

## LEAVE ENCASHMENT RULES

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**COAL INDIA LIMITED**  
**LEAVE ENCASHMENT SCHEME**

(For Executive Cadre Employees)

(Corrected upto 29th May, 1989)

**1.0 Scope**

1.1 This scheme shall apply to all Executive Cadre Employees of Coal India Limited and its Subsidiary companies but shall not apply to :

Executive cadre Employees on deputation from a Government Department or from Government Undertakings who are not permanently absorbed in the Company.

**2.0 Aim**

2.1 Encashment of leave may be allowed to encourage employees to take leave on a planned and systematic basis.

**3.0 Eligibility**

3.1. Encashment of earned leave will be allowed at the option of the employees, subject to the approval of the Sanctioning Authority competent to Sanction earned leave.

3.2 Encashment of earned leave will be allowed at the time when the employee is actually proceeding on at least seven days' regular leave as defined in para 4.3 of this Scheme.

3.3 Encashment will not be allowed where leave cannot be granted in the interest of the Company.

**4.0 Extent of Leave Encashable**

4.1 Only earned leave on full pay at the credit is encashable and not any other kind of leave, such as, half-pay leave, commuted leave, study leave, etc.

Sanction of earned leave, half-pay leave and commuted leave which will be regarded as regular leave for the purpose of para 4.3 of the scheme will be restricted to the limits as prescribed in Leave Rules of the Company.

4.2 Encashment will be allowed to an employee only once in a calender year.

**Note:** For this purpose the year in which the leave actually commences, should be taken as the year of encashment irrespective of the period to which the encashment constructively may relate, in accordance with the provision of Clause 6.3 of the Encashment Scheme.

(Authority : CIL OM NO. C-5(A)/52056/283 dt. 6-9-77)

4.3 Minimum 7 day's regular leave will have to be taken and the earned leave can be encashed upto 50% of the earned leave at credit or 30 days, whichever is less.

(Authority : CIL 00 No. C-5A(vi)/52056/528 dated 28-4-1983) — Regarding para 3.2, 4.1, 5.4, 4.3, 5.5, & 6.3.

4.4 Earned leave at credit will be determined as on the date of proceeding on leave

#### **5.0 Encashment Benefit**

5.1 For computing the rate of encashment, basic pay including special pay, non-practicing allowance, personal pay and dearness allowance only will be included. All other allowance, viz. HRA, CCA, Coalfield Allowance, Charge Allowance, Underground Allowance etc. will be excluded.

(Authority : CIL O.M. No. C-5(A)/52056 dated 6-1-1977)

5.2 The rate of encashment per day will be calculated on the basis of emoluments specified in para 5.1 drawn by the employee in the month preceding the month in which he proceeds on leave (after deducting inadmissible allowances) divided by 30.

5.3 Encashment benefits will not be reckoned as salary for the purposes of provident Fund, Gratuity, Bonus etc.

5.4 Where an employee, having received encashment curtails his leave at his option and this results in leave being availed of for less than 7 (Seven days,) the entire amount paid as encashment will be recovered from the salary, next payable to the employee.

5.5 If an employee, who has been allowed the benefit of encashment of leave as per this scheme, is recalled to duty while he is on leave, sanctioned to him, the encashment of his earned leave already allowed will not be affected in any way and will not need any revision.

5.6 The full portion of the earned leave encashed and the leave availed of will be deducted from the leave at his credit.

#### **6.0 Procedure**

6.1 The application for leave wherever necessary, should specifically indicate the quantum of earned leave that the employee desires to encash which shall not be more than the limits specified in para 4.3.

6.2 In order that the availability of officers for duty is properly regulated applications for leave should be made atleast 30 days in advance.

6.3 The sanctioning authority, while sanctioning leave applied for, should specifically indicate the period and the kind/kinds of leave that the employee will actually avail of and the number of days of earned leave allowed for encashment.

(Authority : CIL OM No. C-5A(vi)/52056/528 dated 28.4.83)

6.4 Separate orders shall be issued in respect of the leave sanctioned for actually availing by the employee and the portion of earned leave that is granted for encashment.

6.5 No encashment of leave during the period under suspension will be permissible.

#### **7.0 Encashment of Leave on Termination of Service/Retirement**

7.1 Leave at credit shall not be granted for encashment if an employee resigns from the service.

Note : According to para 7.1 of the Leave Encashment Scheme for Executive Cadre Employees, leave at credit shall not be granted for encashment if an employee resigns from the service.

