

Note

Dated : 11.08.2025

No. HQ/HR/Policy/RTI

RTI-530

Name of the Applicant- Vikas		
S.No.	Information Sought	Reply
1.	Maximum time limit of leave encashment payment as per dfccil policy for resigned employee	Relevant extracts from HR Manual are attached.

Ref: No. 2022/HQ/Admin/RTI-530

GM/HR

AGM/Admin(CPIO)

Dama  
11/8/25  
DGM/HR



(a) **In case of death while in service:-** In case an employee dies while in service, the cash equivalent of the leave salary that the deceased employee would have got had he gone on LAP that would have been due and admissible to him but for the death, on the date immediately following the date of death, and in any case not exceeding leave salary (including DA) for 300 days, shall be paid to his family.

(b) **In case of retirement on attaining the age of superannuation: -**  
All employees retiring on superannuation shall be paid cash equivalent of leave salary in respect of LAP at their credit at the time of retirement. The payment of cash equivalent of leave salary shall be limited to a maximum of 300 days of LAP and shall be paid in one lump sum as one time settlement. Cash payment shall be equal to leave salary as



admissible for LAP and DA admissible on that leave salary @ in force on the date of retirement. No CCA and/or HRA shall be payable. The above rule shall not apply to the cases where an employee is dismissed, removed from service or compulsorily retired as a measure of punishment under DFCCIL (Discipline & Appeal Rules). The cash payment for unutilized LAP shall be made in the manner indicated below:

Cash Payment =	Pay admissible on the date of retirement + DA admissible on that date.	Multiplied by the Number of unutilized LAP at credit on the date of retirement, subject to a maximum of 300 days.
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- (c) In case of Premature/ Voluntary retirements/Termination from Service:-** The employee who retires by giving notice to the Company or the employee is retired or his services are terminated by the Company by giving him the notice or pay and allowances in lieu of such notice in accordance with the terms and conditions of his service, may be allowed encashment in respect of LAP at his credit, subject to a maximum of 300 days. The amount shall be determined as at (b) above and shall be paid in one lump sum as a onetime settlement. No HRA or CCA shall be payable.
- (d) In cases of retirement while under Suspension or D&AR case Pending:-** In case of an employee retiring from service on attaining the age of retirement while under suspension or while disciplinary or criminal proceedings are pending against him at the time of retirement, the competent authority may withhold whole or part of cash equivalent of LAP payable to him, if in the view of such an authority there is possibility of some money recoverable from him on conclusion of proceedings against him. On conclusion of the proceedings, he will be eligible to the amount withheld after adjustment of Company's dues, if any.
- (e) In cases of resignation or quitting of service:-** In the cases of resignation or quitting of service, the employee may be granted cash equivalent in respect of LAP at his credit on the date of cessation of service to the extent of **HALF** of such LAP at his credit, subject to a maximum of **150 days**.
- (f) Encashment of Leave on Half Average Pay (LHAP):-** The half pay leave shall be considered for encashment of leave along with LAP, subject to overall limit of 300 days. The cash equivalent payable for half pay leave shall be equal to leave salary as admissible for half pay leave plus Dearness allowance admissible on the leave salary without any reduction being made on account of pension equivalent of other retirement benefits payable. To make up the shortfall in LAP, no



for half pay leave component shall be calculated in the manner indicated below: -

Cash Payment in lieu of Half Pay Leave Component =	Half Pay Leave salary admissible on the date of retirement + DA admissible on that date.	Multiplied by the Number of days of half pay leave at credit subject to the total of LAP and LHAP at credit not exceeding 300 days.
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