

HR MANUAL BOOK 4

PAY & ALLOWANCES; LOANS & ADVANCES; AND AWARDS & INCENTIVES (Updated upto 31st May 2020)



Hindustan Aeronautics Limited

Corporate Office
15/1, Cubbon Road, Bengaluru - 560 001
www.hal-india.co.in

(for Private Circulation Only)

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आर. माधवन

अध्यक्ष एवं प्रबंध निदेशक

R. MADHAVAN

Chairman & Managing Director



ಹಿಂದೂಸ್ತಾನ್ ಏರೋನಾಟಿಕ್ಸ್ ಲಿಮಿಟೆಡ್

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हिन्दुस्तान एरोनाटिक्स लिमिटेड

मुख्यालय

HINDUSTAN AERONAUTICS LIMITED

CORPORATE OFFICE



MESSAGE

Employees are the most valuable asset of a Company. The legacy of our Company and its continued success make us the most recognized name in the South East Asian Aviation Industry. The Human Resource function plays an important role in catapulting the Organization on its journey towards achieving excellence.

I am delighted to note that various HR Manuals which are compendium of HR Policies on subjects of Recruitment and Promotion Rules; Conduct, Discipline & Appeal Rules, and Terms & Conditions of Service; Performance Appraisal System, Job Rotations, Training and Sponsorship Schemes; Pay & Allowances; Travelling Allowance Rules & Leave Rules; Welfare Measures, Medical Benefits & Post Superannuation Benefits; Reservation Matters, etc. have been revised & updated.

Employees are required to be well informed about the Rules & Regulations, especially the HR Policies of the Company. The updated Manuals will help the employees to understand the Rules & Policies which helped us to reach where we are today. We strongly subscribe to the principle of transparency in all gamut of activities and the revised HR Manuals would be uploaded on the HAL Website.

My best compliments to the HR Team for being instrumental in bringing out the updated Manuals.

With Best Wishes.

(R.MADHAVAN)

Bengaluru

31st May 2020

15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, ಭಾರತ, 15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, भारत

15/1, Cubbon Road, Bengaluru - 560 001, India

ದೂರವಾಣಿ (ದೂರವಾಣಿ) **Ph.** : +91-80-2232 0105, 2232 0003, ಫ್ಯಾಕ್ಸ್ (ಫೇಕ್ಸ್) **Fax** : +91-80-2232 0240

ಇ ಮೇಲ್ (ಇ) **Email** : chairman@hal-india.co.in

CIN:L35301KA1963GOI001622

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ನಿರ್ದೇಶಕರು (ಮಾನವ ಸಂಪನ್ಮೂಲ)

आलोक वर्मा

निदेशक (मानव संसाधन)

ALOK VERMA

Director (Human Resources)



हिन्दुस्तान एरोनाटिक्स लिमिटेड

मुख्यालय

HINDUSTAN AERONAUTICS LIMITED
CORPORATE OFFICE

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FOREWORD

The Aerospace Industry is highly competitive. Possessing a Skilled workforce in this competitive era is the recipe for success. Companies are in the race to formulate /design robust compensation & Benefits Policies to keep their workforce motivated & engaged to enable them to render their best to the Organization.

A well defined system of Pay & Allowances not only propels efficiency of the employees but propagates the message in the organization that the efforts of the employees are well recognised.

In this regard, the revised HR Manual Book No. 4 titled "Pay & Allowances, Loans & Advances and Awards & Incentives" is designed to provide first hand information to the employees about the latest Compensation & Benefits Policies in the Organization. The Manual will serve as a ready reckoner especially for new comers to understand Company's Rules & Regulations, updated as on 31st May 2020.

While the HR Manuals are compendium of Rules & Policies on the subject, it must be kept in mind that Personnel Circulars and Circulars of Corporate Office will continue to be the authority for the Rules & Regulations in the Company.

On this occasion, I convey my appreciation to the HR Team which was instrumental in preparing and publishing this Manual. I believe that this Manual will meet the intended objective of enlightening the employees about Company Rules.

(ALOK VERMA)

Bengaluru

31st May 2020

15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, ಭಾರತ, 15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, ಭಾರತ

15/1, Cubbon Road, Bangalore - 560 001, India

ದೂರವಾಣಿ (ದೂರವಾಣಿ) Ph.: +91-80-2232 0312, 2232 0409, ಫ್ಯಾಕ್ಸ್ (ಫ್ಯಾಕ್ಸ್) Fax: +91-80-2232 0385

ಇ ಮೇಲ್ (ಇ) Email : dhr@hal-india.co.in

CIN: L35301KA1963GOI001622

INDEX

Chapter No./ Annexure No.	Description	Page No.
I	PAY & ALLOWANCES	
I.1	Scales of Pay	3
I.2	Dearness Allowance	4
I.3	Increment	5
I.4	House Rent Allowance	7
I.5	Service Weightage Pay	25
I.6	Allowances under the Cafeteria System	25
I.7	Canteen Allowance / Meal Vouchers	29
I.8	Profit Linked Allowance	30
I.9	Non Practicing Allowance	30
I.10	Special Allowances for Officers & Workmen at Koraput & Korwa	30
I.11	Special Allowance to Blind/ Orthopaedically Handicapped employees	33
I.12	Transport Allowance to Blind/ Orthopaedically Handicapped, Deaf & Dumb employees	33
I.13	Special Process Allowance	34
I.14	Allowance in lieu of issue of Milk	35
I.15	Night Shift Allowance	35
I.16	Split Shift Allowance	35
I.17	Special Allowance for Call Duties	36
I.18	Turnout Allowance	36
I.19	Uniform Allowance to Nursing Staff	36
I.20	Welders Bonus	37
I.21	Arms Allowance	37
I.22	Incentive for Safe Driving	37
I.23	Outstation Allowance	39
I.24	Payment of North-East Allowance & Special Allowance for serving in difficult & far flung areas	41
I.25	Payment of High Altitude/ Counter Insurgency /Modified Counter Insurgency Area Allowance	42
I.26	Special Allowance, Insurance Coverage & Survival Benefit in respect of Test Pilots / Flight Test Engineers / Flight Test Instrumentation Engineers / Communication Pilots	43

Chapter No./ Annexure No.	Description	Page No.
I.27	Retention Incentive in respect of Company Test Pilots / Flight Test Engineers/ Flight Test Instrumentation Engineers	44
I.28	Special Flying Allowance	45
I.29	Insurance Coverage & Pre-Flight Meal Allowance Applicable in respect of Flight Engineers, Flight Test Observers, Flight Mechanics and Vibrex Operators	45
I.30	Special Qualification Allowance to AME/ ARME License Holders	46
I.31	Rating Allowance and Stress Allowance	47
I.32	Flight Data Processing Allowance for Air Traffic Hands	48
I.33	Reimbursement of Membership Fees paid to Professional Bodies	48
I.34	Additional Perquisites to Officers in Grade-X & above	51
I.35	Reimbursement of expenditure incurred on Official Entertainment at Residence	52
I.36	Scheme for purchase of Furniture, Household items etc. by Senior Executives	52
I.37	Scheme for Allotment, Recovery & Purchase of Company-Owned Cars being used by Officers in Grade-IX & above	56
I.38	Residential Landline Phone with Internet Connection & Mobile Phones	62
I.39	Issuance of iPADs/Laptops to Officers in Grade IX & above	70
I.40	Scheme for presentation of Service Gifts	72
I.41	Gift at the time of Separation	74
I.42	Recovery of House Rent for Company Quarters/ Bachelor Accommodation/ Hostel accommodation	74
I.43	Recovery of Water Charges	77
I.44	Recovery of Electricity Charges	77
II	LOANS AND ADVANCES	
II.1	Rules governing grant of Advance for purchase of Motor Cycle / Scooter / Auto Cycle in respect of Workmen	79
II.2	Grant of Advance for purchase of Motorised Wheel-Chair / Tricycle in respect of Orthopedically Handicapped Workmen	83
II.3	Special Loan to employees whose Houses are damaged by Floods / Cyclones	84
II.4	Special Advance for Workmen	85
II.5	Contingency Advance for Officers	86
II.6	Salary Advance	86

Chapter No./ Annexure No.	Description	Page No.
III	AWARDS & INCENTIVES	
III.1	Submission of Applications for Awards to External Agencies / Organizations and Government Departments by Employees, Divisions and the Company	89
III.2	HAL Reward Scheme for Exemplary Performance in respect of Executives	92
III.3	HAL Employee Suggestion Scheme	96
III.4	Grant of Incentive to employees acquiring Higher Educational Qualification after joining the Company	103
III.5	Incentive Scheme For Workmen	105
III.6	Quarterly Performance Pay Scheme for Workmen	123
III.7	Performance Related Pay (PRP) Scheme for Officers	128
ANNEXURES		
I.A	Application for Leased Accommodation	139
I.B	Format Letter from owner of the house/flat-Company Leased Accommodation	142
I.C	Receipt cum Security Deposit	144
I.D	Lease Agreement	145
I.E	Format letter to be issued to the Officer- Leased Accommodation	149
I.F	The Basket of Allowances (for selection based on Cafeteria Approach) - Executives	151
I.G	Application Format for indicating the Optional Allowances under the "Cafeteria System" - Executives	152
I.H	The Basket of Allowances (for selection based on Cafeteria Approach) - Workmen	153
I.I	Application Format for indicating the Optional Allowances under the "Cafeteria System" - Workmen	154
I.J	Grade-II Officer in 20% Tax Slab	155
I.K	Grade-VII Officer in 30% Tax Slab	156
I.L	Grade-II Officer in 20% Tax Slab	157
I.M	Grade-VII Officer in 30% Tax Slab	158
I.N	Illustrative list of Professional Bodies in 'areas other than Technical'	159
I.O	Application for reimbursement of Membership Fee paid to Professional Body/Bodies	160
II.A	Application form for Advance to purchase Motor Cycle / Scooter / Auto Cycle/ Motorised Wheel-Chair/ Tri-Cycle	162
II.B	Agreement for drawing Advance by Workmen for the purchase of a Motor Cycle / Scooter / Auto Cycle / Motorised Wheel-Chair/ Tri-Cycle	164
II.C	Letter of Hypothecation for Advance paid for purchase of Motor Cycle / Scooter / Auto Cycle / Motorised Wheel-Chair/ Tri-Cycle	166

Chapter No./ Annexure No.	Description	Page No.
II.D	Application for Salary Advance	169
III.A	Suggestion Form	170
III.B	List of Qualifications and amount of Incentive – Technical Disciplines	171
III.C	List of Qualifications and amount of Incentive – Non-Technical Disciplines	172
III.D	Worksheet for deriving Output and payment of Monthly/ Annual Incentive	173
III.E	Calculation of Incentive for Direct Labour in a Group	177
III.F	Apportionment of Total Incentive amount between Production/ Overhaul Divisions and Common Services	179
III.G	Attachment of R & D Centres, Corporate / Complex Officers, Liaison Offices and Central Services to Production / Overhaul Divisions – for computation of Incentive	180
III.H	Illustrative example on assessment of Annual Incentive	181
III.I	Divisional Performance (DP) Factor	182
III.J	Distribution of Output	183
III.K	Computation of Quarterly Performance Pay	184
III.L	Attachment of R & D Centres, Corporate / Complex Officers, Liaison Offices and Central Services to Production / Overhaul Divisions – for computation of QPP	186
III.M	Format for Report on Payment of QPP	187
III.N	Attachment of R & D Centres, Corporate / Complex Officers, Liaison Offices and Central Services to Production / Overhaul Divisions – for computation of PRP	188
III.O	Annual Divisional Performance Index	189
III.P	Individual Performance Details	190
III.Q	Performance in respect of a Complex or a combination of Divisions	192
III.R	Illustrative examples for computation of PRP	193

I. PAY & ALLOWANCES

I.1 SCALES OF PAY

I.1.1 Scales of Pay and Allowances of Officers are revised from time to time. The last revision of Pay Scales and Allowances was done w.e.f 1.1.17. The Pay Scales and Allowances of Workmen are also revised periodically after Settlement with the recognized Trade Unions in the Company. The current Wage Settlement is effective from 1.1.17 and is valid upto 31.12.26. Further, the Settlement shall continue to be operative beyond 31.12.26, till a new Settlement is arrived at w.e.f. 1.1.27.

I.1.2 The Pay Scales of Officers and Workmen are as indicated below:

I.1.2.1 Scales of Pay :: Executives (Effective from 1.1.17)

**Reference:
PC No.715 Dt. 17.11.17**

Grade	Scales of Pay (Rs.)
I	30000 - 120000
II	40000 - 140000
III	50000 - 160000
IV	60000 - 180000
V	70000 - 200000
VI	80000 - 220000
VII	90000 - 240000
VIII	100000 - 260000
IX	120000 - 280000
X	150000 - 300000
Directors / CEO	180000 - 340000
CMD	200000 - 370000

I.1.2.2 Scales of Pay :: Workmen (Effective from 1.1.17)

**Reference:
PC No.718 Dt. 16.1.20**

Scale	Scales of Pay (Rs.)
1	18000 - 70000
2	18500 - 75000
3	19000 - 80000
4	21000 - 85000
5	22000 - 90000
6	23000 - 95000
7	24000 - 100000
8	25500 - 105000
9	27000 - 110000
10	28500 - 115000
Special Scale	30000 - 120000

I.2 DEARNESS ALLOWANCE

I.2.1 Executives (Grade-I & Above)

References:

- 1) PC No.607 Dt. 4.3.91
- 2) PC No.684 Dt. 28.5.09
- 3) PC No.715 Dt. 17.11.17

I.2.1.1 The DA (IDA pattern) admissible to Officers as on 1st January 2017 is 'Nil' as the applicable amount of IDA drawn by them as on 1st January 2017 in the 2007 Salary Structure is merged in the revised Basic Pay, with All India Consumer Price Index (AICPI) (2001=100) link point of 277.33 as on 1.1.17. The rates of DA payable from 1st April 2017 onwards is worked out linked to AICPI 277.33 (2001=100) as on 1.1.17 as per the cycles given below:

Dates on which DA is adjusted	Quarter with reference to which average CPI is worked out
1 st January	September, October and November of previous year
1 st April	December of previous year and January and February of same year
1 st July	March, April and May of same year
1 st October	June, July and August of same year

Note: Average of All India Consumer Price Index will be rounded off to the nearest integer. DA will be rounded off to the nearest rupee.

I.2.2 Workmen

References:

- 1) PC No.607 Dt. 4.3.91
- 2) PC No.704 Dt. 25.9.14
- 3) PC No.718 Dt. 16.1.20

I.2.2.1 The DA (IDA pattern) admissible to Workmen as on 1st January 2017 is also 'Nil' as the applicable amount of IDA drawn by them as on 1st January 2017 in the 2012 Wage Structure is merged in the revised Basic Pay, with All India Consumer Price Index (AICPI) (2001=100) link point of 277.33 as on 1.1.17. Like Officers, the rates of DA payable from 1st April 2017 onwards is worked out linked to AICPI 277.33 (2001=100) as on 1.1.17 as per the cycles given below:

Dates on which DA is adjusted	Quarter with reference to which average CPI is worked out
1 st January	September, October and November of previous year
1 st April	December of previous year and January and February of same year
1 st July	March, April and May of same year
1 st October	June, July and August of same year

I.3 INCREMENT

References:

- 1) PC No.684 Dt. 28.5.09
- 2) PC No.704 Dt. 25.9.14
- 3) PC No.715 Dt. 17.11.17
- 4) PC No.718 Dt. 16.1.20

I.3.1.1 Annual Increment is granted on the standard date of 1st January, to all Employees. In respect of Workmen / Officers who are appointed or promoted, the first Annual Increment after appointment / promotion is granted w.e.f. the first of the same month in the following year. The date of their next Annual Increment is re-scheduled to 1st January of the subsequent year.

I.3.1.2 In respect of Executives / Workmen in the Company, Annual Increment is granted @ 3% of the running Basic Pay in the corresponding Pay Scales. The resultant amount is rounded up to the next Rs.10. Other items which are considered as Basic Pay for different purposes (like SWP, if drawn) are not reckoned for grant of the Annual Increment.

I.3.2 Stagnation Increment

References:

- 1) HAL/P&A/10(2)/12 Dt. 29.2.12
- 2) PC No.704 Dt. 25.9.14
- 3) PC No.715 Dt. 17.11.17
- 4) PC No.718 Dt. 16.01.20

I.3.2.1 Officers who reach the maximum of the Pay Scales are granted Stagnation Increment @ 3% of the running Basic Pay, one after every two years, upto a maximum of three Stagnation Increments, provided the Officer has secured PAR Marks of '80' or above during the preceding 2 years. The methodology to be adopted for (a) grant of the last Annual Increment within the Pay Scales and (b) grant of Stagnation Increments subsequently is illustrated below with an example:

Pay Scale – Rs. 90000-240000 (Grade-VII)

i	Pay fixed on appointment (1.5.17)	-	2,20,000/-
ii	1.5.18 (Annual Increment)	-	2,26,600/-
iii	1.1.19 (date of Increment re-scheduled)	-	2,33,400/-
iv	1.1.20 (Annual Increment limited to maximum of the Scale)	-	2,40,000/-
v	1.1.22 (First Stagnation Increment)	-	2,47,200/-
vi	1.1.24 (Second Stagnation Increment)	-	2,54,620/-

I.3.2.2 Workmen who reach the maximum of the Scales of Pay would be granted Stagnation Increments @ 3% of the Basic Pay one after every two years, upto a maximum of 3 stagnation increments. The resultant amount will be rounded up to the next Rs.10/-.

I.3.3 Regulation of Increments in case of LWP & Imposition of Punishment

I.3.3.1 In the case of postponement of increment due to Leave without Pay exceeding 15 days in a year, the increment will be postponed during the 1st year. In the subsequent year, the increment will be brought back to the original date unless postponed as a result of further Leave without Pay or as a measure of punishment.

Example: Due date of increment in 2021 is 1.1.2021. Officer was on Leave without Pay for 25 days during 2020. New date of increment in 2021 will be 25.1.2021. Due date of increment in 2022 will be 1.1.2022.

I.3.3.2 Where an Officer is imposed with the punishment of postponement of increment without cumulative effect, the same method as above will be followed.

I.3.3.3 In cases where the penalty of postponement of increment with cumulative effect is imposed, the increment date is postponed as per the orders of the Disciplinary Authority. It will not be restored to the original date in the second and subsequent years.

I.4 HOUSE RENT ALLOWANCE

References:

- 1) PC No. 644 Dt. 03.09.1999
- 2) PC No. 650 Dt. 01.07.2000
- 3) No. HAL/P&A/11(3)/2001 Dt. 20.02.2001
- 4) PC No.684 Dt. 28.5.09
- 5) PC No.704 Dt. 25.9.14
- 6) PC No.715 Dt. 17.11.17
- 7) PC No.718 Dt. 16.01.20

- i) HRA is computed and paid to the Officers and Workmen on the running Basic Pay in the 2017 Scales of Pay w.e.f. 10.11.2017 and 01.08.2018 respectively, as per the Govt. of India classification of Cities notified vide DPE OM No.2/70/08-DPE(WC) dated 26.11.08 read with DPE OM No. W-02/0028/2017-DPE(WC)-GL-XIV/17 dated 04.08.2017, as indicated below:

Cities with Population	HRA rate per month
50 Lakhs & above	24% of Basic Pay
5 to 50 Lakhs	16% of Basic Pay
Less than 5 Lakhs	8% of Basic Pay

- ii) HRA will be paid for such classified Cities where HAL has its Divisions / Offices, subject to the specified conditions. Rates applicable in respect of HAL are as follows:

City / Locality	Rate per month (% of Basic Pay)
Delhi/ Mumbai / Chennai / Barrackpore / Bangalore / Hyderabad / Pune	24
Lucknow / Kanpur / Nasik /Agra / Vizag	16
Koraput / Korwa / Kasargod	8

I.4.1 Eligibility for HRA

References:

- 1) HAL/P&A/11(3)/2009 Dt. 1.12.09
- 2) HAL/P&A/11(3)/11 Dt. 17.8.11
- 3) HAL/P&A/11(3)/15 Dt. 31.3.15
- 4) HAL/P&A/11(3)/16 Dt. 18.1.16
- 5) HAL/HR/11(3)/18 Dt. 8.10.18

- I.4.1.1 Employees are eligible for payment of HRA in the following special cases also:

- i) When the quarter vacated by the employee is occupied by another employee, who was not allotted a quarter earlier, who was staying outside the Township & drawing HRA, irrespective of the fact that other livable houses of the same type are lying vacant in the Township.
- ii) HRA will be payable when an employee vacates his quarter and the same is occupied by another employee or by personnel from outside agencies rendering service to HAL, Vendors, Welfare Societies, Clubs etc. Further, any vacated quarter from the pool of vacated quarters when allotted to other employees or agencies / vendors / welfare societies / clubs etc., irrespective of when such quarter had fallen vacant, HRA may be paid to the employee who has vacated that type of quarter first, on seniority basis.
- iii) Both Husband & Wife employed in HAL and not staying in Company Accommodation.
- iv) Both Parent & Child employed in HAL and both not staying in Company Accommodation.
- v) Employee's spouse is employed in the Central/ State Government, other PSUs (Central or State), Nationalized Banks, LIC, other Central/ State Government Organizations, Port Trusts, Semi-Government Organizations such as Municipality, etc.; and neither staying in HAL accommodation nor the Spouse allotted accommodation by his/ her employer.

I.4.2 Non Eligibility for HRA

References:

- 1) HAL/P&A/11(3)/09/288 Dt. 31.3.09
- 2) HAL/P&A/11(3)/14 Dt. 25.9.14
- 3) HAL/P&A/11(3)/15 Dt. 31.3.15
- 4) HAL/P&A/11(3)/16 Dt. 18.1.16
- 5) HAL/HR/11(3)/18 Dt. 8.10.18

I.4.2.1 Employees will not be eligible for payment of HRA under the following conditions:

- i) Where both husband and wife are employees of the Company and are residing in a quarter allotted to one of them. In such cases, the other employee will also be deemed to be an allottee and will not therefore be eligible for House Rent Allowance. The same consideration will apply where two or more employees working in the Company stay in quarters allotted to any one of them.

- ii) An employee who is allotted a quarter in the Township, but refuses to accept it and prefers to stay outside is not eligible for HRA, so long as any quarter of the type refused by the employee remains vacant in the Township. However, if the quarter allotted is below his/her entitlement and the employee refuses the accommodation on this account, he/she will be eligible for payment of HRA.
- iii) Employees who were allotted quarters of the entitled type, but later, on their own, decide to vacate them and live outside the Township, are not entitled to HRA, so long as any quarter of the type vacated by the employee remains vacant in the Township.
- iv) When employee resides in an accommodation allotted to his/her parent(s)/ sons/ daughters by the Central/ State Government, other PSUs (Central or State), Nationalized Banks, LIC, other Central/ State Government Organizations, Port Trusts, Semi-Government Organizations such as Municipality, etc.
- v) When spouse of the employee has been allotted accommodation at the same Station by the Central/ State Government, other PSUs (Central or State), Nationalized Banks, LIC, other Central/ State Government Organizations, Port Trusts, Semi-Government Organizations such as Municipality, etc., whether the employee resides in that accommodation or not.

I.4.2.2 Intimation about the non-entitlement for HRA as at para-I.4.2.1 (i), (iv) & (v), to the HR Department, would be the responsibility of the employee concerned, whenever the event occurs.

I.4.3 Policy on payment of HRA to Field Service Representatives

References:

- 1) HAL/P&A/11(3)/2013 Dt.1.1.13
- 2) HAL/P&A/11(17)/13/PF Dt. 12.08.13

I.4.3.1 Employees are deputed / posted to various Customer Bases as Field Service Representatives (FSRs) to provide Customer Support. Such employees either make their own arrangements for stay at the Base or stay in the accommodation provided by the Customer (like Indian Air Force).

I.4.3.2 Employees deputed from the Divisions/Offices to which they belong (Headquarters) and posted to the Customer Bases are treated as on Outstation duty and are entitled for payment of Outstation Allowance, subject to meeting the specified terms & conditions. Such employees not retaining Company accommodation at the Headquarters are eligible for payment of House Rent Allowance also, subject to the Rules.

I.4.3.3 In addition to deputing employees from the Divisions, personnel are recruited and posted directly at the Outstations also. Such employees, whose Headquarters is the Customer Base, are not eligible for Outstation Allowance. However, they are eligible for payment of House Rent Allowance, subject to Rules.

I.4.3.4 Rules regarding entitlement of House Rent Allowance in respect of employees posted at Customer Bases, are as indicated below:

I.4.3.5 Employees deputed from Divisions on Outstation Duty to the Customer Bases

- i) Employees deputed from the Divisions (Headquarters) and posted at the Customer Bases on Outstation duty and who have not retained Company Quarters at the Headquarters, will be eligible for payment of HRA at the rates applicable at the Headquarters OR the Outstation/Base, as opted by them, provided they have not availed transfer TA/DA benefits for shifting their families to the Outstation/Base, regardless of where the family is residing. Payment of HRA would be subject to fulfilling all other specified conditions in the Rules.

Examples:

- An employee posted on Outstation duty from Bangalore (Bangalore is the Headquarters, where the rate of HRA is 24%) to Agra (rate of HRA is 16%), will be paid HRA @ 24%, i.e. the rate at Bangalore.
 - An employee posted in Outstation duty from Koraput (Koraput is the Headquarters, where the rate of HRA is 8%) to Agra (rate of HRA is 16%), will be paid HRA @ 16%, i.e. the rate at Agra.
- ii) Employees deputed from the Divisions (Headquarters) but who have availed Transfer TA/ DA Benefits for shifting their families to the Outstation/Base and who have not retained Company Quarters at the Head Quarters will be eligible for payment of HRA at the rates applicable at the Outstation/Base;
- iii) Employees deputed from the Divisions to the Bases on Outstation Duty but who have retained Company Quarters will not be eligible for payment of HRA.

I.4.3.6 Employees directly posted at the Customer Bases

I.4.3.6.1 Employees selected for permanent posting at the Customer Base, including Ex-Servicemen engaged on contract basis and posted at the Base directly (Outstation is the Headquarters), will be eligible for payment of HRA at the rates applicable at the Base.

I.4.3.7 Employees staying in accommodation provided by Customers

I.4.3.7.1 Notwithstanding the provisions at paras-I.4.3.5 (i) & (ii) and I.4.3.6 above, system for payment of HRA to employees allotted accommodation by Customers will be as follows:

- i) No HRA would be payable to FSRs in case Customers like IAF have allotted accommodation to them, for which they charge only License Fee as applicable in Government or Standard Rent as applicable in HAL or a similar amount (plus Water, Electricity Charges etc.) (like in the case of employees allotted Company Quarters);
- ii) In case the Customer charges Market Rent for the accommodation provided to the FSRs, they will be eligible for payment of HRA from the Company, as indicated below:
 - a) Those deputed from the Divisions, who have not retained Company Quarters and who have not availed Transfer TA/DA benefits to shift their Families to the Outstation will be eligible for payment of HRA at the rate applicable at the Head Quarters or at the Outstation, as opted by them;
 - b) Employees deputed from the Divisions but who have availed Transfer TA/ DA Benefits for shifting their families to the Outstation/Base and who have not retained Company Quarters at the Head Quarters as also those who are selected for permanent posting at the Outstation will be eligible for payment of HRA at the rate applicable at the Outstation.
- iii) IAF will certify whether the Rent being charged from HAL employees is Market Rent or Standard Rent (License Fee) / similar amount.

I.4.3.8 Other Conditions

- i) Employees posted at the Customer Bases should give an Undertaking every six months to their parent Division that they are staying / not staying in accommodation provided by the Organization where they are posted;
- ii) If they are staying in the accommodation provided by the Organization where they are posted, they should indicate the quantum of Rent being paid as also whether it is Market Rent or Standard Rent / License Fee/ similar amount, with proof of payment. Further, they should also produce a Certificate from the Organization wherever they are posted to the effect that the

Rent being charged from them is Market Rent or Standard Rent / License Fee / similar amount;

- iii) Employees making their own arrangements for stay in the Bases will give an Undertaking to the effect that whenever they are allotted accommodation by the Customer, they will bring the same to the knowledge of their parent Division;
- iv) If at any time it is revealed that the accommodation where the employee is staying is provided by the Customer and the same is not informed to the parent Division and HRA was paid to him to which he was not entitled, the HRA paid will be deducted with retrospective effect, along with simple interest. The rate of interest to be charged for effecting the recovery of HRA will be the interest rate on Cash Credit prevailing on the date of recovery (viz. Base Pay + 2%) at SBI. The exact details of interest Rate may be collected from Local Branch of SBI. In case the recovery is effected in installment, the rate at which the first installment was recovered will continue. If similar cases are existing in the Divisions where FSRs have been paying only Standard Rent / License Fee/ similar amount to the Customer and also claiming HRA from the Company, the HRA paid will be recovered for the past period, along with interest as indicated above.

I.4.3.9 Divisions will ensure compliance of the above guidelines to avoid any false claim of HRA by ineligible employees posted a Customer Bases.

I.4.4 Payment of HRA to Officers availing Guest House / Bachelor Accommodation

References:

- 1) HAL/P&A/11(3)/12 Dt. 17.10.12
- 2) HAL/P&A/11(3)/08 Dt. 29.9.08
- 3) HAL/P&A/11(3)/08/161 Dt. 14.8.08
- 4) HAL/HR/11(3)/13/PF Dt. 25.6.13

I.4.4.1 HRA can be paid upto a maximum period of 2 years, in cases of Officers transferred from one Station to another, who are not in occupation of Company owned/ hired accommodation at the old Station and who stay in the Guest House/ Bachelor Accommodation of the Division at the new Station.

I.4.4.2 In case of fresh appointments, the period for which HRA can be paid will be one year only. The Ex- Management / Design Trainees staying in Company Guest House / Transit Accommodation are not eligible for payment of HRA. Same would be the case with fresh candidates (like Engineering Graduates) who join the Company as Asst. Engineers/ Officers in Grade-I.

I.4.5 Allotment of Company Quarters to Outside Agencies and Fixation of Market Rent for Quarters

<p>Reference: HAL/P&A/11(3)/2011/PF Dt. 8.11.11</p>

I.4.5.1 Approving Authority for allotment of Quarters

- i) Agencies directly associated with HAL's work:

GMs/ EDs would be the Approving Authority for allotment of Surplus Quarters to Govt./Statutory Agencies who are directly associated with HAL's work; such as CRI, RCMA, AFLE, AO(DAD), RAO, Army Liaison Cell, Naval Inspection Cell etc.. GMs/ EDs can also approve allotment of Quarters to external Agencies, who are awarded work to be carried out in HAL premises, if the contracts signed with them, which are approved by the CEO/ Corporate Office, contain clause for allotment of Quarters.

- ii) Agencies who have no direct association with HAL's work :

Concerned CEO would be the Approving Authority for allotment of Quarters to all Agencies who have no direct link/association with HAL's work; such as other PSUs, Banks, Post Office, nearby IAF Units, State Govt., Schools, Electricity Boards, Road Transport Corporation, Contractors, etc.

I.4.5.2 Rent to be charged from employees of Government Organizations allotted Company Accommodation in HAL Township

- i) Who are in receipt of HRA from Government Organizations:

They would be charged rent equivalent to the HRA amount received by them from the Government plus the License Fee that would have been payable by them for the type of accommodation allotted to them by HAL had they been allotted similar type of accommodation by the Government.

- ii) Who are in receipt of Compensation in lieu of Quarters (CILQ) from their employers:

Rent to be recovered would be equivalent to their Notional entitlement for HRA from the Government plus the Licence Fee that would have been payable by them for the type of accommodation allotted to them by HAL had they been allotted similar type of accommodation by the Government.

- iii) Who are not paid HRA by the Government Organizations as they are allotted HAL accommodation:

They are charged Standard Rent as applicable to HAL employees.

- iv) Private Agencies:

Market Rent would be charged from the employees of Private Agencies, who are allotted HAL Quarters.

I.4.5.3 Fixation of Market Rent

- i) The Market Rent would be decided based on the recommendations of a Committee constituted at the Divisional level (at Bangalore by Bangalore Complex) comprising of representatives of Finance, HR, Civil, Township / Estate Depts. The recommendations will be considered & approved by the concerned GM/ED [CEO(BC) at Bangalore]. The Committee will recommend the Market Rent, after assessing the prevailing Rental Value of similar type of accommodation in the vicinity of Company Quarters or by following any other scientific methodology;
- ii) The Market Rent would be applicable in respect of ex-employees who are overstaying in the Company Quarters beyond the permissible period after superannuation etc., also;
- iii) The Market Rent would be reviewed & re-fixed, every 3 years.

I.4.5.4 Allotment of surplus Quarters

- I.4.5.4.1 Complexes/ Divisions can allot surplus quarters to all desirous outside Agencies, after taking into account the requirement of Company employees, so as to avoid them from lying vacant and also to generate revenue.

I.4.5.5 General Instructions to be issued to the allottees to avoid indiscipline and ensure proper upkeep of the Quarters

- i) In respect of Agencies who do not have any direct linkage with HAL's business, Quarters may be initially allotted for a period of one Year. The period can be extended every year, for one year each, provided the Quarters are surplus and there is no waiting list of employees desirous to occupy Company Quarters.
- ii) Terms & Conditions applicable for allotment of HAL Quarters in respect of allottees of all categories are indicated below. A written consent would be obtained from the allottees that they

would adhere to all the Terms & Conditions, before allotment of the Quarters.

I.4.5.6 Terms and Conditions for allotment of HAL Quarters to Outside Organisations

- i) He/she will not sublet the accommodation allotted to him/her or share the same with any other person without the written permission of HAL Management. In case of sub-letting the Quarters, either fully or a portion thereof, rent @ 10 times the normal monthly rent will be charged to the allottee during the notice period apart from declaring him ineligible for allotment of Company Quarters with immediate effect.
- ii) Visitors from outside and loitering in the Township by the occupants of Quarters after 10:30 pm till 5:00 am are to be restricted.
- iii) Foreign citizens should not be allowed to stay in the Township as guests of the allottees or in any other capacity without prior written permission from the HAL Management. Approval of the Management need be obtained for the No. of days of stay by such Foreign Nationals. Copy of Visa & Passport also need be kept by the Division for any future requirements.
- iv) He/she will not allow or permit any undesirable and anti-social elements into their Quarters.
- v) He/she will be responsible for the proper upkeep of the Quarter allotted to him/her and he/she will not tamper/meddle with Civil/Sanitary and Electrical fittings/fixtures provided in the Quarter. He/she shall report the damage or disorder, if any, to the fixtures etc., to the Township Administration Dept.
- vi) He/she will not raise any un-authorized construction in or around the premises allotted.
- vii) He/she will not maintain Cattle/Goat/Sheep etc. or raise Poultry in or around the premises allotted to him.
- viii) He/she shall not stock cow dung cakes, firewood, hay etc. on the roofing.
- ix) Garbage of the Quarters shall not be thrown in the open space by the allottees but shall be deposited in dust bins, etc. provided for the purpose.
- x) He/she will keep the quarter and its surroundings in a clean and sanitary condition so as not to cause any hazard to the health of the inhabitants of the surrounding area/Township.

- xi) He/she will not keep or store any explosive materials which may endanger the lives and property of the inhabitants in the Township.
- xii) He/she or any inhabitants of the quarter allotted to them will not cause any inconvenience or nuisance to their neighbours during the period of occupation of the premises by indulging in drunkenness, assault, quarrel etc.
- xiii) He/she will not use the Quarters allotted to him/her for running any shop, laundry, business etc. or any other un-authorized purpose.
- xiv) The Quarters are not to be used for any immoral or any unlawful activities including for late night parties which continue after 10:30 pm.
- xv) He/she shall not cut down trees without the prior permission of the Township Authorities/Horticulture Department.
- xvi) In regard to planting of trees in the compound of Quarters permission of the Township is to be obtained.
- xvii) In case of any infection or any contagious disease which is likely to spread into an epidemic to any inhabitants, the allottee shall immediately report to the Company Medical Dept. and have the patient segregated by removing him to the Hospital.
- xviii) Quarters or premises shall not be used for political or any unlawful assemblies.
- xix) The allottee will be intimated that he is only a licensee of the Quarter and ownership of the same shall vest within Company.
- xx) If any time for any reason the allottee is allotted any other alternative accommodation, he/she will shift to the new premises within a period of 15 days from the date of communication of the notice of allotment of alternative accommodation to them.
- xxi) The Management shall be at liberty to evict the allottee in case of infringement of the rules and regulations of the Company, or to take legal action in case of moral turpitude, criminal activities, espionage, etc.
- xxii) When the house is no longer required by the allottee due to any reason or the allottee ceases to be entitled to it or the allotment is cancelled by the Management under the rules, the allottee shall be responsible for handing over the vacant

possession of the Quarter with all fixtures etc., intact, to the Township Administration.

- xxiii) If the allottee fails to comply with the allotment rules or if fails to comply with the Management's order for vacating the house for any reason whatever so, the defaulter will be liable to pay rent as decided by the Management.
- xxiv) The allotment order will stand automatically cancelled if the allotted Quarter is not taken over by the allottee within seven days from the issue of the letter.
- xxv) The allottee shall give one month notice in writing to the Township Administration in the event of vacating the Quarters.
- xxvi) That decision of the General Manager shall be final on all matters.
- xxvii) Signed duplicate copy of the allotment order containing all the terms & conditions will be obtained from the allottee as a token of acceptance.
- xxviii) In addition, the following Certificates need be obtained from Employees of Private Agencies before handing over the Quarter:
 - a) Police Verification Certificate from the Local Police Station
 - b) Employer's Certificate indicating the particulars of employment and permanent address of the occupant, wherever applicable.

I.4.6 Retention of Company Quarters

References:

- 1) PC No.206 Dt.29.06.72
- 2) HAL/P&A/15(4)/1/86 Dt. 28.11.86
- 3) HAL/P&A/15(4)/1/88/1526 Dt. 9.12.88
- 4) HAL/P&A/15(4)/1/89/5841 Dt. 26.11.89
- 5) PC No.613 Dt.10.06.92
- 6) HAL/P&A/11(3)/2013 Dt 1.1.13

I.4.6.1 Employees who have been allotted Company owned/hired accommodation may be permitted to retain the accommodation for the bonafide use of the employee or members of his family, on payment of normal monthly rent Payable by the employee or the rent paid by him at the time of his Superannuation/Voluntary retirement or death of the employee, as the case may be.

I.4.6.2 An employee who is dismissed from service of the Company or whose services have been terminated by the Company is not to be permitted to retain the Company owned/hired accommodation allotted to him/her for any period whatsoever.

I.4.6.3 Retention of accommodation by any person beyond the permissible limits as indicated below or by any employee whose services have been terminated, should be treated as unauthorized occupation, entailing eviction and recovery of penal rent.

I.4.6.4 The Circumstances under which the accommodation may be retained as also the period upto which retention may be permitted and conditions for such retention are as indicated below:

Sl. No	Circumstances	Permissible period for retention of accommodation
1.	Retirement or Superannuation including Voluntary Retirement or Termination of service due to continued ill-health.	2 months from the date of Retirement/Superannuation/Termination of services due to continued ill-health.
2.	Study Leave	Period of Study Leave or six months, whichever is less.
3.	Death while in Service	6 months from the date of death.
4.	Transfer to another Station	<p>Normally 2 months from the date of relief. However, in the following Circumstances, an employee may be permitted to retain the accommodation beyond the period of 2 months:</p> <ul style="list-style-type: none"> • Till the end of the Academic Session if his/her children are studying; • Till the completion of the basic course/professional course, if his/her children are studying in High School/plus two level or professional college; • Till the family member(s) has fully recovered and is in a position to move to the new station in cases of chronic sickness of his/her family member(s) provided facility for the treatment of such sickness does not exist in the new station, at the discretion of the concerned CEO.

5.	Transfer to another station at the age of 55 or above	Till the date of Superannuation or 2 months thereafter in case he/she has decided to settle down at the previous duty station after his/her Superannuation and his/her family continues to reside in that accommodation on his transfer.
6.	Resignation from service	Maximum period of one month from the date of resignation at full market rent, at the discretion of the concerned CEO/GM.
7.	Deputation of an employee for Training	Till the employee returns from training, provided it is required for occupation of his family during his training period whether in India or abroad (where family TA is drawn retention of accommodation should not be authorized).
8.	Outstation Postings	Employees deputed from the Divisions (Headquarters) to the Bases on Outstation Duty can retain Company Quarters at Headquarters

Note: Retention of the Company owned/hired accommodation as indicated at Sl. Nos. (4) and (5) above will be subject to the following:-

- i) The concerned employee will not be eligible for Company accommodation at the new station to which he/she is transferred. However, Management may permit the concerned employee to stay in the company's Guest House or Bachelor/any other Accommodation subject to availability/requirement of the Company, on payment.
- ii) He/she will not be eligible to any House Rent Allowance at the new Station and he/she will continue to pay the usual rent as per rules for the accommodation retained at the previous duty station.
- iii) If the accommodation that the employee/his family members are occupying at the previous duty station is required for another employee who has moved to that station, the employee who is permitted to retain the accommodation could be offered lower type of accommodation.

I.4.7 LEASED ACCOMMODATION

References:

- 1) PC No.616 Dt.5.4.93
- 2) PC No.617 Dt.5.4.93
- 3) HAL/P&A/11(3A)/2001 Dt. 5.4.01
- 4) PC No.670 Dt.17.2.06

I.4.7.1 Officers in Grade-I and above are eligible for Company Leased Accommodation, provided entitled Company Accommodation including one below entitlement is not available. In case, at a later date, the entitled Company Accommodation including one below the entitlement is available, the Officer may be asked to move to the Company Accommodation and lease of hired accommodation will be terminated as per the terms of the Lease Agreement.

