

F.No. 2(27/ 05-DPE(WC)-GL-XIII/2009
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhavan,
Block-14, CGO Complex,
Lodhi Road, New Delhi-110003
Dated: 20th May, 2009

OFFICE MEMORANDUM

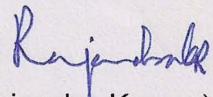
Subject: Reimbursement of Repair & Maintenance Charges related to Leased/Self Leased Accommodation.

The undersigned is directed to invite attention to Para '10' of this Department's O.M. No. 2(49)/98-DPE (WC) dated 25.06.1999, which provides that "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 executives who are entitled to this facility".

2. It has been brought to the notice of this Department by the office of the C&AG that some CPSEs have been reimbursing to the extent of two months rental entitlement on account of essential repairs, maintenance, minor alteration and periodical white washing/painting etc., to their executives only on certification basis. The C&AG has observed that since the required repair and maintenance of the leased accommodation was the liability of the concerned Lessor, reimbursement to the extent of two months lease rent per financial year that too only on certification basis, lacked justification. The C&AG report also brings out that the CPSEs are also allowing leasing of houses under self lease, as such, in most of the cases the lessee and beneficiary for whom the accommodation has been hired are the same. The report of C&AG has not found the response of the Management of CPSEs tenable and concluded that incurring expenditure by the CPSEs merely on the basis of certification provided twice on the same account (repair and maintenance) once as part of composite lease rent and secondly as reimbursement (two months lease rent) to its executives, who have been provided lease accommodation, lacks justification.

3. It may be mentioned that in the past also certain irregularities in the matters of leased accommodation had come to the notice of the Government. DPE vide O.M. dated 05.06.2003 issued the guidelines to the Administrative Ministries/Departments with a copy to CPSEs conveying, inter alia, that "although the Boards of Public Enterprises have the flexibility to review and provide for an adequate level of leased accommodation to their executives, Boards should exercise their control meticulously in order to see that no undue advantage accrues to the concerned officers."

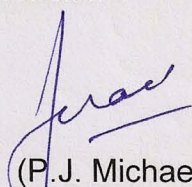
4. In view of the objections raised by the C&AG and also as per the provisions contained in para 10 of DPE O.M. dated **25.6.1999**, it is clarified that the Boards of CPSEs have not been permitted to reimburse any amount of lease rent to its executives towards repair and maintenance charges for the leased accommodations. It is again emphasized that leased accommodation should not become a source of additional income for the executives concerned.


(Rajendra Kumar)
Director
Tel. No. 24360624

To
All the Administrative Ministries/ Departments of the Government of India
(Secretaries by name).

Copy to:

1. Chief Executive of Central Public Sector Enterprises.
2. Financial Advisors in all the Administrative Ministries/ Departments.
3. The Comptroller & Auditor General of India(Commercial Audit Wing), 9, Deen Dayal Upadhyay Marg, New Delhi.
4. Department of Expenditure, E-II Branch, North Block, New Delhi.
5. Secretary, PESB, CGO Complex, Lodhi Road, New Delhi.
6. All officers of DPE.
7. NIC, DPE with the request to upload this OM on to the DPE website.


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