

CHAPTER IV

WAGE POLICY & RELATED MATTERS

(c) Allowances & Perquisites

6. DPE/Guidelines/IV(c)/6

Leasing of Houses for officers in the Central Public Enterprises.

Reference is invited to DPE O.M. No. 2(49)/98-DPE(WC) dated 25.6.99 in regard to pay revision for the board level and below board level executives of the Central Public Enterprises w.e.f. 1.1.97. Para 10 of the O.M. reads as under:-

“In respect of leased accommodation, the boards of public enterprises will have the flexibility to review and provide for an adequate level of leased accommodation for the executives who are entitled to this facility.”

2. It has come to the notice of the Government that there have been certain irregularities in the matter of allowing leased accommodation, payment of higher rental value of the leased accommodation, allowing leased accommodation to non-entitled officers, allowing bigger accommodation to relatively junior officers etc. Such practices have been seriously viewed by the Central Vigilance Commission.

3. Although the Boards of public enterprises have the flexibility to review and provide for an adequate level of leased accommodation to their executives, the Boards should exercise control meticulously in order to see that no undue advantage accrues to the concerned officers who may be getting their own houses/flats self-leased or even getting company houses/flats on lease basis. In this regard appropriate action on the following lines needs to be taken by the Boards of PSUs while allowing leased accommodation to their executives:-

(a) The Boards of PSUs may identify the executives who are entitled to leased accommodation and notify the same;

(b) In case the company's own quarters/flats are given to the executives, these should be of the entitled plinth area. Such entitlement would also need to be specified by the Board of Directors;

(c) If any officer is allowed to get his own flat/house on self-lease basis, the payment of lease money should in no case be higher than the market rate keeping in view the area/location of the flat/house. The basic point to be seen is that self-leased accommodation should not become a source of additional income by the officer concerned.

(d) If the company provides leased accommodation after obtaining it from any private owner on lease basis, such decision of taking the flats on lease basis may be taken after following the set procedures such as inviting quotations/opening quotations in the presence of others etc.

(e) In all cases where the company provides leased accommodation to its executives or even allows self-leased accommodation to its executives, the Board of Directors must fix the plinth area and the ceiling in terms of value which such area might attract keeping in view the categories of the cities the executives are posted i.e. A,B,C & unclassified cities.

4. The administrative Ministries are requested to bring the above to the notice of the Central PSUs under their charge and the PSUs may be advised to follow the above scrupulously. The administrative Ministries may like to monitor the implementation of the above conditions in their periodic review.

(DPE O.M. No. 2(38)/03-DPE(WC) GL-XXIV dated the 29th October, 2003)