A question in this connection has been raised as to whether "resigns from the service" would mean the date on which the resignation has been submitted or the date on which the resignation is effective i.e. the date of final quitting service.

The matter was examined in consultation with Finance and it is clarified that since there is no restriction on granting of leave to an employee during the period prior to the date of his actual quitting of/release from service on submission of resignation, the words "resigns from service" would mean the actual date of quitting of service and hence the facility of encashment of leave may, if allowed be available before and upto that date and not beyond the date of actual quitting of the service.

(Authority : CIL OM No. C-5(B)/52056/182 dated 12/15-6-1978)

7.2 An executive governed under Coal India Service Rules, whose services are terminated, otherwise than on disciplinary grounds, or who retires on superannuation, may be allowed to encash the earned leave at his credit, subject to a maximum of 240 days, in terms of this Scheme. However, this will not be applicable in the case of executives who are employed in the coal companies on contract, on tenure, on deputation, on re-employment and on temporary basis.

(Authority : CIL OM No. C-5(B)/52056/592 dated 18-9-78)

Note-I: A reference is invited to this Office Circular letter NO. C-5(B)/52056/592 dated 18th September, 1978 introducing an amendment to para 7.2 of the Leave Encashment, Scheme for Executive Cadre Employees, In the said amendment, it was provided that an executive governed under Coal India Service Rules whose services are terminated otherwise on disciplinary grounds or who retires on superannuation, may be allowed to encash the earned leave at his credit subject to a maximum of 180 days in terms of the Scheme. However, the benefit of encashment was not applicable in the case of executives who are employed in the coal companies on contract, on tenure, on deputation, on re-employment and on temporary basis.

The Leave Encashment Rules for Executive Cadre employees provide for encashment of leave at credit on "superannuation", and the requirement of applying for leave preparatory to retirement and its being refused in the company's interest for availability of the leave after superannuation is no longer necessary.

The matter has been further examined and for the sake of equity it has been decided, with competent approval, and in partial modification of the earlier orders, dated 18-9-78, that the benefit of encashment of earned leave at credit, on the date of attaining the age off superannuation, shall also be allowed to such of the re-employed executives as are appointed on contract, on tenure, on deputation or on re-employment whose re-employment comes to an end, on attaining the age of superannuation i.e. 58 years, subject to a maximum of 180 days.

(Authority : CIL OM No. C-5(B)/52056/532 dated 26-9-79)

**Note II :** Further to this Office Circular No C-5(B)/52056/532 dated 26th September, 1979, wherein it was clarified that the benefit of encashment of earned leave at credit on the date of attaining the age of superannuation, shall also be allowed to such of the re-employed executives, whose reemployment comes to an end on attaining the age of superannuation, i.e. 58 years, subject to a maximum of 180 days, it has been decided, that the employees retiring on superannuation and re-employed thereafter will also be entitled to encashment of earned leave earned by them during the period of re-employment.

(Authority : CIL OM No. C-5(A)/52056/15 dated 13-4-81)

## **8.0 On Death of an Employee**

8.1 The specified limit will not apply in case of death of an employee in service, in which case the family of the deceased employee shall be paid cash equivalent of leave salary (i.e. pay plus DA only) that the deceased employee would have got had he gone on earned leave that would have been due and admissible to him but for the death on the date immediately following the death and in any case not exceeding leave salary for 180 days.

## **9.0 Deduction**

9.1 No deduction other than Income Tax will be made from the amount payable to a serving employee if the encashment is for a period of less than 30 days. If the encashment is 30 days or more monthly instalments or re-payment of advances and other dues shall be recovered at the rate of one instalment for each period of 30 days. In case of retirement/retranchment or death, company's dues shall be recovered from the amount of encashment.

## **10.0 Competent Authority**

10.1 The Sanctioning Authorities for encashment of leave will be those competent to sanction earned leave.

## **11.0 Tenure**

11.1 This scheme shall come into force with effect from 1st September, 1976.

11.2 The Company reserves the right to alter, amend or withdraw this scheme at its discretion without assingning any reasons therefor.