I.4.7.2 The facility of Self-Leasing is admissible to Officers in Grade-I and above, who own a house in their name or in the name of their spouse or jointly in the name of both, subject to the condition that entitled type of Company-owned accommodation is not vacant at the time of according approval for taking the house on Self-Lease basis.

I.4.7.3 Procedure:

Reference: HAL/P&A/15(4)/2/2006/191Dt.26.5.06
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- i) Officers interested in taking Company Leased Accommodation will have to identify suitable & entitled type of House/Flats, within the prescribed monetary ceilings applicable to their Grade and the concerned City, on their own;
- ii) After identifying the House/Flats, they should submit an Application to the Division/Office in the Format enclosed as **Annexure-I.A**, along with a letter from the owner of the House/Flat in the Format enclosed as **Annexure-I.B** (Company Lease Accommodation);
- iii) The Division/Office will scrutinize all the relevant documents pertaining to the property so as to establish the lawful ownership of the property by the Landlord. The Division will assess the reasonableness of the Rental Value of the House/Flat & conduct negotiations with the Landlord (if required, in case of Company Lease Accommodation) and obtain the approval of the Divisional Head, with the concurrence of the Finance Head. Thereafter, Lease Agreement will be entered into with the Landlord. The House/Flat will be allotted to the Officer afterwards;
- iv) Generally no Advance/Security Deposit shall be given in respect of the Company Leased Accommodation. However, if any Advance is required to be paid to the Landlord, which would be refundable, the same will be paid by the Company, subject to a maximum of 10 (Ten) months Lease Rental entitlement of the Officer in respect of whom the house is taken on lease. Additional Advance, if any, required to be paid will be borne by the Officer. The addl. Advance would also initially be paid by the Company and recovered from the Officer's Salary

in not more than 10 equal instalments. The total Advance would be refunded by the Landlord, on vacation of the House/Flat by the Officer. The Officer's share of the Advance would be refunded to him by the Company;

- v) The Lease Agreement will not contain the clause regarding the Advance/Security Deposit. A separate Receipt for the same will be obtained from the Lessor, as per the format enclosed as **Annexure-I.C**;
- vi) The Specimen Lease Agreement to be signed with the Landlord and letter to be signed with the Landlord and letter to be issued to the Officer are enclosed as **Annexures-I.D & I.E** respectively.

I.4.7.4 Cases wherein the actual plinth area of the accommodation is more than the prescribed plinth area ceiling and the assessed Monthly Rental Value is more than the applicable Monthly Rental Ceiling, the Officer would be eligible for payment @ the applicable Monthly Rental Ceiling, without any reference to the actual plinth area of the accommodation. In other words, the entitled Monthly Rental Value for leased accommodation is not to be taken on a pro-rata basis w.r.t. the plinth area of the house and the Monthly Rental Ceiling amount would be payable to the concerned Officer if the Assessed Monthly Rental Value of the accommodation is more than prescribed Monthly Rental Ceilings (HAL/P&A/15(4)/2/2006 Dt. 3.2.07).

I.4.7.5 Rental Ceilings for Company Leased and Self-Leased Accommodation

References:
1) HAL/P&A/15(4)/07 Dt. 23.1.08
2) PC No.688 Dt. 07.09.10
3) HAL/P&A/15(4)/ 14 Dt. 6.11.14

I.4.7.5.1 The Grade wise ceilings of Monthly Rentals in respect of Leased Accommodation (both Company Lease &Self-Lease), in respect of Officers in the Divisions/Offices located at Delhi, Mumbai, Chennai, Bangalore, Hyderabad, Barrackpore, Kanpur, Lucknow, Nasik, Agra & Vizag are as indicated in the following table:

For Executives at the Board Level:

Grade	Plinth Area (Sq. Ft.)	2007 Pay Scale	Monthly Rental Ceilings(Rs.)	
			Bangalore	Lucknow / Nasik
SCH-B	1900	75000 - 100000	65000	50000
SCH-A	1900	800000- 125000	81250	62500

For Executives below the Board Level:

Grade	Plinth Area (Sq. Ft.)	2007 Pay Scale	Monthly Rental Ceilings(Rs.)			
			Delhi	Chennai/ Bangalore/ Barrackpore/ Hyderabad/ Mumbai	Kanpur/ Luckno w/ Nasik/ Agra/ Vizag	Kasaragod Koraput/ Korwa
I	600	12600 - 32500	14700	11375	8130	4880
II	600	16400 – 40500	18300	14175	10130	6080
III	600	20600 – 46500	21000	16275	11630	6980
IV	900	24900 – 50500	22800	17675	12630	7580
V	900	29100 – 54500	24600	19075	13630	8180
VI	1200	32900 – 58000	26100	20300	14500	8700
VII	1200	36600 – 62000	27900	21700	15500	9300
VIII	1200	43200- 66000	29700	23100	16500	9900
IX	1200	51300- 73000	32900	25550	18250	10950
X	1500	62000- 80000	36000	28000	20000	12000

I.4.7.5.2 No amount towards Lease Maintenance Expenditure will be paid over and above the Rental Ceilings.

I.4.7.5.3 Rate of Rent Recovery in respect of Leased Accommodation (Company Lease & Self Lease) would be @ Rs. 6.20 per sq. mtr. of the actual Plinth Area of the House/Flat (system like Company Quarters). This would be applicable in respect of Officers in all Grades and all locations.

I.4.7.5.4 Payment of Lease Rentals, limited to the entitlements, will be allowed individually to all Officers who take one House/Flat together. The total payment in respect of all the Officers together will be limited to the Lease Rental payable to the Landlord. The amount payable would be distributed among the Officers proportionately, based on their entitlement. In case the Lease Rental payable is higher than the total of the entitled amounts in respect of all the Officers together, the differential amount would be recovered from them, proportionately. Rent recovery would also be effected from them, proportionately.

I.4.7.5.5 In case Officers desire to switch over from the system of Leased Accommodation to payment of HRA, the same will be permitted, subject to the closure of the leased agreement as per the terms & conditions of the agreement (PC No. 715 Dated 17.11.17).

I.4.7.6 Retention of Leased Accommodation

Reference: HAL/P&A/15(4)/2008/01/223 Dt 20.11.08

- i) Retention of Leased accommodation is allowed in the following circumstances:

S. No.	Circumstance	Permissible period for retention of accommodation	Remarks
1.	Retirement/ Superannuation/ Voluntary/Retirement/Optional Retirement/ Termination on grounds of continued ill health	2 Months from the date of Retirement/ Superannuation/ Voluntary Retirement/Optional Retirement/ Termination on grounds of continued ill health	Facility will be available in respect of both Company Leased and Self-Leased Accommodation.
2.	Death while in Service	6 months from the date of death.	
3.	Transfer to another station	Normally 2 Months from the date of release. Relaxable under circumstances related to the academic session of Children, chronic sickness of family members etc, like in the case of Company Quarters.	
4.	Transfer to another station at the age of 55 years or above	Till the date of Superannuation or 2 months thereafter in case he/ she has decided to settle down at the previous duty station after his/ her superannuation and his/ her family continues to reside in that accommodation on his/ her transfer.	
5.	Deputation to Outstations	For the entire period of deputation.	
6.	Deputation for Training	Till his return from the Training Course/ Programme, provided the house is required for the occupation of his family during the period of his absence on training from the duty station except where family Travelling Allowance is drawn by the employee.	
7.	Study Leave	Period of Study Leave or 6 Months, whichever is less.	

- ii) Retention of the Leased Accommodation as at (i) will be allowed for the bonafide use of the employee or members of his family. Payment of Lease Rentals and recovery of House Rent will be made for the permitted period, like in the case of normal Leased accommodations. In the case of superannuation, death etc., the payment/ recovery will be

made at the rates applicable at the time of the superannuation, death etc.

- iii) An Officer who is dismissed from service or whose services are terminated is not to be permitted to retain the Company Leased Accommodation for any period whatsoever.
- iv) Retention of Company Leased Accommodation by any person beyond the permissible limits as indicated at (i) or by any employees whose services are terminated, should be treated as unauthorized occupation, entailing eviction and recovery of penal rent.
- v) The conditions stipulated in respect of retention of Company Accommodation on transfer will be applicable in respect of the cases at Sl.No (i) (3) & (4) also.

I.4.7.7 Assessment of Monthly Rental Values for leasing of accommodation

- i) For this purpose, the city can be divided into different zones and fix the rental rates/ sq. ft. of Plinth area for each zone, which will be applicable to all the houses in the zone. The assessed rent in such a case will be the rate/ sq. ft. multiplied by the applicable Plinth area of the house.
- ii) There will not be any pre-condition that the assessed value will be more than the normal quantum of HRA payable to the Officer.
- iii) Lease Rentals will continue to be paid by the Company, based on the approved assessed value, limited to the entitled ceilings.

I.4.7.8 In cases where the owner of the property has sold his property and transferred the security deposit paid by the Company to the new owner and the present owner has agreed to provide the said accommodation occupied by the Officer on lease to HAL on the same Terms & Conditions for the remaining period of the Lease Agreement entered into with the previous owner, the Officer can continue to reside in the same house, and a Supplementary Agreement can be entered into, bringing out all the relevant aspects, including transfer of the Deposit Amount from the first Owner to the new Owner of the property. The new Owner should also give a receipt to HAL, with a copy to the first Owner, acknowledging receipt of the Deposit Amount. The Agreement should be signed by all the concerned parties, including the first and the new Owner. The terms of rent etc. agreed in the Original Agreement will remain unaltered. After the formalities are completed, Lease Rentals will be payable by HAL, to the new Owner (HAL/P&A/15(4)/2010/ Dt 1.2.2010).

I.5 SERVICE WEIGHTAGE PAY

References:

- 1) PC No.704 Dt. 25.9.14**
- 2) PC No.718 Dt. 16.1.20**

I.5.1 Workmen who were on the regular rolls of the Company as on 31.12.16 and who continued to be on rolls as on 1.1.17 are paid Service Weightage Pay at the following rates, for every completed year of service as on 31.12.16, w.e.f. 1.1.17:

Completed years of service as on 31.12.16	Rate of Service Weightage Pay per completed year of service as on 31.12.16 (Rs. p.m)
1 to 10	26
11 to 20	37
21 to 30	46
31 & above	58

I.5.2 For reckoning the years of Service, employees who had completed Service of 6 months & above as on 31.12.16 would be rounded off to 1 year and less than 6 months Service would be ignored.

I.5.3 Service after appointment as regular employees would only be reckoned for this purpose. Period of training by Diploma/ Technician/ Admin, etc. Trainees or service on contract basis in respect of personnel initially engaged on contract basis against Manpower Sanctions will not be reckoned for this purpose.

I.5.4 The Service Weightage Pay (SWP) would be reckoned as Basic Pay for all purposes, except for pay fixation on Promotion; Grant of Increments; Contribution to the Pension Scheme; Contribution to the Post Superannuation Group Health Insurance Scheme and for payment of the Allowance under the Cafeteria System. The SWP would be paid every month along with the monthly Salary. The amount of Service Weightage Pay (SWP) will not undergo any change every time an employee completes further years of service and will remain fixed till the next Wage Settlement.

I.6 ALLOWANCES UNDER THE CAFETERIA SYSTEM

I.6.1 Executives

References:

- 1) PC No.688 Dt. 07.09.2010**
- 2) HAL/P&A/10(2)/13 Dt. 23.8.13**
- 3) PC 715 Dt. 17.11.17**

I.6.1.1 The system of “Cafeteria Approach” for Payment of Perquisites & Allowances to Officers was introduced w.e.f. 01.12.08 and is continuing w.e.f. 01.01.2017 also. The gross amount payable as Perks & Allowances will be **35%** of the revised Basic Pay w.e.f. 01.01.2017. Officers will be able to choose from a given set or cafeteria of Perquisites & Allowances.

I.6.2 Cafeteria of Allowances

The Basket of Allowances under the Cafeteria System, which is payable on a monthly basis, include two types of Allowances:

- i) Compulsory Allowance(s), which are applicable in respect of all Officers;
- ii) Allowances which are optional and which can be chosen by the Officers.

I.6.3 The list of Allowances as per the above categorization and the rates of the Optional Allowances as a percentage of Basic Pay are indicated in **Annexure-IF**.

I.6.4 Payment under the Cafeteria System

I.6.4.1 Basic Pay drawn in the revised Scales of Pay will only be reckoned for payment of Perquisites & Allowances. Other items which may be reckoned as Basic Pay for different purposes will not be reckoned as Basic Pay for payment of Perquisites & Allowances.

I.6.4.2 Perquisites and Allowances under this system will be payable only to Officers who are on the regular rolls of the Company.

I.6.4.3 Personnel engaged on contract basis, Management/ Design Trainees etc. are not eligible for benefits under this revised system

I.6.4.4 The sum of the Compulsory Allowance + the Optional Allowances would be within the prescribed Ceilings viz., 35%. Officers will have to intimate their choice of Allowances, within the stipulated percentage. If the sum of the Optional Allowances and Compulsory Allowance falls short of the prescribed ceiling in respect of an Officer, the differential amount would be paid as Special Compensatory Allowance.

I.6.4.5 Officers can revise their option in respect of the Optional Allowances, in the Format at **Annexure-I.G**, at the beginning of every Financial Year, i.e., by 15th of April. Payment of Perquisites & Allowances shall be made as per the option, subject to the prescribed ceiling. In case of transfer, the Officers shall be allowed to change the option.

I.6.5 Workmen

Reference: PC No. 718 Dt. 16.01.2020

I.6.5.1 Payment of Perks and Allowances to Workmen under the “Cafeteria Approach” is adopted w.e.f. 01.01.17. The payment is made @ 25% of the revised running Basic Pay w.e.f. 01.01.17 to the Workmen in Scales 1 to 10 and @ 22% to the Workmen in the Special Scale. Workmen will be able to choose from a given set or Cafeteria of Perks and Allowances, subject to the condition that the sum total of Perks and Allowances shall not exceed 25% / 22% (as applicable) of the revised Basic Pay.

I.6.5.2 In case the allowances payable under the new system (Cafeteria System) w.e.f. 01.01.17 happens to be less than the total monthly pro-rata pre-revised allowances drawn as on 31.12.16, the quantum of the total monthly pro-rata pre-revised allowances will continue to be paid, till such time the quantum of the allowances payable under the Cafeteria System becomes equal or more.

I.6.5.3 If the quantum of the total allowances payable in the promoted scale (i.e, Special Scale) becomes less than the total allowances already drawn in the pre-promoted scale (i.e, Scale-10), the quantum of the allowances drawn in the pre-promoted Scale will continue to be paid till such time the quantum of the allowances payable in the promoted Scale becomes equal or more.

I.6.5.4 Perks and Allowances under the Cafeteria System will be payable to Workmen who are on the regular rolls of the Company. Personnel engaged on Contract basis, Diploma/ Technician Trainees etc. are not eligible for the same. Basic pay drawn in the revised scales of Pay w.e.f. 01.01.17 would only be reckoned for the payment of perks & allowances.

I.6.5.5 The Basket of Allowances under the Cafeteria System, which is payable on a monthly basis, include two types of Allowances:

- i) Compulsory Allowance(s), which are applicable in respect of all Workmen;
- ii) Allowances which are optional and which can be chosen by the Workmen

The list of Allowances as per the above categorization and the rates of the Optional Allowances as a percentage of Basic Pay are indicated in **Annexure-IH**.

I.6.5.6 The sum of the Compulsory Allowance + the Optional Allowances would be within the prescribed Ceilings. Workmen will have to intimate their choice of Allowances, within the stipulated percentage. If the

sum of the Optional Allowances and Compulsory Allowance falls short of the prescribed ceiling in respect of a Workman, the differential amount would be paid as Special Compensatory Allowance.

I.6.5.7 Workmen are required to exercise their option in respect of the Optional Allowances in the Format at **Annexure-I.I**, at the beginning of every Financial Year, i.e, by 15th of April, commencing from 2020-21. Payment of Perquisites & Allowances shall be made as per the option, subject to the prescribed ceiling. In case of transfer, they shall be allowed to change the option.

I.6.6 Allowances which are subsumed within the Cafeteria System (Executives and Workmen)

- Conveyance Allowance / Conveyance Reimbursement (including maintenance charges)
- Canteen Allowance (Cash / Meal Vouchers / Card)
- Magazine / Newspaper Allowance
- Washing Allowance
- Leave Travel Assistance / Leave Travel Concession
- Professional Development Allowance (PDA)
- Special Allowance (as applicable)
- Reimbursement of School Fees
- Interest Subsidy Schemes: House Building , Car Loan, Computer Loan & Loan for Higher Education of Children

I.6.7 Income Tax on Perquisite Value of Accommodation

I.6.7.1 In respect of Company Owned Accommodation provided to Officers, the Company would bear the Income Tax Liability on the non-monetary perquisite value of which 50% should be loaded within 35% of Basic Pay payable as Perks & Allowances to such Officers. In this regard, the perquisite tax on account of Company accommodation will be assessed and 50% of the Tax will be deducted from the Officers. The remaining 50% of the Tax will be paid by the Company. This is effective from 10th November 2017. The computation and reimbursement of the Perquisite Tax on account of Company provided Accommodation is illustrated for the years 2017-18 & 2018-19 onwards in **Annexures – I.J, Annexure – I.K, Annexure –I.L & Annexure-I.M.**

I.6.7.2 In respect of Company Owned Accommodation provided to Workmen, the Company would bear 50% of the Income Tax Liability on the non-monetary perquisite value. In this regard, the Perquisite Tax on account of Company Accommodation will be assessed and 50% of the Tax will be deducted from the Workmen. The remaining 50% of the Tax will be paid by the Company. This is effective from 10th January 2020.

I.7 CANTEEN ALLOWANCE / MEAL VOUCHERS

References:

- 1) HAL/P&A/10(2)/07 Dt. 16.2.07
- 2) HAL/P&A/10(2)/07 Dt. 4.7.07
- 3) HAL/P&A/15(6)/08/64 Dt. 16.4.08
- 4) HAL/P&A/11(17)/09 Dt. 1.4.09
- 5) PC No.688 Dt. 7.9.10
- 6) HAL/P&A/10(2)/11 Dt. 7.3.11
- 7) HAL/P&A/10(2)/11 Dt. 21.4.11
- 8) HAL/P&A/10(2)/PF/2012 Dt. 4.7.12
- 9) HAL/P&A/10(2)/12 Dt.14.8.12

I.7.1 There are no Subsidized Canteens in the Company. Executives and Workmen in the Company are issued with Meal Vouchers of Rs. 2500/- per month, which is a part of Allowances under the Cafeteria System.

I.7.2 Meal Vouchers issued to the employees are to be used by them only for availing facilities of Breakfast/ Lunch/ Dinner/ Tea/ Coffee/ Snacks/ Refreshments from the Canteens operated within the Factory premises by paying the actual charges OR for having Food/ Non-Alcoholic Beverages during Office Hours from an Eatery/ Restaurant/ Café etc. The Meal Vouchers are not transferable and not to be used for any purposes other than Food/ Non-Alcoholic Beverages. Employees are required to give an undertaking in this regard while receiving Meal Vouchers.

I.7.3 Canteen Allowance in Cash @ Rs. 2500 per month is paid to eligible and desirous employees, in lieu of Meal Vouchers, who wish to receive the payment in Cash, subject to exercising the option in this regard. Once the option is exercised, it cannot be changed at least for a period of One year.

I.7.4 Canteen Allowance/ Subsidy will not be payable to employees under the following circumstances:

- i) Leave Without Pay (authorized & unauthorized), if any, availed;
- ii) Absence on account of Vacation Leave / Maternity Leave, if any, availed beyond 30 days in a Calendar Year;
- iii) Deputation on Temporary Duty (Inland or Abroad) with payment of Daily Allowance, including those who deputed / sponsored for Training Programmes (also at HMA, when DA is paid), Seminars etc. for the working days (including journey period) on which DA is paid to them. In other words, Canteen Allowance will not be payable for the working days when DA is paid.

I.7.5 For all the above cases, deductions @ Rs. 100/- per day would be made from the amount of Rs. 2500/- payable in a month. However, Officers sponsored for the Post Graduate Programmes at Cranfield University, UK will be eligible for payment of Canteen Subsidy/ Allowance, along with their monthly Salary. Similar would be the case of Officers sponsored for any other PG Programmes abroad.

I.8 PROFIT LINKED ALLOWANCE

References:

- 1) PC No.704 Dt. 25.9.14**
- 2) PC No.718 Dt. 16.1.20**

I.8.1 Workmen on the regular rolls of the Company would be paid 1% of their yearly Basic Pay as Profit Linked Allowance for the years in which the Company achieves Operational Profit (PBT from Operations alone) of Rs. 4000 Crs or more, commencing from the year 2019-20. This will be paid after finalization and adoption of the Annual Accounts of the Company in the Annual General Meeting.

I.9 NON PRACTICING ALLOWANCE

References:

- 1) PC No.653 Dt. 25.1.01**
- 2) HAL/P&A/11(5)/05 Dt. 30.11.05**
- 3) HAL/P&A/11(5)/06 Dt. 2.12.06**
- 4) HAL/P&A/11(5)/13 Dt. 1.1.13**
- 5) PC No.715 Dt. 17.11.17**

I.9.1 Non Practicing Allowance (NPA) is paid to the Company Doctors @ 20% of the running Basic Pay. No consequential benefits such as Dearness Allowance, contribution to PF, Gratuity & VL Encashment are admissible on NPA.

I.10 SPECIAL ALLOWANCES FOR OFFICERS & WORKMEN AT KORAPUT & KORWA

References:

- 1) HAL/P&A/10(1)/PF/2006/236 Dt. 27.6.06**
- 2) PC No.704 Dt. 25.9.14**
- 3) PC No.718 Dt. 16.1.20**

I.10.1 Special benefits are extended to the employees posted at Koraput & Korwa Divisions, keeping in view the remoteness of the location of these Divisions and the lack of facilities at these places like in Cities.

I.10.2 Payment of Special Compensatory Allowance

- i) The system of payment of the Allowance as a percentage of Basic Pay is discontinued. The amount drawn by the Workmen as on 31.12.2019 in the 2012 Pay Scales is frozen and paid as a fixed monthly amount w.e.f. 01.01.2020.
- ii) In respect of new appointees, it will be paid as a fixed monthly amount arrived @ 10% of the minimum Basic Pay in the corresponding pre-revised Pay Scales (2012).
- iii) In respect of Officers, Payment of the allowance will be regulated based on notional pre-revised Basic Pay / Scales of Pay (2007 Scales).

I.10.3 Reimbursement of Hostel Fees Paid in Respect of Children Studying Outside the Headquarters

I.10.3.1 Employees posted at Koraput & Korwa Divisions whose family is residing with them at Koraput & Korwa respectively and whose children are studying outside the Headquarters are eligible for reimbursement of 50% of the actual Hostel Fees paid by them for a maximum of 2 children, limited to the following Courses & ceiling per child per annum:

Sl. No	Courses	Ceiling for reimbursement of Hostel Fees (Rs. Per child per annum)
1	MA/ MSc/ MCom/ BA/ BSc/ B.Com/ BBA/ B.Pharma/ Bachelor of Fine Arts/ Bachelor of Hotel Management / Bachelor of Fashion Technology/ Bachelor of Physiotherapy/ B.Pharma)/ Bachelors in Hotel Management & Catering Technology/ Diploma in Engineering or equivalent courses etc.	5000
2	B.E./ B.Tech./ MBBS/ BDS/ MDS/ MBA/ MCA/ M.Pharma/ M.Sc. (Integrated Course) from IITs/ ICWA/ CA/ ACS/ PGDM(RM)/ PGDBM /or equivalent courses etc.	10000
3	P.G. Degree in Engineering/ Medical or equivalent Courses etc.	15000

I.10.3.2 The year for this purpose would be the Academic Year i.e. June to May.

I.10.4 For reimbursement of the amount, employees should submit Claims at the end of each Academic Year, in respect of each child separately, indicating the particulars of the College/Institution, amount of Hostel Fees paid during the concerned Academic Year and other relevant

particulars. The Divisions would evolve a suitable format on which the employees would submit their Claims.

I.10.5 The Divisions would verify the details, process the Claims, obtain the approval of the Competent Authority and thereafter effect the payment to the employees concerned.

I.10.6 Payment of Special Allowances to Employees when on Outstation Duty/ Deputation/ Assignment from the Divisions at Koraput/ Korwa to other Division/Office/Station

Reference: HAL/P&A/10(1)/PF/15 Dt. 12.2.15

- i) Special Compensatory Allowance/Reimbursement of Hostel Fee in respect of Children studying outside the Headquarters will continue to be paid in case the family of the employee continues to reside at Koraput/ Korwa;
- ii) If the employee shifts his family from Koraput/ Korwa, he will not be entitled for Special Compensatory Allowance/ Reimbursement of Hostel Fee, though Koraput/ Korwa will remain the Headquarter;
- iii) In cases where the employee is permanently transferred, Special Compensatory Allowance/ Reimbursement of Hostel Fee will not be payable, though the family continues to reside at Koraput/ Korwa.

I.11 SPECIAL ALLOWANCE TO BLIND/ ORTHOPAEDICALLY HANDICAPPED EMPLOYEES

References:

- 1) PC No.426 Dt.4.8.79
- 2) PC No.442 Dt.8.2.80
- 3) PC No.499 Dt.29.11.83
- 4) PC No.687 Dt. 10.8.10
- 5) PC No.718 Dt. 16.1.20

I.11.1 Blind & Orthopedically Handicapped Workmen are paid Special Allowance @ Rs. 800/- p.m, if they have a minimum of 40% partial disability of upper or lower limbs or 50% permanent partial disability of upper and lower limbs together.

I.11.2 The disability will be estimated based on the standards contained in the Manual for Orthopaedic Surgeons in evaluating permanent and partial physical impairment brought out by the American Academy of Orthopaedic Surgeons, USA (which publication is issued by the Artificial Limbs Corporation of India, G.T. Road, Kanpur).

I.11.3 The disability or deformities as above has to be certified by the Chief Medical Officer of the Division based on the advice of the specialist in Orthopedics. Similarly, in the case of blind employees, recommendation has to be based on the advice of the Specialist in Ophthalmology.

I.11.4 Employees having a vision of less than 3/60 or field vision of less than 10 in both eyes will also be eligible for the above allowance.

I.11.5 This Allowance will be admissible even if such personnel are availing Company Transport for commuting between residence and factory, provided they pay transport charges at the applicable rate.

I.12 TRANSPORT ALLOWANCE TO BLIND / ORTHOPAEDICALLY HANDICAPPED / DEAF & DUMB EMPLOYEES

References:

- 1) HAL/P&A/12(2)/2003/713 Dt. 7.11.03
- 2) HAL/P&A/12(2)/2003/713 Dt. 8.12.03
- 3) PC No.687 Dt. 10.8.10
- 4) PC No.688 Dt. 7.9.10
- 5) HAL/P&A/12(2)/2011 Dt. 2.3.12
- 6) HAL/P&A/12(2)/2014 Dt. 14.3.14
- 7) HAL/P&A/12(2)/2015 Dt. 1.1.15
- 8) PC No.718 Dt. 16.1.20

I.12.1 Workmen who are Blind / Orthopedically Handicapped / Deaf & Dumb, are eligible for additional Transport Allowance @ Rs.1860/- per month, as per the applicable Government Guidelines, in addition to the Perks and Allowances payable under the Cafeteria System.

I.13 SPECIAL PROCESS ALLOWANCE

References:

- 1) HAL/P&A/15(2-P)/2012 Dt. 18.6.12
- 2) PC No. 718 Dt. 16.1.20

I.13.1 The Allowance is payable @ Rs. 25/- / Rs. 30/- per day of physical attendance to the identified Officers and Workmen, respectively, working in the following groups of Processes:

- i) Heat Treatment
- ii) Radiation
- iii) Painting
- iv) Chemical Processes
- v) Sand Blasting
- vi) Composites & Adhesives
- vii) Laboratory

I.13.2 Terms & Conditions for Payment of Special Process Allowance

- i) Divisions will notify the list of employees eligible for payment of the Allowance. Workmen who are eligible for Special Process Allowance will not be eligible for Milk Allowance. They would be getting only one of the benefits.
- ii) Divisions will not extend the Allowance to employees in any other Processes/Trades; instead take steps to improve the conditions of work.
- iii) If an employee who is eligible for the Allowance is transferred / shifted to another Process/Area or leaves the Company on superannuation etc., the Allowance will not automatically be extended to another employee in the same Process/Area.
- iv) If any employee who is eligible for the Allowance is transferred / shifted to another Process/ Area, payment of the Allowance to him will be discontinued.

- v) Extension of the Allowance to new employees posted to the above Processes will require the concurrence of the Head of Finance & approval of the Divisional Head.

I.14 ALLOWANCE IN LIEU OF ISSUE OF MILK

References:

- 1) PC No.704 Dt. 25.9.14**
- 2) PC No.718 Dt. 16.1.20**

I.14.1 Employees who were being issued Milk, Eggs etc prior to 1.10.14 and who are not paid Special Process Allowance, are paid Milk Allowance in lieu thereof at a fixed rate of Rs.15/- per day of actual attendance (revised w.e.f. 1 0.1.20).

I.14.2 The amount is payable only to the personnel who were being issued Milk/Eggs etc. as on 20.9.2014. No new employee will be added for the benefit, even on transfer/ appointment to the concerned Department/ Shop/ Section. Further, if an employee who is eligible for the payment is transferred out of the Department/ Shop/ Section, the payment will be discontinued.

I.15 NIGHT SHIFT ALLOWANCE

References:

- 1) PC No.687 Dt. 10.8.10**
- 2) PC No.718 Dt. 16.1.20**

I.15.1 Workmen detailed to work in II & III Shifts are eligible for Night Shift Allowance at the following rates:

- | | | |
|-----------|---|-----------------|
| II Shift | - | Rs.40/- per day |
| III Shift | - | Rs.60/- per day |

I.16 SPLIT SHIFT ALLOWANCE

References:

- 1) PC No.687 Dt. 10.8.10**
- 2) PC No.718 Dt. 16.1.20**

I.16.1 Workmen in Transportation, Medical & Canteen Departments who are assigned to work in Split Shifts are paid an Allowance of Rs.60/- per day of attendance.

I.17 SPECIAL ALLOWANCE FOR CALL DUTIES

References:

- 1) PC No.687 Dt. 10.8.10**
- 2) PC No.718 Dt. 16.1.20**

I.17.1 Nursing Staff / Technicians who attend to Call duties in Hospitals to attend to emergencies etc. after normal working hours are eligible to be paid a Special Allowance for Call duties, as follows:

II Shift - Rs.40/- per day

III Shift - Rs.60/- per day

I.18 TURNOUT ALLOWANCE

References:

- 1) PC No.687 Dt. 10.8.10**
- 2) PC No.718 Dt. 16.1.20**

I.18.1 Watch & Ward and Fire Brigade personnel in the workmen cadre are paid Turnout Allowance @ Rs.125/-p.m., subject to certification of their good Turnout while on duty during the month, by the Competent Authority. This allowance will not be paid to those whose turnout at the parades is considered unsatisfactory.

I.18.2 If an employee does not attend parade because of his duty elsewhere at that time, he will be deemed to have attended the parade, subject to a certificate to the effect that he was on duty elsewhere. No payment will be made for parades falling during periods of leave on any account in as much as employees on leave cannot be permitted to attend parades.

I.19 UNIFORM ALLOWANCE TO NURSING STAFF

References:

- 1) PC No.507 Dt. 29.2.84**
- 2) PC No. 610 Dt. 25.05.91**
- 3) HAL/P&A/10(2)/07Dt. 16.2.07**
- 4) PC No.718 Dt. 16.1.20**

I.19.1 Nursing Staff such as Nursing Superintendent, Matrons, Senior Sisters, Senior Nurse, Mid-wife are required to get their uniforms stitched and maintained by themselves and in lieu of the same, they are paid a monthly Uniform Allowance at the following rates:

Category of Employees	Rate (Rs. /p.m.)
Matron / Nursing Superintendent	700
Sister / Staff Nurse	600
Mid - Wife	500

I.20 WELDERS BONUS

References:

- 1) PC No.687 Dt. 10.8.10
- 2) PC No.718 Dt. 16.1.20

I.20.1 Welders Bonus is payable to Workmen @ Rs.150/- p.m. for the first approval. For the subsequent two approvals, additional Rs.10/- each is payable, subject to a maximum of Rs.170/- p.m. This is payable to Approved Welders only.

I.21 ARMS ALLOWANCE

References:

- 1) PC No.687 Dt. 10.8.10
- 2) PC No.718 Dt. 16.1.20

I.21.1 Security Personnel carrying Company provided Licensed Guns are eligible for payment of Arms Allowance @ Rs.150/- p.m.

I.22 INCENTIVE FOR SAFE DRIVING

References:

- 1) PC No.687 Dt. 10.8.10
- 2) PC No.718 Dt. 16.1.20

I.22.1 In order to secure consistent safe driving and accident free service, Drivers, including Despatch Riders, whether they drive vehicles inside or outside the factory premises, who have accident free record in any financial year, would be paid incentive for safe driving at the rates indicated below and subject to fulfilling the specified conditions:

1 st year of accident free driving	Rs.400/-
2 nd consecutive year of accident free driving	Rs.800/-
3 rd and subsequent years of accident free driving	Rs.1200/-

Note: Year means Financial Year.

I.22.2 Incentive not to be paid in the event of accident and/or Traffic Offences

- i) Any cognizable accident to the vehicle while under the driver's charge will disentitle him for the incentive payment except that in the case of accidents involving proceedings in a Court of Law, if the Court holds the view that the driver concerned was

not responsible for the accident, he will be paid the incentive as if the accident had not occurred;

- ii) In all other cases of cognizable accidents, the driver concerned will not be eligible for payment of the incentive bonus for that year. Further, in such a case, he will have to start earning incentive afresh from the next Financial Year;
- iii) Besides accidents, any conviction or endorsement in the Driving License in respect of traffic offences will also disentitle the concerned driver for the incentive payment in the same manner as accidents.

I.22.3 Computation of Cost of Repairs

- i) For the purpose of this scheme, a cognizable accident is one which has resulted in damages to the vehicle, the repairs of which will cost Rs.100/- or more. Each accident will be taken individually for this purpose.
- ii) The cost of repairs is to be calculated taking into account the cost of materials used for the repair plus labour charges calculated with reference to the Man-Hour Rate of direct workmen employed on the repair.
- iii) The damages caused by each accident are to be listed and the cost thereof indicated in the list, in consultation with a nominated representative of the recognized union as well as one driver nominated by the union.

I.22.4 Procedure for Payment

- i) Before 15th of April every year, all Drivers covered under this scheme shall produce their Driving Licenses before the Officer-in-Charge of the Transport Department for checking endorsements regarding traffic offences.
- ii) The Transportation Department should prepare a list of Drivers who have clean record of driving, free of any cognizable accident (including those falling in the category at para-I.22.2above) as well as free of any endorsement for traffic offences and send the list with a certificate of the period of continuous accident free record to the Accounts Department duly countersigned by the concerned Head of the HR Department.
- ii) The Accounts Department will then make payment of Incentive to the concerned Drivers at the rates admissible under the scheme after making proportionate deduction for periods of absence without pay, if any, totaling 30 days or more in the

Financial Year irrespective of whether such absence was authorized or not.

I.23 OUTSTATION ALLOWANCE

References:

- 1) PC No.50 Dt. 5.8.67
- 2) HAL/P&A/11(6)/88 Dt. 23.6.88
- 3) HAL/P&A/11(6)/88 Dt. 17.8.88
- 4) PC No.596 Dt. 7.11.89
- 5) PC No.597 Dt. 7.11.89
- 6) HAL/P&A/11(6)/2006 Dt 12.6.06
- 7) HAL/P&A/11(6)/2008 Dt 8.1.09
- 8) HAL/P&A/11(6)/2012 Dt 10.10.12

I.23.1 Employees transferred from the Headquarters, to which they belong, and posted to Sub Offices, Detachments and Bases on temporary basis, are treated as on Outstation Duty and are entitled for Outstation Allowance at the following rates:-

Scale of Pay / Grade	Rate (Rs. / p.m.)
Workmen	
1	2680
2	2890
3	31€0
4	3320
5	3620
6	3960
7	4250
8	4590
9	4930
10	5320
SS	5530
Officers	
I	5530
II	5950
III	6380
IV & above	6800

I.23.2 Outstation Allowance is paid at twice the normal rates to the eligible employees posted at Leh & Manasbal.

I.23.3 Conditions

- i) Employees recruited and posted initially at the Outstation, if transferred to the Headquarters, will not be eligible for Outstation Allowance on such transfers;

- ii) In the normal course, no person may stay at the Outstation for more than 2 years;
- iii) The payment of Outstation Allowance will cease after 3 years continuous stay at the Outstation, unless specifically permitted;
- iv) Outstation Allowance will be payable, if an employee avails Casual or Sick Leave within the admissible limits at the outstation. However, no allowance will be paid for Vacation Leave taken at the Outstation unless it is for short period not exceeding a week at a time and the employee has not left the Outstation during the leave and the same is certified by the Officer-in-Charge;
- v) This Allowance is also payable for Holidays / Sundays prefixed or suffixed to Vacation Leave, if the Officer-in-Charge is satisfied that the employees remained in the Outstation on such days. Employee called to Headquarters on Company business will continue to draw Outstation Allowance for periods not exceeding one week;
- vi) Where the Outstation happens to be the employees' Home Town, no allowance will be paid during the period of stay at the station;
- vii) In case where the total Outstation Duty period exceed 3 months, in one spell or more than one spell, prior approval of concerned CEO should be obtained;
- viii) Posting of an employee/officer on Outstation Duty for more than 2 years and upto 3 years is to be effected only with the prior approval of the CEO. For the period beyond 3 years, the case should be referred to Corporate Office through CEO with full justification;
- ix) Employees posted to Product Support Department who are transferred from one Division to another may be given an option to choose either permanent transfer under TA/DA Rules or Outstation Allowance;
- x) Where Outstation Duty is for 2 years or more to the same station in more than one spell and if the gap between the two spells is less than 2 months, the two spells could be counted as a continuous one.
- xi) Employees who avail Transfer TA/DA benefits for shifting from the Headquarters to the Outstation on posting on Outstation Duty are not eligible for payment of Outstation Allowance.

I.23.4 Employees deputed from one Outstation Base to another, on official work, would continue to draw the Outstation Allowance, as per their entitlement, in addition to the entitled TA/DA for the duration of the Temporary Duty. In other words, there would not be any deduction from the monthly rate of Outstation Allowance payable to the concerned employees, for the days on which they are on TD to other Outstation Base(s) (HAL/P&A/11(6)/97 Dt 31.3.97).

I.24 PAYMENT OF NORTH-EAST ALLOWANCE & SPECIAL ALLOWANCE FOR SERVING IN DIFFICULT & FAR FLUNG AREAS

<p>References:</p> <p>1) HAL/P&A/11(39)/2012 Dt. 17.5.12</p> <p>2) HAL/P&A/11(39)/13 Dt. 26.3.13 Dt. 26.3.13</p> <p>3) PC No. 715 Dt. 17.11.2017</p> <p>4) PC No. 718 Dt. 16.01.20</p>

I.24.1 North-East Allowance

I.24.1.1 North-East Allowance @ 10% of the running Basic Pay in the revised Pay Scales is paid in respect of the employees posted at Customer Bases in the North-Eastern Region States (Assam, Arunachal Pradesh, Meghalaya, Mizorum, Manipur, Nagaland, Sikkim & Tripura) & Ladakh region.

I.24.2 Special Allowance for serving in Difficult & Far Flung Areas

I.24.2.1 Special Allowance payable in respect of employees serving in difficult and far flung areas, which would be as per the categorization of areas spelt out in the Annexure to Ministry of Finance, Dept. of Expenditure OMNo.3(1)/2017-E.II(B)dated 19.7.17, would be as indicated below:

Sl. No	Categorization of areas	Rate of Payment (% of the running Basic Pay in the Pay Scales)
1	Part-A	8
2	Part-B	6
3	Part-C	4
4	Part-D	3

I.24.2.2 The Allowances will automatically get extended to any such areas where postings are made in the future.

I.24.2.3 The Allowances are paid in addition to the other Special Allowances already being paid for postings at the Customer Bases/Outstations.

I.24.2.4 These Allowances can be extended to the Management/Design/Diploma/Technician Trainees inducted in the Company, if they undergo training in Customer Bases in the specified Regions/Areas.

I.24.2.5 Cases where the Trainees undergo part of the training at places away from such Customer Bases, the payment will be made only on a pro-rata basis, depending on the period of stay at the concerned Customer Bases.

I.25 PAYMENT OF HIGH ALTITUDE/ COUNTER INSURGENCY /MODIFIED COUNTER INSURGENCY AREA ALLOWANCE

References:

- 1) HAL/P&A/36(77/2003 Dt 6.9.03
- 2) HAL/P&A/11(6)/2012 Dt 10.10.12

I.25.1 Ex-Servicemen engaged on contract basis and posted directly to Customer Bases at High Altitude / Counter Insurgency/ Modified Counter Insurgency areas such as Leh / Sharifabad / Nagrota & Manasbal are eligible for payment of High Altitude / Counter Insurgency Area Allowance.

I.25.2 The Allowance is extended in respect of eligible employees posted at High Altitude / Counter Insurgency areas such as Leh, Manasbal, Sharifabad etc., in order to motivate the employees, keeping in view the extreme weather and living conditions prevailing at such Bases.

I.25.3 In case of any other Bases located at High Altitude / Counter Insurgency/ Modified Counter Insurgency areas notified by the Appropriate Authority, the same will be considered for grant of the Allowance in the Company.

