

No.W-02/0036/2018-DPE (WC)-GL-XIX/18  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Public Enterprises

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Public Enterprises Bhawan,  
Block No.14, CGO Complex,  
Lodhi Road, New Delhi-110003.  
Dated, the 10th July, 2018

**OFFICE MEMORANDUM**

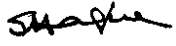
**Subject:- Payment of Gratuity to the employees of CPSEs-Clarification--regarding.**

The undersigned is directed to refer to DPE's OM No W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 03.08.2017 which, inter-alia, stipulates the increase of ceiling of gratuity from Rs. 10 lakhs to Rs 20 lakhs w.e.f. 01.01.2017 for Executives and Non-Unionised Supervisors of CPSEs on IDA pattern of Pay and DPE's OM No W-02/0020/2018-DPE(WC)-GL-XII/18 dated 11.04.2018, informing about the amendment in the Payment of Gratuity Act, 1972, regarding enhancement of ceiling of gratuity from Rs. 10 lakhs to Rs. 20 lakhs and effective date i.e. 29.03.2018.

2. This Department has received various representations from different stakeholders seeking clarification on the effective date of the enhancement of ceiling of Gratuity. Accordingly, the issue has been considered & clarified as follows:

- a) The payment of Gratuity under DPE guidelines dated 03.08.2017, is subject to **affordability** of the CPSEs concerned effective for the period from 01.01.2017 till 28.03.2018, in respect of Executives and Non-Unionised Supervisors of CPSEs on IDA pay pattern, where, pay has been revised w.e.f. 01.01.2017
- b) Whereas, on and after 29.03.2018, the payment of gratuity of Rs 20 lakhs is **mandatory** for all the CPSEs irrespective of their affordability as it is **a statutory provision** in light of the amendment in the Payment of Gratuity Act, 1972. This provision is applicable to all employees of all CPSEs.
- c) Further, the Government decision on the basis of the recommendations of the 7<sup>th</sup> Central Pay Commission (CPC), regarding raising the Gratuity ceiling from Rs 10 lakhs to Rs 20 lakhs w.e.f. 01.01.2016 is **not** applicable to the employees of CPSEs.

3. All administrative Ministries/Departments are requested to bring these clarification to the notice of CPSEs (except Banking & Insurance Sector) under their administrative control for strict compliance.
4. This issues with the approval of the Competent Authority.


  
(Samsul Haque)  
Under Secretary

To

All administrative Ministries/Departments of the Government of India.

Copy to:

1. The Chief Executive Officers of Central Public Sector Enterprises.
2. The Comptroller & Auditor General of India, 9 Dean Dayal Upadhayay Marg, New Delhi.
3. Financial Advisers in the Administrative Ministries.
4. Joint Secretary, Department of Expenditure, North Block, New Delhi.
5. Joint Secretary, Department of Personnel & Training, North Block, New Delhi.
6. NIC, DPE with a request to upload this OM on the DPE website.

  
(Samsul Haque)  
Under Secretary