

No. 2 (14)/12-DPE (WC) - G.L-IV/14  
Government of India

Ministry of Heavy Industries & Public Enterprises  
Department of Public Enterprises

Public Enterprises Bhawan  
Block No.14, CGO Complex,  
Lodi Road, New Delhi-110003  
Dated: 07<sup>th</sup> February, 2014

**OFFICE MEMORANDUM**

**Sub:- Encashment 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
  - (b) Ministry of Power's OM No. 3/4/2013 TH. I dated 14.8.2013, 19.9.2013, 18.12.2013 and 27.12.2013
  - (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.

Encl: A/A.

*S. Haque*  
(Samsul 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.
3. Financial Advisers in the Administrative Ministries/ Departments.
4. Department of Expenditure, E-II Branch, North Block, New Delhi.
5. The Comptroller & Auditor General of India, 9, Deen Dayal Upadhayay Marg, New Delhi-2.
6. ✓ NIC, DPE with the request to upload this OM on to the DPE website.

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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

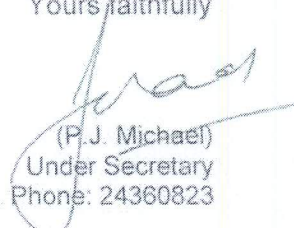
Shri R. Sridhara  
Deputy Director  
Office of the Principal Director of Commercial  
Audit and Ex-Officio Member, Audit Board  
Bangalore - 560 001

**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.