I.25.4 Rates of the High Altitude / Counter Insurgency/ Modified Counter Insurgency Area Allowance payable to Ex-servicemen engaged on contract basis and posted to Customer Bases at High Altitude / Counter Insurgency Areas such as Leh / Sharifabad / Manasbal, Nagrota are as indicated below:

(Rs. /p.m.)

Rank	LEH (High Altitude with Extreme Weather Condition)	SHARIFABD / MANASBAL (Counter Insurgency Area)	NAGROTA (Modified Counter Insurgency Area)
JCO	5550	7560	5830
Hav	3840	5040	3870
NK / CFN	3100	4200	3220

I.26 SPECIAL ALLOWANCES, INSURANCE COVERAGE & SURVIVAL BENEFIT IN RESPECT OF TEST PILOTS / FLIGHT TEST ENGINEERS / FLIGHT TEST INSTRUMENTATION ENGINEERS/ COMMUNICATION PILOTS

References:
1) HAL/P&A/37(1)-1/Vol.IV/MPA/96/190 Dt. 19.08.96
2) HAL/P&A/37(1)/Vol.IV/2/217 Dt.3.5.05
3) HAL/P&A/37(1)/Vol.IV/2/217 Dt.25.7.05
4) HAL/P&A/37(1)-1/Vol.IV/2 Dt.28.12.06
5) HAL/P&A/37(1)-1Vol.IV/2/2009 Dt.5.11.09
6) HAL/HR/37(1)-1/VOL.IV/2010/01 Dt.17.9.10
7) HAL/HR/37(1)-1/Vol.IV/2015 Dt. 30.06.15
8) HAL/HR/37(1)/2018/02 Dt. 12.03.18

I.26.1 Special Allowances payable / admissible to Company Test Pilots / Flight Test Engineers / Flight Test Instrumentation Engineers / Communication Pilots are as indicated below:

Sl. No	Name of the Allowance	Experimental Test Pilots	Production Test Pilots	FTEs/ FTI Engineers	Communication Pilots
a.	Flying Allowance	80640	80640	75600	80640
b.	Test Pilot Allowance	42000	21000	-	-
c.	Flight Test Engineer Allowance	-	-	31500	-
d.	Hazardous Flying Allowance	58800	42000	54600	-
e.	Civil License Pay (wherever applicable)	31500	31500	-	31500
f.	Flying Kit Maintenance Allowance	21000	21000	21000	21000
g.	Pre-Flight Meal Allowance (Rs. 840/- per day)	21000	21000	21000	21000

I.26.2 In the event the Officer becomes Medically unfit for carrying out Test flying duties in the Company, for reasons attributable to service with the company and not attributable to any negligence or irresponsibility on the part of the Officer, the Company will offer a suitable ground duty job appropriate to his status. However, payment of Special Allowance will be discontinued. In the event the Officer becoming unfit for Ground duty jobs, HAL will consider termination of his service on medical grounds as per Rules.

I.26.3 Payment of Special Allowances in respect of Test Pilots/ Flight Test Engineers/ Communication Pilots coming to the Company on Deputation

I.26.3.1 Pilots, FTEs etc. coming to the Company on deputation are also paid Special Allowances as at para I.26.1 above. They will not be paid the flying related Allowances admissible in IAF etc.

I.26.4 Insurance Coverage and Survival Benefit in respect of Company Test Pilots/ Flight Test Engineers/ Flight Test Instrumentation Engineers/ Communication Pilots

I.26.4.1 The admissible rates are as follows:

Sl. No.	Item	Test Pilots	Flight Test Engineers / Flight Test Instrumentation Engineers / Communication Pilots
1	Insurance Coverage (Rs. Cr)	3.5	3.5
2	Survival Benefit (Rs/p.m.)	21000	16800

I.26.4.2 Test Pilots / Flight Test Engineers / Flight Test Instrumentation Engineers/ Communication Pilots coming to the Company on Deputation are eligible only for the Insurance Coverage of Rs. 3.5 Crores. They are not eligible for Survival Benefit.

I.27 RETENTION INCENTIVE IN RESPECT OF COMPANY TEST PILOTS / FLIGHT TEST ENGINEERS/ FLIGHT TEST INSTRUMENTATION ENGINEERS

I.27.1 Company Test Pilots / Flight Test Engineers / Flight Test Instrumentation Engineers are paid a Retention Incentive, with reference to the years of permanent service put in the Company, as per the rates indicated below:

Category	Completed Years of Permanent Service in HAL				
	upto 3 yrs	3 yrs	6 yrs	8 yrs	10 yrs
Test pilots	126000	147000	168000	189000	210000
FTEs/ FTIEs	105000	126000	147000	168000	189000

I.27.2 As and when the Company Test Pilots / FTEs / FTIEs complete further years of service as indicated in the above table, the Incentive will be payable at the respective higher rates.

I.27.3 The above Incentive is payable to permanent / absorbed Test Pilots / FTEs / FTIEs only. It is not payable to Test Pilots / FTEs / FITEs on deputation to the Company.

I.28 SPECIAL FLYING ALLOWANCE

References:

- 1) HAL/P&A/11(28)/96/15 Dt. 10.1.96
- 2) HAL/P&A/11(28)/48 Dt.03.05.05
- 3) HAL/P&A/11(28)/12 Dt.05.05.12

I.28.1 Flight Engineers/Flight Mechanics/Flight Test Observers/Vibrex Operators who are regularly employed on Test flight/Flight Observation duties are paid Special Flying Allowance in order to cover the risk involved in the nature of their duties, as detailed below:

Category	Rate
Officers in Grade-I & above and Workmen in the Special Scale	Rs.260/- per hour subject to a maximum of Rs.31,200/- per year
Workmen in Scale-10 & below	Rs.170/- per hour subject to a maximum of Rs. 20,400/- per year

I.29 INSURANCE COVERAGE & PRE-FLIGHT MEAL ALLOWANCE APPLICABLE IN RESPECT OF FLIGHT ENGINEERS, FLIGHT TEST OBSERVERS, FLIGHT MECHANICS AND VIBREX OPERATORS

I.29.1 Insurance Coverage

I.29.1.1 The rate of the Insurance Coverage applicable in respect of Flight Engineers, Flight Test Observers, Flight Mechanics and Vibrex Operators, which is inclusive of the Compensation payable under the Employee Compensation Act, is Rs.25 Lakhs. Disbursement of the Insurance amount, in the event of death of an employee in the said categories while on flying duties, would be made as under to the next of kin (HAL/P&A/11(28)/11 Dt.09.12.11):

- i) The amount of Compensation payable under the Employees Compensation Act to be deposited with the Employee Compensation Commissioner who will arrange the payment to the next of kin.
- ii) The balance amount out of Rs.25 Lakhs is to be paid directly by the Division to the next of kin of the deceased as per rules.

I.29.2 Pre-Flight Meal Allowance

References :

- 1) HAL/HR/37(1)-1/Vol.IV/2010/01 Dt. 17.09.2010
- 2) HAL/HR/37(1)-1/Vol.IV/2010/02 Dt. 17.09.2010
- 3) HAL/P&A/11(28)/12/153 Dt. 03.02.12
- 4) HAL/P&A/11(28)/12 Dt. 15.05.12
- 5) HAL/P&A/11(28)/12 Dt. 02.03.17

I.29.2.1 Flight Engineers/Flight Mechanics/Flight Test Observers/Vibrex Operators who are regularly employed on Test Flight/Flight Observation duties would be eligible to be paid Pre-Flight Meal Allowance at the rate of Rs.200/- per working day, for the days such personnel are deployed on flying duties (not on the basis of working days).

I.30 SPECIAL QUALIFICATION ALLOWANCE TO AME /ARME LICENCE HOLDERS

References:

- 1) PC No.494 Dt.16.08.83
- 2) PC No.614 Dt. 6.08.92
- 3) HAL/P&A/13(9)-2/94/118 Dt. 10.06.94
- 4) HAL/P&A/13(9)-2/AMEARME/MPA/2001 Dt. 05.01.01
- 5) HAL/P&A/13(9)-2/AMEARME/2005 Dt. 12.12.2005
- 6) HAL/P&A/13(9)-2/AMEARME/2007 Dt. 24.04.07
- 7) HAL/HR/37(1)/AME/2018 Dt. 12.03.18

I.30.1 To encourage the Inspection Staff to acquire and maintain AME / ARME Licenses, Special Qualification Allowance is payable to the AME / ARME License holders, as follows:

(Rs. / p.m.)

Category of License	Workmen	Officers in Gr-I to IV	Officers in Gr-V & above
Cat-X	10000	20000	30000
Cat-R / E&I	20000	30000	40000
Cat-A or B or C or D	20000	30000	40000
Cat-A&C / A&B / C&D	30000	40000	50000
Cat-A&D / ACDX / ABCD / AC&X / AC & Endorsement of Direct Reading / Remote Reading Compass	40000	50000	60000

I.30.2 Employees drawing this Allowance should maintain their current licenses.

Reference:
HAL/HR/37(1)-9/2014 Dt. 26.12.12

I.30.3 Conditions

- i) Payment of the Allowance at the above rates would be subject to the condition that the Licensee undertakes a minimum of 12 certifications per quarter.
- ii) Employees who do not meet the stipulation of 12 Certifications during a Quarter will be allowed the Special Qualification Allowance @ 25% of the applicable rates indicated above, subject to their fulfilling other conditions.
- iii) Employees acquiring the License afresh would be eligible for the Allowance only if they undertake 12 Certifications per Quarter.
- iv) In order to encourage more employees to obtain AME / ARME Licenses, the Company also reimburses fee incurred by them for acquiring the license.
- v) This Allowance will not count as pay for any purpose.

I.30.4 AME Allowance is also payable to an AME Cat A & C with endorsement of direct reading compass when he carries out a combined total of 12 certifications per quarter under A, C & XC-DR Compass Categories.

I.31 RATING ALLOWANCE AND STRESS ALLOWANCE

References:

- 1) PC No.362 Dt.20.06.78
- 2) HAL/P&A/37(1)-9 Dt. 31.08.87
- 3) HAL/P&A/37(1)-9/ATC/MPA/2006/1 Dt. 25.01.2006
- 4) HAL/P&A/37(1)-9/ATC/MPA/2006/2 Dt. 25.01.2006
- 5) HAL/P&A/37(1)-9/ATC/2006 Dt. 12.05.2006
- 6) HAL/P&A/37(1)-9/ATC/2006 Dt. 19.07.2006
- 7) HAL/P&A/37(1)-9/04 Dt. 24.04.2007
- 8) HAL/HR/37(1)-9/ATC/2018 Dt. 12.03.2018

I.31.1 Air Traffic Controllers in Grade-I and above are eligible for the following Allowances:

(Rs. / p.m.)

SI No	Ratings Possessed	Bangalore		Nasik	
		Rating Allowance	Stress Allowance	Rating Allowance	Stress Allowance
i	Aerodrome Control	2000	@ 50 % of the Rating Allowance	1500	@ 25 % of the Rating Allowance
ii	Approach Control (Procedural)	3000		2250	
iii	Area Control Centre (Procedural)	3000		2250	
iv	Radar (ARSR) Control	3000		2250	
v	Precision Approach Radar	3000		2250	
vi	Radar (ASR/MSSR) Control	3000		2250	

I.32 FLIGHT DATA PROCESSING ALLOWANCE FOR AIR TRAFFIC HANDS

References:

- 1) HAL/P&A/37(1)-9/04 Dt. 24.4.07
- 2) HAL/HR/37(1)-9/ATC/2018 Dt. 12.03.2018

I.32.1 Traffic Hands (regular Workmen) who are working hand in hand with the Air Traffic Controllers in processing the Flight Data and supporting the Controllers in Air Traffic Control are eligible for the Allowance at the following rates:

(Rs. /p.m.)

Division	Allowance
Airport Service Centre, Bangalore,	2500
Nasik Division	1875

I.33 REIMBURSEMENT OF MEMBERSHIP FEE PAID TO PROFESSIONAL BODIES

References:

- 1) PC No.635Dt. 13.10.97
- 2) HAL/P&A/11(34)/97/VOL.II/152 Dt. 30.3.02
- 3) HAL/P&A/11(34)/97/VOL.II/446Dt. 30.8.04

I.33.1 Company reimburses Membership Fee paid by Officers to Professional Bodies, in order to encourage them to take part in the activities of Professional Bodies in their respective fields and to enable them to keep themselves fully abreast with professional developments in their respective areas of working, thereby enhancing their knowledge and contribution to the Company.

I.33.2 Terms & Conditions

I.33.2.1 Eligibility:

All Officers in Grade-I and above on the regular rolls of the Company would be covered under the Scheme.

I.33.2.2 Professional Body:

For the purpose of this Scheme, A Professional Body shall mean an Institute or a Registered Body within India which has as its basic objective for promotion of the particular Profession in the respective field of activity such as Engineering, Medicine, Finance, Accounting, HR, Company Secretaryship, Materials Management, Public Relations etc.

I.33.2.3 Number of Memberships under the Scheme:

- i) For the purpose of this Scheme, Officers in Grade-I to VIII are eligible to become members of any one Professional Body of their choice. Officers in Grade-IX and above are eligible to become members of two Professional Bodies of their choice. The Professional Body chosen should, however, be relevant to the field in which the Officer is presently performing duties in the Company.
- ii) Considering that HAL is primarily an Aeronautical Industry, all eligible Officers in the Technical disciplines shall become member of 'The Aeronautical Society of India'. However, eligible Officers in the Technical disciplines in Helicopter Complex (Helicopter Division, Helicopter MRO, RWRDC, ACD & Barrackpore Divisions) can opt to become members of 'The Aeronautical Society of India' or 'Rotary Wing Society of India'. Officers in disciplines other than Technical can become members of Professional Bodies of their choice; Similarly, the second Professional Body of which Officers in Grade-IX and above can become a member under this Scheme can be chosen by the Individual concerned, subject to the stipulation at para-I.33.2.3 (i) above. An illustrative list of Professional Bodies other than Technical is enclosed as **Annexure-I.N**.
- iii) Wherever Professional Bodies are giving Life Membership as well as Annual Membership, Officers should opt for Life Membership.
- iv) Once reimbursement has been claimed and allowed for a particular year, no change in the membership shall be allowed until the expiry of that particular year.

I.33.2.4 Amount which would be reimbursed by the Company:

- i) In cases of Annual Membership (only in respect of Professional Bodies who are not giving Life Membership), reimbursement during a year shall be only in respect of the actual Annual Membership Fee (Individual Memberships only) paid during that year, commencing on any day during that year.
- ii) For the purpose of this Scheme, a year shall mean the Financial Year.
- iii) Other Expenses/Fees such as Entrance/Admission Fee, Student Membership Fee, etc will not be reimbursed.

I.33.2.5 Procedure for Reimbursement:

- i) Officers desirous of obtaining reimbursement under this Scheme should first apply in Part-I of the proforma at Annexure-I.O and submit the same to the Sanctioning Authority. The Sanctioning Authority may after verification as to the relevance of the Professional Body vis-à-vis the employee's nature of duty in the Company, authorize reimbursement and certify the same as Part-II of the Proforma and pass it on to the HR Department who in-turn would forward the application to the Pay Rolls, on a monthly basis, after necessary scrutiny as to the Officer's eligibility for receipt of the reimbursement, for effecting the payment. A Register containing necessary details of the Officers would be maintained by the HR Dept.
- ii) Heads of Departments (in Grade-VI and above) would be the Sanctioning Authority for this purpose (as in the case of 'Controlling Officers' under the TA/DA Rules). Officers in Grade-VI and above would be entitled to sanction their own reimbursement.
- iii) In all cases, the Annual Membership Fee/Life Membership Fee/One Time Payment should first be paid by the Officer himself and only thereafter he shall claim reimbursement. The receipt for having paid the fee should invariably be attached to the application form, without which the claim shall not be processed.
- iv) No arrears of Membership Fee, penalties or any other charges or payments shall be reimbursable under this Scheme. In other words, the reimbursement should be claimed within the concerned Financial Year itself.
- v) Any Officer who misuses the Scheme or obtains or attempts to obtain reimbursement in excess of his eligibility under the

Scheme shall be liable for disciplinary action, besides recovery of the excess amount reimbursed.

I.33.2.6 Refund of the Amount:

In case the Officer who has been reimbursed the Membership Fee leaves the Company before completion of 10 years from the date of sanction of the first reimbursement, on grounds other than Superannuation, Death, Medical Termination and Optional Retirement, the entire amount received by the Officer will be refunded by him to the Company, prior to acceptance of his resignation etc. In case the Officer requests to adjust the amount from dues payable to him, if any, like VL Encashment, Salary for the last month etc, same could be considered by the Division/Office.

I.33.2.7 General:

Management reserves the right to amend, modify or repeal any or all the provisions of the Scheme or altogether annul or withdraw the entire Scheme itself at their discretion without any notice whatsoever.

I.34 ADDITIONAL PERQUISITES TO OFFICERS IN GRADE-X & ABOVE

References:
1) HAL/P&A/15(3)/08/214 Dt 30.10.08
2) HAL/HR/15(3)/2017 Dt. 18.01.2017

I.34.1 Officers in Grade-X and above are extended the following facilities/benefits:

Sl. No.	ITEMS	FUNCTIONAL DIRECTOR / CEOs	EXECUTIVE DIRECTOR (OFFICERS IN GR-X)
1	Air Travel	Business Class	Economy Class
2	Cordless Phone at Residence	Yes	Yes
3	Computer and Peripherals at Residence	Desktop Computers and related Peripherals, for official use, at the residence, as a onetime entitlement, at a cost limited to Rs. 50,000/-	Desktop Computers and related Peripherals, for official use, at the residence, as a onetime entitlement, at a cost limited to Rs. 50,000/-
4	Club Membership	1 Club (as per the terms of appointment)	No
5	Credit Card (Reimbursement of Annual Fee)	Yes	No

Notes:

- i) Club Membership is co-terminus with the Officers' tenure of appointment.
- ii) Computer and Peripherals to be returned to the Company on the superannuation/completion of tenure of appointment of the Officer

I.35 REIMBURSEMENT OF EXPENDITURE INCURRED ON OFFICIAL ENTERTAINMENT AT RESIDENCE

References:

- 1) HAL/CA/175/A Dt. 15.5.85
- 2) HAL/P&A/15(3)/96 Dt. 1.4.96
- 3) HAL/P&A/15(3)/07 Dt. 22.2.07
- 4) HAL/P&A/15(3)/13/PF Dt. 1.1.13
- 5) HAL/P&A/15(3)/13/PF Dt. 29.1.13

I.35.1 The ceilings for reimbursement of Expenditure incurred on Official Entertainment at Residence in respect of Board Level incumbents and Officers in Grade-IX & above (including those in Gr-VIII heading the Divisions) are as follows:

SI. No	Level/Grade	Ceilings (Rs./ p.m)
1.	CMD	7500
2.	Directors / CEOs	6000
3.	Executive Directors	4500
4.	Divisional Heads (Gr-IX/VIII) and other GMs/CDs/CoPs/Officers in Grade-IX	3000

I.35.2 Reimbursement within the above limits can be claimed by certification, once a month. No reimbursement exceeding the limit is permitted for any month.

I.36 SCHEME FOR PURCHASE OF FURNITURE, HOUSEHOLD ITEMS ETC. BY SENIOR EXECUTIVES

References:

- 1) HAL/P&A/15(3)/07/35 Dt. 25.06.07
- 2) HAL/P&A/11(3)/09/288 Dt. 31.3.09
- 3) HAL/P&A/15(3) Dt. 6.3.15

I.36.1 Officers in Grade – VII & above who are borne on the regular rolls of the Company are eligible for purchase of Furniture, House Hold Items etc for use at their Residence, subject to the following ceilings:

Designation	Amount (Rs.)
CMD	5,00,000
Directors / CEOs	3,50,000
Executive Directors (Gr-X)	2,50,000
General Managers / Chief Designers (Gr-IX)	2,00,000
Addl. General Managers (Gr-VIII)	1,50,000
Dy. General Managers (Gr-VII)	1,00,000

I.36.2 Terms & Conditions of the scheme are as indicated below:

- i) Officers should have completed atleast one year service in the Company and also confirmed in the services of the Company, to become eligible for the benefits under this scheme.
- ii) This facility would be available once during the service of the Officer in the company. Further, when an Officer is promoted to the next Grade / level in the Company, they will be entitled for purchase of additional Furniture & House Hold Items with reference to the ceiling amount applicable to the higher Grade, less the ceiling amount applicable in the lower Grade (i.e, differential amount only). Also, on promotion, they can buy the items for the differential amounts.
- iii) The concerned Officer would identify the items of Furniture and House Hold Items (House Hold Items like Air Conditioner, TV, Refrigerator, Washing Machine, Music System, Geyser, Microwave Oven, Computer and its Peripherals including Printer, Inverter, Telephones and Accessories, Electronic Items, Electric Goods, Cooking Range, Water Purifier, House Hold Fittings etc.) to be purchased for use at their residence and furnish the Proforma Invoice from the Supplier / Dealer / Shop to the Finance Department of the Division/Office, with a copy to the HR Department. The Division / Office would make the payment directly to the Supplier / Dealer / Shop. The items would be purchased in the name of the Company. The Officer would submit proof of receipt of the items to the HR Department, within a period of ten days from the date of payment.
- iv) Alternatively, the Officer himself could purchase the items, from bonafide Suppliers / Dealers / Shops in the name of the Company, and submit the details of the items and their value, along with supporting documents & bills, to the Finance Department of the Division / Office, with copies to the HR Department, for regularization of the transaction. In such a case, the Officer could either draw an Advance from the Company for purchase of the items first and claim

reimbursement from the Company. If Advance is drawn from the Company, the items should be purchased and the Accounts settled within 15 days of drawl of the Advance.

- v) When Officers purchase the items directly first and then claim reimbursement from the Company, the Bills/ Documents should be submitted within a time limit of maximum 3 months from the date of purchase of the items. The Bills/ Documents should be submitted within the same Financial Year of purchase also.
- vi) The items should be purchased in not more than 3 installments, limited within the ceilings indicated as above. The monetary ceilings would include applicable Taxes to be paid on the purchase of the items.
- vii) The items will be depreciated by the Company at 20% p.a by the Straight Line Method. Depreciation pro-rata, on a monthly basis, will be calculated from the 1st of the month in which the item is purchased and till the end of the month up to which the asset is held in the name of the Company.
- viii) For capitalization of the assets in the Books of the Division / Office, the HR Department will issue a report to the Finance Department, based on the documents received as at paras (iii) & (iv) above and the confirmation in writing, by the Officer about the receipt of the items indicating the particulars of the items, their value etc.
- ix) On Superannuation / Separation from the Company (other than by resignation), the items will be transferred in the name of the Officer, at its Book Value. Out of the Book Value, 1/3rd will be paid by the Officer and the balance will be borne by the Company. The 2/3rd amount borne by the Company will be taken as Perquisite Value at the hands of the Officer, for computing his Income Tax liability during that year.
- x) Officers who resign from the services of the Company will have to refund the entire amount received by them, to the Company.
- xi) Servicing / Maintenance / Repair of the items will be done by the Officer, at their cost.
- xii) While purchasing the items, if an Officer exceeds their entitlement as at 1.36.1 above, the additional amount will be borne by him and the Company's liability will be restricted within the applicable ceilings.
- xiii) Divisions / Offices would maintain proper accounts of the amount drawn by the Officer. Similarly, accounts of items

purchased, value of each item, date of purchase etc would also be maintained in order to determine the Book Value of the items at the time of their transfer to the Officer. In cases of transfer of Officers from one Division / Office to another, details of the accounts & records would be transferred to the transferee Division / Office.

I.36.3 The following categories of Officers are also eligible for the benefits under the Scheme: (HAL/P&A/15(3)/07/113/1445 Dt. 26.09.07)

- i) Officers whose services are terminated on account of continued ill health and those who opt for Optional Retirement or Voluntary Retirement (Voluntary Retirement Scheme not in vogue now) would be eligible for the benefits under the scheme.
- ii) In case of pre-mature death of an Officer while in service, the items would be transferred in the name of his nominee.
- iii) Officers who are dismissed from the service, whose services are terminated for reasons other than on account of continued ill-health or who are pre-maturely / compulsorily retired will not be eligible for the benefits under the scheme like in the case of resignations.
- iv) The scheme is meant for the Executives who are borne on the regular rolls of the Company, which mean the permanent employees. Further, Officers need to complete at least one year service in the Company and also confirmed in the services of the Company, to become eligible for the benefits under the Scheme. Consequently, Officers engaged / appointed on Contract / Temporary / Adhoc basis or as Consultants / Advisors or who are on deputation to the Company will not eligible for the benefits under the Scheme.
- v) Officers in Grade–VIII who are authorized to look after the duties of General Managers (Grade –IX) including exercising the powers delegated to General Managers will not be eligible for the benefits under the Scheme on par with Officers in Grade – IX.

I.37 SCHEME FOR ALLOTMENT, RECOVERY & PURCHASE OF COMPANY-OWNED CARS BEING USED BY OFFICERS IN GRADE-IX & ABOVE

References:

- 1) HAL/P&A/18(9)/PF/07/01/09 Dt. 29.05.07
- 2) HAL/P&A/18(9)/PF/02/07/03 Dt. 30.05.07
- 3) HAL/P&A/18(9)/PF/07/ Dt. 26.09.07
- 4) HAL/P&A/18(9)/PF/02/07/03 Dt. 18.4.08
- 5) HAL/P&A/18(9)/PF/357 Dt. 7.9.09
- 6) HAL/P&A/18(9)/PF/10 Dt. 7.9.10
- 7) HAL/P&A/18(9)/PF/13 Dt. 1.5.13
- 8) HAL/P&A/18(9)/2014 Dt. 30.12.14

I.37.1 Allotment of Company Cars for Officers in Grade-IX & Above

I.37.1.1 General Managers and other Officers in Grade –IX, Executive Directors, CEOs and Board Level Incumbents are provided with Company Cars for their Official and personal usage.

I.37.1.2 The following models of cars are approved for the Officers:

Sl. No	Designation/Grade	Entitled Model
1.	CMD	a) Skoda Octavia / Skoda Superb / Toyota Corolla Altis / Toyota Camry b) Honda City
2.	Directors	a) Honda City VX MT(O) b) Maruti Suzuki Dzire ZXi
3.	CEOs	Honda City VX MT(O)
4.	ED (Officers in Gr-X)	Maruti Suzuki Ciaz VXi
5.	GM (Officers in Gr-IX)	Maruti Suzuki DZire VXi

I.37.2 Use of Company Cars for private use

I.37.2.1 Recovery at the following rates is effected for private use of attached Staff Cars/Company Cars:

Sl. No	Level	Rate (Rs./ p.m)
1.	Board Level Incumbents & CEOs	2000/-
2.	Officers in Grade –IX & X and Officers in Grade-VIII who are accorded with the status of General Manager and allotted Staff Cars/Company Cars	1500/-

I.37.2.2 The ceilings on non-duty/private journeys are:

i) Board Level Incumbents & CEOs:

Sl. No	Name of the City	Ceiling (kms. per month)
1.	Delhi, Mumbai, Kolkata, Chennai, Bangalore & Hyderabad	1000
2.	All other cities	750

ii) Officers below CEOs (All Cities): 750 k.m/ p.m

I.37.2.3 Private Mileage as at paras-I.37.2.2 (i) & (ii) not utilized fully in a month(s), can be accumulated and used till the end of the concerned Financial Year. Further, if the accumulated mileage in a Financial Year is not fully utilized during that year, it can be utilized upto the end of the next Financial Year also.

I.37.2.4 Private Mileage as at paras-I.37.2.2 (i) & (ii) can be utilized at Stations other than the Head Quarters also, if Staff Cars/Company Cars are available at such Station(s). The Private Mileage so utilized will be intimated to the Division/Office of the Officer, by the Division/Office from which the facility is availed.

I.37.3 Purchase of Company-Owned Cars being used by Officers in Grade-IX & above

I.37.3.1 General Managers and other Officers in Grade - IX and above who are borne on the regular rolls of the Company, including Board Level Incumbents can purchase the Company Car, as per their entitlement, on their superannuation/ separation (other than resignation).

I.37.3.2 The following are the Terms & Conditions on which the facility will be extended:

- i) The system of Company purchasing Cars and allotting them to Officers in Grade IX & above would continue. The type of Cars and the Fittings will be as per the entitlements as specified by the Corporate Office.
- ii) In order to optimize running & maintenance costs, the Company will replace such Cars, after completion of 5 years of its purchase. Arrangements for exchange of old Cars with new Cars would be made with the Car Manufacturers / Dealers.
- iii) The Cars purchased by the Company will be depreciated at the rate of 20 % p.a. Depreciation, pro-rata, on a monthly basis, will be calculated from the 1st of the month in which the Car is purchased and till the end of the month upto which the asset is held in the name of the Company.

- iv) Officers who have served for more than one year in Grade - IX or above only would be eligible to avail the facility of purchase of the Car from the Company under this Scheme.
- v) The facility / option to purchase Company owned Car could be exercised only once during the service period.
- vi) Officers could purchase the Car from the Company at 10% of the purchase price, on expiry of five years after its purchase, on their superannuation / separation (other than resignation).
- vii) In case the Officer attains the age of Superannuation/separates (other than resignation) from the services of the Company after expiry of the period of Five years from the date of purchase of Car and if the Officer wants to continue to use the same Car, the Car will be transferred in his name at the time of his superannuation/separation (other than resignation). 10% of the purchase price of the vehicle will be recovered from the Officer at the time of its transfer.
- viii) In case the Officer superannuates /separates (other than resignation) from the services of the Company before expiry of the period of five years from the date of purchase of the Car, the Book Value, of the Car as on the date of its transfer or 10 % of the Purchase price of the vehicle whichever is higher is to be paid by the Officer.
- ix) Eligible Officers could purchase the existing Company Cars, on superannuation / separation (other than resignation) at 10 % of the purchase price, provided the Cars are not less than 5 years old. In cases of Cars which have completed 5 years, they can also opt for replacement of the Car and the new Car can be purchased on their superannuation / separation (other than resignation), as per the above provisions.
- x) In cases of existing Cars which are less than 5 years old, the purchase would be as at para (viii) above. For this purpose, the notional Book Value of the Cars would be arrived at by applying the depreciation rate of 20% from the date of the purchase. The notional Book Value of the Car as on the date of its transfer or 10 % of the purchase price of the vehicle, whichever is higher will have to be paid by the Officer.
- xi) Payment by the Officers for personal use of the Car would be charged as per the existing Rules.

I.37.3.3 Additionally, Executives would be eligible for purchase of cars under the following conditions

- i) In addition to Officers who superannuate from the services of the Company or who die pre-maturely, Officers whose services are terminated on account of continued ill-health and those who opt for Optional Retirement or Voluntary Retirement (Voluntary Retirement Scheme not in vogue now) would be eligible for the benefits under the Scheme;
- ii) Officers who are dismissed from service, whose services are terminated for reasons other than continued ill-health or who are pre-maturely/ compulsorily retired will not be eligible for the benefits under the Scheme, like in the case of resignations;
- iii) The scheme is meant for the Executives who are borne on the regular rolls of the Company, which mean the permanent employees. Consequently, Officers engaged/appointed on Contract/Temporary/Adhoc basis or as Consultants/ Advisors or who are on deputation to the Company will not be eligible for the benefits under the Scheme;
- iv) Officers in Grade-VIII who are authorized to look after the duties of General Manager, including exercising the powers delegated to a General Manager, will not be eligible for the benefits under the Scheme.

I.37.3.4 Repairs & Maintenance of the Car

- i) In cases of normal/regular repair/maintenance work to be carried out (for which the cost will be less than Rs.15,000/-), the Divisional Heads are authorized to sanction the amount estimated by the Transport Department in consultation with the authorized Repair Shop. Thereafter, the Transport Department will get the repair work carried out, through the authorized Repair Shop;
- ii) In cases of major repair work/overhaul/replacement of Parts/replacement of Accessories including Upholstery of the Cars (i.e. cases where the cost is estimated to be more than Rs.15,000/-), a Committee consisting of three Officers [one each from the Transport, Purchase (in case of BC/DC/HC, FMD) and the Finance Department] of the concerned Division would ascertain the cost of major repair work to be carried out, including overhauling of the vehicle, replacement of spares, fixing additional accessories etc., and obtain the approval of the Competent Authority indicated at Paras-I.37.3.5 (i) to (iii) below. The Competent Authority will satisfy himself of the need to carry out the repairs etc, before approving the same. Thereafter, the vehicle will be sent to the authorized Repair

Shop by the Transport Department for necessary repair/overhaul/replacement of accessories etc;

- iii) Any work to be carried out in the Car as at (ii) above during the last 6 months of service of the Officer would require the approval of the concerned Director. In respect of such cases in Corporate Office, Director (HR) would be the Approving Authority. Further, Director (HR) would be the Approving Authority in case such repairs etc are to be carried out in the Cars of the Complex Heads. If such work is to be carried out in the Car of the Director (HR) himself, CMD would be the Approving Authority.
- iv) Each Complex/Division would identify an Authorized Maruti Car Dealer nearest to the Complex/Division and an agreement may be entered with them to carry out the necessary repair/overhaul/replacement of accessories etc., as and when required.

I.37.3.5 Procedure for transfer of the Vehicle

- i) In respect of BC/DC/HC, the Competent Authority to approve the transfer of the vehicle in the name of the concerned Officer would be GM(FMD), under whom the Transport Department of BC/DC/HC is functioning. However, in case the transfer is to be made to GM, FMD himself, CEO(BC) would be the Approving Authority;
- ii) In respect of Corporate Office, General Manager (HR) would be the Competent Authority to approve the transfer of the vehicle in the name of the concerned Officer. However, in case the transfer is to be made to GM(HR) himself, Director (HR) would be the Approving Authority;
- iii) In respect of the Divisions/Offices outside Bangalore, the Complex/Divisional Head would be the Competent Authority to approve the transfer of the vehicle in the name of the concerned Officer. However, in case the transfer is to be made to the Complex/Divisional Head himself, the Head of the adjoining Division/Office or the Senior most Officer reporting to the Complex/Divisional Head would be the Approving Authority;
- iv) The purchase price and Book Value of the Car is to be arrived at including the cost of Fittings & Accessories fitted in the Car at the time of its purchase and/or subsequently. In the case of replaced items, the value of the new items would be reckoned. The Accessories & Fittings would also be depreciated @ 20% p.a., from the date of purchase of the concerned items;

- v) In case some of the Accessories/Fittings in the Car are not as old as the Car itself, the purchase price and/or Book Value of the Car and the Accessories/ Fittings are to be arrived at separately;
- vi) The normal RTO procedures for the transfer of the vehicle from one individual/Firm to another are to be followed for transfer of the vehicle to the Officer concerned;
- vii) The cost of transfer of ownership of the vehicle would be borne by the Company;
- viii) The Officer authorized to approve the transfer of the Car as at paras (i) to (iii) above would sign as the Registered Owner (Transferor) of the Vehicle in all the RTO Forms, wherever required, and the Officer buying the Car will sign as the Transferee. In case the Car is registered in the name of any specific Officer of the Company, he would sign as the Transferor;
- ix) The transfer of the vehicle will normally be within the concerned State only. Exceptionally, where an Officer wishes to transfer the vehicle outside the State, he has to obtain "No Objection Certificate" from the concerned RTO, at his cost, and get the vehicle transferred to the State of settlement;
- x) The concerned Officer, atleast 2 months prior to the date of superannuation etc, will communicate his intention/willingness or otherwise to purchase the Company Car as per his entitlement;
- xi) The HR Head of the Division/Office will ascertain the Book Value of the Car, including the Fittings & Accessories fitted in the Car, from the Finance Head of the Division/Office. The amount to be paid by the Officer will then be intimated to him, to enable him to make necessary payment through Cheque or to adjust the amount from his final settlement of accounts;
- xii) The HR Department will then process the matter for obtaining the approval for the transfer. Thereafter, the RTO formalities for the transfer of the vehicle will be completed by the Transport Department;
- xiii) The entire exercise will be completed prior to the date of superannuation / separation of the concerned Officer.

I.38 RESIDENTIAL LANDLINE PHONE WITH INTERNET CONNECTION & MOBILE PHONES

References:

- 1) HAL/PO/21(41) Dt.29.07.69
- 2) HAL/HO/SEC/37(3)/83 Dt. 29.04.83
- 3) HAL/P&A/56/Gen/92 Dt.18.02.92

I.38.1 Provision of Residential and Mobile Phones

I.38.1.1 Installation of Company Telephones or adoption of Personal telephones at the Residence for Official purposes is done in respect of Officers, on functional need basis, in accordance with the specified Rules in this regard. Similarly, Mobile Phones are also provided to Senior Officers, based on functional needs.

I.38.1.2 In respect of Officers to whom Residential and Mobile Phones are provided as above, payments / reimbursement of bills, within the prescribed and approved ceilings, is made by the Company.

I.38.1.3 All Officers in Grade VII & VIII would be provided with a Residential Land Line Phone, Internet connection on the Residential Phone and a Mobile Phone.

Reference:

HAL/P&A/11(38)/2015/PF Dt.1.1.15

I.38.2 Residential Phone and Internet Connection

I.38.2.1 Eligibility

- i) All Officers in Gr-VII & above are eligible to be provided with/ reimbursed expenditure on Residential Landline Phone, with Internet Connection.
- ii) Officers in Grade-VI who are heading the Customer Services, Finance & Accounts, Systems Audit, IMM/ Outsourcing, Human Resources, Training, Security, Marketing, Plant Maintenance, Works Engineering, Test Flying/ Flight Operations, Medical and Vigilance Departments in the Divisions/ R&D Centres / Offices are also eligible for the facility.
- iii) Officers other than those at paras-I.38.2.1 (i) & (ii) above can also be extended the facility of Residential Phone and / or Internet Connection on the Residential Phone, based on functional requirements, with the approval of the concerned ED/ GM (Heads of Divisions/ R&D Centres and HoDs in

Corporate Office & Complex Offices). Internet Connection alone can also be extended on the personal Residential Phone (i.e. without extending the facility of Telephone Calls + Rental Charges).

I.38.2.2 Monetary Ceilings

- i) Liability of the Company for payment /re-imbusement of Bills, in respect of BSNL Telephones, will be limited to Rentals (General Tariff), 500 Chargeable Calls p.m. (i.e excluding Free Calls, presently 50 in Urban Areas) plus applicable Taxes. In respect of other Service Providers, the liability will be limited as in the case of BSNL Telephones.
- ii) Officers who are eligible for both Residential Telephone and Internet Connection would have the freedom to choose Combo Plans offered by the Service Provider, within the specified combined ceilings (i.e. Ceiling for Residential Telephone + Ceiling for Internet Connection together).
- iii) The Monetary Ceilings in respect of eligible Officers as at para-I.38.2.1 above for availing Residential Phone and / or Internet Connection, would be as follows:

Grade	Ceilings (Rs./p.m.)		
	Residential Telephone* + Internet Connection	Residential Telephone* alone	Internet Connection alone
(1)	(2)	(3)	(4)
IX & higher	Actuals	-	-
VIII	Rentals (General Tariff) + Charges for 500 Chargeable Calls + Applicable Taxes + 600 [#]	-	-
VII and those in Gr-VI as at para-I.38.2.1 above	Rentals (General Tariff) + Charges for 500 Chargeable Calls + Applicable Taxes + 400 [#]	-	-
Officers in Grade-VI other than those at para-I.38.2.1 above; and Officers in Gr-I to V	Rentals (General Tariff) + Charges for 500 Chargeable Calls + Applicable Taxes + 300 [#]	Rentals (General Tariff) + Charges for 500 Chargeable Calls + Applicable Taxes	300 [#]

* Rates as applicable to BSNL Phones. In respect of other Service Providers, liability will be limited as in the case of BSNL Telephones.

For Internet connection, the Ceiling is inclusive of Usage Charges, Rentals for the Modem etc.

- iv) No distinction will be made between Local & STD/ISD Calls and Personal & Official Calls, within the Ceiling of 500 Chargeable Calls p.m. indicated under the Table at para-I.38.2.2 (iii) above.
- v) Officers in Grade-IX & above are entitled for the facility of STD & ISD on the Residential Telephone.
- vi) The Phone can either be provided by the Company or the Personal Phone of the Officer can be adopted by the Company for reimbursement of Bills. While the Phone can be of any Service Provider, preference is to be given to BSNL.
- vii) In cases where both the Husband & Wife are Officers in the Company; both are eligible for Residential Telephone / Internet Connection; and are residing in the same House, only one Residential Landline Phone /Internet Connection will be provided at the Residence. However, the couple will be eligible for reimbursement of applicable Call Charges & Internet Charges on the Residential Phone, within the cumulative Ceilings applicable to them together (Ceiling for Residential Phone in respect of one of them is to be taken as Charges for 500 Chargeable Calls + Taxes only. Rental in respect of one of them only).
- viii) Payment / reimbursement towards Internet Charges is also allowed to eligible Officers on Devices like i-Pad, Tablets, etc. or for usage of Data Card / Internet Dongle on Desktops / Laptops, within the applicable Ceilings as at para-I.38.2.2(iii) above.

I.38.3 Mobile Phone

I.38.3.1 Eligibility

- i) All Officers in Gr-VII & above are eligible for re-imburement of expenditure on use of Mobile Phones, as per Ceilings indicated at para-I.38.3.2 below.
- ii) Officers in Grade-VI who are heading the Customer Services, Finance & Accounts, Systems Audit, IMM / Outsourcing, Human Resources, Training, Security, Marketing, Plant Maintenance, Works Engineering, Test Flying/ Flight

Operations, Medical and Vigilance Departments in the Divisions/ R&D Centres / Offices are also eligible for this facility.

- iii) Other Officers in Grade-VI and Officers in Grade-V & below can also be extended the facility of payment/ re-imbursalment of Mobile Phone Bills, based on functional requirements, with the approval of the concerned ED/ GM (Heads of Divisions/ R&D Centres and HoDs in Corporate Office & Complex Offices), as per ceilings indicated at para-I.38.3.2 below.

