

No. 2(23)/11-DPE (WC)-GL-V/13
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-110 003
Dated: 21, January, 2013

OFFICE MEMORANDUM

Subject: Purchase, use, entitlement and other instructions regarding Staff Car in CPSEs-reg.

The undersigned is directed to refer to DPE O.M. dated 26.03.1999 regarding use of Staff Car by board level executives of CPSEs. After issue of above O.M. dated 26.03.1999 various changes have taken place, which include (i) liberalized and globalised economy, (ii) common availability of economical, fuel efficient, and environment friendly vehicles (iii) implementation of 2007 pay revision in CPSEs and (iv) liberalized policy of the Government of India regarding staff car use by senior Government servants. This Department has received several references seeking clarifications/information on the issue of car vehicle facility provided to executives in CPSEs. In order to keep the instructions for use of Staff Car in CPSEs in tune with the changed economic scenario, the instructions as contained in DPE O.M. dated 26.03.1999 have been reviewed, and after due consideration, a need has been felt to revise the same with immediate effect as below.

(A) Types of cars for use as Staff Car: CPSEs may purchase latest model (s) of cars (AC/Non-AC), manufactured in India excluding SUVs/MUVs, not exceeding **2000 cc**, which are not expensive, for staff car purpose. The type of car(s) to be selected for purchase would depend upon factors like the schedule of the CPSE, ratna status, pay scales adopted, financial prudence, sustainability etc., The car should also be fuel efficient, environment friendly, etc. Non-air conditioned cars/vehicles should not be converted into air conditioned cars. Number plates of staff car must adhere to the motor vehicle Rules prevalent in the city. Staff cars shall display/paint in the front and at the rear the name of CPSE which owns the car. Purchase of new car for replacement of existing cars should have the prior approval of the Board of Directors of the CPSEs concerned, and should be in accordance with the austerity measures issued by DPE from time to time

(B) Entitlement of Cars: The company car (AC/Non-AC) would be provided to the Directors and MD/CMD of CPSEs. The Executive Directors (E-9 Grade)/General Managers (E-8 Grade) heading the projects of CPSEs may also be provided with the company car (AC/Non-AC). For purpose of calculating an executive's cost to the company (CTC), the expenditure on car provided to him/her should be excluded. The status/grade of the 'executive' may be taken into consideration to determine the type of car to be provided to him/her.

