

GUIDELINE ON **WAGE & SALARY** DETERMINATION



An **INOXGFL** Group Company
BEYOND INTEGRITY

GUIDELINE NO HR/72

This policy applies to all individuals worldwide working in Gujarat Fluorochemicals Limited and its subsidiaries of the Company at all levels and grades, whether permanent, fixed-term or temporary.

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01. OBJECTIVE

The objective of this Guideline is to define the principles and process of Wage and Salary determination, which is essentially the application of a systematic approach to the problem of ensuring that employees are paid in a logical, equitable and fair manner. Our Company attempts to pay competitive wages and salaries that is motivational, fair and equitable, variable with individual and Company performance and in compliance with all applicable statutory requirements.



02. COVERAGE

This policy applies to all individuals worldwide working in Gujarat Fluorochemicals Limited and its subsidiaries of the Company at all levels and grades, whether permanent, fixed-term or temporary.



03. PRINCIPLE OF WAGE & SALARY ADMINISTRATION

- A. The Company respects the right of personnel to a living wage and ensures that wages paid for a normal working week/ month is adequate to meet the basic needs of personnel and to provide a living wage to allow employees to earn enough income for a satisfactory standard of living.
- B. The company shall ensure that deductions from wages are made as per the provisions of law, and that the employees wage and benefits composition are detailed clearly at the time of Appointment and regularly at the time of subsequent revision.
- C. The company shall ensure that wages and benefits are rendered in full compliance with all applicable laws and that remuneration is rendered by cheque/bank transfer in a manner convenient to employees.



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- D. The company shall not use labour-only contracting arrangements, consecutive short-term contracts, and/or false apprenticeship schemes to avoid fulfilling its obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations.
- E. While determining wage and salary the company shall follow the principle of 'Capacity to Pay' and "Region -cum- Industry".
- F. All wage and salaries shall be determined to maintain internal equity and shall be classified by position based on experience, responsibility, and physical and mental demands.
- G. There shall be no discrimination regarding wage and salary due to religion, caste, sex, nationality, region.
- H. The Company's Pay structure shall be based on "Equal Pay for Equal Work".



04. FACTORS FOR WAGE & SALARY DETERMINATION

The following factors shall be considered while fixation of wage and salary structure:

- A. Cost of living
- B. Region – cum – industry and market wage levels
- C. Skills and experience
- D. Capacity to pay and company financial condition



05. PROCESS OF INQUIRY

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The company shall ensure that it complies with all the laws of the land related to wages and social security as mentioned below:

- A. The Payment of Wages Act, 1936
- B. The Minimum Wages Act, 1948
- C. The Equal Remuneration Act, 1976
- D. The Payment of Bonus Act, 1965
- E. The Employees' Provident Scheme, 1952
- F. The Employees' State Insurance Act, 1948
- G. The Employee Compensation Act, 1923
- H. The Payment of Gratuity Act, 1972



06. CONFIDENTIALITY OF WAGE AND SALARY INFORMATION

Salary is determined considering a large array of factors which may not be immediately apparent to every employee. As such, in an attempt to minimize any feelings of confusion or doubt in regards to the application of fairness in the levels of compensation provided to our employees, the Company adopts a clear guideline of the expectations for confidentiality.

All wage salary information is confidential and should not be disclosed for any reason, other than as required for appropriate financial reporting purposes. All employees are advised to keep their wages, benefits, bonuses and any other form of compensation confidential, and avoid providing or otherwise broadcasting this information with other employees, or with any third-party that does not have a bona fide need to know. Any unauthorized disclosure of confidential information by employees may impede our ability to effectively compete for talent, may create unnecessary conflict and disputes, and could lead to disciplinary action.

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11. POWER TO AMEND

- A Any change of the guideline shall be approved by the Head – Group Corporate HR.
- B The management shall have the overriding right to withdraw and/or amend the guideline at its own discretion as it deems fit from time to time. The decision of the management shall be final and binding.



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