I.38.3.2 Monetary Ceilings

- i) The Monetary Ceilings for reimbursement of Mobile Phone Charges in respect of eligible Officers as at para-I.38.3.1 above are as follows:

Grade	Ceiling Amount (Rs.)	
	For a Financial Year	Pro-rata Average Per Month
(1)	(2)	(3)
IX & above	Actuals	Actuals
VIII	15000	1250
VII	12000	1000
VI	10000	833
IV & V	8400	700
I/II/III	6000	500

- ii) The Charges would include Monthly Charges, Usage Charges [Call Charges (Local & STD/ISD), SMSs, Value Added Services, Roaming, etc.] and applicable Taxes.

I.38.3.3 Mobile Instrument

- i) The Company will buy the Instrument/ Mobile Handsets for the eligible Officers as at paras-I.38.3.1 (i) & (ii) above OR would re-imbursal the cost, within the following ceilings:

Grade	Ceiling Amount (Rs.)
CMD, Directors& CEOs	Actuals
X	20,000
IX	15,000
VIII	5,000
VII	4,000
Officers in Grade-VI, heading specified Departments (as at para-I.38.2.1(ii) above)	4,000

- ii) The life of the Instrument will be taken as 3 years and the same will not be replaced before completion of 3 years. After completion of 3 years, the Instrument will be replaced in case of mechanical failures etc. An Officer on promotion would be entitled to purchase Mobile Phones as per the entitlement of the Grade.

I.38.3.4 Facility of 3G / 4G Service on Mobile Phone

- i) Officers in Grades VI & above as at paras- I.38.3.1 (i) & (ii) who are extended the facility of Mobile Phone can be extended 3G /4G facilities on their Mobile Phones, as indicated below:
 - a) 3G / 4G facility would be extended to Officers in Grade-IX & higher with payment of actual bills;
 - b) Test Pilots / Flight Test Engineers / Flight Test Instrumentation Engineers / Communication Pilots, who are extended the benefit of Mobile Phones and who are using 3G/ 4G facilities in their Phones, would be eligible for payment / re-imburement of Rs. 200/- per month over and above the normal Mobile usage entitlement as at para- I.38.3.1 (i) above.
 - c) Other Officers in Grades-VII & VIII can be extended the 3G / 4G facility, based on functional requirements, with the approval of the concerned Director, within the monetary ceilings as at para- I.38.3.1 (i) above.
 - d) Officers in Grade-VI who are heading the Customer Services, Finance & Accounts, Systems Audit, IMM / Outsourcing, Human Resources, Training, Security, Marketing, Plant Maintenance, Works Engineering, Test Flying/ Flight Operations, Medical and Vigilance Departments in the Divisions/ R&D Centres / Offices can also be extended the facility, with the approval of the concerned Director, within the monetary ceilings as at para- I.38.3.1 (i) above.
- ii) In respect of Officers who are extended the facility of 3G / 4G Services in their Mobile Phones, if the Instrument is less than 3 years old and not 3G / 4G compatible, the facility will be extended only after 3 years of purchase of the Instrument, irrespective of the Grade, except for Officers in Grade-IX & above.

I.38.3.5 Other provisions regarding Mobile Phones

- i) The connections could be Post Paid or Pre Paid, whichever is economical. This can be decided by the Division / Office. Connections can be taken from any Service Provider. In order to get available discounts, if any, connections of one Service Provider will only be taken by the same Division / Office.
- ii) In cases where Officers have taken Personal connections and would like to retain them, they can claim re-imbusement of Bills, within the prescribed Ceilings.
- iii) On separation from the services of the Company (other than resignation), the Instruments & Number can be retained by the Officer.

I.38.3.6 Re-imbusement of Mobile Phone Charges to Officers in Gr-IV to VI who are not covered under the provisions as at paras-I.38.3.1 to I.38.3.5 above

- i) In order to meet the functional requirements, Officers in Grade-IV & V; and Officers in Grade-VI who are otherwise not entitled for re-imbusement of Mobile Phone Charges as at para I.38.3.1 to I.38.3.5, are eligible for re-imbusement of Mobile Phone Charges, with a Ceiling of Rs. 500/- per month.
- ii) Necessary Bills/ proof of payment of Post Paid or Pre Paid Mobile Phones (including in case of e-recharge) needs to be submitted by the Officer to claim the re-imbusement.
- iii) Cost of purchase of the Mobile Phone Instrument needs to be borne by individual Officers.

I.38.4 Special Provisions in respect of Officers in certain categories

I.38.4.1 In view of the nature of duties, there could be certain Officers who are eligible for the facilities as at paras- I.38.2.1 (i)/(ii) & I.38.3.1 (i)/(ii) above and who would be required to use their Residential Landline and / or Mobile Phones extensively for official purposes, beyond working hours on working days, as also on holidays, keeping in view the nature of duties. The Ceilings prescribed above may not be sufficient for them. Such eligible Officers in Grade VI & above would be eligible for enhanced Ceilings, as indicated below:

i)	Residential Landline Phone:	Rentals + 750 Chargeable Calls + applicable Taxes, p.m.
ii)	Mobile Phone:	Rs. 18,000/- p.a (pro-rata average of Rs. 1,500/- p.m)

Facility of the enhanced Ceilings would be extended only with the approval of the concerned Director, with proper justifications.

I.38.4.2 If further enhanced Ceilings are required in any case to meet the functional requirements, the same could also be considered for approval by the concerned Director, with proper justifications.

I.38.4.3 In respect of Resident Managers, Delhi & Mumbai, the Ceiling for availing Mobile Services would be Rs. 2500/- p.m.

I.38.5 Officers posted as Service Engineers at different bases

I.38.5.1 The Senior most Officer posted as the Service Representative at each Base, irrespective of his Grade, will be eligible for the facility of Mobile Phone, with the following Ceilings, for purchase of the Instrument and Call Charges:

- i) Instrument: Rs. 4000/-
- ii) Call Charges + other Charges:

Grade	Ceiling Amount (Rs.)	
	For a Financial Year	Pro-rata average per month
(1)	(2)	(3)
VI	10000	833
IV / V	8400	700
I / II / III	6000	500

I.38.5.2 Amount as indicated under Col (3) of the Table under Para-I.38.5.1(ii) would be included in the Consolidated Remuneration payable to superannuated Officers, if any, engaged as Consultants/Advisors on contract basis to head the Customer Services Operations at the Customer Bases, provided they were not extended the facility of Mobile Phone while in service. Such Officers will not be eligible for issue of Mobile Phones/Reimbursement of cost of purchase of Mobile Phone and Reimbursement of monthly Call Charges.

I.38.5.3 As per the provisions of Personnel Circular No. 698 (Amended-2) dated 1.10.14, the Consolidated Remuneration payable to ex-employees engaged as Consultants/Advisors on Contract basis is arrived at also reckoning the average amount drawn towards Residential & Mobile Phones per month, if any, during the last 12 months of service. Since the Consolidated Remuneration is so arrived at, superannuated Officers who were extended the facility of Residential/Mobile Phones while in service and who are engaged as Consultants/Advisors after superannuation, would be considered as having been extended the facility of Residential/Mobile Phones. As such, no additional facility of Mobile Phone will be extended to such superannuated employees engaged as Consultants/Advisors on contract basis and posted to Customer Bases.

I.38.5.4 If the Customer Base is headed by a Consultant/Advisor engaged as at paras- I.38.5.2 & I.38.5.3 above, the senior most regular Officer posted at the Base will not be eligible for the benefits as at Para-I.38.5.1 above.

I.38.6 Other Employees

I.38.6.1 There could be certain employees in the Workmen Cadre, who on account of the nature of their duties, would need to use Residential Phone and / or Mobile Phone, for Official purposes. Such Workmen can also be provided with / re-imbursed expenditure on Residential Telephone / Internet Connection / Mobile Phone Charges, based on functional requirements, with the approval of the concerned ED/ GM (Heads of Divisions/ R&D Centres and HoDs in Corporate Office & Complex Offices). Monetary Ceilings in such cases will be as applicable to Officers in Gr-I as indicated at paras- I.38.2.2(iii) / I.38.3.2(i) above.

I.38.7 General

I.38.7.1 Charges in excess of the Ceilings as above, as the case may be, will be recovered from the concerned Officer/employee.

I.38.7.2 5% of the amount of the Bill which the Company pays / reimburses on the Residential Phone, Internet Charges and Mobile Phone will be recovered from all Officers (including Board Level incumbents) & Employees, towards the cost of making Personal Calls from the Phones. In respect of Officers as at para-I.38.3.6, amount of the Bill for this purpose will be limited to Rs. 500/- per month.

I.38.7.3 Each Division / Office will maintain necessary records to limit payment / reimbursement of Bills on the Mobile Phone, within the specified annual ceilings. The prescribed Ceilings will be before effecting the recovery as at Sl.No.I.38.7.2 above.

I.38.8 Office Telephone

I.38.8.1 Board level Incumbents will be provided with 2 direct Telephones in their Office with STD & ISD facility. Officers in Grade-IX & X will be provided with one direct Telephone line in their Office with STD & ISD facility. Officers heading various Departments (HoDs) and other Officers/ employees can also be provided with direct Telephone (with or without STD/ISD facilities) at their Offices, on need basis, with the approval of the concerned ED/ GMs (Heads of Divisions/R&D Centres and HoDs in Corporate Office & Complex Offices).

I.39 ISSUANCE OF iPADS / LAPTOPS TO OFFICERS IN GRADE IX & ABOVE

I.39.1 iPADS

References:

- 1) HAL/P&A/11(5)/2013/01Dt 1.1.13**
- 2) HAL/P&A/10(2)/2015Dt 1.1.15**

I.39.1.1 Officers in Grade IX & above and Officers in Grade VIII who are officiating as GMs/CDs/CoPs are provided with iPADS, once during the service, to equip them with the latest computing/collaborating facilities.

I.39.1.2 Retention of iPADS issued to Officers

iPADS issued to the eligible Officers can be retained by them, as indicated below:

- i) Officers who are issued the iPADS will be allowed to retain them, at the time of their Superannuation/ Separation (other than Resignation), by paying 10% of the Purchase Price OR the Book Value of the Device, whichever is higher;
- ii) Depreciation will be done as per the Company's Accounting Policy;
- iii) In case the Officer resigns, the iPad will be returned to the Company.

I.39.1.3 Full Expenses [Sim Card, Call/ Usage Charges (including 3G), WiFi, Rentals, Downloads, etc.] on usage of iPad incurred by the Officers, less 5% (5% will be reduced towards personal usage), will be re-imbursed by the Company.

I.39.2 Laptops

References:

- 1) HAL/P&A/15(3)/07 Dt 25.4.07**
- 2) HAL/P&A/10(2)/16/PC Dt. 24.2.16**

I.39.2.1 Board Level Incumbents & CEOs are provided with a Laptop for carrying out official duties at their residence. The Laptop can be transferred to them at the time of Superannuation/Separation (other than resignation) from the Company by recovering the Book Value or 10% of the purchase price of the Laptop, whichever is higher.

I.39.2.2 Officers in Gr- IX & X and Officers in Gr- VIII who are officiating as GMs/ CDs/ CoPs, etc. are also provided with Laptop for carrying out Official duties.

I.39.2.3 Due to the obsolescence in technology and short product life cycle, electronic gadgets like Laptops outlive their usage after 3-4 years. Usage of such devices are personalized also. Accordingly, no useful purpose can be served by surrender of the Laptop on the superannuation of the Officer.

I.39.2.4 Accordingly, Officers in Gr- IX & X and Officers in Grade VIII officiating as GMs/CDs/CoPs, etc. are permitted to retain the Laptops on their Superannuation/ Separation (other than resignation). Monetary ceiling for purchase of Laptops and methodology to be followed for retention of Laptop are as under:

- i) Divisions/Offices will procure Laptops for issuance to the eligible Officers in Grades IX / X and Officers in Gr- VIII officiating as GMs/ CDs/ CoPs, etc. with a cost ceiling of Rs 75,000/- per unit including cost of basic Accessories;
- ii) The life of the Laptop will be taken as 3 years and the same will not be replaced before completion of 3 years. After completion of 3 years, the Laptop will be replaced in case of malfunctioning, if certified by the IT Dept.;
- iii) Officers issued with Laptops will be allowed to retain them, at the time of their superannuation/separation (other than resignation), by paying 10% of the purchase price OR the Book Value of the device, whichever is higher;
- iv) Initially, the Asset would be held in the name of the Officer as an item of personal issue. Transfer will be effected at the time of superannuation/ separation by making necessary entries in the Company Records;
- v) Depreciation of the Laptops will be done as per the Company's Accounting Policy. The Perquisite Value will be determined for transfer of the Laptop at the time of superannuation/separation, in accordance with the Income Tax Rules;
- vi) The Laptops would be sanitized by the IT Dept, from the Security & Vigilance angle, before they are transferred to the Officers for retention post superannuation, etc.
- vii) In case the Officer resigns, the Laptop will be returned to the Company;

I.40 SCHEME FOR PRESENTATION OF SERVICE GIFTS

References:

- 1) PC No. 652 Dt. 8.1.01
- 2) HAL/P&A/47(42)-1/2001 Dt. 28.03.2001
- 3) HAL/P&A/13(6)/2000/339 Dt. 29.5.05
- 4) HAL/P&A/13(6)/2000 Dt. 5.5.07
- 5) PC No. 684 Dt. 10.08.10
- 6) PC No. 688 Dt. 7.9.10
- 7) HAL/P&A/13(6)/2011/98 Dt. 16.08.11
- 8) HAL/P&A/13(6)/13 Dt. 21.02.13
- 9) HAL/P&A/13(6)/13 Dt. 19.7.13
- 10) HAL/P&A/13(6)/15 Dt. 28.04.15
- 11) PC No.718 Dt. 16.1.20
- 12) HAL/HR/10(2)/2020 Dt. 28.05.2020

I.40.1 All permanent Employees on the regular rolls of the Company are eligible for presentation of Gifts, on completion of continuous and unblemished Service in the Company, as follows:

(Rs.)

Completed Years of Service	Gift	Monetary Ceilings	
		Officers	Workmen
10	Wrist Watch	3000/-	2000/-
15	Utility Item	4500/-	3000/-
25	Utility Item	5250/-	3500/-
35	Personal Gift	6000/-	4000/-

I.40.2 If punishments have been awarded to employees during the qualifying period, issuance of the Gifts would be deferred by one year for each Major Punishment and by Six months for each Minor Punishment. Punishments of Warning or Censure imposed on employees would be ignored for this purpose.

I.40.3 For the purpose of reckoning punishments imposed as at para-I.40.2 above, the following procedure is followed:

Gift on completion of Service of (in years)	Punishment to be reckoned during the period
10	Service till the eligibility date for presentation of 10 years Gift
15	Service from the eligibility date for presentation of 10 years Gift till the eligibility date for presentation of 15 years Gift
25	Service from the eligibility date for presentation of 15 years Gift till the eligibility date for presentation of 25 years Gift
35	Service from the eligibility date for presentation of 25 years Gift till the eligibility date for presentation of 35 years Gift.

I.40.4 Actual Items to be presented as Gifts on completion of 15, 25 & 35 years of Service can be decided by the concerned Complex/Division/Office, in consultation with the recognized Union and the Officers Association, within the Monetary Ceilings as at para-I.40.1. Necessary procurement action would be taken by the concerned Complex/Division/Office.

I.40.5 With regards to presentation of Watches on completion of 10 years of Service, the replacement cost of the Battery of the Watches will be borne by the Company. The Watches shall be under Warranty for a period of 12 months from actual date of issue to the employees. The Guarantee Cards will be stamped by the HR Heads of the respective Divisions/Offices of HAL, at the time of issue.

I.40.6 Modalities and manner in which the Gifts are presented can be decided by the concerned Division/Office. In case the concerned Division/Office is unable to procure the Utility Item within the prescribed Monetary Ceilings, Gift Cheques within the prescribed Ceilings can be presented to the eligible employees, in such circumstances, so that the concerned employees can buy Utility Item(s) as per their choice/need.

I.40.7 The training period put in by employees who joined as Technician/Diploma/Executive Trainees/ Management Trainee / Design Trainee and who get absorbed as regular employees later on, can be reckoned as service for the purpose of presentation of Service Gifts based on the following conditions:

- i) Training period in respect of employees who initially joined the Company as Management/Design Trainees;
- ii) Training period in respect of employees who initially joined the Company as Executive/Diploma/Technician Trainees;
- iii) The period spent on Contract basis (as Project Engineers etc.), by employees initially appointed on Contract basis, against Manpower Sanctions issued by Corporate Office, having requisite qualifications, before absorption as regular employees, which has been reckoned as service in the Grade/Scale of absorption for their promotion to the next Grade/Scale;
- iv) One year on-the job Training (out of normal two year Training) undergone by Officer Trainees in the Security/Vigilance/Fire Fighting Disciplines, who were absorbed as regular Officers in Grade-I, which has been reckoned as service in Grade-I for their promotion to Grade-II;
- v) The training period under the erstwhile Craftsman Trainee Scheme & Asst. Supervisor Trainee Scheme, which has been

considered as service for the purpose of computation of Gratuity;

- vi) One year on-the-job training (out of normal period of 2 years training) undergone by the Security Guard Trainees inducted in some of the Complexes/Divisions, which has been considered as service in the Scale in which they have been absorbed for their promotion to the next higher Scale.

I.41 GIFT AT THE TIME OF SEPARATION

References:

- 1) HAL/P&A/15(2M)/86 Dt. 27.5.1986
- 2) HAL/P&A/15(2M)/87 Dt. 28.3.1987
- 3) HAL/P&A/15(2M)/90 Dt. 19.7.1990
- 4) HAL/P&A/15(2M)/95 Dt. 22.3.1995
- 5) HAL/P&A/15(2M)/01 Dt. 03.11.2001
- 6) HAL/P&A/13(6)/13 Dt. 19.7.13
- 7) PC No. 718 Dt. 16.1.20
- 8) HAL/HR/10(2)/2020 Dt. 28.05.2020

I.41.1 Employees who superannuate, Voluntarily Retire, take Optional Retirement or who are terminated on the grounds of continued ill health from the services of the Company are presented a Utility Article, the cost of which should not exceed Rs. 7500/- (Workmen) / Rs.11250/- (Officer)

I.42 RECOVERY OF HOUSE RENT FOR COMPANY QUARTERS / BACHELOR ACCOMMODATION / HOSTEL ACCOMMODATION

I.42.1 Company Quarters - Executives

Reference:

- 1) PC No.688 Dt. 7.9.10
- 2) HAL/HR/10(2)/2020 Dt. 28.05.2020

I.42.1.1 House Rent shall be recovered @ Rs. 9.30 per Sq. Mtrs of the total plinth area of the House (OR) 7.5% of Basic Pay for X Class Cities, 5% of Basic Pay for Y Class Cities and 2.5% of Basic Pay for Z Class Cities, whichever is lower.

I.42.1.2 The minimum Standard Rent is Rs.390/-p.m for a Type A Quarter (if allotted) and Rs. 465/- for Type B Quarter.

I.42.1.3 House Rent Recovery in respect of Type-A, B & C Quarters constructed during 1989-90 or afterwards is made at the rates indicated above, subject to the following minimums:

Type of Quarter	Minimum of Rent Recovery [Rs. / p.m.]
A	570
B	690
C	780

I.42.1.4 Rent Recovery in respect of Nominal Rent Quarters at Bangalore is made at the following rates:

Type of Quarter	Rate (Rs. / p.m.)
A(G)	135
A(N)	180
B (GB)	150
B (GBJ)	165
B(D)	180
B (M)	240
S	600

I.42.2 Bachelor Accommodation- Executives

Reference:
HAL/HR/11(3)/13/PF Dt. 25.6.13

I.42.2.1 Rent Recovery from Officers for the Bachelor Accommodation is effected, at a flat rate, as follows:

Grade of the Officer	Rent(Rs./p.m)
I	750
II	
III	
IV	
MTs/ DTs	
V & above	1000

I.42.2.2 Hostel Accommodation- Executives

References:
1) HAL/P&A/11(35)/2001 Dt. 16.7.01
2) HAL/HR/11(35)/2013 Dt. 25.6.13

Grade of the Officer	Amount recovered as Rent (Rs./p.m.)	
	Single Occupancy Basis	Sharing Basis
MTs/ DTs & I to IV	600	300
V & above	700	350

I.42.3 Company Quarters-Workmen

Reference:
PC No.718 Dt. 16.1.20

I.42.3.1 House Rent Recovery from Workmen who have been allotted Type-A Quarters in the Company Township is effected at the rate of 7.5 % of the running Basic Pay in the 2017 Scales of Pay upto Rs. 29,110/- and at the rate of 10% of the running Basic Pay in the 2017 Scales of Pay beyond Rs. 29,110/-, subject to the following ceilings:

Pay Scale	Ceiling of Rent Recovery (Rs. per month)	
	Type A Qtr	Type B Qtr, If allotted based on availability
1	250	340
2	270	375
3	295	405
4	315	445
5	340	475
6	360	510
7	405	540
8	450	580
9	495	610
10	540	645
SS	585	700

I.42.3.2 House Rent Recovery in respect of Type-A Quarters constructed during 1989-90 or afterwards is made at the rate of 7.5% of the running Basic Pay in the 2017 Scales of Pay up to Rs. 29110/- and at the rate of 10% of the running Basic Pay in the 2017 Scales of Pay beyond Rs. 29110/-, subject to a ceiling of Rs. 790/- p.m. If such Type-B Quarters are allotted to Workmen based on availability, the ceiling will be Rs. 945/- p.m.

I.42.3.3 Rent Recovery in respect of Nominal Rent Quarters at Bangalore is effected as follows:

Type of Quarters	Rent Recovery (Rs .p.m.)
A(G)	90
A(N)	160
A(F)	295

B(GB)	115
B(GBJ)	135
B(D)	135
B(M)	180

I.43 RECOVERY OF WATER CHARGES

I.43.1 Executives

Reference:

- 1) PC No. 688 Dt.7.9.10
- 2) HAL/HR/10(2)/2020 Dt. 28.05.2020

I.43.1.1 Water Charges from Officers residing in Company Quarters are recovered at the following rates:

Type of Quarter	Rates (Rs./p.m.)
A	200
B	250
C	300
D	400
SOQ	600

I.43.2 Workmen

Reference:

PC No.718 Dt. 16.1.20

I.43.2.1 Water Charges from Workmen residing in Company Quarters are recovered at the rate of Rs. 230/- per month.

I.44 RECOVERY OF ELECTRICITY CHARGES

References:

- 1) PC No.650 Dt. 1.7.2000
- 2) PC No.688 Dt. 7.9.10
- 3) PC No.718 Dt. 16.1.20

I.44.1 Electricity Charges are recovered at actuals at all locations, except Koraput & Korwa.

I.44.2 At Koraput & Korwa, first 100 units will be charged at 50% of the concerned State Electricity Board's Tariff and beyond 100 units, the recovery will be at actuals.

II. LOANS AND ADVANCES

II.1 RULES GOVERNING GRANT OF ADVANCE FOR PURCHASE OF MOTOR CYCLE / SCOOTER / AUTO CYCLE IN RESPECT OF WORKMEN

References:

- 1) PC No.186 Dt. 12.10.71
- 2) HAL/CA/141/PF Dt. 10.9.84
- 3) HAL/P&A/12(2)/87 Dt. 15.7.87
- 4) HAL/P&A/12(2)/13 Dt. 01.01.13
- 5) PC No. 704 Dt. 25.9.14
- 6) HAL/P&A/12(2)/89/Vol.III/2014 Dt. 31.12.14
- 7) HAL/P&A/12(2)/15 Dt. 01.05.15
- 8) PC No. 704 Dt. 25.9.14
- 9) PC No. 718 Dt. 16.1.20

II.1.1 The following Rules are admissible for Grant of Advance for purchase of Motor Cycle / Scooter / Auto Cycle for the 1st & 2nd Time:

II.1.2 Classes of employees entitled

II.1.2.1 Permanent Workmen in Scale-1 and above for whom possessing of a Motor Cycle / Scooter / Auto Cycle will contribute to a more efficient performance of their duties are eligible for grant of an advance for purchase of one of the Vehicles mentioned above.

II.1.3 Application for Advance

II.1.3.1 Application for the advance should be made in the Format at **Annexure-II.A.**

II.1.4 Amount of Advance

II.1.4.1 Rs. 1,00,000/- or the cost of the Vehicle, whichever is less.

II.1.5 Execution of Agreement

II.1.5.1 Employees drawing the Advance has to execute a formal Stamped Agreement with the Company in the Format at **Annexure-II.B** with an approved surety who also should be a permanent employee of the Company either in the same Scale / Group as the employee drawing the advance or in a higher Scale / Group.

II.1.6 Recovery of Advance

II.1.6.1 The advance together with Interest thereon is recoverable from the employee's salary in not more than 80 equal monthly installments.

II.1.7 Rate of Interest

II.1.7.1 The interest on the amount of advance will be charged at the Bank Borrowing rate.

II. 1.8 Other Terms and Conditions

- i) Any advance sanctioned for this purpose should be availed of within three months from the date of sanction. Any sanction not operated upon before the close of the Financial Year during which sanction was accorded will lapse at the end of the year;
- ii) The Vehicle should be purchased within one week from the date of receipt of the advance;
- iii) The formalities connected with the purchase of the Vehicle have to be completed within a month from the date of payment of advance and all the receipts etc., furnished promptly to the Accounts Department;
- iv) If an employee purchases the Vehicle (from out of the advance drawn) from outside the State and difficulty is experienced in getting the registration and other formalities completed within the stipulated period of one month, in such cases employees may be allowed based on individual request to submit relevant RC Book and Hypothecation Deed within a period of two months. However, such employees should produce Sale Receipt within a week;
- v) If an employee gets allotment of a Motor Cycle / Scooter and remits the price of the Vehicle within a week from out of Vehicle Advance drawn by him to the dealer, and in such cases if there is delay on the part of the dealer to deliver the Vehicle within the prescribed period of one month, extension of time limit upto a maximum period of three months may be granted provided the employee applies for such extension within the stipulated period of one month. Such requests should be supported by a letter from the concerned dealer indicating the likely period of supply and the requests are to be considered based on merits of each case. In such cases also the cash receipt should be furnished within a week.
- vi) In case the relevant documents are not produced within the extended period in the above cases, the entire amount of advance should be repaid together with Penal Interest. Penal interest should be charged from the date of expiry of the extended period.
- vii) The employee shall get the Vehicle registered with the Regional Transport Authority in his name. The Registration Certificate duly completed, will be produced to the HR Department for verification within one month from the date of purchase of the Vehicle.

- viii) The Vehicle must be maintained in good condition and order, and safe driving of the Vehicle should also be ensured.
- ix) Where an employee after drawing the advance does not buy the Vehicle and hypothecate to the Company as at **Annexure-II.C** within the stipulated time, he should forthwith, refund the advance so drawn in full. In case the employee does not so refund the advance in full, the following action will be taken:
 - a) The amount of advance in the case of an workmen not covered by Payment of Wages Act will be recovered from his salary in toto by adjusting the entire salary as if the Vehicle Advance was a Salary Advance with interest at 2% above the company's borrowing rate of interest till such time the advance is recovered/paid in full. However, in the case of workmen covered by the Payment of Wages Act, maximum recovery of advance is to be made subject to the provisions of the Payment of Wages Act with interest at 2% above the Company's borrowing rate of interest till the amount of advance is fully recovered/paid by the workmen.
 - b) Disciplinary action will be taken against the employee and appropriate punishment imposed for misuse of the advance as per provisions of the relevant Standing Orders of the Company.
- x) The Vehicle purchased with the advance from the Company shall not be permitted to be sold or transferred to any other person within three years from the date of purchase. The employees are required to obtain prior permission from the Sanctioning Authority for sale or transfer of the Vehicle on expiry of three years from the date of purchase of the Vehicle. The balance of the advance together with interest due should be repaid in full to the Company in one lumpsum immediately after the sale or transfer of the Vehicle and in any case not later than 4 weeks after the grant of permission for sale or transfer, by the Competent Authority. In case he/ she fails to deposit the balance amount together with interest in full in one lumpsum within the time specified above, he / she will be charged penal interest at the current borrowing rate of the Company from the Banks plus 2% thereon.
- xi) In case an employee wishes to draw a second advance after sale or transfer of his Vehicle, his request for grant of such advance will be considered only after completion of three years from the date of grant of first advance and after all the other employees, who have applied for Vehicle Advance for the first time are granted Vehicle Advance and subject to availability of budget provision, grant of advance for the second time is to be

restricted to few exceptional cases. However, if an employee intends to sell/transfer his / her Vehicle before the expiry of 3 years on account of mechanical trouble etc., developed by the Vehicle, the Competent Authority may consider and approve such requests on individual merits subject to the condition that:

- a) The employee deposits the balance of advance together with interest in full in one lumpsum immediately after sale/transfer of the Vehicle and in any case not later than 4 weeks from the date of grant of such permission:
- b) That the employee will not be eligible for a second advance till completion of 3 years from the year of drawal of advance.

Note 1: In case an employee desires to dispose of the old Vehicle for genuine reasons before the outstanding loan with interest is fully recovered, he / she may be allowed to do so by the Competent Authority based on the merits of the case, subject to the following conditions:-

- i) The cost of the Vehicle purchased is not less than the amount of advance outstanding plus interest thereon:
- ii) Where the cost of the Vehicle purchased is less than the loan amount outstanding plus interest thereon, the employee should refund the difference between the loan outstanding with interest and the cost of the Vehicle. Where the cost of the Vehicle purchased is less than the loan amount outstanding plus interest thereon and the sale proceeds realized on sale of the old Vehicle is more than the loan outstanding the employee should refund the difference between the sale proceeds of the existing Vehicle and cost of the new Vehicle.
- iii) The above facility is accorded to the employee, only in genuine cases once in a period of 5 years.

Note 2: In arriving at the permissible limit of deduction under the Payment of Wages Act, the recovery towards Provident Fund Subscription is not to be considered as deduction under the Payment of Wages Act. Further, in making recoveries, priority should be given to deduction of Vehicle Advance over other deductions such as court attachments, Provident Fund Loan with interest, Cumulative Time Deposit or Recurring Deposit, dues of House Building Societies/HDFC etc. Where the employee misuses the advance, the Divisions/Offices should take the following actions in addition to action as provided for in para-II.1.8 (ix) of the advance for purchase of Motor /Scooters / Auto-Cycles:

- i) The use of Company Vehicles for commuting between residence and office/Division is not to be allowed till such time as the amount of advance with interest is paid/recovered in full.

- ii) No other advances including Salary Advance is to be sanctioned to the employee till the Vehicle Advance is repaid/recovered in full with interest.
- iii) The Vehicle purchased with the Vehicle Advance should be either a new one or one of a comparatively later model than the one earlier possessed by the employee.

II.1.9 Rules admissible for grant of 3rd time advance for purchase of Motor Cycle/ Scooter/ Auto-Cycle to Workmen

Reference:
HAL/P&A/12(2)/13 Dt. 1.1.13

II.1.9.1 Besides the Rules applicable for grant of Vehicle Advance as brought out at paras- II.1.1 to II.1.8 above, the following additional conditions are also applicable for grant of Vehicle Advance for the 3rd time:

- i) The Advance will be granted only to employees who have completed a minimum 25 years of regular service in the Company;
- ii) 3rd time Advance will be granted only after completion of a minimum period of 3 years after the drawal of the 2nd Advance and after re-payment of the entire 2nd Advance along with applicable Interest;
- iii) 3rd time applications will be considered only after exhausting requests of all first & second time applicants and subject to Budget availability;
- iv) In case the applicant does not have 80 months balance Service left to repay the Advance before superannuation, the number of installments will be so decided that the last installment is recovered in the month of superannuation;
- v) In case the installments/ Interest could not be recovered in the normal course due to any reason, the recovery will be effected from the final Settlement of the employee.

II.2 GRANT OF ADVANCE FOR PURCHASE OF MOTORISED WHEEL-CHAIR / TRICYCLE IN RESPECT OF ORTHOPEDICALLY HANDICAPPED WORKMEN

References :
1) PC No. 560 Dt. 14.04.86
2) HAL/P&A/11(35)/89 Dt. 16.12.89
3) PC No. 718 Dt. 16.1.20

II.2.1 Orthopedically handicapped employees, as defined in para-I.11 of the Chapter on "Pay and Allowances" may be granted advance for purchase of Wheeled Chair / Tricycle on the following conditions :-

- i) Maximum amount admissible under the Scheme will be Rs. 1,00,000/- or the cost of the Wheeled Chair / Tri-Cycle, whichever is less.
- ii) The Terms and Conditions for grant of the advance will be regulated as for the grant of advance for purchase of Motor Cycle / Scooter / Auto Cycle/ Tri-Cycle.
- iii) The employee who draws the advance will not be eligible for Company's Transport for commuting from their residence to the factory and back.

II.3 SPECIAL LOAN TO EMPLOYEES WHOSE HOUSES ARE DAMAGED BY FLOODS / CYCLONES

References:

- 1) PC No. 195 Dt. 9.12.71
- 2) HAL/PO/18(56)/ Dt. 11.12.72
- 3) PC No. 412 Dt. 803.79
- 4) PC No.489 Dt. 15.10.82

II.3.1 Permanent employees of the Company and temporary employees who are likely to continue in service for a minimum period of one year, whose houses situated at places, which have been declared as their Home Towns for the purpose of Leave Travel Concession, have been affected by floods / cyclones, may be granted Special Loan upto the extent of two months of concerned individual's Basic pay, subject to the following conditions:-

- i) The house should have been damaged badly as a result of flood/cyclones;
- ii) The house that has been so damaged should be situated in an area declared by the State Government as flood / cyclone affected area;
- iii) The employee concerned should give an application for loan and should certify that his case satisfies conditions (i) and (ii) above. Temporary employees should obtain a surety for the loan from a permanent employee of the Company, in the same or higher Group/ Grade;
- iv) The employee's certificate mentioned in para (iii) above should thereafter be got verified through the local Revenue Authorities. If it is found to be false, suitable disciplinary action should be taken against the employee concerned for making a

false declaration. This condition should be made known to the employees before sanctioning the special loan.

Note: Notwithstanding this stipulation, in such cases, the following action is to be taken:

- a) Cases where employees have violated the trust reposed in them are to be brought to the notice of the recognized Union;
- b) The balance of the advance in such cases is to be recovered in full from the salary of the employee subject to restrictions under the Payment of Wages Act. If any arrears are paid in lumpsum, the outstanding amount of the advance should be adjusted against such payment to the fullest extent possible;
- c) Such employees should not be granted any type of loan or advance for a period of one year from the date of recovery of the outstanding loan. If such employees apply in future for any special loan in terms of para-II.3.1 above, they should be asked to produce certificates from the Revenue authorities in respect of damage to their houses as a result of cyclone / flood, as the case may be, before the loan is sanctioned.
- v) The loan sanctioned under these orders will be recoverable through payroll in not more than twenty four monthly installments;
- vi) The rate of interest on the amount advanced is 9% per annum at present.

II.3.2 If an employee applies for a special loan in terms of para-II.3.1 above before he has repaid the special loans drawn earlier, the balance of the previous special loans are to be adjusted before the fresh special loan requested is granted.

II.4 SPECIAL ADVANCE – WORKMEN

References :

- 1) PC No. 499 Dt. 29.11.83
- 2) PC No. 704 Dt. 25.9.14

II.4.1 Workmen in Scale-1 to 10 in the Company are eligible for interest free Special Advance not exceeding Rs. 20,000/- per annum subject to the following conditions:

- i) All regular workmen of the Company are eligible for this advance recoverable in 10 monthly installments;

- ii) Workmen whose applications are received in the respective payrolls by 1st of every month may be paid on 10th of every month. In case 10th happens to be a holiday, payment may be made on 11th of the month;
- iii) Workmen whose total deductions do not exceed 50% or 75% as the case may be during the previous month will only be eligible for this advance.

II.5 CONTINGENCY ADVANCE – OFFICERS& WORKMEN IN THE SPECIAL SCALE

References :

- 1) PC No. 495 Dt. 14.9.83
- 2) HAL/P&A/12(6)/15 Dt. 1.1.15

II.5.1 Officers in Grade-I and above and workmen in the Special Scale are eligible for interest free Contingency Advance not exceeding **Rs.23,000/-**, subject to the following conditions:

- i) All regular Officers and workmen in Special Scale of the Company are eligible for this advance recoverable in 10 monthly installments;
- ii) Officers and workmen in the Special Scale whose applications are received in the respective payrolls by 1st of every month will be paid on 10th of every month. In case 10th happens to be a holiday, payment will be made on 11th of the month;
- iii) Officers and workmen in Special Scale whose total deductions do not exceed 75% of the earnings during the previous month will only be eligible for this advance.

II.6 SALARY ADVANCE

References :

- 1) PC No. 64 Dt. 16.10.67
- 2) HAL/P&A/12(5)/98 Dt. 1.1.98

II.6.1 Employees are eligible for grant of Salary Advance, twice in a Calendar Year, restricted to 70% of the net earnings of the employee for that month, taking into consideration all dues to be recovered from him for that month.

II.6.2 This limit may be relaxed in special cases with the concurrence of the General Manager. A fresh Salary Advance should not be granted when an earlier Advance is outstanding. The amount of Advance is limited to 70% of the gross monthly Salary/ Wages earned by the employee till the date of granting the Advance.

II.6.3 Employee requesting Salary Advance should submit their application in the Format at **Annexure-II.D** through proper channel to Accounts Department.

III. AWARDS & INCENTIVES

III.1 SUBMISSION OF APPLICATIONS FOR AWARDS TO EXTERNAL AGENCIES / ORGANIZATIONS AND GOVERNMENT DEPARTMENTS BY EMPLOYEES, DIVISIONS AND THE COMPANY

Reference

HAL/HR/17(3)/Policy/2017 Dt. 18.01.2017

III.1.1 This Scheme regulates the submission of Applications for Awards to External Agencies / Organizations and Government Departments by Employees, Divisions and by the Company.

III.1.1.1 Organizational Awards:

- i) Applications for Organizational Awards will be submitted by Corporate Office only. Corporate MS Department will act as the Nodal Agency;
- ii) Corporate MS Department will compile the information from Divisions / Offices / Departments of Corporate Office and submit Applications for concerned Awards to External Agencies / Organizations / Government Bodies, with the approval of the CMD.

III.1.1.2 Divisional Level Awards:

- i) Applications for Divisional Level Awards are to be submitted, with the approval of the Complex Head;
- ii) However, Applications for Awards to Foreign Institutions and Central Government Departments / Institutions shall be submitted with the approval of CMD only;
- iii) Applications for Divisional Level Awards for which Entry Fee is more than Rs. 25,000/- shall also be submitted, only with the approval of CMD;
- iv) The Division which submits the Application should prepare the Application, compile the relevant details & documents and submit for approval / recommendation by the Complex Head. The MS Department of the Division [Technical Department in the Complex Office] shall act as the Nodal Agency;
- v) While putting up the Application for approval, the Division should bring out the relevance and value addition of obtaining the Award by the Division and also a declaration that no Confidential / Secret information related to Projects handled by the Division and the Company, etc. are disclosed;

- vi) Corporate MS Department shall be intimated about submission of Applications for the Awards by the Divisions.

III.1.1.3 Individual Awards:

- i) Applications for Individual Awards are also to be forwarded with the approval of the Complex Head. The MS Department of the Division / Office [Technical Department in the Complex Offices] shall act as the Nodal Agency. In case of Applications for Individual Awards in Design and R&D areas, if any, by employees from other than the R&D Centers, approval of Director (Engg. and R&D) shall also have to be obtained, in addition to approval by the concerned Complex Head;
- ii) However, Applications for Awards to Foreign Institutions and Central Government Departments / Institutions shall be submitted with the approval of CMD only;
- iii) Applications for Individual Awards for which Entry Fee is more than Rs. 10,000/- shall also be submitted, only with the approval of CMD;
- iv) Upon receipt of Application from Employee(s), the same shall be examined / scrutinized by the MS Department of the Division. To examine & submit recommendation to the Divisional / Office Head, an Inter-Disciplinary Committee, as is felt relevant to the material information contained in the Application, can also be constituted;
- v) Amongst other aspects, it should be ensured that no Confidential / Secret information related to Projects handled by the Company, etc. are disclosed. To this effect, an Undertaking from the Employee shall also be obtained, while submitting the Application;
- vi) Divisional Head's recommendation with justifications shall be indicated while the Application is put up for the approval / recommendation of the Complex Head;
- vii) Employees are not permitted to submit Applications to External Agencies / Organizations on their own. However, there will be no objection in submission of Applications by Employees for Awards in their personal capacity in areas like Painting, Writing, Photography, etc., which has nothing to do with the Technical Skills achieved by them during the job / assignment with the Company or for nominations of Awards in the field which has nothing to do with the Company, under intimation to the Divisional Head;

- viii) Employees are permitted to receive Awards conferred on them [without submitting any Application], with prior intimation to the Divisional Head.

