

## SALARY STRUCTURE AND COMPENSATION POLICY (CTC)

### 1. Components of Salary

The Cost to Company (CTC) is divided into Fixed and Variable components.

#### A. Fixed Pay

- Basic Salary: 40% of Fixed Pay. Fully taxable.
- House Rent Allowance (HRA): 50% of Basic (Metros) / 40% (Non-Metros). Tax exempt subject to rent receipts.
- Special Allowance: Balancing figure. Fully taxable.
- Leave Travel Allowance (LTA): Tax exempt twice in block of 4 years.

#### B. Statutory Deductions

- Provident Fund (PF): 12% of Basic (Employer + Employee contribution).
- Professional Tax (PT): State-specific (approx INR 200/month).
- Income Tax (TDS): Deducted monthly based on projected annual liability.

#### c. Retirals

- Gratuity: payable after 5 years of continuous service. Formula:  $(15/26) * \text{Last Drawn Basic} * \text{Years of Service}$ .

### 2. Payroll Cycle

- Attendance Cut-off: 25th of every month.
- Salary Credit: Last working day of the month.
- Payslips: Available on HRMS on 1st of next month.

### 3. Reimbursements (Flexible Benefit Plan)

Employees can opt for Food coupons, Fuel, and Driver allowance components to optimize tax.