ACCOUNTS DEPARTMENT :

NO.ST/ACC/GTY/E-364/1819
Date : 4th April,1994.

The Dy.General Manager (P&IR), W.Cs.

SUB : Treatment of NND Leave while computing the Gratuity.

It has been observed by the Govt. Audit while conducting the Audit for the M.S.R.T.Corporation Gratuity Trust Fund for the Year 1991-92 that there is no uniformity in giving the treatment for NND (Nature not decided) while computing the gratuity. The relevant portion of the Draft Audit Report issued by D.A.G. along with the latter no.1561 dt.11.3.94 is produced as under :

4) "Further, it is also noticed that in Thane and Palghar Divisions, NND leave of most of the employees was regularised and considered as qualifying for the purpose of calculating gratuity.

However, in respect of other Divisions it was observed that NND leave was not regularised by the Competent Authority. The same was deducted from the gross qualifying service for the purpose of calculation of gratuity.

In view of the above, it is observed in Audit, that in the absence of clear instructions/circulars from the Management Thane and Palghar Divisions had considered the NND leave as qualifying service and paid the gratuity which resulted in undue benefit to the employees of that Division. Action may be taken to recover the same.

5) Inregularities in calculation of NND leave for the purpose of final payment of Gratuity for the year 1991-92.

While calculating the amount payable to an employee on account of gratuity, the period of NND leave (i.e. Nature of leave not decided) was to be deducted from the qualifying service.