

OFFICE MEMORANDUM

Sub: Clarifications based on recommendations of the Anomalies Committee; pay related issues (2007 pay revision) of Executives & Non-unionized Supervisors of CPSEs.

The undersigned is directed to refer to para '18' of DPE O.M dated 26.11.2008, which, interalia, provides for provision of Anomalies Committee to look into further specific issues/problems.

2. Ministry of Shipping had raised certain issues for clarification. These issues were placed before the aforesaid Anomalies Committee. In view of the recommendations of the Anomalies Committee, it has been decided as follows:-

I. Self Lease

- (a) Every CPSE must have a Rent Assessment Committee (RAC), which would assess the market rent for categories of executives and non-unionised supervisors, entitled for lease/ self lease accommodation and also the maximum ceiling of reimbursement depending upon the company's capacity to pay. The RAC may include Members from Finance, HR, Civil Engineering, Law etc. as deemed appropriate.
- (b) The RAC will also decide on rent recovery, for which DPE guidelines as applicable to Board level Executives (10% of Basic Pay) will be kept in view.
- (c) For purposes of CTC, 30% of Basic Pay is required to be considered as expenditure on housing as per Para 8 of DPE O.M. dated 26.11.2008. This is not meant to be a ceiling and therefore, this should not be treated as the maximum limit for a leased accommodation.
- (d) The Board of Directors of CPSEs must ensure that self leased accommodation does not become an additional source of income to the employee. The precautions as indicated in DPE O.Ms dated 05.06.2003 and 20.05.2009 will also be kept in view.

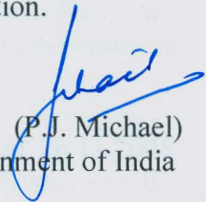
II. Expenditure on Hospitals, Colleges, Schools, Clubs etc.

The percentage towards expenditure on Hospitals, Colleges, Schools, Clubs etc. should be as close to actual and should be assessed preferably every financial year.

III. Encashment of Leave

- (a) DPE O.M. dated 05.08.2005 provides for a maximum ceiling of Earned Leave that can be accumulated. CPSEs are not permitted to encash leave beyond 300 days at the time of retirement of an employee of CPSE. The employees are not permitted to accumulate more than 300 days as specified under DPE guidelines.
- (b) Casual Leave must not be encashed at all and shall lapse at the end of the calendar year.

3. Administrative Ministries/ Departments are requested to issue suitable instructions to the CPSEs under their administrative control for information and necessary action.


(P.J. Michael)
Under Secretary to the Government of India

All Administrative Ministries/Departments

1. Copy to :

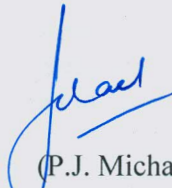
Chief Executives of CPSEs.

2. Copy also to :

- i) Financial Advisors of the Administrative Ministries/Departments.
- ii) The Comptroller & Auditor General of India (Commercial Audit Wing), 9, Deen Dayal Upadhyaya Marg, New Delhi.
- iii) Department of Expenditure, (Smt. Madulika P. Sukul, Joint Secretary), North Block, New Delhi.
- iv) Department of Personnel & Training, (Smt. Mamta Kundra, Joint Secretary), North Block, New Delhi.
- v) Chairman, PESB/Member(s), PESB/Secretary, PESB, CGO Complex, New Delhi.
- vi) Director General SCOPE, SCOPE Complex, New Delhi.

3. Copy also to :

- i) PS to Secretary (PE).
- ii) PS to Secretary BRPSE.
- iii) All Officers of DPE.
- iv) NIC, DPE for uploading on to the DPE website.


(P.J. Michael)
Under Secretary to the Government of India