**COAL INDIA LIMITED**

**"Coal Bhawan"**

**10 Netaji Subhas Road**

**Post Box No. 871**

**Calcutta - 700 001**

No. C-5(A)/52056/

Dated, the 6th September, 1977

**OFFICE MEMORANDUM**

**Sub :- Clarification regarding year of commencement under the  
Leave Encashment Scheme for the Executive Cadre Employees.**

1. The Leave Encashment Scheme for Executive Cadre Employees provides that encashment of earned leave will be allowed at the time when the employee is actually proceeding on at least 15 day's leave and that encashment will be allowed only once in a calendar year.
2. In this context, a question has been raised as to how the encashment sanctioned is to be linked to a calendar year particularly in cases where the leave sanctioned/availed of, falls in two different calendar years.
3. The matter has been examined and it is clarified that since the encashment forms only a part of the earned leave actually sanctioned, it would be appropriate to consider the year in which the leave actually commences, as the year of encashment irrespective of the period which the encashment constructively may relate in accordance with the provisions of clause 6.3 of the encashment Scheme.
4. This clarification may be considered to be effective from the date of commencement of Leave Encashment Scheme itself.

Sd/- O.Mahcepathi

*Chief of personnel Division*

March 20, 1989.

No. CIL : C-5A:(vi) : 52056 : 315

The General Manager (EE)

Bharat Coking Coal Limited

Koyla Bhawan

Dhanbad

Sub : Encashment of earned leave during study leave.

Dear Sir,

please refer to your letter No. BCCL : EE : MED : 89 : 5262(A) dated the 20th February, 1989.

Encashment upto 50% of the earned leave at credit or 30 days whichever is less is allowed on availing 7 days regular leave. Regular leave covers the earned leave, half pay leave, commuted leave or extra-ordinary leave. It does not include the study leave. Hence, an executive on study leave cannot get his earned leave encashment under Leave Encashment Scheme of the Company.

Yours faithfully

Sd/

(K.B. SHARMA)

*Dy. Chief personnel Manager*

Copy to :

1. General Manager (P), ECL/WCL.
2. General Manager (P&A), SECL, Bilaspur.
3. Dy. General Manager (A&EE), CCL, Ranchi.
4. Dy. CPM, NCL, Singrauli.
5. Dy. CPM, CMPDIL, Ranchi

COAL INDIA LIMITED

"Coal Bhawan"

10 Netaji Subhas Road, Calcutta - 700 001

Post Box No. 871

No.CIL:C-5A(vi)/52056/203  
1989

Dated, November, 29,

**OFFICE MEMORANDUM**

Sub : Amendment of Leave Encashment Scheme.

CIL Board at its 105th meeting held on 7-11-89 accorded its approval that in modification to the existing rules Earned leave be permitted to be encashed by Executive Cadre Employees upto 50% of earned leave at his credit or 30 days whichever is less, without imposing the condition of actually availing of leave. Therefore, para 4.3 of the leave Encashment Scheme for Executive Cadre Employees is substituted by the following :

PARA 4.3 : Earned leave can be encashed upto 50% of Earned Leave at credit or 30 days, whichever is less.

2. This will take effect from the date of issue.

Sd/-R.G. Singh

General Manager (p)

Distribution :-

- 1 Chairman-cum-MG Director, ECL/CCL/WCL/BCCL/CMPDIL/SECL/NCL
2. Director (personnel) ECL/CCL/WCL/BCCL/CMPDIL/SECL/NCL, and 14 others.

**BCCL, KOYLA BHAWAN (DHANBAD)**

Ref. No. BCCL : EE : Cir : 89 : 39042-142(A)

Dated 13.12.89.

Copy forwarded for necessary information to :-

1. All GMs/HODs
2. All Dy. CPMs/PMs/Managers
3. All Dy. CFMs/FMs
4. Secy. to all Directors
5. All Executives of EE Sec.

Sd/- S. L. Keswani  
General Manager (EE)



**COAL INDIA LIMITED**  
**"COAL BHAWAN"**  
**10, NETAJI SUBHAS ROAD**  
**CALCUTTA-700 001**

Ref. No : CIL/5-A (vi)/52056(vol.ii)/192

Dated : 15-12-1994

**OFFICE ORDER**

The Board of Directors, CIL in their 142nd Meeting held on 17th October, 1994 at New Delhi accorded its approval to the encashment of Half-pay Leave subject to a maximum of 240 days of Half-pay Leave at the credit of the executive cadre employees w.e.f. 01-04-93 on the following conditions :-

