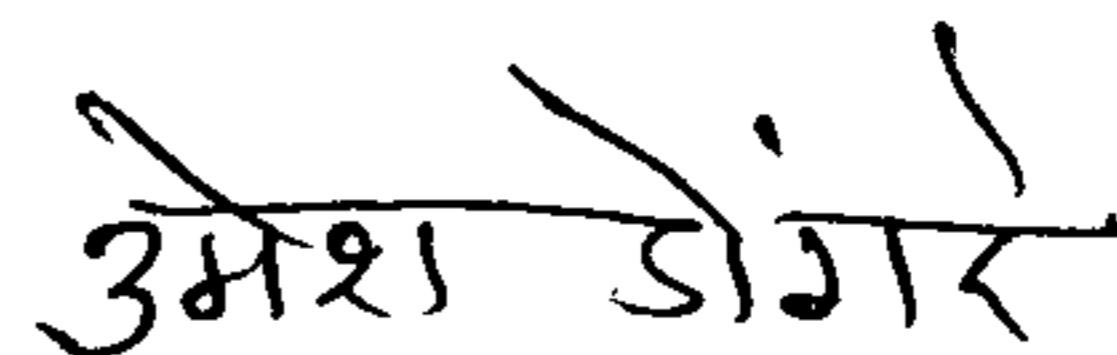
OFFICE MEMORANDUM

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 (CPSE).

The undersigned is directed to refer to this Department OM No. 2 (70)/08-DPE (WC) dated 26.11.2008 and OM No. 2(8)/12-DPE (WC)-GL-XX/13 dated 18.9.2013 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 PBT of a CPSE. In response to queries from CPSEs / administrative Ministries / Departments in this regard, it was clarified vide DPE OM dated 18.9.2013 that interest on idle cash / bank balances may be deducted from PBT and PRP to be distributed based on profit accruing only from core business activities of the CPSE. Thus the PRP payable to the executives and non-unionized supervisors of CPSEs based on the profits of financial year 2012-13 onwards would be calculated as per DPE OM dated 18.9.2013.

3. This issues with the approval of Secretary, DPE.


(Umesh Dongre)
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, 10, Bahadur Shah Zafar 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.