

EMPLOYEE HANDBOOK

Table Of Contents

1 Introduction.....	3
2 Joining Formalities.....	4
Personal Particulars:.....	4
3 Work Culture.....	5
Xyz's Mission.....	5
Working Hours / Work Week.....	5
Smoking Policy.....	5
4 Job Grades And Designations.....	6
Job Grades / Designations.....	6
5 Terms Of Employment.....	7
Probation.....	7
6 Leave And Holidays.....	9
Purpose And Overall Policy.....	9
Accounting Year.....	9
Leave Sanctioning Authority.....	9
Privileged Leave (Pl).....	10
Casual Leave / Sick Leave (Cl/SI).....	10
Maternity Leave (MI).....	11
Holidays.....	12
7 Compensation, Benefits & Reimbursements.....	13
Payroll Date.....	13
Compensation & Benefits Components.....	13
Basic Salary.....	13
House Rent Allowance.....	13
Conveyance Allowance.....	14
Medical Reimbursements.....	14
Provident Fund Allowance (Pf).....	15
Other Allowances.....	15
Performance Pay.....	15
Annual Salary Revision.....	15
Deduction Of Tax At Source From Salary (Tds).....	16
Employee Insurance.....	16
Reimbursements.....	16
8 Official Travel.....	18

Local Travel.....	18
Domestic Travel.....	18
Foreign Travel.....	18
9 Purchase Of Material /Services.....	20
10 Leaving Formalities.....	21
Termination Of Services.....	21
General Policy.....	22
Gratuity.....	22
Service Certificate.....	22
11 Social Media And Social Networking	

1. Introduction

- 1.1 This Employee Handbook has been prepared to help you get familiar with the key policies, benefits, regulations and codes of conduct at XYZ. We hope this handbook will be useful and will help you plan and enjoy the benefits and opportunities that XYZ provides.
- 1.2 This Handbook is confidential and is for internal circulation only. It is subject to change as and when necessary to remain in compliance with appropriate Government regulations and XYZ's policy. The contents of this Handbook will be modified from time to time and amendments will be issued. Interpretation of the handbook by the management is final. If you need any clarification or further information on any aspect of this Handbook, you can get in touch with the HR department, which will be happy to help you.



2. Joining Formalities

1.1 XYZ welcomes all employees and hopes that they will enjoy the work culture. When a new employee joins XYZ a formal induction will be conducted to familiarise them with all the activities in XYZ.

Personal Particulars:

1.2 XYZ will keep a record of all the employees' personal particulars pertaining to

the recruitment & selection process. Once an employee joins XYZ, s/he should give a copy of pan card, adhar card and two passport-sized photographs to the HR department within one week of joining. In case the pan card is not available, a copy of passport or driving license can also be submitted.

1.3 Employees will be required to sign an employment contract on joining XYZ.

1.4 Employees are to keep the HR department informed of any changes in any of the above records.

1.5 In order to calculate TDS (tax deduction at source) accurately the following

forms need to be completed and returned to the Finance department by 15 April every year or within 15 days of joining the organisation:

- ☐ Provident Fund transfer/ application form (whenever PF is applicable)
- ☐ Tax Estimate/ Savings declaration form (annexure 7)



3. Work Culture

☐ XYZ's Mission

1.6 XYZ's mission is to be

□ Working Hours / Work Week

- 1.7 Office hours at XYZ are from 9:30 am to 6:30 pm with a lunch break of 30 minutes, from Monday to Saturday with the first and third Saturdays off. Employees are encouraged to observe punctuality. However all staff will have to work as per the needs and demands of the job.

□ Smoking Policy



- 1.8 The Office is a non-smoking premise and all are requested to co-operate in this respect.

□ Media

- 1.9 The Public Relations department of XYZ will manage all communication with the media. In case any media person contacts an employee, s/he should be directed to the PR department. Employees must not make any statement to the press on behalf of XYZ.

4. Job Grades And Designations

□ Job grades / Designations

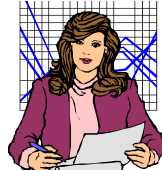
- 1.10 XYZ has five levels. All designations are reflective of the roles being performed. Designations are indicative of functions within a team and each team member plays an equally important role in the effective functioning of that team.