- i) On separation from the Company on attaining the age of superannuation :
  - ii) Death while in service :
  - iii) Permanent total disablement of an executive :
  - iv) On Voluntary Retirement before the date of superannuation but after attaining the age of 55 years :
  - v) In case of cessation of service after attaining the age of 50 years or more provided the executive cadre employees has put in a minimum of 20 Years' continuous service as a regular employee in the Company and the cessation is not as a result of disciplinary action or leaving the service without approval of the Management.
2. Other conditions, governing the encashment of Half pay Leave, will be the same as are in the case of Earned Leave encashment.
  3. Suitable amendment will be carried out in the Leave Encashment Scheme for Executive Cadre Employees separately.

Sd/-(R.A.P. SINGH)

Director (personnel & IR)

**Distribution :**

1. CMDs. ECL : BCCL : CCL : WCL : SECL : NCL : MCL : CMPDIL
2. Director-Incharge, NEC, Guwahati, Assam
3. Director (P&IR) : Director (T) : Director (F) : CIL, Calcutta
4. Director (Operation), CMPDIL, Ranchi
5. TS to Chairman, CIL, Calcutta
6. C.V.O., CIL, Calcutta
7. General Manager, Dankuni Coal complex Dankuni
8. All Regional Sales Managers, RSOs
9. ECL : BCCL : CCL : WCL : SECL : NCL : MCL : Desk Office Calcutta
10. G.M.(EE), ECL: BCCL: CCL: WCL: SECL:NCL: MCL: CMPDIL
11. C.G.M., CIL, New Delhi
12. Executive Director, IICM, Ranchi
13. Finance Manager (Bills), CIL, Calcutta
14. Dy. CPM (iv)/PM (PAR)/PM (iii), CIL, Calcutta
15. Secretary to GM (P), CIL, Calcutta
16. Guard file :

**COAL INDIA LIMITED**  
**"COAL BHAWAN"**  
**10, NETAJI SUBHAS ROAD**  
**CALCUTTA-700 001**

Ref. No : CIL/5-A (vi)/52056(vol.II)/89

Date July 28, 1995.

**OFFICE MEMORANDUM**

Sub : Clarification on encashment of Half pay Leave to  
the executives of Coal India Limited and its  
Subsidiary Companies.

In continuation of CIL's Office order No. CIL:5-A (vi)/52056(vol.ii)/192 dated 15.12.1994, it is being clarified that while making payment of encashment of Half pay Leave, half of the basic pay (including Special pay, personal pay, N.P.A. and Interim Relief) with full D.A. upto a maximum period of 240 days are to be taken into account.

All other terms and conditions as stipulated in the Office Order dated 15.12.1994 will remain unchanged.

This issues with the approval of the competent authority.

Sd/-(K.P. Sinha)

Chief General Manager (pers).

Distribution :

1. CMD. ECL : BCCL : CCL : WCL : SECL : NCL : MCL : CMPDIL
2. Director-Incharge, NEC, Guwahati, Assam
3. Director (P&IR) : Director (T) : Director (F) : CIL, Hqs. Calcutta
4. Director (Operation), CMPDIL, Ranchi
5. TS to Chairman, CIL, Calcutta
6. C.V.O., CIL, Calcutta
7. General Manager, Dankuni Coal Complex, Dankuni
8. All Regional Sales Managers, RSOs
9. ECL : BCCL : CCL : WCL : SECL : NCL : MCL : Desk Office, Calcutta.
10. G.M.(EE) ECL : BCCL : CCL : WCL : SECL : NCL : MCL : CMPDIL.
11. C.G.M., CIL, New Delhi
12. Executive Director, IICM, Ranchi
13. Finance Manager (Bills), CIL, Calcutta
14. Dy. CPM (iv)/PM (PAR)/PM (iii), CIL, Calcutta
15. Secretary to CGM (P), CIL, Calcutta
16. Secretary General, CMOAI, CCL, Ranchi
17. Guard file :

**COAL INDIA LIMITED**  
**"COAL BHAWAN"**  
**10, NETAJI SUBHAS ROAD**  
**CALCUTTA-700 001**

Ref. No : CIL/C5-A (vi)/52056/115

Date 24-04-1997.

