

LEAVE ENCASHMENT SCHEME (For Executive Cadre Employees)

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 calendar 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 days' 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, 4.3, 5.4, 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 allowances, viz. HRA, CCA, Coalfield Allowance, Charge Allowance, Underground Allowance etc. will be excluded.

(Authority : CIL's 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 an 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 limit 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 of 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 of 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 re-employment 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 of repayment 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

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

1.2 The Company reserves the right to alter, amend or withdraw this scheme at its discretion without assigning 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 days' 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 to which the encashment consequently 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. Maheepathi)

Chief of Personnel Division

Annexure - II

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

March 20, 1989

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

COAL INDIA LIMITED

"Coal Bhawan"
10, Netaji Subhas Road
Calcutta - 700 001

No. CIL : C-5(vi) : 52056 (Vol. II) : 89

Dated July 28, 1995

OFFICE MEMORANDUM

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

In continuation of CIL's Office Order No. CIL : C-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 Personnel Manager (Pers.)

COAL INDIA LIMITED

"Coal Bhawan"
10 Netaji Subhas Road
Calcutta - 700 001

No. CIL : C5A (vi) : 52056 : 203

November 29, 1989

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 rule, 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.

This will take effect from the date of issue.

Sd/-
(R. G. Singh)
29.11.89
General Manager (P)