

## RECOMMENDATIONS OF BOARD OF MEMBERS

1. As a matter of principle financial emolument, whatsoever are paid out to employees is accordance with the existing instructions / orders issued by the State / Central Government, as and when applicable.
2. The Board of Officers presided by the Vice President and a Chartered Accountant alongwith other members met on several occasions. The final meeting was held at 1630 hrs on 11 Aug 2024.
3. The following recommendations are being forwarded for due approval.

(a) **Basic + DA/VDA.** VDA and DA <sup>are</sup> ~~is~~ treated in the same manner. The UP Government letter highlighting VDA rates is only to ensure that minimum wages, as applicable, are paid. (classified as Unskilled, Semi Skilled and Skilled).

Minimum wage considers total wage. All staff of AVI are drawing more than the **skilled category** minimum wage i.e 13120/- as on 30 Sep 2024.

**Recommendation.** Based on the above statement VDA can be ignored and standard DA of 50% made applicable to all. This may be revised as and when the Government issues a revised notification.

(b) **HRA.**

(i) The rates of HRA are applicable as per classification of cities.

(ii) As per UP Govt minimum wages rule Noida is classified as a 'Y' class city and HRA payable is 20% of Basic + DA. AVI (Club) is calculating HRA at 33% + VDA

**Recommendation.**

(i) HRA be computed at 20% of Basic + DA.

*AS* *G*

(ii) To counter the financial loss in the Take Home Salary of the employees it is suggested that a new column 'Other Pay' be added to the salary statement. This column will account for the excess amount erroneously paid in the past.

(iii) As and when there is an increase / hike by the Government in the rate of HRA payable the 'Other Pay' category will be adjusted / phased out.

(iv) The process will ensure that salaries are corrected without any reduction in the total salary.

(c) Conveyance Allowance.

(i) Conveyance Allowance is paid to cover the expenses incurred to travel from residence to place of work.

(ii) Currently it is at Rs.800/-pm.

(iii) Staff living with the premises of AVI will not be eligible to claim this allowance.

Recommendation. Conveyance Allowance to be paid at Rs.800/- pm.

(d) Washing Allowance.

(i) Washing Allowance is paid to ensure employees are dressed in neat and clean dresses.

(ii) Currently it is at Rs.300/- pm.

Recommendation. Washing Allowance to be paid at Rs.500/- pm.

ls G

(e) **Medical.**

- (i) It is a reimbursement and not an allowance.
- (ii) Currently it is being calculated at approx 8% to 9% of Basic + VDA.
- (iii) This is no longer permissible as a component within the pay structure of the Govt.
- (iv) Medical expenditure incurred upto Rs.15,000/- per annum is non taxable as per the IT act.

**Recommendation.**

- (i) Medical Allowance to be claimed on submission of due certificates / *bills* receipts subject to a maximum of Rs.15,000/- per annum.
- (ii) In the month of April following the pervious FY closing..

- (f) **ESI.** ESI is calculated on the total wages i.e Basic +DA/VDA @ 3.25% for personnel drawing salary upto Rs.21,000/- pm.

**Recommendation.** ESI contribution by the employer to continue at 3.25% of the Basic + DA/ VDA.

- (g) **EPF.** As per PF Rules the employer should contribute PF amount calculated at 12% of Basic + DA/VDA of an employees salary.

**Recommendation.** Employer to contribute 12% of the sum of Basic + DA/VDA salary of an employee.

*se G.*



**(h) Children Education Allowance.**

- (i) It is a reimbursement and not an allowance.
- (ii) As per the rules of the UP Govt. This reimbursement is payable for two children (exception being birth of twins during second delver) from nursery to class twelfth.  
or upto age of twenty years.
- (iii) Claim by one spouse only.
- (iv) Payable in the month of April (after Fy closing).
- (v) Mandatory for the claimant to produce a formal receipt / certificate issued by the School authorities and duly signed by the Principal / Signing Authority.

**Recommendation.** Rules of the UP Govt to be strictly adhered to.

**(j) Non Productivity Linked Bonus. (Adhoc Bonus).**

- (i) Bonus is paid by organizations who are in productivity business.
- (ii) AVI (Club) is a non productive, non profit organization and hence not bound to pay bonus.
- (iii) However, AVI (Club) is collecting Rs.100/- per member, on as annual basis for the purpose of staff welfare.
- (iv) This corpus can be utilized as per rates offered in the Government guidelines to pay out Adhoc Bonus to the staff .
- (v) An employee who has completed six months of continuous service.

by G

- Also being in service on Mar 31 (closing previous Fy).
- Becomes eligible for grant of bonus for the total number of months served in previous accounting year.
- Period of suspension, if any, will not be considered for grant of bonus.
- Employees appointed on temporary adhoc basis will also be eligible for grant of bonus if there is no break in service.
- Bring in service on Mar 31 of the pervious Fy.

**Recommendation.** As per UP Govt rules personnel drawing salary less than Rs.21,000/- be paid adhoc bonus at 8.33% of Basic + DA/VDA from the staff welfare fund.



Col R P Mehandru  
Member




Lt Col H C Jadli  
Member



Mr. Gurpreet Singh  
CA



Col BMS Rawat  
Ex Vice President



Col S K Srivastava  
Member



Mrs Harindar K Basur  
Member

**Recommended**



Lt Col R K Bhushan  
Vice President

**Approved**



Col Subhash Sharma  
President