III.1.1.4 General Guidelines:

- i) Applications should be submitted only for those Awards which are instituted / patronized by Bodies / Agencies of National / International repute. Divisions / Offices shall ensure that Nominations / Applications are submitted only for Prestigious Awards in the relevant domain area;
- ii) Payment of Application Fee etc. along with the Application, as required, would be made by the Company, for Organizational & Divisional Level Awards. In respect of Individual Awards, if any Application Fee is to be paid, it will be shared between the Company & the Employee, in the ratio of 3:1;
- iii) Whenever Nominations / Applications are sought by Corporate Office for Individual Awards, Complex Offices shall forward a maximum of two Nominations / Applications per Complex. In such cases, the Complex Office shall form a Committee to scrutinize the Applications / Nominations received from Divisions / Offices and shall forward the shortlisted two Nominations / Applications to Corporate Office, with the approval of the Complex Head;
- iv) Application received at Corporate Office as at para- III.1.1.2 (ii) & (iii) and III.1.1.3 (ii) & (iii) will also be processed by the MS Department;
- v) Cash Prizes, if any, received by the Employee(s) along with the Awards, shall be regulated in line with the provisions contained under para XIV(b) under the Terms & Conditions of Service indicated in HR Manual Book 2. In other words, Employee(s) will be allowed to retain the maximum amount as provided in the said Rules (*presently Rs. 5000/-*) and the balance shall be remitted to the concerned Division / Office. In case of a group of Employees receiving the Award with Cash Prize, each Employee shall be allowed to retain the maximum amount provided and the balance shall be remitted to the concerned Division / Office;
- vi) No plagiarized information / material should be included as part of the Application for the Award. The information furnished as part of the Application for Awards should not be in violation of any norms of Intellectual Property Rights, Copyrights, etc.

III.2 HAL REWARD SCHEME FOR EXEMPLARY PERFORMANCE IN RESPECT OF EXECUTIVES

Reference:

PC No. 713 Dt. 15.06.2017

This Scheme provides to reward Exemplary Performance in respect of Executives.

III.2.1 Objectives:

- i) To motivate and encourage Officers for achieving exemplary performance in their relevant field / area of work;
- ii) To reward the most valuable individual efforts of Executives for their contribution towards operational and / or strategic endeavors of the Company; and
- iii) To encourage innovation and promote a performance driven culture in the Company.

III.2.2 Coverage

III.2.2.1 The Scheme shall be applicable to all Officers in Grades I to X who are on the regular rolls of the Company (including those on deputation and those engaged on Contract basis against regular Manpower Sanctions issued by the Corporate Office).

III.2.3 Eligibility

III.2.3.1 The Officer should have obtained PAR Marks of '80' or above (out of 100) in each of the previous 5 years, out of which the Marks should be '85' or above for at least 2 years;

III.2.3.2 The Officer should have been rated as 'A' in the Management Review Categorization (MRC) (having high degree of potential for advancement) in the PARs of the previous 5 years;

III.2.3.3 No Disciplinary/ Vigilance Case should be contemplated/ pending against the Officer. Also, no punishment should have been imposed on him/her during the preceding 5 years.

III.2.4 Categories of Rewards

III.2.4.1 All Officers rewarded under the Scheme will be given a Commendation Letter for Exemplary Performance. In addition, the following categories of Rewards would be given under the Scheme:

III.2.4.1.1 Category- I: Vacation with Spouse and/or Children:

- i) The Officer selected will be rewarded with a Company Sponsored Holiday Package, with Spouse (if married) and/or Children (subject to a maximum of two children) for a period of 7 working days (including journey time), to a destination of choice (Inland or Abroad);
- ii) The Officer will be granted Special Leave, not exceeding 7 working days, for this purpose. The Holiday will commence & conclude at the Headquarter where the Officer is stationed. No Personal Leave immediately prior to/ after the Holiday will be permissible;
- iii) All arrangements for the Holiday Package will have to be made by the concerned Officer on his/her own;
- iv) Expenses incurred towards Cost of Passage; Lodging Charges; Food Charges; Local Conveyance Charges; Excess Baggage Charges, if any; Insurance Charges; VISA Charges, if any, etc. will be reimbursed by the Company at actuals, limited to a ceiling of Rs. 2,00,000/-, on production of proof in the form of necessary bills/ vouchers, for the entire Holiday Package;
- v) Reimbursement of the Holiday Package is applicable only in respect of the Officer concerned, his / her Spouse and/or children. The cost of Travel and other incidentals of other Members, if any (like dependent parents etc.), who choose to travel with them, will not be covered under the ceiling of Rs. 2,00,000/- as at para-III.2.4.1.1(iv) above. Any other expenses incurred during the Holiday viz. expenditure incurred towards Souvenirs, Gifts, Guide charges, etc., will also not be reimbursed by the Company;
- vi) On selection for the Reward, the Officer will have to claim the Holiday Package within one year of notification of the reward;

III.2.4.2 Category - II: Monetary Reward:

- i) The Officer selected under this category will be given a Monetary Reward of Rs. 1,00,000/-;
- ii) The Reward will be disbursed by the Company in the form of a Cheque and will be subject to deduction of applicable Taxes.

III.2.4.3 If the Officer rewarded under the Scheme resigns within one year of availing the Reward/s as at paras – III.2.4.1.1 and/or III.2.4.2 above, he/ she will have to reimburse the entire amount so claimed to the Company.

III.2.5 Nomination and Assessment Method

III.2.5.1 Applications will be submitted for both the Categories of Rewards by individual Officers in the form of an 'Achievement Summary'. The Achievement Summary should be brief and concise, enlisting the significant contributions made by him/ her in the preceding 3 years. Applications will have to be submitted by the Officers by 15th April of each year;

III.2.5.2 Applications of Officers in (a) Grades I to III will be scrutinized by the respective Division/ R&D Centre/ Office; (b) Grades IV to VI will be scrutinized by the respective Complex Office; and (c) Grade VII & above will be scrutinized by Corporate Office.

III.2.5.3 At the level of Division/ R&D Centre

III.2.5.3.1 Each Division/ R&D Centre will shortlist a maximum of two Officers in Grades I to III, out of the Applications received, based on the eligibility criteria defined under the Scheme, by 5th May of the year. Head of the Division / R&D Centre will comment on the achievements, indicate recommendations and forward the Applications to the Complex Office for putting up to the Evaluation Committee;

III.2.5.3.2 Head of the Division / R & D Centre will recommend and forward the Applications of deserving Officers in (a) Grades IV to VI; and (b) Grades VII & above to the Complex Office;

III.2.5.3.3 Applications in respect of Head of the Division/ R&D Centre will be forwarded directly to the Complex Office for recommendations of CEO/ Director.

III.2.5.4 At the level of Complex Office

III.2.5.4.1 In respect of Officers in Grades I to VI working in the Complex Office, a maximum of one Officer can be shortlisted for putting up to the Evaluation Committee;

III.2.5.4.2 The Complex Office will constitute an Evaluation Committee to assess the suitability of all the shortlisted Officers in Grades I to VI under the Complex, based on the Achievement Summary submitted by them and the recommendations of the Divisions/ R& D Centres/ Offices;

III.2.5.4.3 The composition of the Evaluation Committee at the Complex Level will be as follows:

a)	Chairman of the Committee	CEO / Director of the respective Complex Office;
b)	Members of the Committee	At least three Executive Directors / General Managers from the Divisions / R&D Centres / Offices; and Finance Head of the Complex
c)	Member/Secretary	HR Head of the Complex

III.2.5.4.4 After perusing the Achievement Summary of the Officers in Grades I to VI, the Evaluation Committee at each Complex will recommend a maximum of two Officers, with appropriate justifications, for consideration by the Management Committee at the Corporate Level.

III.2.5.4.5 Head of the Complex will also recommend and forward the Applications of deserving Officers in Grades VII & above to Corporate Office;

III.2.5.4.6 All recommendations shall be amply justified by facts and opinions of respective CEOs/ Directors and are required to be forwarded to Corporate Office by 31st May of the year, for putting up to the Management Committee.

III.2.5.5 At the level of Corporate Office

III.2.5.5.1 In respect of Officers in Grades I to VI working in Corporate Office and its allied Offices, the Evaluation Committee will comprise of all Functional Directors and Heads of Finance & HR, as Members. An Officer in Grade VII/VIII from Corporate HR Department will be nominated as Member/ Secretary. Only one Officer can be shortlisted by the Committee;

III.2.5.5.2 Corporate HR Department will scrutinize the Applications in respect of Officers in Grades VII & above (including those forwarded by the Complex Offices) and put up the prima facie eligible cases to the Management Committee. In addition, recommendations received from the Evaluation Committees of the Complex Offices and Corporate Office in respect of Officers in Grades I to VI will also be put up to the Management Committee;

III.2.5.5.3 Officers whose cases are put up to the Management Committee will be required to make Presentations to the Committee, enlisting in detail the significant contributions in terms of one or more of the elements like Innovation, Initiative, exceptional productivity and / or effort, Project deliverables in terms of cost-quality-lead time or during reasonable extended period for justifiable reasons etc., leadership capabilities, action towards business/ operational excellence, improved brand image of the Company etc. leading to attainment of Organizational objectives and/or substantial savings for the Company;

III.2.5.5.4 The Management Committee will be the Approving Authority for selecting Officers to be considered for each of the categories of Rewards or a combination of Rewards under this Scheme. The decision of the Management Committee will be intimated to the respective Divisions/ R&D Centres/ Offices from which nominations were received. Rewards under the Scheme need not be declared every year and will be conferred purely based on unanimous decision of the Management Committee on the merits of exemplary performance only.

III.2.5.5.5 In no case such rewards shall be conferred for routine jobs performed by Officers. Also, unless otherwise justified, Officers rewarded under the Scheme would be Job Rotated/ Transferred.

III.2.6 Review

III.2.6.1 The Scheme will be reviewed after 1 to 2 years of its operation.

III.3 HAL EMPLOYEE SUGGESTION SCHEME (HALESS) - 2014

References:

- 1) PC No. 236 Dt. 30.01.1973
- 2) CM/131008/8/05 Dt. 02.01.89
- 3) HAL/P&A/18(16)/3904 Dt. 09.12.96
- 4) MSD: 131008/W/PC/15 Dt. 9.1.15
- 5) PC No. 668 Dt. 27.09.15

III.3.1 The Scheme is known as “HAL Employee Suggestion Scheme”.

III.3.2 Objectives of the Scheme

III.3.2.1 The Scheme aims at achieving the following objectives:

- i) To provide an opportunity to the employees to communicate their valuable ideas, creative thoughts and develop their talent;
- ii) To increase overall Productivity and Quality of Products & Services;
- iii) To promote employee motivation, boost their morale and give personal recognition;
- iv) To imbibe a spirit of co-operation and teamwork amongst employees at all levels;

- v) To enhance employee engagement and involvement in improving Company's performance and success.

III.3.3 Scope

III.3.3.1 The Scheme invites all types of suggestions/ innovative ideas, which will benefit the Company through achieving leveled production throughout the year as indicated below:

- i) Improving methods and procedures to reduce efforts, increase aesthetics and production;
- ii) Improving overall productivity and/or quality of Products & timelines of services and responses;
- iii) Improve Productivity of Machines, Labour, Materials, etc.;
- iv) Generate savings in terms of money, energy and materials;
- v) Reduce cost on storage, fuel, spares, inventory control, salvaging, wastage, etc.;
- vi) Improve better and safe working conditions / environment;
- vii) Minimizing/eliminating non-value adding activities;
- viii) Stimulating interest in the job;
- ix) Improving Design, Tool Design, Tool Life and Cycle times;
- x) Improve employee morale and teamwork - reduce complaints, stoppage of work and improve better industrial relations;
- xi) Creating self-actualization mind set among the employees and Officers and ownership of the improvements;
- xii) Motivating workmen and giving them the feeling that they have been given adequate opportunity to think, share and participate in the profitability and brand image of HAL.

III.3.4 Eligibility

III.3.4.1 All regular employees of the Company (including those on deputation and those engaged on contract basis against regular Manpower Sanctions issued by the Corporate Office) are eligible to submit suggestions under this Scheme. However, Workmen (in all Scales) and Officers (Gr. I to VIII) will only be eligible for monetary rewards under this Scheme.

III.3.5 Submission of Suggestions

III.3.5.1 Suggestions should be submitted in the prescribed Proforma (**Annexure–III.A**) through E-mail to prescribed e-mail ID or drop it in the Suggestion Box kept within Factory premises. The Suggestion Form is available with Divisional MSDs or can be downloaded from the link: http://172.128.220.232/suggestion_form.

III.3.5.2 Suggestions should be brief and concise, accompanied by supporting documents. Suggestions should also contain a statement of Estimated Annual Savings pertaining to quantifiable Suggestions.

III.3.5.3 The Member / Secretary, Suggestion Committee would acknowledge the receipt of the suggestion to the employee / Leader of the Group of employees, within three days of receipt of suggestions, and also intimate him/her/them the registration number for his/her/their future reference.

III.3.6 Suggestion Committee and Evaluation of Suggestion

III.3.6.1 A Suggestion Committee would be constituted at Divisional/Office Level for processing of Suggestions.

III.3.6.2 The Suggestion Committee will comprise of minimum of 3 members, nominated by the Head of the Division / Office, as per the details given below:

- Chairman of the Committee: An Officer in Grade VII/VIII from Production Engg. /Shop/Design;
- Member of the Committee: An Officer in Grade VI/VII from Production Engg./Quality/Shop/Projects/Design;
- Member – Secretary: An Officer in Grade IV/V/VI from Management Services Department

III.3.6.3 At Corporate Office, the same will be nominated by Director (Corporate Planning & Marketing).

III.3.7 Roles and responsibilities of Suggestion Committee

- i) Maintain a register of suggestions (Secretary);
- ii) Check that Suggestions are within the scope of the Scheme;
- iii) Liaise with Heads of Departments and Experts to ensure assessments are provided within reasonable timeline;

- iv) Take a decision based on the Assessment Report forwarded by Heads of Departments/Experts whether or not to implement the suggestion & decide the Quantum of Award;
- v) Notify suggestors the outcomes within the designated timeline;
- vi) Convene and minute meetings of the Suggestion Committee;
- vii) Provide meaningful feedback to suggestors, where suggestions are outside the scope or cannot be implemented;
- viii) Obtain necessary approval of Competent Authority for payment for accepted suggestions;
- ix) Liaise with Corporate Communications to ensure publicity for the accepted Suggestions, as required;
- x) Facilitate implementation of accepted suggestions in an agreed timeframe, with clear accountability for the same.

III.3.8 Evaluation Procedure

- i) The Secretary, Suggestion Committee will invite Experts to examine the feasibility for implementation. The Head of Department / Expert would complete the evaluation process within a week and present the evaluation report to the Suggestion Committee.
- ii) After receiving the evaluation report from the concerned Department Head / Expert, the suggestions will be placed before the Suggestion Committee, which will meet once in a month to review/consider all suggestions.
- iii) The Committee shall decide whether the suggestion is acceptable or not & finalize the quantum of award for the accepted suggestion. Then, the Committee would forward the recommendations, seeking final approval from the Divisional Head / D(Ops.) in Corporate Office for payment. The accepted suggestions would be forwarded to the concerned Department for implementation.
- iv) The Suggestion Committee will intimate the acceptance of a Suggestion to the Suggestor, indicating the Cash Award won by him/her.
- v) Intimation with reasons would also be given by the Secretary to the Suggestor in case of non-acceptance of Suggestion.

- vi) Secretary would keep record of all accepted suggestions in a register or computer, progress in implementing, present status, and savings envisaged vis-à-vis savings actually /would be achieved. Such records would be made available to the Management as and when required.

III.3.9 Rewards and Recognition

III.3.9.1 Prima facie acceptance of the Suggestion would be decided by the Secretary and approved by Chairman of the Suggestion Committee. Prima facie acceptance of the Suggestion or otherwise will be communicated to the Suggestor within a fortnight of receipt of the Suggestion. If the Suggestion is prima facie acceptable, an Award /Memento worth Rupees 250/- per suggestor would be presented for both Individual as well as Group Suggestions. Subsequently, the Suggestion Committee will examine the suggestions in detail and reward the employee(s) as per the Scheme.

III.3.9.2 Individual Suggestions:

III.3.9.2.1 Suggestions relating to the employee's job or other than his/her job, which is expected to result in saving of Material, Labour Hours, improved methods, Processes, improvement of overall productivity, etc would be covered under this category.

III.3.9.2.2 Taking into account the Annual savings on the Suggestions, the Monetary Award shall be 15% of estimated Annual savings, subject to a minimum of Rupees 1000/- and a maximum of Rupees 20,000/-. The Monetary Award against individual Suggestions will be presented as Cheques.

III.3.9.2.3 The Suggestion which is qualitative in nature would also be evaluated by the Suggestion Committee, based on the following considerations:

- Originality
- Innovative
- Implementable
- Utility in future Programmes

III.3.9.2.4 A minimum of Rs 1000/- and a maximum of Rs. 20,000/- will be awarded for the accepted Suggestion.

III.3.10 Group Suggestions

III.3.10.1 Suggestions received from Group of Employees including Kaizen Groups and Quality Circles will be covered under this category. The amount of Cash Award would be 15% of estimated Annual savings, subject to a minimum of Rs.1,000/- and a maximum of Rs.30,000/-. The amount

would be distributed equally among the members of the Group. The Monetary Awards will be presented as Cheques.

III.3.10.2 The Suggestion which is qualitative in nature would also be evaluated by the Suggestion Committee, based on the following considerations:

- Originality
- Innovative
- Implementable
- Utility in future Programmes

III.3.10.3 A minimum of Rs 1,000/- and a maximum of Rs. 30,000/- will be awarded for the accepted Suggestion.

III.3.10.4 In addition to the rewards as above, Commendation / Appreciation letters will also be issued to the Suggestors and a copy of the same shall be kept in the Personal File / Record of the concerned employee.

III.3.10.5 Each Division will also announce two Annual “Excellent Suggestor Awards”; first Award to the employee whose Suggestion(s) have resulted in maximum Annual Savings and the second Award to the employee who has submitted the maximum number of Suggestions which are accepted by the Suggestion Committee.

III.3.11 Publicity

III.3.11.1 A Suggestion Award function will be held once in two months to distribute the Awards to Suggestors.

III.3.11.2 Suggestions which are accepted and for which prizes have been awarded will be notified in the In-house Magazine of the Division, / E-Connect with a photograph of the employee(s).

III.3.11.3 Divisions may also display the photographs of employees along with the brief of the accepted Suggestions at prominent places.

III.3.11.4 In order to achieve the objectives of the Scheme, Divisions must make all out efforts to give wide publicity of the Scheme by means of Posters, Divisional Circulars and displaying “Suggestion of the Month”, at prominent places. Divisions may also circulate the Scheme in Regional language for better understanding. In addition, Production problems / Design problems faced by the Division should be displayed on the Notice Board. Employees should be encouraged to give Suggestions on these problems to resolve the same and those will be considered under Suggestion Scheme.

III.3.11.5 Most of the Suggestions are made by employees out of the experience gained over a period of time. These could be used effectively by other Departments and Divisions. Keeping this aspect in view, important Suggestions that are awarded and have a general application will be circulated by the concerned Division / Office to other Departments of the same Division / Office and also to other Divisions / Offices, so that they could make effective use of the same. This would be done on a quarterly basis by the Suggestion Committee of the concerned Division / Office.

III.3.11.6 Divisional MSD would constantly communicate about the Suggestion Scheme and motivate the employees by encouraging them and removing hurdles in the way of the success of the Scheme by having an open bottom-up communication system and an open mind to consider improvements to the Scheme itself.

III.3.12 General

III.3.12.1 If two or more employees/group of employees submit the same suggestion separately at the same time and the suggestion is adopted, a single award shall be made for the suggestion and the award shall be distributed, suggestion-wise, equally.

III.3.12.2 The Head of Department would keep the Suggestion Committee updated about the status of implementation of the suggestions.

III.3.12.3 All decisions of the Suggestion Committee shall be final and binding on the individual/group of employees concerned. The decision of the Suggestion Committee on acceptance or otherwise of a suggestion will also be final and it cannot be questioned or challenged by any employee anywhere. Further, the decision of the Suggestion Committee regarding questions whether a suggestion is within or outside the scope of the Suggestion Scheme shall also be final.

III.3.12.4 All matters which are within the scope of Collective Bargaining (Pay & Allowances, Service Conditions, Rewards and Incentives, Leave, Welfare Measures, etc.), Grievance Procedure, Personal Grievances, Complaints and requests for additional benefits in welfare facilities, public relations, recreation programmes, dealing with legal interpretations, duplication of previously submitted ideas or any other policy decisions of the Management will fall outside the scope of the Suggestion Scheme.

III.3.12.5 Non acceptance of a suggestion shall not constitute a grievance.

III.3.12.6 Suggestions accepted will be the property of the Company and the employees are precluded from making any claims what-so-ever except the Award to be decided by the Suggestion Committee.

III.3.12.7 No employee shall claim monetary reward/benefit as a matter of right.

III.3.12.8 Divisions could refer any case of clarification to Corporate Office Management Services Department for decision.

III.4 GRANT OF INCENTIVE TO EMPLOYEES ACQUIRING HIGHER EDUCATIONAL QUALIFICATIONS AFTER JOINING THE COMPANY

References:

- 1) PC No. 150 Dt. 05.03.70
- 2) PC No. 207 Dt. 04.07.72
- 3) HAL/P&A/13(9)/88/145/2813 Dt.29.3.88
- 4) PC No. 660 Dt. 30.11.02
- 5) HAL/P&A/30(7)/03 Dt. 30.10.03
- 6) PC No. 687 Dt. 10.08.10
- 7) HAL/HR/30(7)/2010 Dt. 17.9.10
- 8) HAL/HR/30(7)/20119 Dt. 11.11.19
- 9) PC No. 718 Dt. 16.1.20

III.4.1 With a view to encourage employees to improve their knowledge and acquire job oriented skills, a Scheme for grant of monetary awards to the permanent employees acquiring qualification listed in **Annexure-III.B (Technical) & Annexure-III.C (Non-Technical)** after joining the Company was introduced in the Company in March 1970 and amended from time to time.

III.4.2 Cash Incentive payable to employees (both Workmen and Officers) on acquiring higher educational qualifications after joining the Company are as follows:

- i) In respect of Examinations/qualifications other than those mentioned in **Annexure-III.B and III.C** above, the quantum of monetary award will be decided by the CMD.
- ii) In regard to the recognition or otherwise of the qualification as equivalent to a Degree or Diploma, the compendium of various qualification/examinations awarded/conducted by various institutions/universities or relevant bodies in the country should be referred to.
- iii) The Examination fees mentioned above refers to the prescribed fees paid by the employee for the last examination, the passing of which has enabled him to qualify in the examination.
- iv) The Scheme do not apply to Deputationist, those employed on Contract, Probationers and Casual employees.

- v) The Scheme for payment of incentive for acquiring Post Graduate qualifications such as M.E., M.Tech., M.A., M.Com., M.Sc., LL.M., is subject to the conditions that the Degree is useful to the Company in the discharge of his/her duties and is obtained after joining the Company i.e., entry to the Academic session of the degree is only after joining the Company. Part completion of the course before joining the Company is not allowed.
- vi) Management Trainees (Technical) who acquire M.Tech Degree as a part of the Management Trainees Scheme after joining the Company and those sponsored by the Company for Post Graduate courses are not entitled for the incentive.

III.4.3 Terms & Conditions for grant of Incentive are indicated below:

- i) The qualifying examination should have been taken up after joining HAL;
- ii) The qualification should be one recognized by HAL, or the Government of India for appointment to its services;
- iii) The employee should not have availed of Study Leave for acquiring the qualification;
- iv) In respect of examinations / professional qualifications other than those mentioned in the Annexure, the quantum of monetary award will be decided by Corporate Office;
- v) An employee desirous of claiming a monetary award under the Scheme, before registering his/her name with any University/ College/ Institution for this purpose, has to obtain permission of the Administrative authority/ Management, to do so;
- vi) If an employee who has received the monetary award leaves the services of the Company within three years of receipt of the award, the concerned employee has to refund the amount of award to the Company;
- vii) These orders do not apply to Deputationists, those employed on Contract, Probationers and Casual employees;
- viii) Recognition or otherwise of a Qualification as equivalent to a Degree or Diploma, is to be ascertained / verified through the Compendium of various Qualifications / Examinations awarded / conducted by various Institutions/ Universities;
- ix) The term "Examination Fee" wherever it occurs, shall mean reimbursement by the Company, of the fees paid towards the final year/ semester examination only, which ultimately

qualifies the employee, for the award in question. No reimbursement shall be admissible for the examinations of the previous Years / Semesters. For example, in the case of three years Degree course, examinations are held for 3 years viz. at the end of 1st year, 2nd year, and finally at the end of 3rd year. Reimbursement of fees under this Scheme would be limited to the fees paid for the examination held at the end of 3rd year only, and NOT for those held at the end of 1st and 2nd years;

- x) The Scheme for payment of Incentive for acquiring Qualification is subject to the condition that the Qualification is useful to the Company in the discharge of his/her duties and is obtained after joining the Company i.e. entry to academic session of the Degree is only after joining HAL;
- xi) The examination fee mentioned above refers to the prescribed fee paid by the employee for the last examination, the passing of which enables him to qualify in the Examination i.e. give him the Qualification in question. In cases where the Examination Fee paid is included in the Course Fee paid and difficulties are encountered in furnishing the quantum of examination fee separately, 20% of the course fees subject to a maximum of RS. 150/- per paper, whichever is less could be reimbursed towards examination fee;
- xii) In case where the concerned qualification had been completed partly before joining the Company, no incentive will be allowed;
- xiii) Employees sponsored by the Company for Post Graduate courses would not be entitled for the Incentive;
- xiv) The Divisions/ Offices must maintain details / records of monetary awards sanctioned under the Personnel Circular in the prescribed Format indicated below. The same may be furnished to Corporate Office as and when requested.

Sl. No.	Name & Designation	PB No.	Qualification acquired	Academic Session		Amount of Award	Examination Fee
				From	To		

III.5 INCENTIVE SCHEMES FOR WORKMEN

<p>References:</p> <ol style="list-style-type: none"> 1) MSD/121005/355 Dt. 24.11.13 2) PC No. 704 Dt. 25.9.14 3) MSD/121005/PC/385 Dt. 23.10.14 4) MSD/121005/PC/414 Dt. 25.11.14 5) MSD/121005/PC/126 Dt. 10.2.20

III.5.1 Introduction

III.5.1.1 The Incentive Scheme (hereinafter referred to as “Scheme”) has 3 Parts viz. Part-I, Part-II & Part-III.

- i) Part-I is a monthly incentive component applicable to Direct Labour (DL)
- ii) Part-II is a monthly incentive component applicable to Indirect Labour (IDL)
- iii) Part-III is an annual incentive component applicable to both Direct & Indirect Labour

III.5.2 Objectives

III.5.2.1 The Scheme aims at achieving the following objectives:

- i) Meeting the Monthly / Quarterly / Annual Production Targets and Schedules of each Department and Division;
- ii) Improved throughput of Components (Detailed Parts / Sub-assemblies/ Assemblies etc.) in the shop;
- iii) Reduction of Cycle Times;
- iv) Achieving nearly uniform rate of production in all four quarters of the year;
- v) Improvement in Overall Productivity;
- vi) Improved earning potential and motivation for employees;
- vii) Leaner Organization Structure due to gains in efficiency.

III.5.3 Coverage for Part-I, Part-II & Part-III

III.5.3.1 The following categories of employees are eligible for benefits under the Scheme subject to meeting minimum eligibility criteria wherever applicable.

- i) Direct & Indirect Labour on regular Rolls of HAL
- ii) Ex-Servicemen on Contract inducted against Manpower Sanctions
- iii) Workmen on deputation to HAL from other Organizations

III.5.3.2 The following categories of personnel are not eligible for benefits under the Scheme.

- i) Contract Labour, Casual Labour, Apprentices, etc.
- ii) Trainees, during their period of Training.
- iii) HAL Workmen who are on deputation to other organizations, during their period of deputation.
- iv) Workmen who are on Study Leave/ sponsored for higher studies/ sponsored for training programmes/ deputed abroad, for the period of their absence from HAL.

III.5.3.3 Workmen covered by Para-III.5.3.1 above throughout the Incentive Year will be eligible for benefits under the Scheme for the whole period. For cases covered by Para- III.5.3.2 (ii), (iii) & (iv), the eligibility for Monthly and Annual Incentives would be determined on a pro rata basis. The Monthly and Annual ceilings as well as minimum eligibility criteria wherever applicable would also be determined on a pro rata basis in such cases. Calendar dates and calendar days in the year/ month are to be taken as reference for computing ratios wherever pro rata payments are envisaged.

III.5.3.4 Workmen on transfer from one HAL Division to another HAL Division during the year shall be eligible for the Annual incentive based on the performance of the respective Divisions on pro-rata basis based on the period of service in each Division, subject to meeting the eligibility criteria on an overall basis during the concerned year.

III.5.3.5 In the event of Workmen getting promoted to Officers category (i.e. promotion to Gr I), the incentive shall be payable on pro rata basis, based on the length of service in the Workmen category in the concerned Financial Year.

III.5.3.6 Workmen who are re-categorized from Direct to Indirect Category during the year shall be eligible for the Annual incentive based on the performance in respective category on a pro-rata basis based on the period of service in each category, subject to meeting the eligibility criteria on an overall basis during the concerned year.

III.5.4 PART– I INCENTIVE PAYMENT FOR DIRECT LABOUR

III.5.4.1 Incentive for Direct Labour

III.5.4.1.1 Payment of monthly incentive to Direct Labour under Part-I will be based on output in terms of SMH in respect of jobs or Stages completed and accepted by the concerned Quality Control (QC) Department during a particular month. Stages can be created based on the following:

- i) Any job with a SMH content of 200 or less will be treated as Short Cycle. No further splitting into Stages will be permitted in such cases.
- ii) Jobs with a SMH content of more than 200 will be classified as Long Cycle. Such jobs can be split into stages, each stage containing not less than 200 SMH except the last stage which may have less than or equal to 200 SMH.
- iii) In case of "N" No. of Direct Labour working in a Group on any job, the above threshold would be worked out as $N \times 200$ SMH and Stages would be defined accordingly.

III.5.4.2 Rework Factor:

- i) The additional hours released / booked during a month for carrying out Rework, Snag Rectification of Components / Assemblies etc, for reasons attributable to the operators, would be adjusted from the total SMH output of the corresponding month. In other words, the incentive would be payable for Net SMH i.e., total SMH output less the hours booked towards Rework, Snag rectification etc. The impact will be distributed over all the DL in the Division uniformly, using a factor called "Rework Factor".
- ii) Remarks / Stroke Code as per the Inspection Report (PDO) would form the basis for arriving at the decision whether the reasons for rework, etc. are attributable to the operator(s).
- iii) The following will not be treated as Rework, attributable to the operators:
 - Repair / Overhaul: Snags observed on incoming Cat-Ds during pre-survey.
 - Defective Raw Material ; Bought-out RMAs / LRUs
- iv) The Rework factor for a Division during a month would be calculated as the ratio of the Net SMH (total SMH less SMH towards Rework, Snag rectification etc attributable to the operators) to the total SMH of the Division. SMH of the Division for this purpose is the total SMH taken into consideration for computation of DL Incentive during the month.
- v) The Rework Factor would be applied uniformly to all the DL of the Division to derive the SMH output for each Direct Workman for payment of incentive.

III.5.4.3 In para- III.5.4.4 to III.5.4.6, “SMH Output” refers to the SMH Output after adjusting the effect of Rework / Snag Rectification etc.

III.5.4.4 Overtime & Rejection Factor

III.5.4.4.1 Overtime

- i) As a matter of principle, Overtime would be discouraged except for exceptional and inevitable reasons / conditions.
- ii) Overtime should be booked only after obtaining prior approval from Corporate Office. For this purpose, the Divisions would forward to Corporate Office the proposals for Overtime with full justification through the concerned Complex Office for approval of Competent Authority.
- iii) For booking on Overtime, the respective shop management will ensure that the concerned Direct Labour has achieved a minimum output level equivalent to 105 SMH per month during the year, on cumulative basis. Exceptions to this criterion should have the approval of Head of the Division.
- iv) When a Direct Labour is deployed on Overtime, the total cumulative SMH output of the Direct Labour during the year would be proportionately distributed between the Regular Hours and Overtime Hours on pro-rata basis. Incentive under Part-I will be payable to the Direct Labour only for the SMH output accounted against the Regular Hours.
- v) “SMH Output” refers to the Output pertaining to the regular hours only. An example showing the computation for bifurcation of SMH between Regular and Overtime Hours is placed at **Annexure-III.D**.

III.5.4.4.2 Rejection Factor:

- i) The Rejection Factor will come into effect only for cases wherein SMH is taken into account on presumptive basis at the lapse of 6 months from the completion of Operations which are part of a job, but the job is still awaiting Final Acceptance by the concerned QC department.
- ii) The following will not be treated as Rejection, attributable to the operators
 - Repair / Overhaul: Rejection of incoming Cat-Ds during pre-survey.
 - Defective Raw Material / Bought-out RMAs / LRUs.

- iii) The Rejection Factor during a month would be calculated as the ratio of the Net SMH (total SMH less SMH towards Rejection) to the total SMH pertaining to only special cases covered in Para III.5.4.8.
- iv) The Rejection Factor would be applied uniformly to all Direct Labour to derive the SMH output for each Direct Workman for payment of incentive.

III.5.4.5 Upper Ceiling:

- i) There would be an upper ceiling of 300 SMH per month per Direct Labour. The upper ceiling will be applied on cumulative basis during the financial year. In other words, the ceiling for each month would be reckoned with reference to the cumulative values up to the end of the month.
- ii) The cumulative SMH output beyond the cumulative ceiling for a month will be carried forward to the following month(s). At the end of the financial year, the cumulative output in excess of 3,600 SMH would be carried forward to the next financial year as an Opening Balance. The methodology for application of the upper ceiling is also indicated in **Annexure-III.D**.
- iii) The values for upper ceiling for payment of incentive namely 300 SMH per month or 3,600 SMH per year would be considering the full attendance. The ceilings will get reduced proportionately for the period of leave / absence etc during the corresponding month and year. This issue is also explained in the example placed at **Annexure-III.D**.

III.5.4.6 The Gross Incentive amount payable during a month on SMH output in respect of jobs completed and accepted by the concerned Quality Control Department after applying the ceiling would be calculated at a Uniform Rate of Rs. 22/- for every SMH output.

III.5.4.7 Incentive Computation:

III.5.4.7.1 Individual Incentive:

- i) The payment will be restricted to the SMH output contributed by a Direct Labour during the regular hours and after applying the Rework Factor and Rejection Factor in respect of Components /Stages completed and accepted by the concerned Quality Control Department during the month.
- ii) Incentive amount would be calculated after applying the ceiling on cumulative basis.

- iii) The lower threshold efficiency level to earn incentive is increased from 70% to 80%. This would be applicable upto end of March 2022. From April 2022 onwards, lower threshold efficiency level to earn incentive would further be increased to 85%. In other words, Workman whose efficiencies are less than 85% will not be eligible for payment of incentive w.e.f. 01.04.2022 and onwards. Further, efficacies more than 160% would be treated as 'Abnormal' and would be normalized considering efficiency at 160%.
- iv) Example for assessment of incentive amount is indicated in **Annexure-III.D**. The computations are simplified for illustration purpose. In actual implementation, as the SMH taken into account in a particular month can consist of SMH brought forward from previous months also, the Factors for Overtime, Reworks and Rejection should be applied at the level of Work Orders and Operations in the respective months and stored in the system. When the job/ Stage is completed, the relevant SMH from previous months are brought to the payment month as such because all the adjustments for factors have been already accounted. To this extent, the sample computations shown in **Annexure-III.D** would differ from actual implementation.

III.5.4.7.2 Group Incentive:

- i) In the case of DL working in a group and where the output cannot be identified with an individual Direct Workman, output will be assessed considering the group as a single entity.
- ii) The SMH booked by the group will be adjusted for Rework Factor for the Division & Overtime of the Group as explained earlier.
- iii) The adjusted SMH booked by the group will then be distributed amongst the concerned DL in proportion to their total input hours logged on Production Work Orders during the Regular hours in the concerned month.
- iv) Incentive amount payable would then be calculated separately for each Direct Labour after applying the ceiling with respect to jobs completed and accepted by the concerned Quality Control Department during the month.
- v) An example for assessment of incentive amounts and their distribution amongst the Direct Labour in a group is placed at **Annexure-III.E**.

III.5.4.8 Regulating incentive Payment for special cases:

- i) In the event of nonpayment/ delay in payment of incentive to some Direct Labour because of delay in Final acceptance of components beyond 6 months from the date of completion of some or all of the operations in the Job/Stage, payment of incentive may be regulated as given below:
- ii) Payment of Incentive for Job Tickets / Job Cards for the operations which are duly accepted by Quality Control could be automatically cleared at the end of 6 month period. The 6 month period would be counted from the end of the Incentive month in which the Job card of the Operation was first entered in the system as completed. The following may be noted:
 - Necessary documents are available.
 - Components are physically available / traceable.
 - Quality control certifies that these parts / components are not rejected and can be progressed for further acceptance.
 - The six month period to be reckoned from the date of acceptance of operation by inspection.
 - Cumulative Monthly & Annual Ceiling to be applicable as per the Scheme.
 - Shop management should endeavor that all the components /sub-assemblies / assemblies /stages after Final Acceptance by QC are cleared within a period of six months.
 - Monthly recovery against rejections would be made applicable against the Rejection Factor of the concerned Division.
 - Loading of optimum batch quantity has to be ensured by Production Engineering Department of respective Divisions.
 - Final Acceptance / Final Inspection / Final Certification of Component imply that the Component is cleared for fitment on aircraft / next stage of assembly.
- iii) However, the incentive would be reworked in the event of rejection of components/sub-assemblies/assemblies at Final

Acceptance stage and recovery of incentive would be made by introduction of Rejection Factor.

- iv) The above procedure can be adopted in the case of superannuating Direct Workmen also. All Job Cards pending Final Acceptance can be presumptively closed and payments cleared subject to cumulative monthly ceiling of SMH. If the jobs are rejected subsequent to superannuation, recoveries need not be made from individuals due to practical considerations. However, the Rejection Factor should be adjusted even in such cases.

III.5.5 INCENTIVE SCHEME FOR INDIRECT LABOUR (PART-II)

III.5.5.1 Production and Overhaul Divisions

- i) To simplify the process of assessment of incentive, all the Indirect Labour covered under the Incentive Scheme in the Division would be treated as a single group for the purpose of payment of Incentive under Part-II, irrespective of the Shop / Department in which they are working. In other words, the Gross Incentive would be same for each Indirect Workman in the Division.
- ii) The maximum Incentive earned by any Indirect Labour would not be more than the maximum Incentive earned by any Direct Labour in the Division. In case of violation of this limit, a pro rata reduction in Incentive payments to all IDL will be applied.

III.5.5.2 Total Incentive Amount for Indirect Labour: The total Incentive amount payable under Part-II, to all the Indirect Labour of a Division, including Indirect Labour working in Common Services, would be 50% of the Net Incentive paid to the Direct Labour in the Division under Part-I during the corresponding month. The total amount derived as above for the Indirect Labour will be distributed to the Indirect Labour within the Division as well as the Indirect Labour attached to Common Services, wherever applicable.

III.5.5.3 Common Services: Wherever Common Services set up is in existence catering to a number of Divisions, a part of the above mentioned 50% from each Division would be earmarked for the Indirect Labour working in the Common Services Departments. An example depicting the methodology for apportioning the incentive payment and their distribution amongst the Indirect Labour under the Common Services set up is shown at **Annexure-III.F**.

III.5.5.4 Indirect Labour of the Division:

- i) The incentive payable under Part-II to the Indirect Labour within a Division would be arrived at after allocating the amount towards Common Services.
- ii) The Incentive amount earmarked for the Indirect Labour within the Division after allocating towards Common Services, wherever applicable, would be divided by the number of Indirect Labour in the Division covered by the Incentive Scheme to arrive at the Gross Incentive Amount payable to each Indirect Labour.

III.5.5.5 Attendance Factor

III.5.5.6 The Attendance Factor would be calculated as the ratio of the Physical Attendance Hours in a month during normal shifts (excluding Overtime) to the Available Hours in the same month.

Note:

- The Attendance Factor cannot exceed 1 (One).
- Whenever compensatory Time Off is booked or availed during the month, no changes are required.

III.5.5.7 Net Incentive: The net incentive for each Indirect Labour would be arrived at as indicated below:-

$$\text{Net Incentive} = \text{Gross Incentive} \times \text{Attendance Factor}$$

III.5.5.8 Evaluation of Incentive for Indirect Labour working in R&D Centres, Corporate/ Complex/ Liaison Offices/ Central Services, etc.

- i) The R&D Centres, Corporate / Complex / Liaison Offices and Central Services will be considered as if they are attached to a set of Production / Overhaul Divisions, as enumerated at **Annexure-III.G**.
- ii) Gross Incentive amount will be computed based on weighted average of Gross Incentive amount earned by the Indirect Labour in the corresponding Production / Overhaul Division(s) before application of attendance factor.
- iii) The Net Incentive amount for each Indirect Labour will be arrived at after applying the individual Attendance Factor.

III.5.6 General points for Part-I & Part-II

III.5.6.1 Other Conditions for Direct Labour:

- i) Shop Management should ensure that necessary documents (Job Tickets / Time Dockets, Attendance Records etc) are marked / entered/ dropped / punched / collected regularly on a daily basis.
- ii) Workmen should ensure submission of Time Dockets / Attendance Records on daily basis or else they will not be considered for payment of incentive.
- iii) The Production Engineering Department in the Division should ensure that Components are loaded and Completed as per the approved Production Plan for the year.
- iv) Efforts should be made to eliminate non-Value Adding activities / operations / movements etc., so as to reduce Cycle Time as well as to achieve continuous improvements.
- v) Split Orders.
 - a) Split Orders sometimes lead to delay in closing of Job Cards, resulting in delay in payment of Incentive. Therefore, when a batch is split to meet exigencies, Incentive payment is to be settled in respect of split quantities based on Final Acceptance by QC, without having to wait for completion of full batch quantity.
 - b) Divisions will have to ensure this through development of proper software programmes.
 - c) Further, Splitting of orders should generally be avoided by proper loading of suitable batch quantities.

