



## FINANCE(COMMERCIAL) DEPARTMENT

**Cir. No. 58/79/Fin., dated, Trivandrum, 5<sup>th</sup> July 1979**

### CIRCULAR

Sub:- Provision of Quarters to Employees of Public Sector Undertakings-General guidelines-issued.

Ref:- Cir. No. 5/78/Fin. Dated 20<sup>th</sup> January 1978.

In the Circular cited instructions regulating the payment of H.R.A to the employees of the P.S.U. were issued. But the above instructions do not cover the conditions under which residential quarters are to be provided to Government Officer who are on deputation to P.S.U. It is also seen that there is no uniform procedure or approved rules for providing residential quarters to the employees of P.S.U. and each Corporation/Company is having its own way of providing the facility. Government therefore consider it necessary to issue certain general guidelines in the matter. Accordingly, the following instructions are issued.

(i) Where the Company has got any obligation under any Act or regulation or by way of agreement and if they have quarters of their own for letting out, the buildings may be rented out subject to terms and conditions under the relevant Act or Regulations or agreement.

(ii) If no buildings are available and if house rent allowance in lieu of such a facility is to be given as per the Act or Regulations, or agreement, allowances at the rates so specified may be given.

(iii) If there are no such obligations and if the Company have quarters of their own for letting out to their employees (Government officers on deputation to the Companies can also be allowed this facility) the allotment of quarters may be subject to realization of rent at 7 ½ per cent of pay and subject to non-payment of H.R.A admissible.

(iv) Renting of building to provide quarters to the employees including Managing Directors should not ordinarily be resorted to.; If however in the case of Key Officials (including officers taken from Government on deputation also) if provision of quarters is inevitable as it is one of the conditions stipulated for appointment then the rent of the building to be taken on rent should not exceed 25 per cent of the pay. In such cases recovery of rent at 10 per cent of pay should be made towards rent and no H.R.A. will be allowed in such cases.

(v) Persons already enjoying the facility of residential building may continue to occupy them till they vacate the posts subject to the existing terms and conditions.

(vi) In the case of new entrants or in whose case the present period of contract expires they will be allowed the facility subjects to the conditions stipulated inn the above paras.

The Managing Directors/Chairman/Gl. Managers of the P.S.U./ Statutory Corporations/Boards/Companies are requested to follow the above guidelines when residential quarters are provided to their officers.

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