

ADMINISTRATIVE CIRCULAR NO. 602 DATE 25/02/2020

Sub : Centralized payment of Supplementary Salary, Allowances and deduction of Income Tax thereon.

Centralized Salary Payment has been introduced in the Company from April 2019. All employees' salary is processed at their respective offices and net salary is credited to employee's bank account from Corporate Office. After successful implementation of centralized salary payment from Corporate Office the concept of centralized payment of supplementary salary, allowances, reimbursement and other employees' related payments were under consideration sometime in the past.

2. Now, the Chairman and Managing Director in consultation with Director (Finance), Director (Operations), Director (Commercial), Director (Projects) and Director (HR) has accorded approval to issue the guidelines regarding Centralized payment of Supplementary Salary, other payments of employees and recoveries/ deductions from the salary.

Sr. No	Details of Supplementary Payments/ Recoveries/ Deductions	Guidelines
1.	Other Claims like Supplementary salary, Suspended Employee salary (Subsistence Allowance) , Overtime, Additional charge allowance, Pay fixation arrears, Difference payment of retired employee, TA/LTC/Medical Bills, Honorarium, etc.	<ul style="list-style-type: none"> All "other claims" will be paid on 10th of every month.
2.	Gratuity and Leave Encashment of retired employees	<ul style="list-style-type: none"> Payment of Gratuity on cessation of employment will be paid on last day of retirement/ superannuation. Final Leave Encashment of employees will be paid on 10th of next month
3.	Stipend Payment to the Apprentice	<ul style="list-style-type: none"> The new screen will be developed by IT for HR users in HRMS system for updating attendance and / or verifying any other recovery or deduction of these employees. Stipend will be paid on Monthly basis (i.e.10th of every month) Payment slip shall be named as Stipend statement.
4.	TA Advance / LTC Advance / Medical Advance	<ul style="list-style-type: none"> TA & Medical Advance will be paid on daily basis LTC advance will be paid on weekly basis
5.	Mobile Bill Reimbursement	<ul style="list-style-type: none"> As per the approved limit the amount of the mobile allowance will be paid to the Corporate Office employees only, along with supplementary salary. Mobile allowance shall be treated as taxable income
6.	Retirement Ceremony - Function	<ul style="list-style-type: none"> This payment will be made through Imprest. For this the concerned office account section will arrange to deposit the amount in imprest card.



7.	Excellence Award / Cash Prize	<ul style="list-style-type: none"> • Paid along with supplementary claims on Monthly basis (i.e. 10th of the month)
8.	Funeral Expenses	<ul style="list-style-type: none"> • Immediately give Rs. 10,000/- in cash through imprest. Additional top up on imprest card will be provided immediately for this claim by the concerned office Account Section. • Balance eligible amount to be paid after audit to legal heir along with supplementary claims (i.e. 10th of the month)
9.	Credit Society Recoveries	<ul style="list-style-type: none"> • Collect the bank details to update in the HRMS and after updating, the payment will be made from CPS section.
10.	LIC premium Deduction	<ul style="list-style-type: none"> • From 01.03.2020 premium of LIC policies, which are presently registered in the system to be deducted from the salary only and no new policy registration to be done in the system henceforth for deduction of premium and payment to LIC. • After receipt of approval from LIC, required development will be made in HRMS and the deducted amount of LIC premium will be made through Centralized Vendor Payment System.

3. In addition to present taxable allowances the following allowances shall be considered for calculation of Income Tax:

- i) Book Allowance,
- ii) Entertainment Allowance
- iii) Professional Pursuit Allowance
- iv) System Allowance for Management Cadre

4. The deduction of Income Tax on these allowances will be implemented for the FY 2019-2020 and onwards. The Income Tax falling due because of inclusion of above allowances is to be deducted from the monthly salary of **Feb and Mar 2020** accordingly.

5. This circular shall come into force with immediate effect.

6. This Circular is made available on Company's E-Library.



**Cdr. Shivaji Indalkar (Retd.)
Chief General Manager (HR)**