

## **ADSL - Leave Policy**

### How many leaves should be applicable in a company?

Numbers of leaves entitlement in a company depends upon state you are in. Every state has different leave entitlement and leave policies which should be seen before one defines leave policy of your company. Leave policy of a company cannot be less than that mentioned by the State's shop and establishment act.

Generally, all State Legislations has common provision for major matters. They provide at least seven holidays for national and other festivals. Republic day, Independence Day and Mahatma Gandhi's birthday are compulsory holidays. Employer and Employees had given right to decide remaining national and festival holidays.

Similarly, minimum seven days casual leave and 14 days sick leave is provided to employees.

### Earned leaves/ Privilege leaves

These are the leaves which are earned in the previous year and enjoyed in the preceding years. These are also known as privilege leave this can be carry forward for the quantum up to the total of three years and vary from state to state as per the shop & establishment act. These are en-cashable on basic salary to the employee. the condition for taking these leaves usually differ from company to company but normally in advance at least 15 days. this can be clubbed with sick leave if sick leave is not balance with the employee.

### Casual Leave

These leave are granted for certain unforeseen situation or where you are required to go for one or two days leaves. In case of casual leave normally company's strict maximum to 3 days in a month. In these cases either the person has to take the permission in advance or has to be regulated on joining. this leave is normally never clubbed with Privilege leave, but it can be clubbed with sick leave if there is no sick leave balance. Again, quantum varies from state to state as per shop & establishment act, normally this leave is not en-cashable or never carried forward. these days to attract people or to reduce absenteeism at the end of the year the balance Casual leave is converted to PL in the leave account.

### Leave without pay

If person does not have any leave to his balance and the situation warrants him to take the leave, the leave is granted by the Company as loss of pay or which may be adjusted against the future leave or as a special case the special paid leave based on the person's contribution to the Company at management discretion.

### Compensatory off

These leaves are granted if the person comes on work during the holidays, normally compensated as leave to be taken or as an en-cashable option.

Leaves can be broadly divided based on its applicability to establishments covered under the **Factories Act** and the **Shops and Establishments Act**. Leave is calculated for the calendar year January to December.

#### **LEAVE IN ESTABLISHMENTS COVERED UNDER THE FACTORIES ACT**

Leaves as per Factories Act applies to all Management Staff, Executives, Supervisors, workers and contract workers as all of them fall under the definition of 'worker' under the Factories Act.

<b>Type of Leave</b>	<b>Privileged / Earned</b>	<b>Casual</b>	<b>Sick</b>	<b>Maternity</b>
<b>Quantum per year</b>	1 day leave for every 20 days worked in the previous year (Eg. 300 days worked = 15 days leave)	Nil	Nil	As per ESI Act OR Maternity Benefits Act
<b>Entitlement</b>	On working 240 days in the first previous year	NA	NA	NA
<b>Utilization</b>	To apply for leave 15 days prior. Leave not to be availed more than 3 times a year	NA	NA	NA
<b>Carry Forward</b>	Not more than 30 days	NA	NA	NA

#### **Other provisions**

1. If the Employee has quit or has been terminated, his earned leave balance should be paid to the employee and in case of death, to the nominee, within 2 days.
2. Any worker who has applied for leave and has not been granted the same, such refused leave shall be carried forward without any limit.
3. Leave can be calculated on Basic wages and DA.
4. Leave book & Leave Register to be maintained for each worker

#### **LEAVE IN ESTABLISHMENTS COVERED UNDER THE SHOPS AND ESTABLISHMENTS ACT**

Shops and Establishments Act provides for provisions of leave for the employees. The said Act is framed by each State on its own and therefore would be different in its provisions. Therefore, a table has been designed to collate provisions of leave as applicable to each State separately.

**BOMBAY SHOPS AND ESTABLISHMENTS ACT, 1948**

Type of Leave	Privileged Leave/ Earned Leave	Casual Leave	Sick Leave	Maternity Leave
Quantum per year	21 days on working 240 days in a year	Nil	Nil	Provisions of Maternity Benefits Act, 1961 to apply
Entitlement	5 days after 3 months on completion of 60 days working in that period	Nil	Nil	
Accumulation	42 days	Nil	Nil	
Computation	Suffixed or prefixed holidays to the leave period shall not be accounted as leave. Holidays or Sundays falling between the period of leave shall be treated as leave			