III.5.6.2 Other Conditions for Indirect Labour

III.5.6.2.1 Non-Performers / Low-Performers among Indirect Labour:

- i) Non-Performers / Low Performers in the IDL category will not be eligible for Incentive in the concerned month. For this purpose, the performance will be evaluated by the concerned HODs and their decision as communicated to the concerned MSD will be final and binding.
- ii) To bring in transparency, the concerned HOD should maintain data and record reasons like Habitual Absenteeism, Indiscipline, Non Co-operation, etc. for categorizing as Non-

Performer / Low Performer. At the end of the incentive month, the HODs are required to forward a statement to MSD indicating the IDL who are eligible or otherwise, for payment of incentive under Part-II.

III.5.6.2.2 Outsourcing:

- i) Management should ensure that all the workmen in the Division would be fully loaded throughout the year,
- ii) Outsourcing should be resorted to judiciously after satisfying the above condition.

III.5.6.2.3 Outstation Duty:

- i) Workmen who are deputed on Out Station Duty for various official works would be paid incentive by treating their attendance at outstation as "On Duty", provided they complete the tasks assigned to them satisfactorily. The payment would be at the average of the incentive amount paid to the workmen of the parent Division in the same Category.
- ii) Workmen positioned at Customer Bases for product support activities (Site Engineers), would be paid at the average rate of the workmen of the parent Division in the same category, provided they ensure the serviceability of fleet at the Bases as per the Contract.
- iii) For regulating the eligibility and payment, approval of the Head of the Division should be taken by the respective Departmental head.

III.5.7 ANNUAL INCENTIVE COMPONENT FOR DIRECT & INDIRECT LABOUR (PART-III)

III.5.7.1 Introduction

- i) Annual Incentive component is payable for meeting performance targets in respect of parameters of Value added per employee, Sales per employee and PBT per employee, for the Company as a whole.
- ii) Payments will be made annually, after adoption of Annual Accounts in the Annual General Meeting (AGM).
- iii) The coverage, eligibility, guidelines and the methodology for computation of Annual Incentive are given in the following paragraphs.

III.5.7.2 Annual Incentive Computation

III.5.7.2.1 The Annual Incentive amount payable to employees will be determined based on the following formula:

$$\text{Net Annual Incentive} = \frac{\text{Gross Annual Incentive (GAI)} \times \text{DP} \times \text{TF}}{\text{TF}}$$

Where,
 DP = Divisional Performance Factor (DP)
 TF = Turnout Factor

Methodology of computation of each parameter is explained below:

III.5.7.3 Gross Annual Incentive (GAI): The Gross Incentive will be assessed based on achievement of Targets with respect to RE figures in respect of the following three parameters:

- a) Value Added per Workman
- b) Sales per Workman
- c) PBT per Workman

III.5.7.4 The above three parameters for arriving at the gross Annual Incentive per workman would be computed taking the performance of HAL as a whole. HAL as a single entity is considered in view of the inter-dependency amongst the Divisions.

III.5.7.5 The Gross Annual Incentive amount for DL & IDL will be arrived at from the following tables:

Gross Annual Incentive (Rs.)

- i) Direct Labour who achieve accepted output of ≥ 640 SMH but less than 1260 SMH Per annum;
- ii) Indirect Labour with actual Physical Attendance ≥ 180 days but less than 210 days Per annum (≥ 150 days but less than 175 days Per annum in case of 5 days a week)

Sl No	Parameter	Weightage	Gross Amount per annum for Percentage achievement w.r.t RE Targets (Rs.)				
			< 90%	90%	100%	110%	$\geq 120\%$
a)	Value Added per Workman	50%	Nil	3600	4500	5400	6000
b)	Sales per Workman	30%	Nil	2160	2700	3240	3600
c)	PBT per Workman	20%	Nil	1440	1800	2160	2400
Column Totals ::		100%	Nil	7200	9000	10800	12000

- iii) Direct Labour who achieve accepted output of ≥ 1260 SMH & above Per annum;
- iv) Indirect Labour with actual Physical Attendance ≥ 210 days Per annum (≥ 175 days Per annum in case of 5 days a week)

Sl No.	Parameter	Weight -age	Gross Annual Incentive (Rs) per annum for Percentage achievement w.r.t RE Targets.				
			< 90%	90%	100%	110%	$\geq 120\%$
a)	Value Added per Workman	50%	Nil	6,000	8,000	9,000	10,000
b)	Sales per Workman	30%	Nil	3,600	4,800	5,400	6,000
c)	PBT per Workman	20%	Nil	2,400	3,200	3,600	4,000
Column Totals ::		100%	Nil	12,000	16,000	18,000	20,000

Note: If the achievement falls in between the percentage ranges given in the above tables, the actual amount would be calculated on pro rata basis.

III.5.7.6 The performance evaluation against the three parameters would be calculated as follows:

- a) The RE Target for Value Added per Workman, Sales per Workman & PBT per Workman will be calculated as the ratio of the Approved RE Value of the Parameter (Rs Crores) to the Approved RE Strength of Direct Labour & Indirect Labour.
- b) For the Actual Values for the year, the approved, audited & AGM adopted figures after the closure of the Annual Accounts for the concerned year will be adopted. The Actual Value per Workman will be calculated as the ratio of the Approved & Audited Value of the Parameter (Rs Crores) to the Actual Strength of Direct Labour & Indirect Labour as on 31st March of the concerned Financial Year.
- c) The Achievement in respect of each parameter will be calculated as the ratio of the Actual Value per Workman, to the Target Value per Workman, in percentage terms.

An illustrative example of the assessment of Annual Incentive is placed at **Annexure-III.H.**

III.5.7.7 DP Factor (DP)

- i) Divisional Performance (DP) Factor would be applied to differentiate between Performing and Non-Performing Divisions.

- ii) The DP Factor would be computed based on actual Sales w.r.t. RE Target on annual basis. The DP Factor would be assessed for each Division separately and would be applied uniformly to all the Workmen in the Division. The DP Factor will be worked out as detailed below:

SL No.	Parameter	Target	Actual	DP
(a)	(b)	(c)	(d)	(e) = (d)÷(c)
	Sales (Rs. Lakhs)			

Note: The DP Factor should not exceed 1 (ONE).

III.5.7.8 Turnout Factor (TF)

- i) The Turnout Factor for each Workman would be calculated as the ratio of the number of days for which salary has been allowed in the year to the number of working days in the corresponding year.
- ii) Excludable days or deductible days adjusted as at Para-III.5.7.9 in the Eligibility Criteria computation for both Direct & Indirect Labour, would need to be deducted from the number of days to assess the Turnout Factor computation for the corresponding Direct & Indirect Labour. Period of Leave Without Pay / Unauthorized Absence also should be excluded.

Note: The Turnout Factor should not exceed 1 (ONE).

III.5.7.9 Eligibility Criteria

III.5.7.9.1 Direct Labour:

- i) Direct Labour who achieve accepted output less than 640 SMH during regular shift hours with full attendance in the concerned year shall not be eligible for payment.
- ii) Direct Labour who achieve accepted output of ≥ 640 SMH but less than 1260 SMH during regular shift hours with full attendance in the concerned year shall be eligible for payment up to a maximum GAI of Rs.12,000/- Per annum. Direct Labour who achieve accepted output of 1260 SMH & above during regular shift hours with full attendance in the concerned year shall be eligible for payment up to a maximum GAI of Rs.20,000/-Per annum.
- iii) Eligibility Criteria in terms of SMH for Direct Labour with Attendance Factor < 1 should be computed as per the

methodology given below (Eligibility Criteria for Direct Labour would need to be adjusted proportionately, corresponding to excludable days, separately for 640 SMH and 1260 SMH):

Eligibility Criteria for Direct Labour = 640 or 1260 SMH- (SMH pertaining to Excludable days),

Where:

SMH pertaining to excludable days = 640 or 1260 /365 X Excludable days

Excludable days correspond to:

- Short Period in cases of employees entering the rolls later than 1st April or separating before 31st March of the relevant Financial Year.
- Long term (beyond 30 days) Deputation to Organizations outside HAL, in which case, the whole period of deputation should be excluded.
- Medical leave with pay on account of Maternity / Paternity as per Company Policy.
- Accidents arising and during the course of employment

iv) If actual Output is less than derived Eligibility Criteria for Direct Labour with 640 SMH, then the concerned Direct Labour will not be eligible for payment.

v) If actual Output is equal to or more than derived Eligibility Criteria for Direct Labour with 640 SMH but less than derived Eligibility Criteria with 1260 SMH, then the concerned Direct Labour is eligible for payment up to a maximum GAI of Rs.12, 000/- Per annum

vi) If actual Output is more than derived Eligibility Criteria for Direct Labour with 1260 SMH, then the concerned Direct Labour is eligible for payment up to a maximum GAI of Rs. 20, 000/- Per annum.

III.5.7.9.2 Indirect Labour:

i) Indirect Labour who have put in a minimum of 180 days (150 days for Offices which work for 5 days a week) of Physical Attendance during regular shift timings during the concerned year shall be eligible for payment upto a maximum GAI of Rs.12, 000/- Per annum.

ii) Indirect Labour who have put in a minimum of 210 days (175 days for those following 5 days a week pattern) of Physical

Attendance during regular shift timings in the concerned year shall be eligible for payment up to a maximum GAI of Rs.20, 000/- Per annum.

- iii) Eligibility Criteria in terms of days for Indirect Labour should be computed as per the methodology given below (Eligibility Criteria for Indirect Labour would need to be adjusted proportionately, corresponding to deductible days, separately for 175 and 210 days):
- iv) Eligibility Criteria for Indirect Labour = 180 or 210 days (150 or 175 days in case of 5 days a week) - Deductable days

Where:

Deductable days = $180 \text{ or } 210/365 \times \text{Excludable days}$

= $150 \text{ or } 175/365 \times \text{Excludable days}$ (In case of 5 days a week)

Excludable days correspond to:

- Short Period in cases of employees entering the rolls later than 1st April or separating before 31st March of the relevant Financial Year.
 - Long term (beyond 30 days) Deputation to Organizations outside HAL in which case, the whole period of deputation should be excluded.
 - Medical leave with pay on account of Maternity / Paternity as per Company Policy
 - Accidents arising and during the course of employment
- v) If actual Physical attendance is less than derived Eligibility Criteria for Indirect Labour with 180 days (150 days for 5 days a week), then the concerned Indirect Labour will not be eligible for payment.
 - vi) If actual Physical attendance is equal to or more than derived Eligibility Criteria for indirect Labour with 180 days (150 days for 5 days a week) but less than derived Eligibility Criteria with 210 days (175 days for 5 days a week), then the concerned Indirect Labour is eligible for payment up to a maximum GAI of Rs.12, 000/- Per annum.
 - vii) If Physical attendance is more than derived Eligibility Criteria for Indirect Labour with 180 days (150 days for 5 days week) or 210 days (175 days for 5 days week), then the concerned Indirect Labour is eligible for payment up to a maximum GAI of Rs.20, 000/- Per annum.

III.5.7.10 General Points for Annual Incentive Scheme:

III.5.7.10.1 Divisional Management should endeavor to ensure that adequate workload is provided to each workman.

III.5.7.10.2 In order to implement the measures outlined at para-III.5.3.3 effectively, Divisional Management should, through Shop/Plant Level Committees, identify idling areas for corrective action.

III.5.7.10.3 In the event of inability of Divisional Management to provide adequate workload in any Work Centre, following measures may be adopted:

- Shifting of work between various Work Centres.
- Introduction of multi-skill and other measures
- Redeployment of workmen from one Work Center to another Work Center, and one Shop to another Shop.

III.5.7.10.4 Evaluation of Annual Incentive for R&D Centres, Corporate/ Complex/ Liaison Offices/ Central Services, etc.

- i) The R&D Centres, Corporate / Complex / Liaison Offices and Central Services will be considered as if they are attached to a set of Production / Overhaul Divisions, as enumerated at **Annexure-III.G**. The Annual Incentive will be computed based on weighted average of the constituent Divisions.
- ii) In order to implement the Annual Incentive Scheme, there is a requirement for orderly exchange of information between the CO and the Divisions. The data requirements from Divisions and the standard reporting formats are provided in the following table. Soft copy of these reports in MS EXCEL format should be forwarded by Divisions to CO annually. Thereafter, CO will advise the Divisions to release the payment. The Divisional MSDs will be coordinating this exchange of information:

Sl. No.	Description	Format	Periodicity	Reporting by
1	DP Factor	Annexure-III.I	Annual	Divisions
2	DL & IDL - Distribution by Output	Annexure-III.J	Annual	Divisions

III.5.8 General points for Part-I, Part-II &Part-III:

III.5.8.1 Procedure for Payment of Incentive Amounts

- i) All Incentive Payments (Part-I, II & III) would be processed on File by MSD in the Divisions. The payments would be made

after concurrence by the Finance Department and approval from the Head of the Division.

- ii) The MSD in the Division, specifically, should certify that Rationalization of SMH by 20% has been effected for assessment of Incentive under Part-I in the above Note.

III.5.8.2 The Gross Amount of Incentives payable under Part-I, II & III in a Financial Year would be limited to 15% of the Basic Pay + Dearness Allowance in respect of all the Workmen for the month of April of the concerned financial year, multiplied by 12. Adjustments, if any, required to limit the payments within the said ceiling would be made at the time of making payments under the Annual Component.

III.6. QUARTERLY PERFORMANCE PAY SCHEME FOR WORKMEN

Reference:

- 1) MSD/121016/PC/384 Dt. 19.12.13

III.6.1 Introduction

III.6.1.1 The Scheme shall be known as “Quarterly Performance Pay (QPP) Scheme for Workmen- 2013”. The Performance Pay will be payable for both Direct Labour and Indirect Labour for achieving Physical Production Tasks of all major Products of Divisions with respect to cumulative Targets fixed for the concerned quarter.

Objectives

III.6.2 Objective

- i) Meeting the Quarterly Production Tasks of all major Products i.e. Physical Deliverables of a Division / R&D Centre/ Complex / Company as per schedule.
- ii) Achieving uniform rate of production during the concerned year.
- iii) Maximization of Sales and Profitability
- iv) Continuous improvements in Overall Productivity Levels and Performance.

III.6.3 General Guidelines

III.6.3.1. Coverage:

III.6.3.1.1 The Scheme will be applicable to both Direct Labour and Indirect Labour on the regular rolls of the Company & Ex-servicemen on contract inducted against Manpower Sanctions.

III.6.3.1.2 Trainees are not eligible for the Performance Pay during the period of training. They will become eligible for the Pay only after absorption as regular employees, with effect from the actual due date of absorption.

III.6.3.1.3 Workmen who join or separate from the Company (separation other than as at para III.6.3.1.4 below) after 1st of April of a Financial Year will be eligible for QPP for part of the year on pro-rata basis.

III.6.3.1.4 Employees who are dismissed from the services for fraud, riotous or violent behavior or for theft, misappropriation or sabotage of the Company's property would not be eligible for payment of the Performance Pay under the Scheme pertaining to the quarter in which the employee was dismissed.

III.6.3.1.5 Workmen on transfer from one Division/Office to another Division/Office during the year shall be eligible for the Pay based on the performance of the respective transferee Division/Office on pro-rata basis, based on the period of service in each Division/Office. Attendance details for making payments in respect of transferred employees will be obtained from the place from where the employee has been transferred. No inter Divisional Debit Note will be raised on this account.

III.6.3.1.6 In the event of workmen getting promoted to Officers category (i.e. promotion to Gr-I), QPP shall be payable on pro rata basis, based on the length of service in the workmen category.

III.6.3.1.7 Payments under this Scheme to employees who are under suspension would be effected only after the suspension is revoked and the suspension period of the employee is finally treated as duty period for all the purposes.

III.6.3.1.8 Central Government and State Government employees, if any, on deputation to the Company would also be covered under the Scheme.

III.6.3.1.9 Contract / Casual Labour & Apprentices are not eligible for QPP.

III.6.3.1.10 Workmen who are on Study Leave or Sponsored for Higher Studies will not be eligible for the Performance Pay during the period of absence.

III.6.3.1.11 Workmen, if any, who are eligible for Ex-gratia will be eligible for payment of only the differential amount of Performance Pay (net Performance Pay admissible, less Ex-gratia payable).

III.6.4 QPP Computation

III.6.4.1 The QPP payable to employee will be determined based on the following formula:

$$\text{Net QPP} = \text{Gross QPP (GQPP)} \times \text{AF}$$

Where,
 AF = Attendance Factor Methodology of computation of QPP
 is explained below:

III.6.4.2 Evaluation of Production Performance

III.6.4.2.1 The QPP will be directly linked to meeting quarterly production tasks against major products of a Division. The Performance Pay will be assessed based on achievement of cumulative quarterly tasks with respect to Divisional Memorandum of Understanding (MoU) targets approved by Corporate Office in respect of Major products. Any revision of targets at a later stage would need the approval of CMD. Such changes should be due to reasons beyond reasonable control of the Division and be adequately justified (like Force Majeure conditions, late induction of aircraft/ engines, delay in Project sanctions).

III.6.4.2.2 Each Division would identify major products and number to be produced in each quarter. The major products and quantities so identified should contribute to a minimum of 80% of cumulative quarterly Sales of the Division, including IDTO Sales.

III.6.4.2.3 The deliverables should be taken as items which the Customer or receiving Division receives and acknowledges its acceptance against specific orders/ forms, as applicable.

III.6.4.2.4 Actual performance against the tasks should be prepared by the Divisional MSD in consultation with the Head of Production and Finance and submitted to the General Manger of the concerned Division for approval of Gross and Net payments.

III.6.4.2.5 The production performance will be assessed based on the achievement of cumulative quarterly tasks with respect to MOU targets approved in respect of Major products on quarterly basis as per details given below:

SL No	Product	Cumulative MoU Target	Cumulative Actual	% of achievement
(a)	(b)	(c)	(d)	(e) = (d)/(c)
1	Product 1			*
2	Product 2			*
3	Product 3			*
4	Product 4			*
	Product n			*
	% of achievement = $\sum e / n$			

Note:

- % of achievement in each line can be more than 100. But overall achievement will be taken as 100% even if the actual percentage exceeds 100%, for the computation.
- Columns (c) and (d) in the above table can be in terms of quantities or sales values corresponding to those quantities.

III.6.4.2.6 The Performance Pay would be paid on quarterly basis after ratification of the Division's production/deliverable numbers with respect to MoU targets for 1st, 2nd, 3rd & 4th Quarters of the concerned Financial Year.

III.6.4.2.7 The gross QPP payable would be computed applying production performance of the Division as computed as per Para III.6.4.2.5 above with respect to achievement of cumulative quarterly tasks vis-à-vis MoU targets on cumulative basis as per **Annexure-III.K**. The maximum amount payable would be as indicated below:

SL No	Quarter	Cumulative Internal MoU Target (%)	Cumulative Actual Achievement (%)	% of Achievement	Maximum Amount payable (Rs) For the Quarter
1	1 st Quarter	20	20	100	2000
2	2 nd Quarter	45	45	100	2500
3	3 rd Quarter	70	70	100	2500
4	4 th Quarter	100	100	100	3000
Total					10000

The percentages 20, 45, 70 are desired levels of cumulative achievement for the I, II & III quarters respectively. If special circumstances warrant a different distribution, the same should be reflected in the Divisional MoU to be approved by CO before commencement of the Financial Year.

III.6.4.2.8 Gross QPP computed would be same for all the Workmen in the Division.

III.6.4.2.9 In case of any slippage in meeting the targeted tasks of a particular quarter, there will be no payment of performance pay for that quarter and the same will be carried forward to the next quarter with proportionate reductions. In other words, if a target is missed in 1st Quarter and is subsequently made good cumulatively in the immediate Quarter along with that Quarter, then 75% of maximum Performance Pay pertaining to the previous Quarter (where target was not achieved) and 100% of Performance Pay for the 2nd Quarter would be considered for payment.

Similarly, if a target missed in 1st Quarter is made good cumulatively either in the third or fourth Quarter, then 50% of maximum Performance Pay pertaining to the 1st Quarter or 25% of maximum Performance Pay pertaining to the 1st Quarter (where target was not achieved) along with 100% of Performance Pay for the corresponding Quarter would be considered for payment. Detailed illustrative computations is indicated at **Annexure-III.K**.

III.6.5 Computation of Attendance

III.6.5.1 The Quarterly Performance Pay payable as per para III.6.4.2.7 is for full attendance during the quarter as applicable. Attendance for this purpose would mean days for which full salary (Basic Pay + DA) has been allowed. Days of Leave without Pay/ Unauthorized Absence would result in proportionate deduction in the rate of the Performance Pay.

III.6.5.2 Net QPP

III.6.5.2.1 Gross QPP computed as per para III.6.4.2.7 above would be multiplied by Attendance Factor to arrive at net QPP, as given below:

$$\text{Net QPP} = \text{Gross QPP} \times \text{Attendance Factor}$$

III.6.6 General Points

III.6.6.1 Evaluation of QPP for R&D Centres, Corporate/ Complex/ Liaison Offices/ Central Services, etc.

III.6.6.1.1 The R&D Centres, Corporate / Complex / Liaison Offices and Central Services will be considered as if they are attached to a set of Production / Overhaul Divisions as enumerated at **Annexure-III.L**. The applicable QPP would be computed based on weighted average of the constituent Divisions, which are combined for evaluation purpose, as explained below:

The applicable QPP is of the form $A \div B$.

$$A = \sum \text{Gross QPP payment of N Divisions}$$

$$B = \sum \text{Total strength of Direct Labour \& Indirect Labour of N Divisions}$$

III.6.6.1.2 In order to evaluate the Performance Pay for R&D Centres, Corporate / Complex / Liaison Offices and Central Services, there is a requirement for orderly exchange of information between the CO/R&D Centres/Complex Offices and the Divisions. The data requirements from Divisions and the standard reporting formats are provided in the following table. Soft copy of these reports in MS EXCEL format along with copy of approved note sheet should be forwarded by Divisions to CO/R&D Centres/Complex Offices, quarterly, within one month from the date of completion of quarter. The Divisional MSDs will be coordinating this exchange of information.

Sl. No.	Description	Format	Periodicity	Reporting by
1	Payment & existing strength	Annexure-III.M	Quarterly	Divisions

III.6.6.1.3 Divisions could refer any case of clarification to Corporate Office for a decision.

III.7 PERFORMANCE RELATED PAY (PRP) SCHEME FOR OFFICERS

References :

- 1) MSD/121020/313 Dt. 17.01.2011
- 2) MSD / 121020 Dt. 2.6.11
- 3) MSD/121005/PC/287 Dt. 1.8.14
- 4) MSD/121005/PC/414 Dt. 25.11.14
- 5) MSD/121020/107 Dt. 06.12.19

III.7.1 Introduction

III.7.1.1 In line with the provisions notified by the DPE vide OM No.2(70)/08/DPE(WC) dated 26th November 2008 and clarification on PRP vide OM of even number dated 9th February 2009, a Scheme of Variable Pay known as “**Performance Related Pay (PRP) Scheme**” was introduced in HAL. The Scheme is revised effective from the Financial Year 2017-18 onwards.

III.7.1.2 Payments are made annually, after adoption of Annual Accounts in the Annual General Meeting (AGM).

III.7.1.3 The coverage, eligibility, guidelines and the methodology for computation of Performance Related Pay are given in the following paragraphs.

III.7.2 General Guidelines

III.7.2.1 Coverage

III.7.2.1.1 The Scheme will be applicable to all Executives on the regular rolls of the Company, Ex-Servicemen on Contract inducted against Manpower Sanctions and Executives on deputation to HAL. The Scheme will also be applicable to HAL Executives on deputation to JVs or other Organizations, who draw their salary as per the HAL Pay Scales, provided such Organizations / JVs don't have PRP or any such schemes applicable to their Officers.

III.7.2.1.2 Trainees including MTs/DTs are not eligible for PRP during the period of training. They will become eligible for PRP only after absorption as regular Executives, with effect from the actual due date of absorption.

III.7.2.1.3 Executives who join/ separated due to superannuation or death from the Company after 1st of April of a Financial Year will be eligible for PRP for part of the year on pro-rata basis, subject to meeting the minimum eligibility criteria during the concerned year.

III.7.2.1.4 Executives who separated from the Company after 1st of April of a Financial Year due to resignation or on disciplinary grounds will not be eligible for PRP for the periods after the date of separation. They will be eligible for PRP upto the date of separation, excluding punishment cases which will be dealt as at para - III.7.2.1.7.

III.7.2.1.5 Executives on transfer/ assignment from one Division to another Division during the year shall be eligible for PRP based on the performance of the respective Divisions on pro-rata basis based on the period of service in each Division, subject to meeting the minimum eligibility criteria during the concerned year.

III.7.2.1.6 In cases of change in the status of Executives due to promotion, demotion, etc. PRP shall be payable on pro-rata basis, based on the length of service in each Level. The total payment will be split into two components:

Component-1: the Basic Pay of each Executive for the above purpose will be as applicable as on 1st April of the concerned Year

Component-2: the new Basic Pay of each Executive will be as applicable from date of status change till the end of the concerned Year.

III.7.2.1.7 For payment of PRP, the Executives should not have been awarded any punishment. Payment of PRP in respect of Executives, on whom punishment are imposed / placed under suspension, would be regulated as indicated below:

Sl.No	Punishments	Eligibility for PRP
i	One minor punishment in a year	50% of the normal entitled amount for one year, from the date of Imposition of the punishment.
ii	One major punishment In a year	Nil payment for one year, from the date of imposition of the punishment.
iii	Two minor punishments in the same year	Nil payment for one year, from the date of imposition of the first punishment.
iv	One major and one minor punishment in the same year	Nil payment for the first year & 50% for the 2nd year, from the date of Imposition of the first punishment.
v	Two major punishments in the same year; and so on	Nil payment for two years from the date of imposition of the first Punishment; and so on.
vi	Period of suspension	Period of Suspension Pending Enquiry shall be excluded for computation & payment of PRP.

Note:

If an Executive is under Departmental Enquiry proceedings after issuance of Charge Sheet at the time of payment of PRP, the payment of PRP would be regulated as indicated below:

A. One Charge Sheet pending:

- i) Till imposition of the punishment, the Officer would be eligible for payment of PRP for the applicable previous year(s). In cases where Charge Sheets are issued and enquiry proceedings prolong for more than 1 year and where the Officer is left with more than 1 year service after the year of which PRP is payable, PRP for the year will not be withheld (on imposition of punishment later on, PRP for the subsequent year / six months, as the case may be, will not be payable).
- ii) On imposition of the punishment, payment of PRP will be regulated as indicated at Para III.7.2.1.7 above.
- iii) In respect of Officers who are left with less than 1 (one) year service for superannuation at the time of issue of Charge Sheet, the PRP will be held back for the applicable period, till completion of the Disciplinary proceedings, to ensure non-payment for one year. In case the Executive is exonerated, the PRP amount will be released. In cases where punishment is imposed after conclusion of Enquiry Proceedings, the payment will be regulated in such a way as to ensure non-payment for one year / six months, as the case may be.

B. More than One Charge Sheet pending:

In case more than one charge sheet is pending at the time of payment of PRP, the payment will be kept in abeyance until the proceedings against him/her have been dropped or he/she has been found not guilty in all the cases. Payment will be processed after closure of all the cases. In case punishments are imposed, payment will be regulated in accordance with the provisions indicated at Paras III.7.2.1.7 and III.7.2.1.7.A (i, ii & iii) above.

C. General:

Reckoning the period of non-entitlement of PRP prior to the date of award of the punishment will be limited to the year in which Charge Sheet is issued or subsequent years. Payment already made for the previous year(s) [year(s) before issue of the Charge Sheet], if any, will not be affected.

III.7.2.2 PRP Computation

The Gross PRP amount payable to the Individual will be determined based on the following formula:

$$\text{Gross PRP} = (\text{Average Basic Pay} \times 12) \times L \times \text{KF} \times \text{Pi}$$

Where, Average Basic Pay is defined as;

- If no status change during the relevant Financial Year, Basic Pay as on 1st April of the concerned Financial Year.
- In case of status change (Increment/Promotion/Demotion), total Basic Pay during the year divided by 12.

L = Grade wise % Limits of Annual Basic Pay

KF = Kitty Factor of PRP as per the profitability of the Company

Pi = Performance Index applicable to the individual Executive.

All the above parameters, except Basic Pay, are expressed in terms of Percentages expressed as Fractions (E.g., 80% = 0.8).

Notes:

- i) Basic Pay should not include any element of arrears or advance Pay pertaining to a period outside the relevant Financial Year.
- ii) Basic Pay should not include any Special Pay, Personal Pay, etc.
- iii) In case of entering into the rolls after 1st April of the concerned year or in case of separation during the year, the Average Basic Pay should be calculated as specified for the full financial year as above and the Gross PRP computed. However, the period after 1st April to the date of joining or the period after separation as applicable should be adjusted in the Attendance Factor so that the Net PRP applies only to the period of actual service.

III.7.2.3 Methodology of computation of each parameter is explained below:

III.7.2.3.1 Parameter L:

This represents the percentages of PRP admissible in terms of DPE OM No.W-02/0028/2017-DPE(WC)-GL-XIV/17 dated 04 August 2017, which is as per the table below:

Grade	Max Applicable PRP (% of Annual Basic Pay)
I,II,III,IV	40
V,VI	50
VII	60
VIII	70
IX	80
X	90
Directors / CEOs	125
CMD	150

III.7.2.3.2 Kitty Factor of PRP (KF):

The PRP payable is determined based on the profitability. The overall profits for distribution of PRP shall be limited to 5% of the year's Profit Before Tax (PBT). The PBT would comprise of profit accruing from core business activities, without considering interest on idle cash / bank balances i.e, Interest Income earned on Reserves & Surpluses (Cash portion) and on Advances received from Customers. However, Interest Income earned on milestone / stage payments received by the Company from Customers would be considered as part of PBT. Considering the relevant year's profit, incremental profit and the full PRP payout requirement (computed for all executives based on Grade-wise ceilings, MOU Rating, Divisional Performance Rating & Individual performance Rating), two cut-off factors would be computed based on the PRP distribution ratio of **65:35**. The first cut-off (F1) shall be in respect of PRP amount required out of the year's profit and the second cut-off (F2) shall be in respect of PRP amount required out of incremental profit, which shall be computable based on the break-up of allocable profit (i.e. year's 5% profit bifurcated into the ratio of **65:35** towards year's profit and incremental profit). In case the incremental profit is less than the 35% component allocated (35% of 5% profit), then the allocation will be limited to the actual incremental profit.

The computation of Cut off Factor - F1, Cut off Factor-F2 and Kitty Factor - KF are detailed below:

Total Amount required as per Grade wise ceiling : A
Distribution of Required Amount in the ratio of 65:35
65% of Total Amount Required (A1) = $(A \times 0.65)$
35% of Total Amount Required (A2) = $(A \times 0.35)$
Current Year Profit (Rs Crs) : B
Previous Profit (Rs Crs) : C
Incremental Profit (Rs Crs) (D) = $(B - C)$
Distribution of 5% Profit in the ratio of 65:35

65% of Current Year Profit (Rs Crs) (B1) = (B × 0.05 × 0.65)
 35% of Current Year Profit (Rs Crs) (B2) = (B × 0.05 × 0.35)
 Cut off Factor (F1) : (B1÷A1)
 Cut Off Factor (F2) : (B2 or D)\$ ÷ A2

\$ If Incremental Profit (D) is less than 35% of 5% profit (B2), then the actual incremental profit would be considered.

The computation of Kitty Factor is given below:
 Kitty Factor (KF) (%) = [(F1×A1 + F2×A2) ÷ A] × 100

Note: Cut off Factor-F1, Cut off Factor-F2 and Kitty Factor shall not exceed 100%.

The amount computed as above may or may not be adequate to pay the PRP as per the maximum limits prescribed at Para III.7.2.3.1 above. The eligible PRP percentage (Factor KF) will be determined centrally by Corporate Office MSD and advised to the Divisions / Offices to facilitate computation.

III.7.2.4 Weightages for Payment / Performance Index (Pi)

III.7.2.4.1 The Performance Index (Pi) of the Individual Executive will be based on the following performance components and the weightages as defined below:

Parameter & Measure / Criterion		Distribution against Grades				
		I to IV	V & VI	VII & VIII	IX & X	CEOs/ Director s/ CMD
A)	Organizational Performance	50%	50%	50%	50%	50%
B)	Divisional Performance	15%	20%	25%	30%	30%
C)	Individual Performance	35%	30%	25%	20%	20%
Total		100%	100%	100%	100%	100%

The Organizational Performance, Divisional Performance and Individual Performance Parameters will be evaluated annually as per Paras III.7.2.4.2 to III.7.2.4.4.

III.7.2.4.2 Evaluation of Organizational Performance:

III.7.2.4.2.1 The Organizational Performance will be based on the evaluation of MOU by the DPE which will be applicable to the individuals, as detailed below:

MOU Rating	% of PRP Payable
Excellent	100
Very Good	75
Good	50
Fair	25
Poor	Nil

III.7.2.4.3 Evaluation of Divisional Performance:

III.7.2.4.3.1 The Divisional Performance will be evaluated against the Internal MoU targets, which will be set for each Division, duly approved by the CEOs. The Divisional Performance Index would be calculated on Annual Basis as detailed below:

ANNUAL DIVISIONAL PERFORMANCE FOR THE YEAR			
DIVISION:		COMPLEX:	

SL No.	Parameter	Weight	Target	Actual	PI	Score
(a)	(b)	(c)	(d)	(e)	(f) = (e) ÷ (d)	(g) = (c) x (f)
1	Sales Per Employee (Rs)	20%				*
2	Operating Profit to Sales (%)	20%				*
3	Value of Outsourcing (in Rs) #	20%				*
4	Liquidated Damages (LD) (Rs)	10%			$(\text{Sales} - \text{LD}) \div (\text{Sales})$	*
5	Reduction in Inventory (%)	20%				*
6	FE savings achieved for the year through Indigenization efforts(Rs)	10%				*
Annual Divisional Performance						

- Realization of Outsourced Items / Services for Production.

*Score against individual elements cannot exceed 10% or 20% as applicable.

III.7.2.4.3.2 The following distribution will be followed for determining the Divisional Performance Rating:

Annual Divisional Performance Score	Rating	% eligibility of PRP
≥ 90	Excellent	100
≥ 70 to <90	Very Good	80
≥ 50 to <70	Good	60
≥ 30 to <50	Fair	40
<30	Poor	Nil

III.7.2.4.3.3 The achievements against the Divisional parameters would be computed by the Divisional MSD and approved by the Head of the Complex.

Notes:

- i) The Divisional Performance Parameters as at Para III.7.2.4.1 to III.7.2.4.3.3 above will be reckoned prospectively from the year 2019-20 & onwards.
- ii) As the PRP Scheme is revised with retrospective effect from 2017-18 and payments for the years 2017-18 & 2018-19 are to be effected during 2019-20 & 2020-21, the Divisional Performance Parameters / weightages would be considered as per Para 3.6.1 of the PRP Scheme notified vide Letter No. MSD / 121020 / 313 dated 17th Jan 2011 for determining the Divisional Performance for the years 2017-18 & 2018-19. However, evaluation of the Divisional Performance would be done as per the methodology specified in the revised PRP Scheme.

III.7.2.4.4 Evaluation of Individual Performance:

III.7.2.4.4.1 The performance against Individual element will be assessed based on the Performance Appraisal Marks approved by the Performance Review Board (PRB) for Executives in Grade I to VIII under the Performance Appraisal System. The PAR marks would be as approved by the PRB, as per the % distribution detailed in the Circular No. HAL/P&A/43(1)/07 dated 7th April 2007. In respect of Executives in Grade IX and above, Marks awarded by the Competent Authority will be reckoned.

III.7.2.4.4.2 The following distribution will be adopted for determining the Performance Rating for payment of PRP:

PAR Marks (After PRB)	Individual Performance Rating (only for PRP purpose)	% eligibility of PRP
≥ 85	Excellent *	100
≥ 75 to <85	Very Good	80
≥ 60 to <75	Good	60
≥ 50 to <60	Fair	40
<50	Poor	Nil

Note : * - It should be ensured that **not more than 15% of the Total Executives should be given Excellent Rating** (PAR Marks ≥ 85) as per DPE guidelines. The excess executives in Excellent Category would be considered under Very Good Category.

In cases where the length of Service rendered by the Executive is less than 3 months during the concerned year, marks will be awarded by the Performance Review Board (PRB) for the purpose of calculation of PRP under Individual performance only.

III.7.2.4.4.3 Such Individual Performance Rating will be used for all computations related to the PRP.

III.7.2.4.5 The Performance Index is computed based on the above guidelines as under:

$$\begin{aligned} \text{Pi} = & (\text{Individual Performance} \times \text{Weightage applicable for the Grade}) \\ & + \\ & (\text{Divisional Performance} \times \text{Weightage applicable for the grade}) \\ & + \\ & (\text{Organizational Performance} \times \text{Weightage applicable for the Grade}) \end{aligned}$$

III.7.2.4.6 Minimum Eligibility Criteria:

Executives who are awarded Overall Marks of below 50 in their PARs (After PRB) for the concerned year will not be eligible for PRP under any element.

III.7.2.4.7 Net PRP Amount:

The Net PRP Amount payable will be the Gross Amount earned against each Parameter, moderated by the Attendance Factor (Net Amount= Gross Amount x Attendance Factor)

III.7.2.4.8 Computation of Attendance Factor:

AttendanceFactorwillbecalculatedastheratioofnumberofdaysofattendance to the total available number of days during the relevant period (Year). For calculating the number of days of attendance, the following guidelines will be followed:

- The number of Available days will be the whole year (365 days) irrespective of whether the Executive has been on rolls throughout the year or any part of the year.
- The Attendance Factor will be calculated as:
Attendance Factor= (Available days – Excludable days) \div 365days,

Where excludable days correspond to;

- Short Period in cases of Executives entering the rolls later than 1st April or separating before 31st March of the relevant Financial Year.
 - VL availed exceeding 30 days during the year
 - LWP(For any reason, justified or not)
 - Leave without Authorization (LWA) (For any reason, justified or not)
 - Sponsored Programs (Cranfield programme, MBA courses, etc.)
 - Long term (beyond 30 days) Deputation to Organizations outside HAL in which case, the whole period of deputation should be excluded.
 - Period of disqualification as per para III.7.2.1.7
- No reduction in attendance (available days) for
- Casual Leave (CL).
 - VL (upto 30 days) in a Financial year
 - Outstation Duty
 - Deputation to other Divisions/ Offices of HAL
 - Nomination to Training programmes, Seminars, Conferences, business meetings, exhibitions, etc.
 - Medical leave with pay on account of Maternity / Paternity as per Company Policy

III.7.2.4.9 General Points:

III.7.2.4.9.1 Evaluation of Divisional Performance of R&D Centres, Corporate /Complex / Liaison Offices / FMD, etc.:

The procedure for evaluating Individual and Organizational Performance in such cases will be identical to that for Executives in Production / Overhaul Divisions. For Divisional Performance element of PRP, a slightly different methodology is to be adopted. For this, the R&D Centres, Corporate/ Complex /Liaison Offices and FMD will be considered as if they are attached to a set of Production/Overhaul Divisions as enumerated at **Annexure-III.N**. The applicable performance is arrived at as average of the constituent Divisions. The weights are determined based on the manpower of the Divisions.

III.7.2.4.9.2 In order to implement the PRP scheme, there is a requirement for orderly exchange of information between the CO and the Divisions. The data requirements from Divisions and the standard reporting Formats are provided in the following Table. Soft copy of these reports in MS EXCEL Format should be forwarded by Divisions to CO annually. Thereafter, CO will advise the Divisions to release the payment. The Divisional MSDs will be coordinating this exchange of information:

Sl. No.	Description	Format	Periodicity	Reporting by
1	Divisional Performance Index	Annexure-III.O	Annual	Divisions
2	Individual Performance Details	Annexure-III.P	Annual	Divisions / Offices

III.7.2.4.9.3 Divisions could refer any case of clarification to Corporate Office for a decision.

III.7.2.4.10 Illustrations:

- i) Sample of PRP computation in respect of Divisional Performance for a Complex Office is enclosed as **Annexure III.Q**
- ii) Sample cases of PRP computation is enclosed as **Annexure III.R** for illustrative purpose only.

ANNEXURES

ANNEXURE-I.A

APPLICATION FOR LEASED ACCOMMODATION

I hereby apply for Leased Accommodation. The required particulars are furnished below:

1. Name :
2. Dept. / EID No. :
3. Designation :
4. Department :
5. Division / Office :
6. Particulars of the House / Flat :
 - i) Name and Address of the Owner :
 - ii) Locality and complete Postal Address :
 - iii) Plinth Area in Sq.Ft.(All covered accommodation including Garage and Servant's Quarters, if any) :
 - iv) Date from which vacant :
 - v) Whether any portion thereof has been Sub-let or utilized for any other purpose? If so, details of the area sub-let /utilized for other purposes. :
 - vi) Plinth Area actually available for occupation by the Officer and his/her family for residential purposes (excluding (v) above), duly marked on the Plan. :
7. Does the Flat come within the purview of any Co-operative Housing Society? If so, please attach Certification as per **Appendix-A.** :
8. List of enclosed documents of Ownership Sketch Plan etc of the House / Flat. :

I have read all the Rules applicable for Leased Accommodation, including those notified vide Corporate Office Circular No. HAL/P&A/15(4)/2/2006 dated 26.05.2006 (Company Leased Accommodation) & Personnel Circular No. 617 dated 5.4.93 (Self Leased Accommodation) and the Circulars referred therein, and I am agreeable for the same. The Premises shall be used by me for residential purposes of myself & my family members.

Contd...

