

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.



(C) **Ceilings on non-duty journeys:** Non-duty journeys by staff car is permitted to Board level executives only. The ceilings on non-duty journey would be as follows :

Name of the city	Ceiling of the non duty journey
i) Delhi, Mumbai, Kolkata, Chennai, Bangalore, and Hyderabad	1000 Km. per month
ii) All other cities	750 Km. per month

It is clarified that journeys between residence and office/place of employment would be treated as duty runs.

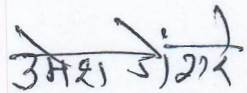
(D) **Recovery for the private use/non-duty runs of the Staff car:** The recovery amount (AC/Non-AC) for private use/non-duty runs would be Rs.2000/- per month.

(E) **Use of Staff Car during leave of absence:** The facility of exclusive use of the staff car to the entitled executives could also be availed of during the period of leave not exceeding two months provided that period is spent at the headquarters. The members of the family of the concerned executive who remains absent from his/her headquarters continuously for a period of fortnight could also avail of the facility of the staff car allotted to the concerned executive subject to his/her agreeing to pay the rates specified for private use as also the cost of propulsion.

(F) **Facility of Staff Car for private use/non-duty runs at places other than headquarters:** Private use of the staff car allotted to the entitled executive should normally be restricted to the limits of the headquarters town where the concerned executive has been stationed. If an executive takes a staff car out of headquarters while on temporary duty to another station he/she could be permitted the private use of the staff car within the overall ceilings for private use/non-duty runs referred to above.

(G) **Provision in respect of key officials and other executives below the board level (not-heading the project):** Key officials, for example, Executives Directors and General Managers in-charge of the constituent units, who are not heading any project of the CPSE concerned could be provided the facility of staff car for official purposes only. However, these executives would not be entitled to the private use of the staff car. Executives other than the key officials may be paid the conveyance reimbursement or conveyance allowance at the approved rates.

2. All the administrative Ministries/Departments of the Government of India are requested to bring the foregoing to the notice of the CPSEs under their administrative control for necessary action.



(Umesh Dongre)

Director

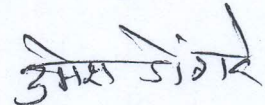
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To,

All the Administrative Ministries/Departments of the Government of India (Secretary by name)

Copy to :

1. The Chief Executives of Central Public Sector Enterprises.
2. All Financial Advisers in the administrative Ministries/Departments.
3. Comptroller & Auditor General of India, (Commercial Audit Wing) 9, Deen Dayal Upadhayay Marg, New Delhi – 110002.
4. D/o Expenditure (Sh. S. Krishnamoorthi, Under Secretary- E-II (A) North Block, New Delhi.
5. NIC, DPE with the request to upload this O.M. on to the DPE website. (d) (d) (d)



(Umesh Dongre)  
Director