

CHAPTER I: DEPARTMENT OF ATOMIC ENERGY

Nuclear Power Corporation of India Limited

1.1 Payment of City/Site Conveyance Allowance to officials provided with Transport facility

Nuclear Power Corporation of India Limited extended undue benefits of City/Site Conveyance Allowance to those officers/staff who were already provided with independent car/transport facility. This resulted in consequential extra expenditure of ₹105.47 crore during September 2008 to March 2015.

The Board of Directors (BOD) of Nuclear Power Corporation of India Limited (NPCIL) approved (September 2008) implementation of the recommendation of the Sixth Central Pay Commission (6th CPC) in NPCIL. While approving the proposal relating to pay and allowances, the BOD authorized its Chairman and Managing Director (CMD) to decide the Transport Allowance, separately for NPCIL Headquarters and NPCIL Sites keeping in view the different factors including cost effectiveness and operational feasibility.

The CMD approved (October 2008) payment of Transport Allowance renamed as City Conveyance Allowance (CCA), for Headquarters and Site Conveyance Allowance (SCA) for sites, to officers/staff who were already provided with independent cars/ transport facility. The said CCA/SCA was calculated at 40 *per cent* of the rate of conveyance allowance proposed for employees not provided with transport facility (base rate). While allowing the payment of CCA/SCA to officers/staff already provided with independent cars/transport facility, it was stated that the cost of transportation from residence to work place and back together with the cost of making trips to nearby market town accounted for about 60 *per cent* of overall transportation cost of NPCIL and therefore CCA/SCA was allowed @ 40 *per cent* of the base rate to those officers/staff who were already provided with independent cars/ transport facility by NPCIL.

Allowance of CCA/SCA to officers/staff who were already provided with independent cars/transport facility from residence to place of duty and in nearby towns was in complete violation of the established principle of conveyance allowance and led to consequential extra expenditure of ₹105.47 crore during September 2008 to March 2015.

The Management stated (December 2013) that due to nuclear safety consideration it is essential that NPCIL maintains a fleet of transport for the purpose of evacuation of employees as a part of emergency preparedness as well as to ensure staff availability during local unrest etc. Further, keeping in view the remoteness of the nuclear power plants and reluctance of young talent to work at sites, NPCIL has been taking various incremental measures as a part of attraction and retention strategy. Therefore as authorized by the Board, it was decided to grant conveyance allowance to NPCIL employees in place of Transport Allowance which shall be more or less comparable to the rate of Transport Allowance. Thus, while finalizing the amount of conveyance

allowance, it was decided that conveyance allowance be paid at 40 *per cent* of base rate even to those employees who were provided with official transport.

The Management further stated (December 2015) that sixth CPC allowed employees to choose the company transport or the transport allowance. Thus, given a choice, perhaps employees would have chosen the allowance which could have compromised the imperatives of safety and emergency situation management effectively. Since, NPCIL is required to maintain the transport contingent for safety, security and emergency preparedness imperatives, this would have caused additional expenditure on maintaining the mandatory fleet of transport with a view to meet regulatory requirement apart from paying transport allowance in full to all employees. Thus, to optimise and make an attractive proposition, a scheme of conveyance allowance was evolved after a lot of deliberations and consultative process held with employees at all the time including shift working which otherwise would have been difficult had the employees been allowed to commute in their own vehicles. Thus, punctuality and discipline was ensured.

The reply of the Management is untenable as conveyance allowance is to take care of the cost incurred by an employee to commute from his/her residence to place of work. In case employees are provided with official transport (car, bus etc.) for to and fro commutation between residence and office, there is no justification for paying any amount of conveyance allowance. Moreover, for retaining young talent at sites the fact was that to offset locational disadvantage, officials posted at operating stations/projects/new sites are already being paid site allowance at the rate 10 *per cent* of basic pay plus Non Practicing Allowance (in respect of Medical officers of the Company). Moreover, NPCIL's stand that employees, by using their own transport, would compromise the safety at the establishment and lead to tardiness unfairly implies adverse behavioural attributes to NPCIL employees and is unacceptable.

Thus, the payment of CCA/SCA to officers/ staff already provided with independent cars/transport facility was not only a violation of GOI rules but also resulted in extra expenditure to the tune of ₹ 105.47 crore during the period September 2008 to March 2015.

The matter was reported to the Ministry in October 2015; their reply was awaited (March 2016).