I am ready to bear the differential amount, if any, between the Lease Rent Payable for the House / Flat and my entitled amount. I am also ready to bear the amount, if any, payable by me towards furnished / semi-furnished accommodation. The Company can recover these amounts from my salary. Further, I am agreeable to bear the additional Advance, if any, required to be paid to the Landlord (Company Leased Accommodation). The Company may pay the total Advance amount initially and recover the same from my salary in not more than 10 equal instalments.

I hereby declare that the information furnished by me, as above, is true to the best of my knowledge and belief.

I hereby undertake to furnish to M/s Hindustan Aeronautics Limited, any changes in the above particulars, including vacation of the House / Flat, immediately on its taking place.

Date :

SIGNATURE OF THE OFFICER

Appendix-A to Annexure-I(A)

To :

_____ (HR) (Through : Proper Channel)
_____ Division / Office

This is to certify that:

- i) Flat No. _____ in Building _____ of our Society is standing in the name of Shri / Smt _____
- ii) The Flat is vacant w.e.f. _____
- iii) The Plinth Area of the Flat as per the records of the Society is _____ Sq.Ft.
- iv) The construction of the said Building was completed in _____
- v) No part or portion thereof has been sub-let or utilized for any purpose other than residential purpose.

**SECRETARY / CHAIRMAN
THE CO-OPERATIVE HOUSING
SOCIETY (WITH SEAL)**

Station:

Date :

ANNEXURE-I.B

**FORMAT LETTER FROM OWNER OF THE HOUSE / FLAT FOR
COMPANY LEASED ACCOMMODATION**

From :

To :

The _____(HR)

HAL _____ Division / Office

Sir,

Sub : Leasing of Residential Accommodation

I am the owner of the House / Flat indicated below:

i)	Name and Address of the Owner	:	
ii)	Locality and complete Postal Address	:	
iii)	Plinth Area in Sq.Ft.(All covered accommodation including Garage and Servant's Quarters, if any)	:	
iv)	Date from which vacant	:	
v)	Whether any portion thereof has been Sub-let or utilized for any other purpose? If so, details of the area sub-let /utilized for other purposes	:	
vi)	Plinth Area actually available for occupation by the Officer and his/her family for residential purposes (excluding (v) above), duly marked on the Plan	:	
vii)	Does the Flat come within the purview of any Co-operative Housing Society	:	
viii)	Whether the House / Flat is furnished or Semi-furnished	:	
ix)	Any other details	:	

Contd...

I am willing to lease out the above House / Flat to HAL
_____ for occupation of Shri / Smt. (Company
Leased Accommodation)
_____ on the following
conditions:

- a) Lease Rent per Month : Rs. _____
- b) Lease Rent (if any) towards : Rs. _____
Furnished / semi-furnished
accommodation
- c) Refundable Advance : Rs. _____
- d) Any other details :
- e) List of documents enclosed :

Charges towards all outgoings on the Property by way of Corporation / Municipal / House Taxes, Monthly Maintenance Charges (if any), Repairs, Replacements, etc. would be borne by me. Charges towards Electricity, Water etc. shall be borne by Shri / Smt. _____

It is certified that the information furnished by me above are true and correct to the best of my knowledge & belief.

SIGNATURE

NAME

FULL ADDRESS

TEL.NO.

Place :

Date :

ANNEXURE-I.C

RECEIPT CUM SECURITY DEPOSIT

Received a Sum of Rs. _____
Rupees _____ only)

By Cheque bearing No. _____ drawn
on _____

Bank in favour of Shri / Smt. _____, the
Lessor,

from _____ the Lessee herein, as Advance / Security Deposit
towards performance of Terms & Conditions laid down in the Agreement of
Lease dated _____ entered into between the undersigned Lessor and the
Lessee here in respect of all that piece and parcel of the Premises bearing
No. _____ (give full address of the Premises) comprising of
_____ In _____ all, _____ measuring
approximately _____ Sq.ft., in the _____ Floor.

Boundaries for the entire Property are as under:

East : by

West : by

North : by

South : by

I undertake to refund the said amount of Rs. _____/- to the
Lessee on the date of handing over of vacant possession of the above
Premises in terms of the above.

Agreement of Lease dated _____ without interest, subject to
recovery of arrears of Rent, Electricity Charges & Water Charges, if any.

SIGNATURE & NAME OF THE LESSOR

Place :

Date :

ANNEXURE-I.D

LEASE AGREEMENT

THIS AGREEMENT made at _____ this day _____ between Shri _____, S/O. _____, aged about _____ years, residing at _____ (give full address) (hereinafter called the LESSOR which term shall unless it be repugnant to the context or meaning thereof mean and include his Heirs, Executors, Administrators, Successors and Assignees) of the Division/Office (give full address), represented by its _____ hereinafter called the LESSEE (which term shall unless it be repugnant to the context or meaning thereof mean their Heirs, Successors and Assigners of the OTHER PART.

WHEREAS The LESSOR has constructed/purchased a House/purchased a Flat in line with the sanctioned Plan bearing No. _____

WHEREAS, THE LESSOR is the sole and absolute Owner of the said House/Flat designated as Single Unit _____ (give full address) (also indicated in the Schedule), comprising of _____ (give details of No. of Rooms and other details of the Property), hereinafter referred to as the "Premises".

WHEREAS the LESSOR above named has agreed to lease the Premises to the LESSEE and the LESSEE has agreed to take the said Premises on lease, on the Terms & Conditions hereinafter mentioned:

NOW THIS INDENTURE WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PERTIES HERETO AS UNDER.

In consideration of the rent and lease covenants hereinafter reserved, THE LESSOR hereby demises upto the LESSEE the aforesaid premises for a period of _____ months, commencing from _____, extendable by one more year on the same Terms & Conditions, for the exclusive residential use of Shri/Smt _____ an employee of the LESSEE (hereinafter called the EMPLOYEE) and his bonafide family members.

The Lessee covenants with the Lessor as follows:

1. To pay a Monthly Rent of Rs. _____ (Rupees _____ only) to the LESSOR, by A/C. Payee Cheque, always in arrears, by the 10th of the following Month;
2. THE Lease shall commence from _____ day of _____ and continue for a period of _____ months ending on _____ extendable by one more year on the same Terms & Conditions, or till the cessation of the EMPLOYEE'S service from the LESSEE, whichever is earlier. The

LESSOR shall agree to renew the lease for further periods(s) on such Terms & Conditions as may be mutually agreed to between the LESSOR, the LESSEE & the EMPLOYEE;

3. The EMPLOYEE shall pay all the charges incurred for the use of Electricity, Water etc for all purposes in the said premises, shown by separate Meters, to the concerned Department/Agency/Authorities;
4. The Employee shall use the premises for residential purposes only. The LESSEE/EMPLOYEE shall not sublet, transfer, assign and or permit, use of the same by any other person(s) in any way or any part thereof;
5. The LESSEE/EMPLOYEE shall handover the Premises together with the LESSOR's Fitting and Fixtures as per the list enclosed herewith at the expiry of the lease period in the same condition, subject to natural wear & tear, as it was at the commencement of the lease period;
6. That the day-to-day minor repairs, such as those related to fuses, bulbs, loose connections, leaking taps etc. shall be carried out by the EMPLOYEE at his own cost, but that major repairs or damage to structure shall be done/rectified by the LESSOR at his own cost provided such defects or damages are not caused by any deliberate act or neglect on the part of the EMPLOYEE;
7. The EMPLOYEE shall not cause any damage to the premises or electrical fittings during the period of tenancy and keep the premises in good and tenantable condition;
8. That the LESSEE/EMPLOYEE shall permit the LESSOR or his authorized representative entry to the said premises at all reasonable times for the purpose of inspection or repair of the said premises as and when necessary.

THE LESSOR hereby covenants with the LESSEE as follows:

1. The LESSOR shall bear various Cesses/Property Taxes/House Taxes etc charges by the City Corporation/Municipal Corporation/Town Municipality/Gram Panchayat, as the case may be;
2. To keep the interior and the exterior of the aforesaid premises and of the said building, the drainage, and the Water Supply System thereof in good and substantial repair order and condition;
3. To paint the said premises and to provide in the said premises, Fittings and essential Fixtures such as Fans, Tube Lights, Geysers etc., before giving possession thereof;
4. THE LESSEE shall not be responsible for carrying out repairs/replacements of Fixtures/Fittings or white/colour washing,

painting etc. in the House/Flat due to deterioration and wear and tear. All such activities would be carried out by the LESSOR. Further, charges towards Common Area Maintenance etc. (wherever applicable), would also be borne by the LESSOR;

5. That the LESSEE paying the rent hereinabove reserved and observing and performing the stipulations and covenants on their part hereinabove contained, the EMPLOYEE shall enjoy the demised premises exclusively without interruption by the LESSOR or any other person or persons lawfully claiming from, through, under or in trust from the LESSOR or otherwise during the period of lease;
6. The Lessor has confirmed to the Lessee that the Lessor is fully authorized to let out the demised premises to the Lessee and further undertake to obtain the permission in writing of the authority concerned for letting the demised premises to the Lessee. Any loss or damage which the Lessee may suffer due to default on the Lessor this regard will be made good by the Lessor immediately and without any loss of time;

PROVIDED ALWAYS AND IT IS HEREBY AGREED AND DECLARED AS FOLLOWS

1. The Lessee shall not make any structural additions or any alterations in the schedule property;
2. The Lessee shall be at liberty to place name boards at the demised premises;
3. The EMPLOYEE shall give 3 months' Notice to the Company & the LESSOR, in writing, in case he decides to vacate the House/Flat. In case of transfer to another Station, the Employee would give shorter notice only.
4. The LESSOR shall give 3 months' Notice to the LESSEE and the EMPLOYEE in case he desires to terminate the LEASE and have vacant possession of the House/Flat;
5. The LESSEE will effect deduction of TDS from the Rent payable to the LESSOR, as per the provisions of the Income Tax Act;
6. Courts in the city of _____ will only have jurisdiction over the _____;
7. It is also agreed and understood between the parties that in case of any mishap due to fire, earthquake, strike, floods, tempest, war, riot, civil war or civil commotions, mob violence, civil disturbance, act of God or on account of terrorist attack the Lessor shall not be liable for any loss or damage that may be occasioned to the Lessee/his merchandise/visitors and vice versa the Lessee;

ANNEXURE-I.E

No. HAL/

Date

Sub : Company Leased Residential Accommodation

-o0o-

Reference is made to your application dated _____ requesting to take the House/Flat at _____, owned by Shri _____ residing at _____, for your residential purpose, on Company Lease/Self Lease basis, in terms of the provisions of Personnel Circular No. 616 dated 5.4.93, as amended vide Circulars dated 6.6.98, 20.2.2000, 5.4.2001, P.C. No. 670 dt 17.2.2006 & Circular No. HAL/P&A/15(4)/2/2006 dated 26.5.2006.

2. The management has considered your request and is agreeable to take the said House/Flat for your residential purpose, on Company Lease basis, subject to the following Terms & Conditions:-

- I. The refundable Advance payable to the Landlord is Rs._____/ - and the Company will pay the same initially. The Company's share in the Advance is only Rs._____/ - and the balance amount of Rs._____/ - is payable by you. The same will be recovered from your salary, in _____ equal monthly instalments;
- II. The Lease Rental payable to Shri _____ (indicate Name & Address) for the said House/Flat will be Rs._____/ - p.m. The amount would be paid to him by the Company by Cheque by the 10th of the following month. The Company's liability in the Lease Rent will be Rs._____/ - p.m. only and the balance amount, if any, of Rs._____/ - will be payable by you. This amount would be recovered from your Salary, every month;
- III. Rent recoverable from you for allotting the House/Flat to you on Company Lease basis would be Rs._____p.m. and the same would be deducted from your Salary every month;
- IV. The Lease Agreement will be valid for a period of _____ OR till the cessation of your service in the Company, whichever is earlier. The Lease Agreement can be renewed for further period(s) on mutually agreed Terms & Conditions between the Company, the Owner of the Property and you;
- V. All out-goings on the House/Flat by way of Corporation/Municipal/House Taxes, Common Area maintenance (if any), Repairs, Replacements, White/Colour Washing, Painting, etc would be payable by the Owner of the Property;

Contd...

- VI. Charges towards Electricity, Water etc will be payable by you;
 - VII. You should give 3 months' notice to the Company & the Landlord, in writing, in case you decide to vacate the House/Flat. The Landlord is also required to give 3 months' notice to the Company & you, in case he wishes to terminate the Lease and have vacant possession of the House/Flat;
 - VIII. All the applicable Terms & Conditions for allotment of Company Quarters to Officers of the Company, which are enclosed as Annexure-IA, will also be applicable for the Leased Accommodation being allotted to you
3. If the above Terms & Conditions are acceptable to the Owner of the Property and you, necessary action may be taken to execute a Lease Deed, as per the enclosed draft, on Non-Judicial Stamp Paper of Rs._____. The expenditure towards executing the Lease Deed is to be borne by you.

To:
_____ (HR)

Through:

ANNEXURE-I.F

THE BASKET OF ALLOWANCES
(FOR SELECTION BASED ON CAFETERIA APPROACH)

The Basket of Allowances would include two types of Allowances:

- a) Compulsory Allowance(s) applicable in respect of all Officers; and
- b) Allowances which are optional and which can be chosen by Officers.

2. The list of Allowances and the rates as a percentage of the Basic Pay, are as follows:

SL. NO	ALLOWANCES	Quantum / % of Basic Pay
(A) Compulsory Allowance		
1	Canteen Allowance (Meal Vouchers)	Rs.2500 p.m
(B) Optional Allowances (As percentage of Basic Pay):		
1	Laundry/ Washing Allowance	1
2	Conveyance Allowance (for Gr-VIII & below only)	1
3	Professional Development Allowance (PDA)	8
4	Leave Travel Assistance	6
5	Newspaper/ Magazine Allowance	1
6	Telephone + Internet Connection at Residence (for Grade-VI & below only)	4
7	Mobile Phone (for Grade-VI & below only)	4
8	Entertainment Allowance (Grade VIII & below only)	4
9	Children's Education Allowance (Maximum for 2 Children @ 4% per Child)	8
10	House Maintenance Allowance	4
11	Soft Furnishing Allowance at Residence	6
12	Electricity Charges at Residence	3
13	Attendant Allowance at Residence	8
14	Support to Handicapped family members, including Self	4
15	Subsidy for House Building	8
16	Subsidy for Car	2
17	Subsidy for Computer	1
18	Subsidy on Loans for Higher Education of Children	2

3. The sum of the Compulsory Allowance at (A) above plus Optional Allowances at (B) above is to be within the prescribed Ceilings viz., 35 % of the Basic Pay. If the sum of the Compulsory Allowance plus the Optional Allowances falls short of the prescribed ceiling of Allowances (viz.,35%) in respect of an Officer, the differential amount would be paid as **Special Compensatory Allowance**.

ANNEXURE-I.G

**APPLICATION FORMAT FOR INDICATING THE OPTIONAL ALLOWANCES UNDER
THE "CAFETERIA SYSTEM" FOR THE FINANCIAL YEAR**

Ref: Personnel Circular No. 715 dated 17th November 2017

-oOo-

Name of the Officer :
EID No. :
Grade :
Division/ Office :
Basic Pay as on 1st April _____ :

I opt the Allowances indicated below, under the Cafeteria System, for payment to me during the Financial Year _____

S. No	List of Allowances	Quantum/ Prescribed % of Basic Pay	Allowances chosen (to be indicated by the Officer by putting ✓ mark against the selected item)
1	Canteen Allowance (Meal Vouchers)	Rs. 2500 p.m.	Rs. 2500 p.m.
2	Laundry/ Washing Allowance	1	
3	Conveyance Allowance (for Gr-VIII & below only)	1	
4	Professional Development Allowance (PDA)	8	
5	Leave Travel Assistance	6	
6	Newspaper/ Magazine Allowance	1	
7	Telephone + Internet Connection at Residence (for Grade-VI & below only)	4	
8	Mobile Phone (for Grade-VI & below only)	4	
9	Entertainment Allowance (Gr. VIII & below only)	4	
10	Children's Education Allowance (Maximum for 2 Children @ 4% per Child)	8	
11	House Maintenance Allowance	4	
12	Soft Furnishing Allowance at Residence	6	
13	Electricity Charges at Residence	3	
14	Attendant Allowance at Residence	8	
15	Support to Handicapped family members, including Self	4	
16	Subsidy for House Building	8	
17	Subsidy for Car	2	
18	Subsidy for Computer	1	
19	Subsidy on Loans for Higher Education of Children	2	
20	Special Compensatory Allowance, if required (%)	-	
Total (restricted to applicable %) (Rs.2500 + ___ % of Basic Pay i.e., total of ___ % of The Basic Pay)			

(Signature of the Officer)

Name :
Date :

Senior Manager/ Manager/ Dy. Manager (Pay Rolls)
HAL, _____ (Division/ Office)

(Through _____)

ANNEXURE-I.H

THE BASKET OF ALLOWANCES (FOR SELECTION BASED ON CAFETERIA APPROACH - WORKMEN)

The Basket of Allowances would include two types of Allowances:

- a) Compulsory Allowance(s) applicable in respect of all Workmen; and
- b) Allowances which are optional and which can be chosen by Workmen.

2. The list of Allowances and the rates as a percentage of the Basic Pay, are as follows:

Sl. No	Allowances	Quantum / % of Basic Pay
(A) Compulsory Allowance		
1	Canteen Allowance (Meal Vouchers / Card)	Rs.2500 p.m
(B) Optional Allowances (As percentage of Basic Pay):		
1	Washing Allowance	2
2	Conveyance Allowance	8
3	Professional Development Allowance (PDA)	2
4	Leave Travel Assistance	5
5	Newspaper/ Magazine Allowance	2
6	Children's Education Allowance (Maximum for 2 Children @ 3% per Child)	6
7	Support to Handicapped family members, including Self	2
8	Subsidy for House Building	6
9	Subsidy for Car	2
10	Subsidy for Computer	2
11	Subsidy on Loans for Higher Education of Children	2

3. The sum of the Compulsory Allowance at (A) above plus Optional Allowances at (B) above is to be within the prescribed Ceilings i.e, 25% of Basic Pay for workmen in Scales 1 to 10 and 22% for workmen in the Special Scale. If the sum of the Compulsory Allowance plus the Optional Allowances falls short of the prescribed ceiling of Allowances in respect of an Officer, the differential amount would be paid as Special Compensatory Allowance.

ANNEXURE-I.I

APPLICATION FORMAT FOR INDICATING THE OPTIONAL ALLOWANCES UNDER THE "CAFETERIA SYSTEM" FOR THE FINANCIAL YEAR

Ref: Personnel Circular No.7 1 8 dated 16th January 2020

Name of the Workmen :
EID No. :
Scale :
Division / Office :
Basic Pay as on 1st April :

I opt the Allowances indicated below, under the Cafeteria System, for payment to me during the Financial Year__

Sl. No	List of Allowances	Quantum / Prescribed % of Basic Pay	Allowances chosen (to be indicated by the Workmen by putting <input type="checkbox"/> mark against the selected item)
1	Canteen Allowance (Meal Vouchers)	Rs. 2500	Rs.2500 p.m.
2	Washing Allowance	2	
3	Conveyance Allowance	8	
4	Professional Development Allowance(PDA)	2	
5	Leave Travel Assistance	5	
6	Newspaper/ Magazine Allowance	2	
7	Children's Education Allowance (Maximum for 2 Children @ 3 % per Child)	6	
8	Support to Handicapped family members, including Self	2	
9	Subsidy for House Building	6	
10	Subsidy for Car	2	
11	Subsidy for Computer	2	
12	Subsidy on Loans for Higher Education of Children	2	
13	Special Compensatory Allowance, if required (%)	-	
Total (restricted to applicable %) (Rs.2500 + % of Basic Pay i.e., total of _% of The Basic Pay)			

(Signature of the Workmen)

Name:

Date:

Senior Manager/Manager/ Dy. Manager (Pay Rolls)
HAL,(Division/Office) (Through)

ANNEXURE-I.J**FOR A GRADE-II OFFICER IN 20% TAX SLAB**

DETAILS OF SALARY PAID AND ANY OTHER INCOME AND TAX DEDUCTED		
PARTICULARS	TAX INCLUDING PERQUISITES	TAX IN CASE OF NIL PERQUISITES
<u>GROSS SALARY U/S 17(1)</u>		
Salary as per provisions contained in Section 17(1)	8,38,497	8,38,497
Value of perquisites under section 17(2)	1,19,763	---
Total	9,58,260	8,38,497
<u>Deductions</u>		
Professional Tax	2,400	2,400
Income chargeable under the head salaries	9,55,860	8,36,097
Deduction under Chapter IV-A	1,50,000	1,50,000
Total income (considering salary income only)	8,05,860	6,86,097
Tax payable	73,672	49,720
Education cess	2,210	1,492
Total tax	75,882	51,212
Additional tax liability due to acc perks		24,671
50% share to be borne by the company		12,335

Note: Income from Sources other than Salary is not considered

ANNEXURE-I.K**FOR A GRADE-VII OFFICER IN 30% TAX SLAB**

DETAILS OF SALARY PAID AND ANY OTHER INCOME AND TAX DEDUCTED		
PARTICULARS	TAX INCLUDING PERQUISITES	TAX IN CASE OF NIL PERQUISITES
<u>GROSS SALARY U/S17(1)</u>		
Salary as per provisions contained in Section 17(1)	22,93,365	22,93,365
Value of perquisites under section 17(2)	3,41,946	10,000
Total	26,35,311	23,03,365
<u>Deductions</u>		
Professional Tax	3,000	3,000
Income chargeable under the head salaries	26,32,311	23,00,365
Deduction under Chapter IV-A	1,50,000	1,50,000
Total income (considering salary income only)	24,82,311	21,50,365
Tax payable	5,57,194	4,57,610
Education cess	16,716	13,728
Total tax	5,73,910	4,71,338
Additional tax liability due to acc perks		1,02,572
50% share to be borne by the company		51,286

Note: Income from Sources other than Salary is not considered

ANNEXURE-I.L**FOR A GRADE-II OFFICER IN 20% TAX SLAB**

Bifurcation of Income from Salary Rs. 9,55,860/- (20,726/- VL Encashment and Wage Rev Arrears 1,56,642/-)				
PARTICULARS	Total	01-03-2017 to 09-11-2017	10-11-2017 to 28-02-2018	
			Including accommodation perquisites	Without accommodation perquisites
17(1) Salary Income of Rs.6,61,129/-(ie. excluding VL Encashment, Wage Revision Arrears and Perquisites) (Based on Actuals)	6,61,129	4,60,073	2,01,056	2,01,056
VL Encashment on 10-10-2017 (Based on the date of encashment)	20,726	20,726	-	-
Wage Revision Arrears	1,56,642	1,56,642	-	-
Total	8,38,497	6,37,441	2,01,056	2,01,056
Perquisite on Company Accommodation @15%	1,25,775	95,616	30,158	-
Less: Rent Recovery	6,012	4,008	2,004	
Value of perquisites under section17(2)	1,19,763	91,608	28,154	
Total	9,58,260	7,29,050	2,29,210	2,01,056
Deductions				
Professional tax	2,400	1,600	800	800
Income chargeable under the head salaries	9,55,860	7,27,450	2,28,410	2,00,256
Deduction under Chapter VI-A	1,50,000	1,04,384	45,616	45,616
Total income (considering salary income only)	8,05,860	6,23,066	1,82,794	1,54,639
Tax payable	73,672	37,114	36,558	30,928
Education cess	2,210	1,113	1,097	928
Total tax	75,882	38,227	37,655	31,856
Additional tax liability due to ACC perks	24,671		5,799	
50%share to be borne by the Company			2,899	

Note: Income from Sources other than Salary is not considered

ANNEXURE-I.M**FOR A GRADE-VII OFFICER IN 30% TAX SLAB**

Bifurcation of Income from Salary Rs. 26,32,311/- (71,368/- VL Encashment and Wage Rev Arrears Rs. 4,30,252/-)				
PARTICULARS	Total	01-03-2017 to 09-11-2017	10-11-2017 to 28-02-2018	
			Including accommodation perquisites	Without accommodation perquisites
17(1) Salary Income of Rs.6,61,129/- (ie. excluding VL Encashment, Wage Revision Arrears and Perquisites) (Based on Actuals)	17,91,745	12,46,858	5,44,887	5,44,887
VL Encashment on 10-10-2017 (Based on the date of encashment)	71,368	71,368	-	-
Wage Revision Arrears	4,30,252	4,30,252	-	-
Total	22,93,365	17,48,478	5,44,887	5,44,887
Perquisite on Company Accommodation @15%	3,44,005	2,62,272	81,733	-
Less: Rent Recovery	12,059	7,863	4,196	-
Value of perquisites under section 17(2)	10,000	6,667	3,333	3,333
Total	3,41,946	2,61,075	80,870	3,333
Deductions				
Professional tax	3,000	1,600	1,400	1,400
Income chargeable under the head salaries	26,32,311	20,07,954	6,24,357	5,46,820
Deduction under Chapter VI-A	1,50,000	1,04,384	45,616	45,616
Total income (considering salary income only)	24,82,311	19,03,570	5,78,741	5,01,204
Tax payable	5,57,194	3,83,571	1,73,623	1,50,362
Education cess	16,716	11,507	5,209	4,511
Total tax	5,73,910	3,95,078	1,78,832	1,54,873
Additional tax liability due to ACC Perks	1,02,572			23,959
50% share to be borne by the Company				11,979

Note: Income from Sources other than Salary is not considered

ANNEXURE-I.N

ILLUSTRATIVE LIST OF PROFESSIONAL BODIES IN 'AREAS OTHER THAN TECHNICAL' [APPENDIX – A TO PC No. 635 DATED 13 OCT 1997 (AS AMMENDED)]

SL. No	DISCIPLINE	NAME OF PROFESSIONAL BODIES
1.	Personnel & Admin/HRD	i) National Institute of Personnel Management ii) National HRD Network
2.	Finance & Accounts	i) Institute of Chartered Accountants of India ii) Institute of Cost & Works Accountants of India
3.	Commercial/IMM	Indian Institute of Material Management
4.	Secretariat	Institute of Company Secretaries of India
5.	Medical	i) Indian Medical Association ii) Indian Association of Physicians iii) Association of Surgeons of India
6.	Public Relations	Public Relations Society of India
7.	Training	Indian Society for Training & Development
8.	Computers	Computer Society of India
9.	Security & Fire	i) International Institute of Security and Safety Management ii) The Institute of Fire Engineers (India)

PART-I

APPLICATION FOR REIMBURSEMENT OF MEMBERSHIP FEE PAID TO PROFESSIONAL BODY / BODIES:

From:

Name :
EID No. :
Designation :
Dept/Section :

To:

(Department Head/Sanctioning Authority concerned)

Through: Proper Channel

In accordance with the provisions of Personnel Circular No. _____ dated _____, I request you to kindly grant me reimbursement of the Annual Membership Fee/ Life Membership Fee/ One Time Payment paid by me to the following Professional Body/Bodies, against my eligibility for the current Financial year, i.e _____

Name of the Professional Body with full address of its Registered Office	Membership status	Membership No. status if any,	Amount of Membership Fee paid	Amount of Reimbursement claimed

The receipt/s in proof of my having paid the Membership Fee(s) and in respect of which I seek reimbursement is/are enclosed.

I hereby certify that the reimbursement claimed by me is as per my eligibility for the current Financial Year, as prescribed in the Personnel Circular under reference.

Place:

Date:

(Signature of the Officer)

Contd...

PART – II

The reimbursement claimed above is hereby sanctioned.

(SANCTIONING AUTHORITY)
(Name, Designation, Seal)

HR DEPARTMENT

PART- III

This application has been scrutinized and the officer is eligible to be reimbursed an amount of Rs. _____/- as per the subject Scheme.

HRO / Dy. Mgr (HR) / Mgr (HR)

AO / Dy. Mgr / Mgr (Pay rolls)

PART-IV

Dated:

FOR RETENTION IN ACCOUNTS DEPARTMENT

An amount of Rs. _____ has been paid to the Officer vide voucher No. _____ dated _____/along with the salary for the month of _____ .

AO / Dy Mgr / Mgr (Pay rolls)

RETENTION:

HINDUSTAN AERONAUTICS LIMITED
.....DIVISION

**APPLICATION FORM FOR ADVANCE TO PURCHASE A MOTOR CYCLE /
SCOOTER / AUTO CYCLE/ MOTORISED WHEEL-CHAIR/ TRI-CYCLE**

Sl. No.	Description	
1	Name and Age	
2	Dept/ EID No.	
3	Department	
4	Designation (Group/Scale)	
5	Basic Pay, SP, SWP, and DA	
6	Date of Birth / Superannuation	
7	Whether belongs to Orthopedically Handicapped Category	
8	Residential Address	
9	Reasons for purchasing Scooter / Motor Cycle / Auto Cycle / Motorized Wheel Chair / Tri-Cycle	
10	Approximate Value of Scooter / Motor Cycle / Auto Cycle/ Motorized Wheel Chair / Tri-Cycle proposed to be purchased	
11	Amount of advance applied for	
12	a) Name of the Surety	
	b) Dept/ EID No.	
	c) Department	
	d) Designation	
	e) Basic Pay (including if any), SWP and DA	
	f) Date of appointment in HAL	
	g) Date of Birth / Superannuation	

I bind myself to use the amount, if sanctioned, to purchase a Motor Cycle / Scooter / Auto Cycle/ Motorized Wheel Chair / Tri-Cycle.

The purchase receipt will be produced to the Accounts Department within one month from the date I receive the advance.

If the advance is sanctioned, I agree to abide by the rules framed for the purpose by the Company and to enter into an Agreement with the Company in the prescribed Format and also to execute a Hypothecation Bond in favour of the Company in the prescribed Format.

Signature of the Applicant
Department:

Place :
Date :

Recommendations of the Departmental / Divisional Head:
Signature of the Departmental / Division Head:

I hereby agree to stand as Surety to Shri / Smt
..... Dept / Permanent Badge
No..... Department
..... for repayment of the advance, if paid by the
Company, for the purchase of a Motor Cycle Scooter/ Auto Cycle / Motorized Wheel
Chair / Tri-Cycle.

I am not at present a surety to any other HAL employee who has taken a
Motor Cycle / Scooter / Auto Cycle / Motorized Wheel-Chair/ Tri-Cycle and has not
hypothecated the Vehicle and assigned the Insurance Policy in respect of the same
in favour of the Company nor do I owe any amount on this account to the Company
for which action regarding Hypothecation of the Vehicle and assignment of the
Insurance Policy has not been completed.

I have not stood as surety for any other HAL employee in respect of other
advances nor do I owe any amount to the Company on this account.

I am a permanent employee of the Company serving continuously for more
than two years.

I certify that the above particulars mentioned by me are correct.

Place :

Signature of Surety

Date :

Dept / EID No.

Department

Designation of surety:

ANNEXURE-II.B

**AGREEMENT EXECUTED AT THE TIME OF DRAWING AN ADVANCE
BY EMPLOYEE FOR THE PURCHASE OF A MOTOR CYCLE / SCOOTER
/ AUTO CYCLE / MOTORISED WHEEL-CHAIR/ TRI-CYCLE**

AN Agreement made on day of Two thousand between.....Dept / EID No..... an employee of Hindustan Aeronautics Limited.....Division (hereinafter called the Borrower, which expression shall include his heirs, administrators, executors and legal representatives) of the one part and the HINDUSTAN AERONAUTICS LIMITEDDIVISION (hereinafter referred to as Company, which expression shall include its successors and assigns) of the other part.

2. WHEREAS the Borrower has under the provisions of the Rules of the Company (hereinafter referred to as the said rules which expression shall include any amendments thereof for the time being in force) applied to the Company for a loan of Rs..... (Rupees.....) for the purchase of a Motor Cycle / Scooter / Auto Cycle/ Motorized Wheel Chair / Tri-Cycle.

3. AND WHEREAS the Company has agreed by its letter No.....dated..... to lend the said amount to the Borrower on the terms and conditions hereinafter contained.

NOW IT IS HEREBY AGREED

4. THAT in consideration of the sum of Rs..... (Rupees.....only) advanced by the Company by way of loan to the Borrower (the receipt of which the Borrower hereby acknowledges) the Borrower hereby agrees with the Company (1) to repay the Company the said amount with interest calculated according to the said rules by monthly deductions from his salary as provided in the said rules, and hereby authorizes the said Company to make such deductions, and (2) within one week from the date of receipt of the loan pursuant to these presents :

- (a) To expend the full amount of the said loan on the purchase of Motor Cycle / Scooter / Auto Cycle/ Motorized Wheel Chair / Tri-Cycle; or
- (b) If the actual price paid for the Vehicle is less than the amount advanced to refund the difference to the Company forthwith; and
- (c) Within one month from the date of the payment to execute a document hypothecating the said Motor Cycle / Scooter / Auto Cycle / Motorized Wheel Chair / Tri-Cycle to the Company as

Security for the amount lent to the borrower as aforesaid (inclusive of interest thereon) in the form prescribed by the said rules.

5. It is hereby further declared and confirmed that if the Scooter / Motor Cycle / Auto Cycle/ Motorized Wheel Chair / Tri-Cycle is not purchased and / or not hypothecated as aforesaid within the period stipulated above or if the Borrower, before the loan is fully repaid, becomes insolvent, or ceases to be in the service of the Company or dies, the whole amount of the loan together with the interest accrued thereon or as much of it as may remain outstanding at the time shall immediately become due and payable.

In case the advance is not refunded in full, the said amount shall be recoverable from the salary of the borrower in toto by adjusting the entire salary as if the Vehicle Advance was a salary advance with interest at 2% above the Company's borrowing rate of interest till such time the advance is recovered / paid in full. The borrower shall also be liable for disciplinary action for misuse of the advance, as per the provisions of the Standing Orders. However, in respect of workmen covered by the Payment of Wages Act, the recovery of advance with penal interest is to be regulated as per the provisions of the said Act.

6. IN WITNESSES WHEREOF THE BORROWER has hereunto set his hand the day and year first before written.

Signed by the said Shri / Smt..... in the presence of:

Signature of witness with Designation and Address

Signature, Designation and address of the Borrower

I agree to stand surety for the above debt and further agree that any time or indulgence shown or granted to the Borrower aforesaid with or without my knowledge, shall not in any way, exonerate me from the liability to pay the debt under this agreement. I have not stood surety in any other pending cases, nor have I taken any advance myself for the purchase of a Motor Cycle / Scooter / Auto Cycle/ Motorized Wheel Chair / Tri-Cycle in respect of which the Vehicle has not been hypothecated to the Company and Insurance Policy thereof assigned in favour of the Company.

Signature of witness with Designation and Address

Signature, designation and Address of the Surety

1.

2.

ANNEXURE-II.C

LETTER OF HYPOTHECATION EXECUTED FOR ADVANCE PAID FOR PURCHASE OF MOTOR CYCLE / SCOOTER / AUTO CYCLE / MOTORIZED WHEEL-CHAIR/ TRI-CYCLE

This Indenture made this theday of Two thousand and between Shri /Smt..... Dept..... EID No..... an employee of the HINDUSTAN AERONAUTICS LIMITED.....DIVISION, (hereinafter called the Borrower which expression shall include his/her heirs, administrators, executors and legal representatives) of the one part and the HINDUSTAN AERONAUTICS LIMITED.....DIVISION (hereinafter called the Company which expression shall include its successors and assigns) of the other part.

WHEREAS the borrower has applied for and has been granted an advance of Rs..... (Rupees..... Only) vide No..... dated..... to purchase a under the rules of the Company (hereinafter referred to as 'the said rules' which expression shall include any amendment thereof or addition thereto for the time being in force).

AND WHEREAS one of the conditions upon which the said advance has been granted to the borrower is that the borrower will hypothecate the said to the Company as security for the amount lent to the borrower.

AND WHEREAS the Borrower has purchased with or partly with the amount as advanced as aforesaid the Motor Cycle / Scooter / Auto Cycle/ Motorized Wheel Chair / Tri-Cycle particulars whereof are set out in the schedule hereunder written.

NOW THIS INDENTURE WITNESSETH

That in pursuance of the said agreement and for the consideration aforesaid the Borrower both hereby covenant to pay to the Company the sum of Rs..... (Rupees.....only) aforesaid by equal instalments on the fifth day of every month and will pay interest on the sum for the time being remaining due and owing calculated according to the said rules, and the Borrower both agree that such payments may be recovered by monthly deductions from his salary in the manner provided by the said rules, and the borrower both hereby assign and transfer unto the Company the Motor Cycle / Scooter / Auto Cycle/ Motorized Wheel Chair / Tri-Cycle particulars whereof are set out in the Schedule hereunto written by way of security for the said advance and the interest thereon as required by the said rules.

AND THE BORROWER both hereby agree and declare that he / she has paid in full the purchase price of the said Motor Cycle / Scooter / Auto Cycle/ Motorized Wheel Chair / Tri-Cycle and that the same is his / her absolute property and that he / she has not pledged and so long as any money remains payable to the Company in respect of the said advance will not sell, pledge or part with the property in or possession of the said Motor Cycle / Scooter / Auto Cycle/ Motorized Wheel Chair / Tri-Cycle.

PROVIDED ALWAYS that it is hereby agreed and declared that if any of the said installments of principal or interest shall not be paid or recovered in manner aforesaid within ten days after the same are due or if the borrower shall die or at any time cease to be in company's service or if the borrower shall sell or pledge or part with the property in or possession of the said Motor Cycle / Scooter / Auto Cycle/ Motorized Wheel Chair / Tri-Cycle, or become insolvent or made any composition or arrangement with his creditors or if any person shall take proceedings in execution of any decree or judgment against the borrower, the whole of the said principal sum which shall then be remaining due and unpaid, together with interest thereon calculated as aforesaid shall forthwith become payable.

AND IT IS HEREBY AGREED and declared that the Company may on the happening of any of the events hereinbefore mentioned seize and take possession of the said Motor Cycle / Scooter / Auto Cycle / Motorized Wheel Chair / Tri-Cycle and either remain in possession thereof without removing the same or else may remove and sell the said Motor Cycle / Scooter / Auto Cycle / Motorized Wheel Chair / Tri-Cycle either by public auction or private contract and may out of the sale money retain the balance of the said advance then remaining unpaid and any interest due thereon calculated as aforesaid and all costs, charges, expenses and payments properly incurred or made in maintaining, defending or realizing Company's rights hereunder, and shall pay over the surplus if any, to the borrower, his executors, administrators or personal representatives.

PROVIDED FURTHER that the aforesaid power of taking possession or selling of the said Motor Cycle / Scooter / Auto Cycle / Motorized Wheel Chair / Tri-Cycle shall not prejudice the right of the Company to sue the borrower or his personal representatives for the said balance remaining due and the interest or in the case the Motor Cycle / Scooter / Auto Cycle / Motorized Wheel Chair / Tri-Cycle being sold, the amount by which the net sale proceeds fall short of the amount owing and the borrower hereby further agrees so long as any money are remaining due and owing to the Company, he / she, the borrower will insure and keep insured the said Motor Cycle / Scooter / Auto Cycle / Motorized Wheel Chair / Tri-Cycle against loss or damage by fire, theft or accident with insurance company and will produce evidence to the satisfaction of the Company that the Insurance Company with whom the Motor cycle / Scooter / Auto Cycle / Motorized Wheel Chair / Tri-Cycle is insured has received notice that the Company is interested in the policy, and the borrower hereby further agrees that he will not permit or suffer the said Motor Cycle / Scooter / Auto Cycle to be destroyed or injured or to deteriorate in a greater degree than it would

deteriorate by reasonable wear and tear thereof and further that in the event of any damage or accident happening to the said Motor Cycle / Scooter /Auto Cycle/ Motorized Wheel Chair / Tri-Cycle, the borrower will forthwith have the said repaired and made good.

SCHEDULE

Description of Motor Cycle / Scooter / Auto Cycle / Motorized Wheel Chair / Tri-Cycle

Registration No. :
Maker's Name :
Description :
No. of Cylinders :
Engine Number :
Horse Power :
Chassis Number :
Cost Price :

Particulars of Insurance

Name of the Insurance Company :
Policy Number :
Nature of risk covered :
Endorsement No. & Date :
Value Insured :
Period covered :

IN WITNESS WHEREOF the said
..... (Borrower's Name) has hereunto
set his hand the day and year first above written.

Signature and Designation of the
Borrower

HINDUSTAN AERONAUTICS LIMITED
..... **DIVISION / OFFICE**

Application for advance against Salary for the month of
.....

Dated :

1. Name :
2. Dept / EID No. :
3. Designation :
4. Basic Pay and DA :
5. No. of times the advance has
already been availed during
the current Financial Year :
6. Purpose for which advance is required :

The above advance may be recovered in full from my Salary for the month of /*I will refund the amount at the time of disbursement of my salary.

(*) applicable only if the advance is granted after 22nd of the month.

HEAD OF THE DEPARTMENT

SIGNATURE OF THE EMPLOYEE

HINDUSTAN AERONAUTICS LIMITED
(_____ DIVISION / OFFICE)

HAL EMPLOYEE SUGGESTION SCHEME

SUGGESTION FORM

Sl. No	Name & Designation	PB No.	Department / Section
1			
2			
State briefly the subject of the Suggestion			

Please give details of the current method(s) used:

Your suggestion for improvement in the area identified:

Expected benefits from your suggestion:

Advantages of suggestion	
Estimated Cost of implementation of the suggestion	
Estimated Savings per Annum (in Rs.)	

Date:

[Signature of the Suggestor(s)]

Please forward your suggestion(s) to: Member/Secretary of the Suggestion Committee or Through E-mail at ***@hal-india.com. or Drop it in the Suggestion Box kept within Factory premises.

Suggestion received on: _____

Registration No.: _____

Member – Secretary
Suggestion Committee

Note

- Please attach Diagram(s), Sketch (es) etc., if warranted, to illustrate the methods and to have clarity.
- Be precise and to the point in highlighting the current practices.
- Be specific in highlighting the Qualitative & Financial Benefits that can be derived, if the Suggestion is implemented.