LEVEL	DESIGNATION	TYPICAL POSITIONS
1	Founding Members	CEO, Director
2	Senior Management Team	VP/FC/Head of function
3	Middle Management Team	GM/Sr Mgr, Mgr, AM
4	Junior Management Team	Executives

5	Support Staff	Housekeeping & other staff
---	---------------	----------------------------

5. Terms Of Employment



1.11 All employees will be issued employment agreements at the time of joining.

□ Probation

1.12 Employees may be placed on probation for a period of six months.

1.13 Alternately, the employees will be treated as confirmed employees.

1.14 At the end of 6 months for the employees on probation, there will be a Performance Review, based on which the employee will be confirmed. confirmation, this period of 6 months will be included for the purpose of granting increments / entitlements and any other benefits (with the exception of leave).

1.15 In case, the Performance Review discussion indicates a less than satisfactory performance, the same will be communicated to the employee and his / her Probation period may be extended by another 3 months or the employment terminated depending upon the Review. If the performance is unsatisfactory even after the extension of the probation period, his / her employment with the company is liable to be terminated.

1.16 At all times, employees are expected to perform and deliver their duties / responsibilities as per their designated role to the satisfaction of the management.

6. Leave And Holidays

□ Purpose and Overall Policy

1.17 This section includes XYZ's policies on Leave, which are categorised as:

- Privileged Leave (PL)
- Casual Leave / Sick Leave (CL / SL)
- Maternity Leave (ML)
- Holidays

1.18 During probation, an employee is not eligible for any leave and thus any leave taken will be considered as unpaid leave. During the first year of service, the leave that an employee can avail of is based on the number of months after confirmation; therefore leave for the probation period is lost. If a person on probation avails of 15 days or more of unpaid leave, his / her probation period will be extended by the same number of days.

□ Accounting Year

1.19 The leave accounting year is the financial year (April to March). Pro rata adjustments will be made to bring entitlements in line with this.

□ Leave Sanctioning Authority

1.20 The CEO will sanction leave for the Directors, Directors will sanction leave for all Managers/Department Heads and the Department Heads will sanction leave for all in their department.

□ Leave Application

1.21 Employees are requested to make applications for leave using a **Leave Application form (Annexure 2)**. This must be approved by the Leave Sanctioning Authority and forwarded to the HR department once approved. Employees are advised to keep his / her immediate supervisor informed at the earliest. In case of leave for emergencies, the employee is required to fill the Leave Application and get his / her immediate supervisor's approval, once he / she resumes work.

□ Extensions

1.22 Employees are not encouraged extensions of leave. They will be considered

only if the employee communicates such an intention in writing.

1.23 When extensions are requested on medical grounds, a medical certificate should be submitted as soon as possible.

□ Privileged Leave (PL)

1.24 Employees are encouraged to plan their PL entitlements

carefully in order to meet their personal needs and the

needs of XYZ. Employees are encouraged to actively

communicate leave plans and details to their supervisors so that all team members can adjust their schedules.



1.25 All employees are eligible for 22 working days of Privileged Leave every year. However an employee can take a maximum of 15 working days at a stretch. In case an employees avails of more than 15 working days at a stretch, such leave will be treated as unpaid leave.

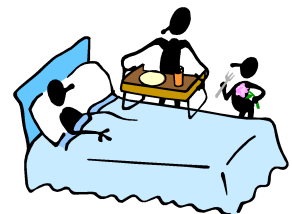
1.26 All Paid holidays and Sundays that precede, succeed or fall within the period of the employee availing the PL, will not be considered part of the PL.

1.27 Privileged Leave cannot be accumulated or en-cashed.

□ Casual Leave / Sick Leave (CL/SL)

1.28 Casual Leave is permitted for employees to attend to their personal exigencies.

1.29 Sick Leave is permitted when an employee is unable to attend work for medical reasons. When an employee is ill and is unable to come to work he / she must call the office and notify his / her supervisor of their absence.



1.30 Employees are eligible to 10 working days of Casual / Sick leave in a year.

1.31 In case of absence for more than three (3) working days at a stretch, a

Medical Certificate from a doctor is required. In case of additional requirement of SL, it may be combined with PL. Advance SL may be permitted on a discretionary basis.

- 1.32 More than three (3) working days taken as CL, would be treated as PL. Alternately, medical certificate should be submitted for the leave to be considered as sick leave.
- 1.33 Casual / Sick Leave cannot be accumulated or en-cashed.
- 1.34 Casual / Sick Leave cannot be suffixed or prefixed to Privileged Leave.

