

# FY25 Annual Compensation Review

20-May-2024

|               |               |               |                                    |
|---------------|---------------|---------------|------------------------------------|
| Name          | : Raj Kumar M | Country       | : India                            |
| Employee Code | : 6038857     | Business Unit | : Cloud and Cybersecurity Services |
| Sub Band      | : B2-1        | Designation   | : Engineer                         |

Dear Raj Kumar,

Congratulations!

We are pleased to inform you that your annual compensation is being revised with effect from **01-Apr-24** to **INR 1,087,136**.

We have made steady progress on our chosen path to be a Global CommTech Leader. As we look to accelerate our growth path and deliver unmatched value to our customers, the Company would like to thank you for your continued commitment and valuable contribution in this journey.

All other terms and conditions of your employment remain the same. In case you have any questions, please don't hesitate to reach out to your manager or your HR Business Partner.

Wishing you a successful year ahead.

Regards,  
Team Human Resources

*\*\* This is the target amount payable subject to the provisions of the variable pay plan applicable to you. The actual amount payable would depend on actual performance as per the design and terms of the plan. No minimum amount is guaranteed. This may increase/decrease if you move to a role where a different variable pay plan is applicable and may lead to a consequent increase/decrease in compensation/On-Target Earning (OTE).*

*Any income tax or other charges would be to your account, and the company would deduct these before payment to you, as prescribed by applicable law.*

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Novamesh Limited

# Annexure

**New Tax Regime** - As per provisions approved in the budget of FY22-23, New Tax Regime will now be the default regime on the flexi portal of People Strong with option to opt for old regime. Employees who have opted the new tax regime will have to forego tax exemptions on House Rent Allowance (HRA), Leave Travel Allowance (LTA), Professional Development Reimbursement, Children Education, Hostel Expenses, Sodexo & other related tax exemptions except NPS employer contribution to be deducted through salary.

**1. Gratuity** - You are entitled to Gratuity Benefit which shall be payable upon separation as per the applicable provisions under the Payment of Gratuity Act (1972). The annual contribution towards gratuity benefit is not shown in compensation break-up.

**2. Allowance / Flexible compensation** - You will have an option to elect the following components to design your compensation and plan your taxes as per the prevailing Income Tax rules & the opted Tax Regime. The entitlement for these components will be based on your sub-band level.

- a. **House Rent Allowance (HRA)** - You may choose allocation towards HRA up to a maximum of 60% & minimum 5% of Basic salary. The amount will be paid along with monthly salary, irrespective of actual rent paid. For claiming HRA tax exemption, registered or notarized agreement is mandatory in case rent is more than INR 8,333/-per month or INR 1,00,000/- per annum, along with rental receipts and PAN card detail of the landlord as a proof. The tax exemption will be granted as per the prevailing Income tax guidelines.
- b. **Children's Education & Hostel Expenses (CEA)** - As per Income Tax rules, an exemption of INR 100/- is allowed per child per month under CEA. If your child stays in a hostel, the exemption allowed is INR 300/- per month duly supported by payment proofs/ fee receipts. The amount will be paid along with the salary each month, though final fee receipts may be submitted in the month of December/January/February of the financial year when a communication to this effect is issued for submission of year-end investment proofs.
- c. **Leave Travel Allowance (LTA)** - Allocation towards LTA can be made as per the defined limits @ INR 1,00,000/- per annum and the same would be paid as an annual component as a reimbursement. For the purpose of tax exemption, you may need to upload supporting documents as per requirements under Income Tax rules, i.e. boarding passes if travelled by Air or Train tickets etc./ Leave Approval Screenshot of PRISM along with generated LTA claim voucher on the India payroll portal. LTA exemption can only be claimed twice in a block of four years. Any unclaimed LTA amount will be paid out as LTA Taxable at the end of the Financial year.
- d. **Vehicle Running Expenses (VRE)** - You may claim reimbursement on a monthly basis towards "Vehicle Running Expenses" on self-own car or Company Car lease (As per Car lease program) to meet expenses incurred on account of car maintenance, insurance, fuel and driver's salary. You will be required to upload the claim voucher generated on the India payroll portal along with documents as per the procedure specified on a monthly basis. Any unclaimed amount towards VRE will be paid out as "VRE-Taxable" at the end of financial year.
- e. **National Pension Scheme** - You may allocate up to 10% of annual basic salary towards National Pension scheme. As per the PFRDA guidelines, minimum amount per contribution is INR 500/- per month. Please refer to the policy document for more details.
- f. **Professional Development Reimbursement** - You can allocate upto INR 1,00,000/- per annum to avail this facility. This covers personal development skills of the employee in the company for short term learning opportunities directly related to employee's career growth. After attaining the completion certificate, employee can submit the necessary fee receipts along with Manager's approval on the India payroll portal. Claims without completion certificate will be

rejected. Any unclaimed amount will be paid as a taxable income at the end of financial year.

- g. **Sodexo Meal Vouchers** - You may allocate INR 24,000/- per annum towards Sodexo benefit. You can enroll for Sodexo and avail tax benefit subject to availability of flexible pay.
- h. **Residual Special Allowance (RSA)** - This is the balance figure to the flexible pay. Any amount lying unallocated from the flexible pay after distribution across the components specified above will be paid to you as residual special allowance and shall be fully taxable to your account.

*If your role changes after **01-Apr-24** due to IJP or transfer, please note that this revision applies only from **01-Apr-24** till your date of movement to the new role, post which your compensation for the new role (post IJP/transfer) would apply. BU HR shall share more details with you.*

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