***Email address of Divisional MSD

ANNEXURE – III.B

**LIST OF QUALIFICATIONS AND AMOUNT OF INCENTIVE –
TECHNICAL DISCIPLINES**

Sl. No.	Technical	Amount of Incentive
1	Ph D. The qualification so acquired, should be relevant to the professional discipline or area of work	Examination Fee + Rs.4000/-
2	Post Graduate Degree in Engineering from a recognized University / Institution	Examination Fee + Rs.1700/-
3	<p>Degree in Engineering viz BE / B.Tech from a recognized University / Institution</p> <p>Pass in Section A & B of the Examination conducted by Professional Bodies like AMIE, AMAeSI, AMIAM, Grad IIIE that are considered as equivalent to Degree in Engineering</p> <p>Masters Degree in Computer Applications from a recognized University / Institution (3 year Part Time / Correspondence)</p> <p>GDMM / PGDMM from IIMM or other recognized Universities (2 year Full Time or 3 year Correspondence / Part Time)</p>	Examination Fee + Rs.2000/-
4	<p>Diploma in Engineering from a recognized Institution / Board</p> <p>Pass in Final Examination conducted by recognized Institutions or Professional Bodies that are considered equivalent to Diploma in Engineering</p>	Examination Fee + Rs.1400/-
5	Post Graduate Diploma in Analytical Chemistry	Examination Fee + Rs.800/-
6	<p>ITI Certificate Awarded by the recognized Institutes / Diploma in Craftsmanship</p> <p>Certificate awarded by the Government Industrial Training Institutes or similar Institutions recognized by the Government or National Trade Certificate</p>	Examination Fee + Rs.600/-

ANNEXURE – III.C

**LIST OF QUALIFICATIONS AND AMOUNT OF INCENTIVE –
NON-TECHNICAL DISCIPLINES**

Sl. No.	Non-Technical	Amount of Incentive
1	Ph D. The qualification so acquired, should be relevant to the professional discipline or area of work	Examination Fee + Rs.4000/-
2	Pass in Final examination of Institute of Cost & Works Accountants of India / Institute of Chartered Accountants Pass in the Final Examination of Company Secretary ship conducted by the Institute of Company Secretaries of India Post Graduate Degree / Diploma in Personal Management & Industrial Relations, Business Management, Labour Welfare and Social Administration, Finance, Public Relations, Marketing & Sales Management awarded by Universities and any Institution recognized by the Government of India (2 year Full Time or 3 years Correspondence or Part Time only)	Examination Fee + Rs.2000/-
3	Pass in the Management Accounting Examination conducted by the Institute of Chartered Accountants of India or Costs & Works Accountant of India Post Graduate Diploma in ENT, Pediatrics, Medicine etc. from Universities / Institutes recognized by the Government.	Examination Fee + Rs.1700/-
4	Diploma in Training & Development awarded by ISTD Pass in Intermediate Examination of the Institute of Cost & Works Accountants of India / Institute of Chartered Accountants of India Pass in the Intermediate Examination of the Institute of Company Secretaries of India Post Graduate Degree in any discipline such as Arts, Science, Commerce or Law from any recognized University	Examination Fee + Rs.1400/-
5	Diploma in Management awarded by All India Management Association, New Delhi / IGNOU Post Graduate Degree directly under Open University i.e. without any Basic Qualification	Examination Fee + Rs.800/-
6	One year PG Diploma in Personnel Management & Industrial Relations (on acquiring one year Diploma from IGNOU)	Examination Fee + Rs.800/-
7	Degree in any Discipline such as Arts, Science, Commerce, Law from any recognized University	Examination Fee + Rs.600/-

ANNEXURE – III.D

WORK SHEET FOR DERIVING OUTPUT DURING REGULAR HOURS AND AFTER APPLYING REWORK FACTOR & REJECTION FACTOR

SI No.	Description		Example-I				Example-II				Example-III			
			M1	M2	M3	Total	M1	M2	M3	Total	M1	M2	M3	Total
A)	Input Hours during the month													
	a) Regular Hours		187.5	187.5	187.5	562.5	187.5	187.5	187.5	562.5	187.5	187.5	187.5	562.5
	b) OT in Hours		50	50	0	100		50	50	100	50		50	100
	c) Total Hours	$[A(a) + A(b)]$	237.5	237.5	187.5	662.5	187.5	237.5	237.5	662.5	237.5	187.5	237.5	662.5
B)	Input Hours during the year, Cumulative													
	a) Regular Hours		187.5	375	562.5		187.5	375	562.5		187.5	375	562.5	
	b) OT in Hours		50	100	100		0	50	100		50	50	100	
	c) Total Hours ::	$[B(a) + B(b)]$	237.5	475	662.5		187.5	425	662.5		237.5	425	662.5	
	d) Factor for SMH during Regular Hours	$[B(a) / B(c)]$	0.79	0.79	0.85		1.00	0.88	0.85		0.79	0.88	0.85	
C)	SMH Output (Job Tickets dropped)													
	a) During the month	Assumed	350	300	250	900	250	300	350	900	350	250	300	900
	b) Cumulative		350	650	900		250	550	900		350	600	900	
D)	Output pertaining to Regular Hours													
	a) Cumulative	$[B(d) \times C(b)]$	276	513	764		250	485	764		276	529	764	
	b) During month		276	237	251	764	250	235	279	764	276	253	235	764
E)	Output with Rework Factor & Rejection Factor													
	a) Rework Factor	Assumed	0.98	0.95	0.99		0.98	0.95	0.99		0.98	0.95	0.99	
	b) Rejection Factor (As per para III.5.4.8 of the Scheme)	Assumed	0.95	0.99	0.95		0.95	0.99	0.95		0.95	0.99	0.95	
	c) Output pertaining to Regular Hours, after applying Rework Factor & Rejection Factor	$[D(b) \times E(a) \times E(b)]$	257	223	236	715.92	233	221	262	716.167	257	238	221	715.92

A)	Input Hours during the month													
	a) Regular Hours		187.5	187.5	187.5	562.5	187.5	187.5	187.5	562.5	187.5	187.5	187.5	562.5
	b) OT in Hours		150			150		150		150			150	150
	c) Total Hours	$[A(a) + A(b)]$	337.5	187.5	187.5	712.5	187.5	337.5	187.5	712.5	187.5	187.5	337.5	712.5
B)	Input Hours during the year, Cumulative													
	a) Regular Hours		187.5	375	562.5		187.5	375	562.5		187.5	375	562.5	
	b) OT in Hours		150	150	150		0	150	150		0	0	150	
	c) Total Hours ::	$[B(a) + B(b)]$	337.5	525	712.5		187.5	525	712.5		187.5	375	712.5	
	d) Factor for SMH during Regular Hours	$[B(a) / B(c)]$	0.56	0.71	0.79		1.00	0.71	0.79		1.00	1.00	0.79	
C)	SMH Output (Job Tickets dropped)													
	a) During the month	Assumed	500	200	200	900	200	500	200	900	200	200	500	900
	b) Cumulative		500	700	900		200	700	900		200	400	900	
D)	Output pertaining to Regular Hours													
	a) Cumulative	$[B(d) \times C(b)]$	278	500	711		200	500	711		200	400	711	
	b) During month		278	222	211	711	200	300	211	711	200	200	311	711
E)	Output with Rework Factor & Rejection Factor													
	a) Rework Factor	Assumed	0.98	0.95	0.99		0.98	0.95	0.99		0.98	0.95	0.99	
	b) Rejection Factor (As per para III.5.4.8 of the Scheme)	Assumed	0.95	0.99	0.95		0.95	0.99	0.95		0.95	0.99	0.95	
	c) Output pertaining to Regular Hours, after applying Rework Factor & Rejection Factor	$[D(b) \times E(a) \times E(b)]$	259	209	198	666.0545	186	282	198	666.7955	186	188	292	666.7955

NOTE: Input Hours pertain to bookings against Production Work Orders

..contd.

**WORK SHEET FOR PAYMENT OF INCENTIVE IN RESPECT OF COMPONENTS ACCEPTED / STAGES
CLEARED BY QUALITY CONTROL (QC)**

	SI No	Description		M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Total for the Year	
Input Data	A)	Attendance	-														
		a) No. of Working days		25	25	25	25	25	25	25	25	26	25	24	25	300	
		b) Actual Attendance		25	25	20	20	25	25	20	20	25	25	20	20	270	
	B)	Attendance - Cumulative	-														
		a) No. of Working days		25	50	75	100	125	150	175	200	226	251	275	300		
		b) Actual Attendance		25	50	70	90	115	140	160	180	205	230	250	270		
		c) Factor for Physical Attendance	[B(b) / B(a)]	1.00	1.00	0.93	0.90	0.92	0.93	0.91	0.90	0.91	0.92	0.91	0.90		
		<u>Ceiling for SMH Output (Components Accepted / Stages cleared)</u>															
		a) SMH Ceiling (for full Attendance), Cumulative		300	600	900	1,200	1,500	1,800	2,100	2,400	2,700	3,000	3,300	3,600		
		b) SMH Ceiling corrected for Attendance, Cumulative	[C(a) x B(c)]	300	600	840	1,080	1,380	1,680	1,920	2,160	2,449	2,749	3,000	3,240		
Output Data		<u>SMH Booked / Job tickets dropped (Pertaining to Regular Hours and after applying Rework Factor & Rejection Factor). Values as arrived at row E(c) of Appendix I(Sheet 1/2).</u>															
	D)	a) During the month	Assumed	213	206	391	651	210	168	251	191	344	226	261	310	3,422	
		b) During the year, Cumulative		213	419	810	1,461	1,671	1,839	2,090	2,281	2,625	2,851	3,112	3,422	3,422	
		<u>SMH Accepted</u>															
E)	a) SMH in respect of Components accepted / Stages cleared by QC during the Year, Cumulative	Assumed	153	410	629	1,404	1,548	1,548	1,897	2,177	2,492	2,785	3,082	3,325	3,325		

		b) SMH Payable based on Ceiling, Cumulative	Lesser of [C(b) and E(a)]	153	410	629	1,080	1,380	1,548	1,897	2,160	2,449	2,749	3,000	3,240		
		c) SMH Payable based on Ceiling during the Month		153	257	219	451	300	168	349	263	289	300	251	240	3,240	
	F)	SMH Carried Forward															
		a) Pertaining to operations completed but components not accepted / stages not cleared by QC	D(b) - E(a)	60	9	181	57	123	291	193	104	133	66	30	97	97	
		b) Pertaining to operations completed and components accepted, but incentive not paid due to ceiling	[E(a) - E(b)]	0	0	0	324	168	0	0	17	43	36	82	85		
NOTE	a) At the end of each month, an output as shown at F(a) will be carried forward to the following month, pertaining to operations completed but component/stage not completed and accepted by QC department.																
	b) At the end of the fourth month (M4), an output of 324 SMH will be carried forward to the following month(s), being more than the ceiling upto the end of the month																
	c) At the end of the year, an output of 97 SMH pertaining to operations completed but not accepted / stages not cleared at the end of the year will be carried forward to the following year (as opening balance)																
	d) Input Hours pertain to bookings against Production Work Orders																
	e) Incentive amount payable will be calculated at Rs. 22/- per SMH.																

ANNEXURE – III.E

CALCULATION OF INCENTIVE FOR DIRECT LABOUR IN A GROUP

Sl No.	Description	Regular / Overtime	M1		M2		M3		M4		M5		M6		Totals For 6 Months
			For the Month	Cum	For the Month	Cum	For the Month	Cum	For the Month	Cum	For the Month	Cum	For the Month	Cum	
1	DL1	i) Regular	187.5	187.5	187.5	375	187.5	562.5	0.0	562.5	0.0	562.5	100.0	662.5	662.5
		ii) Overtime	50.0	50.0	50.0	100		100.0		100.0		100.0		100.0	100.0
2	DL2	i) Regular	167.5	167.5	167.5	335	100.0	435.0	187.5	622.5	0.0	622.5	125.0	747.5	747.5
		ii) Overtime		0.0	50.0	50		50.0		50.0		50.0		50.0	50.0
3	DL3	i) Regular	150.0	150.0	150.0	300	187.5	487.5	150.0	637.5	150.0	787.5	150.0	937.5	937.5
		ii) Overtime	20.0	20.0	50.0	70		70.0		70.0	50.0	120.0		120.0	120.0
4	DL4	i) Regular	50.0	50.0	95.0	145	187.5	332.5	187.5	520.0	0.0	520.0	0.0	520.0	520.0
		ii) Overtime		0.0	50.0	50		50.0		50.0		50.0		50.0	50.0
5	DL5	i) Regular	100.0	100.0	100.0	200	187.5	387.5	160.0	547.5	160.0	707.5	187.5	895.0	895.0
		ii) Overtime		0.0	50.0	50		50.0		50.0		50.0		50.0	50.0
6	Total Input Hours	i) Regular	655.0	655.0	700.0	1355	850.0	2,205.0	685.0	2,890.0	310.0	3,200.0	562.5	3,762.5	3,762.5
	Total Input Hours	ii) Overtime	70.0	70.0	250.0	320	0.0	320.0	0.0	320.0	50.0	370.0	0.0	370.0	370.0
	Total Input Hours (Regular + Overtime)		725.0	725.0	950.0	1,675	850.0	2,525.0	685.0	3,210.0	360.0	3,570.0	562.5	4,132.5	4,132.5
A)	Factor for SMH Output during Regular Hours			0.90		0.81		0.87		0.90		0.90		0.91	
B)	SMH Output Booked - during the Month	Assumed	1,531		1,938		3,571		0		690		1,145		8,875
C)	SMH Output Booked - Cumulative			1,531		3,469		7,040		7,040		7,730		8,875	
D)	SMH Output Booked during Regular Hours - Cumulative	[C x A]		1,378		2,810		6,125		6,336		6,957		8,076	

E)	SMH Output Booked during Regular Hours- during the Month		1,378		1,432		3,315		211		621		1,119		8,076
E (a)	Rework Factor	Assumed	0.98		0.95		0.99		1.00		0.94		0.89		
E (b)	Rejection Factor	Assumed	0.95		0.95		0.97		0.98		0.99		0.95		
F)	SMH Output Booked during Regular Hours after applying Rework Factor & Rejection Factor - during the Month	$E \times E(a) \times E(b)$	1,283		1,292		3,183		207		578		946		7,489
H)	Distribution of above SMH Booked amongst DL during the Month														
a)	DL1	$[1(i) / 6(i)] \times F$	367		346		702		0		0		168		1,584
b)	DL2	$[2(i) / 6(i)] \times F$	328		309		375		57		0		210		1,279
c)	DL3	$[3(i) / 6(i)] \times F$	294		277		702		45		280		252		1,850
d)	DL4	$[4(i) / 6(i)] \times F$	98		175		702		57		0		0		1,032
e)	DL5	$[5(i) / 6(i)] \times F$	196		185		702		48		298		315		1,745
Total ::			1,283		1,292		3,183		207		578		946		7,489

NOTE:

- a) Input Hours pertain to bookings against Production Work Orders
- b) The procedure for accumulation of outputs, eligibility, Ceiling and payment of Incentive etc. will be as explained in Appendix-I (Sheet 2/2).

ANNEXURE – III.G

R&D CENTRES, CORPORATE / COMPLEX/ LIASION OFFICES

SI No.	Division/ Office	Attached to
a)	Common Services – FMD, TTI and Medical & Health Unit, Bangalore	All Production /Overhaul Divisions in Bangalore Complex & Helicopter Complex excluding Barrackpore.
b)	MD(B)'s Office, Airport Service Centre & Flight Operations (Fixed Wing) ARDC, AERDC, MCSRDC and DIR(D&D)'s Office	All Production / Overhaul Divisions of Bangalore Complex.
c)	LO, Chennai	Aircraft Division, Bangalore Complex
d)	RWRDC, Flight Operations (Rotary Wing) & MD(H)'s Office	All Production / Overhaul Divisions of Helicopter Complex.
e)	AURDC, Nasik	Nasik Division (AMD and AOD)
f)	GTRDC, Koraput	Koraput Division (Engines & SED)
g)	LO, Vishakapatnam	Koraput Division (Engines & SED)
h)	MD(M)'s Office, LO, Moscow, and LO, Mumbai	All Production and Overhaul Divisions of MiG Complex
i)	SLRDC	Avionics Division, Hyderabad
j)	AESRDC, Lucknow	Accessories Division, Lucknow
k)	AESRDC, Korwa	Accessories Division, Korwa
l)	TARDC, Kanpur	Accessories Division, Kanpur
m)	MD(A)Office	All Production Divisions of Accessories Complex
n)	Corporate Office, HMA, LO-Delhi, CS-Delhi and LO-London	All Production and Overhaul Divisions of HAL

ANNEXURE – III.H

ILLUSTRATIVE EXAMPLE ON ASSESSMENT OF ANNUAL INCENTIVE

SL No	PARTICULARS	BUDGET (RE)		ACTUALS (Audited)		ACHIEVEMENT	
		Nos / Values	Value per Workman (Rs. Lakhs)	Nos / Values	Value per Workman (Rs. Lakhs)	% Achieved	Rate from Table (Rs)
1	DL + IDL Strength as on 31 st March	2,600		2,650			
2	Value added (Rs Lakhs)	24,000	9.23	28,000	10.57	115%	9,500
3	Sales (Rs Lakhs)	41,000	15.77	42,000	15.85	101%	4,860
4	PBT (Rs Lakhs)	4,500	1.73	5,200	1.96	113%	3,720
5	Gross Annual Incentive per Workman						18,080
6	Net Annual Incentive per Workman						
	a) Divisional Performance (DP) Factor (Assumed)						0.95
	b) Turnout Factor (Assumed)						0.98
	c) Net Annual Incentive in Rs (18,080 x 0.95 x 0.98)						16,832

Note: i) Payments will be made only to those Workmen who fulfill the eligibility criteria for Annual Incentive.

ANNEXURE – III.I

DIVISIONAL PERFORMANCE (DP) FACTOR

Year:

Division:

SL No	Parameter	RE Target for the year (Cumulative)	Actual for the year (Cumulative)	% of Achievement
(a)	(b)	(c)	(d)	(e) = (d) / (c) × 100
1	Sales (Rs Lakhs)			

Notes:

1. The DP Factor would be assessed separately for each Division.
2. Maximum value of achievement will be limited to **One**.

DISTRIBUTION OF OUTPUT

Year:

Division:

Sl No	Description	Distribution of Output (SMH)			Total
		< 640	=>640 to < 1260	=>1260	
A	Number of Direct Labour (DL)				

Sl No	Description	Distribution of Physical Attendance (Days)			Total
		< 180	=>180 to < 210	=>210	
B	Number of Indirect Labour (IDL)				

ANNEXURE – III.K

COMPUTATION OF QUARTERLY PERFORMANCE PAY

SL No	Quarter	Cumulative Internal MOU Target (%)	Cumulative Actual Achievement (%)	% of Achievement	Amount payable (Rs)		
					Current Quarter	Previous Quarters	Total
Case - I	1 st Quarter	20	20	100	2000	0	2000
	2 nd Quarter	45	45	100	2500	0	2500
	3 rd Quarter	70	70	100	2500	0	2500
	4 th Quarter	100	100	100	3000	0	3000
	Total (Rs)						
Case -II	1 st Quarter	20	20	100	2000	0	2000
	2 nd Quarter	45	< 45	< 100	0	0	0
	3 rd Quarter	70	70	100	2500	75% of 2nd Qtr =1875	4375
	4 th Quarter	100	100	100	3000	0	3000
	Total (Rs)						
Case - III	1 st Quarter	20	< 20	< 100	0	0	0
	2 nd Quarter	45	45	100	2500	75% of 1st Qtr =1500	4000
	3 rd Quarter	70	< 70	< 100	0	0	0
	4 th Quarter	100	100	100	3000	75% of 3rd Qtr =1875	4875
	Total (Rs)						
Case - IV	1 st Quarter	20	< 20	< 100	0	0	0
	2 nd Quarter	45	45	100	2500	75% of 1st Qtr =1500	4000
	3 rd Quarter	70	< 70	< 100	0	0	0

	4 th Quarter	100	< 100	< 100	0	0	0
	Total (Rs)						4000
Case -V	1 st Quarter	20	20	100	2000	0	2000
	2 nd Quarter	45	< 45	< 100	0	0	0
	3 rd Quarter	70	<70	<100	0	0	0
	4 th Quarter	100	< 100	< 100	0	0	0
	Total(Rs)						2000
Case-VI	1 st Quarter	20	< 20	< 100	0	0	0
	2 nd Quarter	45	< 45	< 100	0	0	0
	3 rd Quarter	70	70	100	2500	50% of 1st Qtr + 75% of 2nd Qtr = 2875	5375
	4 th Quarter	100	< 100	< 100	0	0	0
	Total (Rs)						5375
Case -VII	1 st Quarter	20	< 20	< 100	0	0	0
	2 nd Quarter	45	< 45	< 100	0	0	0
	3 rd Quarter	70	< 70	< 100	0	0	0
	4 th Quarter	100	100	100	3000	25% of 1st Qtr + 50% of 2nd Qtr+ 75%of 3rd Qtr = 3625	6625
	Total(Rs)						6625

ANNEXURE – III.L

R & D CENTRES, CORPORATE / COMPLEX / LIAISON OFFICES

SL No	R&D Centre / Office	Attached to
1	Common Services-FMD, TTI & Medical Health Unit, Bangalore	All Production/Overhaul Divisions of Bangalore Complex & Helicopter Complex (excluding Barrackpore Division)
2	ARDC, MCSRDC and AERDC	All Production / Overhaul Divisions of Bangalore Complex.
3	LO, Chennai	Aircraft Division, Bangalore Complex
4	CEO(BC)'s Office, Airport Service Centre, Flight Operations (Fixed Wing)	All Production/Overhaul Divisions of Bangalore Complex
5	RWRDC, Bangalore CEO(HC)'s Office and Flight Operations (Rotary Wing)	All Production/Overhaul Divisions of Helicopter Complex
6	Central Manufacturing and Processing Laboratory	Foundry & Forge Division
7	AURDC, Nasik	Nasik Divisions (AMD and AOD)
8	GTRDC, Koraput	Koraput Divisions (Engines & SED)
9	LO, Vishakhapatnam	Koraput Divisions (Engines & SED)
10	CEO(MC)'s Office, LO, Moscow and LO, Mumbai	All Production and Overhaul Divisions of MiG Complex
11	SLRDC, Hyderabad	Avionics Division, Hyderabad
12	ASERDC, Lucknow	Accessories Division, Lucknow
13	ASERDC, Korwa	Avionics Division, Korwa
14	TARDC, Kanpur	TAD, Kanpur
15	CEO(AC)'s Office	All Production & Overhaul Divisions of Accessories Complex
16	Corporate Office, HMA, LO-Delhi, CS Cell-Delhi, DIR (Engg and R&D)'s Office and LO-London	All Production and Overhaul Divisions of HAL

ANNEXURE – III.M**FORMAT FOR REPORT ON PAYMENT OF QPP**

Division:

Year:

Quarter Ending :

Sl No	Quarter	Gross QPP Per Capita (in Rs)		Total Strength of Direct & Indirect Labour (Covered)		Gross QPP Paid (in Rs. Lakhs)	
		Current Quarter	Cumulative upto the Quarter	Current Quarter	Cumulative upto the Quarter	Current Quarter	Cumulative upto the Quarter
1	1 st						
2	2 nd						
3	3 rd						
4	4 th						

ANNEXURE-III.N

R & D CENTRES, CORPORATE / COMPLEX / LIAISON OFFICES

SL No	R&D Centre / Office	Attached to
1	Common Services-FMD, TTI & Medical Health Unit, Bangalore	All Production/Overhaul Divisions of Bangalore Complex & Helicopter Complex (excluding Barrackpore Division)
2	ARDC, MCSRDC and AERDC	All Production / Overhaul Divisions of Bangalore Complex.
3	LO, Chennai	Aircraft Division, Bangalore Complex
4	CEO(BC)'s Office, Airport Service Centre, Flight Operations (Fixed Wing)	All Production/Overhaul Divisions of Bangalore Complex
5	RWRDC, Bangalore CEO(HC)'s Office and Flight Operations (Rotary Wing)	All Production/Overhaul Divisions of Helicopter Complex
6	Central Manufacturing and Processing Laboratory	Foundry & Forge Division
7	AURDC, Nasik	Nasik Divisions (AMD and AOD)
8	GTRDC, Koraput	Koraput Divisions (Engines & SED)
9	LO, Vishakhapatnam	Koraput Divisions (Engines & SED)
10	CEO(MC)'s Office, LO, Moscow and LO, Mumbai	All Production and Overhaul Divisions of MiG Complex
11	SLRDC, Hyderabad	Avionics Division, Hyderabad
12	ASERDC, Lucknow	Accessories Division, Lucknow
13	ASERDC, Korwa	Avionics Division, Korwa
14	TARDC, Kanpur	TAD, Kanpur
15	CEO(AC)'s Office	All Production & Overhaul Divisions of Accessories Complex
16	Corporate Office, HMA, LO-Delhi, CS Cell-Delhi, DIR (Engg. and R&D)'s Office and LO-London	All Production and Overhaul Divisions of HAL

ANNUAL DIVISIONAL PERFORMANCE INDEX

DIVISION:

YEAR:

SL No.	Parameter	Weight	Annual Target	Actual	PI	Score
(a)	(b)	(c)	(d)	(e)	(f) = (e) ÷ (d)	(g) = (c)x(f)
1	Sales Per Employee (Rs)	20%				
2	Operating Profit to Sales (%)	20%				
3	Value of Outsourcing (in Rs) #	20%				
4	Liquidated Damages (LD) (Rs)	10%	-		(Sales – LD) ÷ (Sales)	
5	Reduction in Inventory (%)	20%				
6	FE savings achieved for the year through Indigenization efforts(Rs)	10%				
Annual Divisional Performance						

- Realization of Outsourced Items / Services for Production.

INDIVIDUAL PERFORMANCE DETAILS
(For the period 1st Apr ____ to 31st March ____)

Division / Complex Office / Offices:

Year :

SL. NO.	Name of the Executive	Dept. No	PB No	Grade as the end of the FY (31.3.XX)	Average Basic Pay (Rs.)	Average Factor "L" %	Average Weightage for Individual Performance %	Average Weightage for Divisional Performance %	PAR Marks (After PRB)	% Eligibility of PRP under Individual Performance	Attendance Factor
These two are not part of the Reporting Format, but have been inserted for clarity of cross reference and level of precision of reported figures.					2 decimal points	2 decimal points	2 decimal points	2 decimal points	2 decimal points	In %	4 decimal points
					As per Para III.7.2.2 (See Note Below for computation)	(Ref Para III.7.2.3.1) (See Note Below for computation)	(Ref Para III.7.2.4.1) (See Note Below for computation)	(Ref Para III.7.2.4.1) (See Note Below for computation)	as per Para III.7.2.4.4	as per Para III.7.2.4.4.2 (Col-3)	Computed as per Para III.7.2.4.8
A	B	C	D	E	F	G	H	I	J	K	L
1											
2											
N											

Note:

- The list should cover all Executives on regular rolls of the Company including those were on rolls as of 1st April and those who joined or separated during the Financial Year.
- The format should be generated in MS Excel.
- Average Basic Pay: If an Executive with a BP of 40,000 is promoted from 1st Jan with a new BP of 41,200, then average BP will be $(9 \times 40,000 + 3 \times 41,200) / 12 = 40,300$. If there is no promotion, but the normal increment is drawn on the same date with the same BP figures of 40,000 and 41,200 as above, then also the average BP is to be computed in similar fashion. The figures 9, 3 and 12 will remain the same even if the Executive had joined the rolls after 1st April or had separated before the end of the FY. The short period in such cases will get adjusted in the Attendance Factor.

4. Average Factor "L": E.g. if an Executive is promoted from Grade IV to V on 1st July, then the average will be equal to $(3 \times 40\% + 9 \times 50\%) \div 12 = 47.50\%$. In this case, the 40% and 50% figures are from the Table given under Para IV.7.2.3.1
5. Average Weightage for Individual Performance: E.g. if an Executive is promoted from Grade IV to V on 1 July, then the average will be equal to $(3 \times 35\% + 9 \times 30\%) \div 12 = 31.25\%$. In this case, the 35% and 30% figures are from the Table given under Para IV.7.2.4.1 Similar computation can be done for the Average Weightage for Divisional Performance also.

**PERFORMANCE IN RESPECT OF A COMPLEX OR
A COMBINATION OF DIVISIONS**

Division	Manpower Strength	Weightage	Average Annual Divisional Performance	Performance
(1)	(2)	(3)	(4)	(5)=(3)X(4)
Division A	500	0.5	95%	48%
Division B	400	0.4	100%	40%
Division C	100	0.1	75%	8%
Complex	1000			96%

ILLUSTRATIVE EXAMPLES FOR COMPUTATION OF PRP**CASE-1: TRANSFER FROM ONE DIVISION TO ANOTHER DIVISION**

Example 1: An Executive Transferred from Division "X" to Division "Y" w.e.f. 01st August during the concerned Financial Year. The details of the Executive are mentioned below:

- Grade: III
- Basic Pay (as on 1st April of that year):Rs.60000.
- Annual Divisional Performance Score of Division "X": 85%
- Annual Divisional Performance Score of Division "Y": 94%
- Organizational Performance: Excellent (100%)
- Kitty Factor: 100%
- PAR Marks (after PRB): 87

a. CALCULATION OF AVERAGE BASIC PAY:

Month	Basic Pay at Division "X"(Rs)	Basic Pay at Division "Y"(Rs)	Basic Pay to be considered by Division "X" and "Y" for PRP calculation(Rs)
APR	60000	-	60000
MAY	60000	-	60000
JUN	60000	-	60000
JUL	60000	-	60000
AUG	-	60000	60000
SEP	-	60000	60000
OCT	-	60000	60000
NOV	-	60000	60000
DEC	-	60000	60000
JAN	-	61800	61800
FEB	-	61800	61800
MAR	-	61800	61800
Total	240000	485400	725400
No. of months	4	8	12
Average Basic Pay			= Rs.725400 ÷ 12 =Rs.60450

Note: Division "X" and Division "Y" would collect the Basic Pay of the Executive for the period before / after the transfer during the concerned year.

b. i) CALCULATION OF PERFORMANCE INDEX (Pi) AT DIVISION "X":

Pi = Individual Performance × Weightage applicable for the grade
+

Divisional Performance × Weightage applicable for the grade
+

Organizational Performance × Weightage applicable for the grade
=[(100%× 35%) + (80%×15%) + (100%× 50%)]

= (0.35 + 0.12 + 0.50)= 97%

Note:

- i) PAR marks after PRB is 87, which is ≥ 85 and falls under “Excellent” rating for which % age PRP eligibility is 100% (Refer Para III.7.2.4.4.2).
- ii) Weightage for Individual, Divisional and Organizational Performance are 35%, 15% and 50% respectively for Executive in Grade III (Refer Para III.7.2.4.1)
- iii) Annual Divisional score is 85%, which is in between ≥ 70 to <90 and falls under “Very Good” rating for which % age PRP eligibility is 80% (Refer Para III.7.2.4.3.2)

ii) CALCULATION OF PERFORMANCE INDEX (Pi) AT DIVISION

“Y”:

$$\begin{aligned} \text{Pi} &= \text{Individual Performance} \times \text{Weightage applicable for the grade} \\ &+ \\ &\text{Divisional Performance} \times \text{Weightage applicable for the grade} \\ &+ \\ &\text{Organizational Performance} \times \text{Weightage applicable for the grade} \\ &= [(100\% \times 35\%) + (100\% \times 15\%) + (100\% \times 50\%)] \\ &= (0.35 + 0.15 + 0.50) \\ &= 1.00 \\ &= 100\% \end{aligned}$$

Note:

- i) PAR marks after PRB is 87, which is ≥ 85 and falls under “Excellent” rating for which %age PRP eligibility is 100% (Refer Para III.7.2.4.4.2).
- ii) Weightage for Individual, Divisional and Organizational Performance are 35%, 15% and 50% respectively for Executive in Grade III (Refer Para III.7.2.4.1)
- iii) Annual Divisional score is 94%, which is ≥ 90 and falls under “Excellent” rating for which %age PRP eligibility is 100% (Refer Para III.7.2.4.3.2)

c. i) CALCULATION OF ATTENDANCE FACTOR AT DIVISION

“X”:

Month	No. of Days
APR	30
MAY	31
JUN	30
JUL	31
AUG to MAR	-
Total days	122
Available days	365
Excludable days #	=365-122 =243
Attendance Factor for Division “X”	=[(365-Excl. days) ÷ 365] =[(365-243) ÷ 365] = 0.3342

ii) CALCULATION OF ATTENDANCE FACTOR AT DIVISION “Y”:

Month	No. of Days
APR to JUL	-
AUG	31
SEP	30
OCT	31
NOV	30
DEC	31
JAN	31
FEB	28
MAR	31
Total days	243
Available days	365
Excludable days #	=365-243 =122
Attendance Factor for Division “Y”	=[(365-Excl. days)÷365] =[(365-122) ÷ 365] = 0.6658

#- Assuming there is no other excludable days except short period.

Note:

- i. The Total Attendance Factor put together should not exceed one.
- ii. In case of transfer from one Division to another Division, the Executive is entitled for joining time and these joining time would be considered as present day(s) by the Transferred IN Division for the purpose of computation of the Attendance Factor. For details on joining time, refer para 10.9 of Personnel Circular No. 696 Circular on “HAL Travelling Allowance Rules (Inland), 2013” dated 22nd April 2013.

d. i) CALCULATION OF GROSS AND NET PRP AMOUNT AT DIVISION “X”:

$$\text{Gross PRP Amount} = (\text{Average Basic Pay} \times 12) \times L \times KF \times Pi$$

$$= \text{Rs.}60450 \times 12 \times 40\% \times 100\% \times 97\%$$
$$= \text{Rs.}281455$$

$$\text{Net Amount (1)} = \text{Gross Amount} \times \text{Attendance Factor}$$

$$= \text{Rs.}281455 \times 0.3342$$
$$= \text{Rs.}94062$$

ii) CALCULATION OF GROSS AND NET PRP AMOUNT AT DIVISION “Y”:

$$\text{Gross PRP Amount} = (\text{Average Basic Pay} \times 12) \times L \times KF \times Pi$$

$$= \text{Rs.}60450 \times 12 \times 40\% \times 100\% \times 100\%$$
$$= \text{Rs.}290160$$

$$\text{Net Amount (2)} = \text{Gross Amount} \times \text{Attendance Factor}$$

$$= \text{Rs.}290160 \times 0.6658 = \text{Rs.}193189$$

$$\text{Total Net PRP Amount payable} = \text{Net Amount (1)} + \text{Net Amount (2)}$$

$$= \text{Rs.}94062 + \text{Rs.}193189$$

$$= \text{Rs.}287251$$

Note: Grade wise % Limits of Annual Basic Pay (L) for Grade III is 40% (Refer Para III.7.2.3.1).

The above methodology is also applicable to Executives who are transferred on Assignment basis from one Division to another Division.

CASE-2: ENTERING THE ROLLS AFTER 1ST APRIL OF THE CONCERNED YEAR:

Example 2: Executive joining in the month of December as Grade III with Basic fixed as Rs.60000.

a. CALCULATION OF AVERAGE BASIC PAY:

Month	Basic Pay(Rs)	Basic Pay to be considered for PRP calculation (Rs)
APR	-	60000
MAY	-	60000
JUN	-	60000
JUL	-	60000
AUG	-	60000
SEP	-	60000
OCT	-	60000
NOV	-	60000
DEC	60000	60000
JAN	60000	60000
FEB	60000	60000
MAR	60000	60000
Total	240000	720000
No. of months	4	12
Average Basic Pay		= Rs.720000 ÷ 12 = Rs.60000

Note:

- i. Monthly Basic Pay fixed at the time of joining is to be considered for the previous unavailable months of the concerned year for calculation of Average Basic Pay.
- ii. Other calculations such as Performance Index (Pi), Attendance Factor, Gross and Net PRP amount would be same as illustrated above in case-1(Example-1).
- iii. In Cases, where the length of Service rendered by the Executive is less than 3 months during the concerned year, marks will be awarded by the Performance Review Board (PRB) for the purpose of calculation of PRP under Individual performance only.

CASE-3: SEPARATION (SUPERANNUATION / RESIGNATION etc...)
DURING THE CONCERNED YEAR

Example 3: Executive Separated in the month of August during the concerned year

Month	Basic Pay(Rs)	Basic Pay to be considered for PRP calculation (Rs)
APR	60000	60000
MAY	60000	60000
JUN	60000	60000
JUL	60000	60000
AUG	-	60000
SEP	-	60000
OCT	-	60000
NOV	-	60000
DEC	-	60000
JAN	-	60000
FEB	-	60000
MAR	-	60000
Total	240000	720000
No. of months	4	12
Average Basic Pay		= Rs.720000 ÷ 12 = Rs.60000

Note:

- i. Last month Basic Pay at the time of separation is to be considered for remaining months of the concerned year for calculation of Average Basic Pay.*
- ii. Other calculations such as Performance Index (Pi), Attendance Factor, Gross and Net PRP amount would be same as illustrated above in case-1 (Example-1).*
- iii. In Cases, where the length of Service rendered by the Executive is less than 3 months during the concerned year, marks will be awarded by the Performance Review Board (PRB) for the purpose of calculation of Individual Performance.*

**CASE-4: COMPUTATION OF ANNUAL DIVISIONAL PERFORMANCE
WHERE SOME OF THE PERFORMANCE PARAMETERS ARE NOT
APPLICABLE TO THE DIVISIONS**

EXAMPLE – 4:

SL No.	Parameter	Weight	Target	Actual	PI	Score
(a)	(b)	(c)	(d)	(e)	(f) =(e)÷(d)	(g) = (c)x(f)
1	Sales Per Employee (Rs Lakh)	20%	10	9	0.9000	0.1800
2	Operating Profit to Sales (%)	20%	20	18	0.9000	0.1800
3	Value of Outsourcing (Rs Lakh)	20%	25	24	0.9600	0.1920
4	Liquidated Damages (LD) (Rs Lakh)	10%	0	5	0.9950	0.0995
5	Reduction in Inventory (%)	20%	10	10	1.0000	0.2000
6	FE savings achieved for the year through Indigenization efforts(Rs Lakh) *	10%	NA	NA	NA	NA
Annual Divisional Score						0.8515
Annual Divisional Performance = (Total weightage ÷ Total applicable weightage) X Annual Divisional Score						0.9461
Annual Divisional Performance (%)						94.61%
Annual Divisional Performance Rating / percentage PRP eligibility (Refer Para III.7.2.4.3.2)						Excellent / 100%

* FE savings achieved for the year through Indigenization efforts is not applicable to the Division.

Calculation:

i) Liquidated Damages (LD)

Let, Sales (Rs Lakh) = 1000,
LD (Rs Lakh) = 5

$$PI = (\text{sales} - LD) \div \text{sales} = (1000-5) \div 1000 = 0.9950$$

$$\text{Score} = \text{weight} \times PI = (10\% \times 0.9950) = 0.09950$$

ii) Annual Divisional Performance

= (Total weightage ÷ Total applicable weightage) X Divisional Performance

$$= (100\% \div 90\%) \times 0.8515$$

$$= 0.9461$$

**CASE-5: COMPUTATION OF DIVISIONAL PERFORMANCE FOR
COMPLEX AND CORPORATE OFFICE**

Example 5:

Division/ Complex	Manpower (No. of Executive s)	Weightage		Average Annual Divisional Performan ce	Performance	
		Comp lex	CO		Complex	CO
(1)	(2)	(3)	(4)	(5)	(6)= (3)X(5)	(7)= (4)X(5)
Aircraft	476	0.28	0.07	94.00%	26.00%	6.59%
IJT-LSP	49	0.03	0.01	73.00%	2.08%	0.53%
LCA-LSP	239	0.14	0.04	83.50%	11.60%	2.94%
Engine	415	0.24	0.06	83.50%	20.14%	5.10%
IMGT	25	0.01	0.00	65.85%	0.96%	0.24%
Overhaul	250	0.15	0.04	96.00%	13.95%	3.53%
Foundry & Forge	161	0.09	0.02	76.53%	7.16%	1.81%
Aerospace	106	0.06	0.02	94.00%	5.79%	1.47%
Bangalore Complex (BC)	1721	-	-	-	87.66%	-
Helicopter	503	0.53	0.07	90.20%	47.86%	6.68%
MRO	181	0.19	0.03	96.00%	18.33%	2.56%
ACD	151	0.16	0.02	84.00%	13.38%	1.87%
Barrackpore	113	0.12	0.02	82.90%	9.88%	1.38%
Helicopter Complex (HC)	948	-	-	-	89.45%	-
AMD & AOD, Nasik	1180	0.61	0.17	98.62%	59.95%	17.13%
ED & SED, Koraput	761	0.39	0.11	94.13%	36.91%	10.54%
MIG Complex (MC)	1941	-	-	-	96.86%	-
Lucknow	652	0.30	0.10	89.07%	26.59%	8.55%
Hyderabad	799	0.37	0.12	92.07%	33.68%	10.83%
Korwa	311	0.14	0.05	92.39%	13.16%	4.23%
TAD, Kanpur	422	0.19	0.06	96.43%	18.63%	5.99%
Accessories Complex (AC)	2184	-	-	-	92.06%	-
HAL / CO	6794	-	-	-		91.95%

Note: Divisional Performance in respect of R&D Centres, Corporate/Complex/Liaison offices and Central services will be computed centrally by Corporate Office MSD as per Annexure-III.N



Hindustan Aeronautics Limited

Corporate Office
15/1, Cubbon Road, Bengaluru - 560 001
www.hal-india.co.in

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