

Compensation & Benefits Policy

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Review and Version:

Version	Description of Change	Date	Prepared/Updated By	Approved By

1.0 Objective and Purpose

The Compensation & Benefits Policy establishes a transparent, equitable, and structured framework for employee remuneration and rewards.

It ensures that compensation practices are fair, competitive, and aligned with the organization's strategic objectives to attract, retain, and motivate high-performing talent.

The primary objectives are:

- To maintain internal and external equity in compensation practices.
 - To recognize and reward performance, skills, and contributions.
 - To ensure compliance with statutory and regulatory requirements.
 - To promote employee satisfaction through comprehensive benefits and reward mechanisms.
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2.0 Scope

This policy applies to all employees of the organization, including permanent, probationary, contractual, and temporary staff across all levels and business units.

3.0 Policy Principles

- 3.1 The organization will adopt a transparent compensation philosophy that promotes fairness, consistency, and performance alignment.
 - 3.2 All compensation and benefits will comply with statutory laws and market standards.
 - 3.3 Employee remuneration shall be reviewed periodically to maintain competitiveness.
 - 3.4 Confidentiality of individual compensation details will be strictly maintained.
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4.0 Compensation Structure

4.1 Components of Salary

The employee's total compensation package shall comprise:

- **Fixed Pay:** Basic Salary, Dearness Allowance, House Rent Allowance, and other fixed components.
- **Variable Pay:** Performance-based incentives linked to key deliverables and performance outcomes.
- **Statutory Benefits:** Provident Fund, Gratuity, and ESI contributions as per law.
- **Non-Monetary Benefits:** Health insurance, leave benefits, and employee welfare programs.

4.2 Pay Grades and Bands

Salary bands shall be defined for each level based on job responsibilities, qualifications, and experience. Movement across bands will be governed by promotion or reclassification guidelines.

4.3 Market Benchmarking

The organization shall conduct periodic benchmarking studies to ensure alignment with prevailing industry standards.

5.0 Salary Administration

5.1 Salary Revision and Review

Salary revisions will typically occur annually, based on performance appraisals, inflation adjustments, and market competitiveness.

5.2 Promotions and Role Changes

Compensation adjustments for promotions or role enhancements shall reflect increased responsibilities and demonstrated competencies.

5.3 Pay for Performance

The organization emphasizes merit-based pay. High performers will be rewarded with proportionally higher increments and bonuses.

6.0 Benefits and Allowances

6.1 Statutory Benefits

Employees are entitled to statutory benefits including Provident Fund, Employee State Insurance (ESI), Gratuity, and Leave Encashment as per applicable laws.

6.2 Non-Statutory Benefits

These include health insurance, group personal accident insurance, wellness programs, and employee assistance initiatives.

6.3 Insurance and Health Coverage

Comprehensive health coverage will be provided to employees and eligible dependents as per company policy.

6.4 Leave and Travel Benefits

Employees are entitled to various leaves as per the Leave Policy and will be reimbursed for official travel expenses as per travel guidelines.

7.0 Bonus and Incentive Policy

7.1 Performance-Based Bonus

Bonuses will be awarded based on individual and organizational performance against pre-defined targets.

7.2 Annual Incentive Program

Eligible employees may participate in the annual incentive program designed to link rewards with measurable results.

7.3 Special Recognition Awards

Exceptional contributions may be recognized through spot awards, certificates, or other forms of acknowledgment.

8.0 Reimbursements

8.1 Travel Reimbursements

Employees traveling on official duty will be reimbursed for approved travel, accommodation, and related expenses.

8.2 Communication and Utility Claims

Eligible employees may claim reimbursement for mobile, internet, or utility expenses as defined in role-specific policies.

8.3 Business Expense Policy

All business-related expenditures must be pre-approved and supported by valid receipts as per the finance policy.

9.0 Provident Fund and Retirement Benefits

9.1 Provident Fund

The organization shall contribute to the employee's provident fund as per statutory requirements.

9.2 Gratuity

Gratuity benefits will be provided in accordance with the Payment of Gratuity Act and internal guidelines.

9.3 Superannuation and Pension

Applicable employees may be enrolled in additional retirement schemes as approved by management.

10.0 Taxation and Compliance

10.1 Statutory Deductions

All salary components are subject to statutory deductions including TDS, PF, and other taxes as per prevailing laws.

10.2 Income Tax Declaration and Proof Submission

Employees must submit timely declarations and proofs for tax-saving investments as per the organization's schedule.

11.0 Roles and Responsibilities

11.1 Human Resources Department

- To ensure proper implementation of compensation policies.
- To conduct periodic salary benchmarking.
- To maintain employee compensation records.

11.2 Finance Department

- To process salaries, reimbursements, and statutory contributions.
- To ensure tax compliance and documentation accuracy.

11.3 Employees

- To provide accurate information and adhere to reimbursement procedures.
 - To maintain confidentiality regarding personal and others' compensation.
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12.0 Review and Revision

This policy shall be reviewed periodically to align with evolving legal, market, and organizational changes. Revisions shall be approved by the HR Head and Management Committee.

13.0 Policy Enforcement and Exceptions

Non-compliance with this policy may result in disciplinary action.
Any exception to the policy must be approved by the HR Head and the Chief Executive Officer.

This policy will be reviewed annually and updated as necessary to ensure continued compliance with applicable laws and best practices in equal employment opportunity.