

No.2(14)/2012-DPE (WC)
Government of India
Ministry of Heavy Industry & Public Enterprises
Department of Public Enterprises

Public Enterprises-Bhawan,
Block No.14, CGO Complex,
New Delhi – 110 003
Dated: July, 2012

To

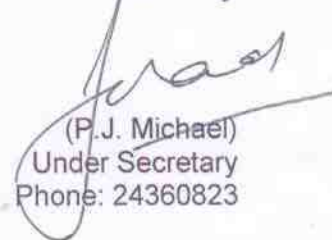
Shri R. Sridhara
Deputy Director
Office of the Principal Director of Commercial
Audit and Ex-Officio Member, Audit Board
Bangalore – 560 001

Subject: Clarification sought by Audit on encashment of sick leave.

I am directed to refer to your letter No.Reports/DPE/2011-12/814 dated 7.3.2012 on the subject mentioned above.

2. As per DPE O.M. dated 24.4.1987, "leave Rules 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". In this context DPE O.Ms. dated 05.08.2005, 10.12.2008 and 26.10.2010 regarding the issue of leave encashment may also be referred. Since Government's guidelines do not permit encashment of sick leave, the same can not be encashed. However, earned leave and half-pay leave can be considered for encashment of leave on retirement subject to over all limit of 300 days. The cash equivalent payable for half-pay leave would be equal to leave salary as admissible for half-pay plus DA. It is, however, clarified that to make up the short fall in Earned Leave, no commutation of half-pay leave would be permissible.

Yours faithfully


(P.J. Michael)
Under Secretary
Phone: 24360823

Copy to: 1. CMD, Bharat Electronics Ltd., Headquarters: Outer Ring Road, Nagavara,
Bangalore - 560045
2. NIC, DPE to upload this letter on to the DPE website.