

F No. 2(2)185-DPE (WC) - GL-XVII/08
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhavan
Block No. 14, CGO Complex
Lodhi Road, New Delhi - 110 003

Dated: 11th December, 2008

OFFICE MEMORANDUM

Sub: **Method of calculation of encashment of Earned Leave in CPSEs.**

The undersigned is directed to refer to OM of even number dated 24/4/87 regarding the accumulation of earned leave which inter-alia, indicates that leave rules normally are framed by individual public enterprises with approval of the Board of Directors, keeping in view the broad parameters of the policy guidelines laid down in this regard by the Government.

2. While many CPSEs are following 30 days month for the purpose of leave encashment like in the Central Government, some CPSEs have adopted 26 days month. This adoption of 26 days month for the calculation of leave encashment by some CPSEs have attracted avoidable audit paras. On reference from C&AG, DPE has been separately advising administrative Ministries/ Departments concerned with CPSEs on case by case basis to adopt 30 days' month for the purpose of leave encashment.

3. In order to bring about uniformity on the above issue across the CPSEs, it has been decided after careful consideration that CPSEs should adopt 30 days' month for the purpose of calculating leave encashment.

4. All the administrative Ministries/ Departments concerned with the CPSEs are requested to issue suitable directions to the CPSEs under their administrative control in this regard.


(Rajendra Kumar)
Deputy Secretary to the Government of India
Tel. No. 24360624

To,

All administrative Ministries/ Departments of the Government of India concerned with the CPSEs.

Copy to:

1. Chief Executives of Central Public Sector Enterprises.
2. Financial Advisors in the administrative Ministries/ Departments.
3. Department of Expenditure, E-II Branch, North Block, New Delhi.
4. The Comptroller & Auditor General of India, 10-Bahadur Shah Zafar Marg, New Delhi.
5. NIC Cell, DPE – with the request to upload this O.M. on the DPE website.