

Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhawan,
Block No. 14, CGO Complex,
Lodhi Road, New Delhi-110 003
Dated: 20th March, 2012

OFFICE MEMORANDUM

Subject:-Recovery of rent for the leased accommodation from employees of CPSEs.

The undersigned is directed to refer to DPE O.M.No. 2(8)/91-DPE(WC) dated 03.03.1992 on payment of HRA to employees of CPSEs, which interalia, provided for recovery of rent for leased accommodation provided by CPSEs to their employees. The O.M. dated 03.03.1992 stipulated that the CPSEs would recover rent from the employees provided with leased accommodation @ 10% of their revised basic pay. However, the above mentioned O.M. was cancelled along with several other DPE guidelines vide DPE O.M. dated 10.12.1997.

2. However, DPE's O.M. dated 19.7.1995 regarding 1992 pay revision of executives holding post below the Board level, interalia, clearly provides that recovery towards rent for furnished and non furnished accommodation provided by the CPSEs is to be as per details given in sub paragraphs (x) and (xii) respectively of paragraph 4 of the O.M. 2(8)/91-DPE(WC) dated 3.3.1992. In other words, DPE O.M. dated 19.07.1995 resurrects the provisions of DPE O.M. dated 3.3.1992 regarding payment of HRA and recovery of rent for leased accommodation in respect of employees of CPSEs and this position still holds good. It may also be mentioned that similar provisions like 10% rent recovery by CPSEs have been provided in the model terms and conditions for Board level executives of CPSEs in 1997 as well as 2007 pay revisions. Further, DPE of O.M. dated 26.10.2010 vide para 2 I (b) provides ample clarification about rent recovery.

3. Thus, the present position is that even though O.M. dated 3.3.1992 may have been cancelled, the provisions contained therein pertaining to recovery of rent continue to be in vogue.

4. Administrative Ministries/Departments are requested to issue suitable clarification to the CPSEs under their administrative control ensuring that recovery of rent is as follows:-

- (i) In respect of leased accommodation (self lease or otherwise) arranged by the CPSEs rent is to be recovered from the employees @ 10% of basic pay or the actual rent whichever is lower.
- (ii) Recovery of rent for accommodation arranged by the Company in its own township, or from the pool of flats purchased by it and allotted to its employees, is to be @ 10% of basic pay or the standard rent fixed by Company, whichever is lower.


(P.J. Michael)
Under Secretary

To

All administrative Ministries/Departments of the Government of India

Copy to:-

1. Chief Executives of CPSEs
2. FAs in administrative Ministries/Departments
3. Office of the Comptroller & Auditor General of India, Commercial Audit Wing
9, Deen Dayal Upadhyay Marg, New Delhi
4. NIC, DPE with the request to upload this O.M. on to the DPE website.
5. All officers of the DPE