OFFICE MEMORANDUM

Sub:- Encahsmemt of Half Pay Leave (HPL) on superannuation - regarding.

The undersigned is directed to refer to the following references received from various quarters seeking clarification/relaxation on the subject noted above:-
(a) National Thermal Power Corporation (NTPC)’s letter No. 01:HR:Policy:7(2)/1106-084 dated 12.7.2013
(c) National Mineral Development Corporation (NMDC)’s letter No. 1(29)/Rules/2012 dated 19.9.2013
(d) Ministry of Steel’s Letter No. 8(1)/2013-RM-I dated 29.10.2013
(e) Department of Food & Public Distribution’s OM No. 9-45/2011-SG dated 20.11.2013

2. The issue has been examined in DPE and it is reiterated that the clarification issued vide the above mentioned DPE OM dated 17.7.2012 (copy enclosed) on encashment of Sick Leave/HPL at the time of retirement shall stand good.

3. With this, all the references made to DPE on this issue by CPSEs including those mentioned above, stand disposed off.

(Samuel Haque)
Under Secretary

1. Shri U.P. Pani, Director (HR), NTPC Limited, NTPC Bhawan, Scope Complex, Lodhi Road, New Delhi-3.
2. Ministry of Power, (Shri D. Guha, Under Secretary), Shram Shakti Bhawan, Rafi Marg, New Delhi.
3. Shri Sandeep Tula, General Manager (P&A), NMDC Limited, Khanij Bhawan, 10-3-311/A, Castle Hill, Musab Tank, Hyderabad-500173.
4. Ministry of Steel, (Shri Anupam Prakash, Director), Udyog Bhawan, New Delhi.
5. Department of Food & Public Distribution, (Shri Ram Chandra, Under Secretary (Stg.), Krishi Bhawan, New Delhi.

Copy to:
1. All the Administrative Ministries/Departments of the Government of India
2. Chief Executives of Central Public Sector Enterprises.
4. Department of Expenditure, E-II Branch, North Block, New Delhi.
5. The Comptroller & Auditor General of India, 9, Deen Dayal Upadlay Marg, New Delhi-2.
6. NIC, DPE with the request to upload this OM on to the DPE website.
No.2(14)/2012-DPE (WC)
Government of India
Ministry of Heavy Industry & Public Enterprises
Department of Public Enterprises

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.