T/AGC/PF/GTY/F-364/751 10 Feb 1994.

The Resident Audit Officer,
S.T. Audit Circle,
BOMBAY-8.

Sub : Audit observations of Satara Division on Gratuity Payments effected in the financial year 1991-92 & 1992-93.

Ref : Your letter No.RAO/ST/GTY/1302 dt.20.1.94.

Sir,

SATARA DIVISION : Excess Payment of Gratuity amounting to Rs.84386/-.

Through in some of the units the leave of some employees is being treated as N.N.D. i.e. nature not decided for years together till he gets superannuated, dismissed/terminated, no such instructions from Central Office are received by the Units in this behalf. However it is implied that each employee applies for any kind of leave either that should be sanctioned with pay or without pay but that should not be kept unattended i.e. Nature Not Decided for years together. The reasons that are compelling the local management of the Unit to treat some leave applications submitted by the employee as N.N.D. are being scrutinised and examined by Personnel Deptt. in view of the audit enquiry raised referred to above.

The Dy.G.M.(P&IR) is being requested separately with reference to the audit observations raised by the Govt.audit in various units.

In some of the Divisions the leave as N.N.D. is being deducted from the qualifying service of each calender year so as to ensure whether an employee has worked for 240 days or otherwise is hereby confirmed. In case if there is any ambuiguity in interpreting this the same will also be examined by Personnel Dept. in the light of the Govt. audit objections and he same will also be cirlulted if necessary.

As regards the counting of continuous service of 240 days in a calender year preceding to the date of his superannuation termination/death it is stated that the calender year in which an employee has worked for less than 240 days will have to be straightway deducted from total continuous service for computation of gratuity and only such calender years in which he has worked for 240 or more days the same will be counted for continuous service for calculton of gratuity.

Para 2 : (A4) : Delay in final payment of Gratuity.

The instructions for initiating action for No Demand Certificate and other formalities for quick payment of retirement benefits to the employees/nominees of the ex-employee have already been issued by Accounts Dept. Circular No.55 dt.21.12.78. Moreover one more Accounts Dept. Circular No.137 dt.9.10.85 has already been issued in which it is stated that the Personnel Branch should ensure that all the requisite records i.e. Service Book, Personal file, No Demand Certificate and gratuity claim are sent to Accounts Branch within seven days prior to the retirement whereas in other such cases e.g. death, medically in