**OFFICE MEMORANDUM**

**Sub : Pay of cash equivalent of Leave Salary in case of death of an executive while in service.**

The Competent Authority has approved to enhance the maximum limit of encashment of Earned Leave in case of death of an executive while in service from 180 to 240 days.

Accordingly, Rule 8.1 of Leave Encashment Scheme of CIL applicable to the executive cadre employees is amended as hereunder.

Existing Provision	Amended/ substituted portion
<p>Rule 8.1</p> <p>The specified limit will not apply in case of death of an employee in service, in which case the family of the deceased employee shall be paid cash equivalent of Leave Salary (i.e. pay plus DA only) that the deceased employee would have got had he gone on Earned Leave that would have been due and admissible to him but for the death on the date immediately following the death and in any case non exceeding Leave Salary for 180 days.</p>	<p>Rule 8.1</p> <p>The word 180 days shall shall be substituted by 240 day</p>

This will be given effect immediately.

Sd/  
(S A YUSUF)  
General Manager (Pers.)

**Distribution :**

1. Chairman-cum-Managing Director, ECL.BCCL.CCL.SECL.NCL.WCL.CMPDIL.MCL
2. Director (Tech.)/Director (P&IR)/Director(F), CIL, Calcutta
3. Director (P) of all Subsidiaries.
4. Directors (Operation), CMPDIL, Ranchi
5. E.D. (Vigilance), CIL, Calcutt. TS to Chairman, CIL
6. E.D., IICM, Ranchi
7. CGM, CIL, New Delhi. CGM, NEC/DCC, Assam/Dankuni., CGM (Fin.).CIL
8. G.M.(EE)/(P)/(Admn.), BCCL.CCL.WCLS.ECL.NCL.MCL.CMPDIL.ECL
9. Dy.C.P.M.(EE), C-5A (iv), CIL, Calcutta
10. All Divisional Heads, CIL, Calcutta
11. Exe. Secy. to CGM (P&IR), CIL, Calcutta
12. Guard file.

**COAL INDIA LIMITED**  
**"COAL BHAWAN"**  
**10, NETAJI SUBHAS ROAD**  
**CALCUTTA-700 001**

Ref. No : CIL/C5-A (vi)/52056(Vol.ii)/60

Date June 11, 1997

**OFFICE MEMORANDUM**

The Office Memorandum No. CIL/C5A(vi)52056(Vol.ii)/192 dated 15.12.94 and Office Memorandum No.CIL/C5A(vi)52056(Vol.ii)/89 dated 28.07.95 lays down the method for encashment of Half Pay Leave viz. Half Basic Pay & full Dearness Allowance.

Consequent upon the change in the system of payment of VDA, as a percentage of basic pay, a clarification has been sought with regard to payment of VDA. It is clarified that the term full D.A. means D.A. on full basic pay. Accordingly, the encashment of leave will be done on half basic pay (including special pay, personal pay, NPA) and full Dearness Allowance are applicable.

Sd/-  
(B N Jha)

**CHIEF GENERAL MANAGER (P&IR)**

**Distribution :**

1. CMDs/ECL/BCCL/CCL/SECL/NCL/WCL/CPMDIL/MCL
2. D(F)/ D(T) (P&IR), CIL
3. Director (P), ECL/BCCL/CCL/WCL/SECL/NCL
4. Director (F), ECL/BCCL/CCL/WCL/SECL/NCL
5. CGM (Finance), MCL
6. GM (Finance), CPMDIL
7. CGM (P&A), CCL
8. ED (Vig), CIL
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10. TS to Chairman, CIL
11. Chief of marketing, CIL
12. GM (EE), ECL/BCCL/WCLSECL/NCL/MCL
13. Dy. CPM/CPMDIL, Ranchi
14. All Regional Sales Manager, RSOs
15. ECL/BCCL/CCL/WCL/SECL/NCL/MCL Calcutta Desk Offices
16. All Divisional Heads of CIL (Hqrs)
17. GM, IICM, Ranchi
18. Chief Finance Manager, CIL
19. All Wing Heads of CIL C-5A
20. ES to D (P&IR), CIL
21. ES to CGM (P&IR), CIL
22. Guard file.