□ Maternity Leave (ML)

- 1.35 Maternity Leave (ML) will be available to all female employees for the purpose of confinement and recuperation thereafter.
- 1.36 Female employees must notify XYZ in writing and produce a Medical Certificate confirming the pregnancy and detailing the expected date of birth and the date on which ML is to commence.
- 1.37 The act is applicable to women employees who have been working as an employee in the company for a period of at least 80 days in the past 12 months.
- 1.38 Female employees will be entitled to take ML of up to eight (8) weeks immediately preceding the birth and the remaining weeks immediately after the actual date of birth. An employee can adjust the timing of the ML but it will not exceed twenty six (26) weeks.
- 1.39 Additional maternity leave of 4 weeks Post Maternity Leave of 12 weeks, in
case of "illness arising out of pregnancy, delivery, premature birth of child, miscarriage, medical termination of pregnancy or tubectomy operation, supported by a Medical Certificate.
- 1.40 The above benefits are applicable for their first 2 children only. For women
who are expecting after having 2 children, the duration of paid maternity leave shall be 12 weeks (i.e., 6 weeks pre and 6 weeks post expected date of delivery).
- 1.41 In case of miscarriage or medical termination of pregnancy, the employee on production of a medical certificate will be entitled to leave with wages for a maximum period of six (6) weeks immediately following the day of her

miscarriage or medical termination of pregnancy.

- 1.42 An employee will be paid their full salary for the period that they are on Maternity Leave.
- 1.43 Any Sunday or Public Holiday that falls due during ML is counted as part of the Maternity Leave and will not give rise to any additional leave or payments.
- 1.44 PL cannot be clubbed with ML.
- 1.45 On adoption of a child, female employees who adopt a child upto 3 months will be eligible for 12 weeks of maternity leave from the date of adoption i.e. the date the child is handed over to the mother.
- 1.46 This provision of 12 weeks of maternity leave is also applicable to a commissioning mother, which means a biological mother who uses her egg to create an embryo implanted in another women.
- 1.47 Work from home option can be avail-ed after the expiry of the Maternity leave depending on the nature of the work on terms and period that are mutually agreed.
- 1.48 A Crèche facility is Mandatory for every establishment employing 50 or more employees, within such distance as may be prescribed, either separately or along with common facilities. Woman employee should be permitted to visit the crèche 4 times during the day, which includes the regular rest interval .

□ Holidays

- 1.49 XYZ will decide and announce the list of Public Holidays at the beginning of Calendar year based on local practice. The number of such public holidays declared will typically not exceed 10 days.
- 1.50 Similarly, XYZ has the discretion to declare an additional holiday, if a public holiday falls on a Sunday or if two holidays fall on the same day, to declare an additional holiday.
- 1.51 Similarly, XYZ has the discretion to designate a holiday as a working day, to compensate for working days lost due to natural calamities, civil

disturbances or other unforeseen circumstances.

7. Compensation, Benefits & Reimbursements

□ Payroll date

- 1.52 The salary of each employee is credited to his/her bank account by 5th of Next month.

□ Compensation & Benefits components

- 1.53 The salaries have been structured to be tax compliant for the organization as well as to be tax effective for the employees. The break up is as follows:

- Basic
- House Rent Allowance
- Conveyance Allowance
- Medical Reimbursements
- Supplementary Allowance

□ Basic salary

- 1.54 The Basic salary is the primary element in the compensation package and is fully taxable.

□ House Rent Allowance

- 1.55 House Rent Allowance will be a percentage of Basic salary.

- 1.56 HRA exemption will be given on production of receipt of the rent. As per

Income Tax Laws following exemption will be granted:

The lowest of the following three options is exempt from tax:

- (a) Actual HRA received in respect of the period during which the rental accommodation is occupied by the employee, in the previous year OR
- (b) The excess of rent paid over 10% of basic salary OR

- (c) In case of Mumbai / Kolkata / Delhi / Chennai, 50% of the salary and in case of other cities 40% of the salary due.

Salary for the purpose of computation of exemption includes basic salary and bonus.

- 1.57 Employees need to provide stamped receipts for the rent paid for all the months that they claim tax exemption for along with the copy of lease agreement by 15 March of each year to the Finance department. Exemption is not available where an employee lives in her/his own house or in a house for which no rent is paid.

For example X, who resides in Mumbai, gets Rs.25,000 as basic salary. He receives Rs.6,000 as house rent allowance. Actual rent paid by him is Rs.7,500.

Out of Rs.6,000 received as HRA, the least of the following is exempt from tax

- a. *Rs.6,000/-, being HRA*
- b. *Rs.5,000/- being excess of rent paid over 10% of basic salary*
- c. *Rs.12,500/- being 50% of salary.*

In this case, Rs.5,000 is exempt from tax

□ Conveyance Allowance

- 1.58 An employee will be eligible for a maximum reimbursement as per the salary structure and the level of the individual.
- 1.59 As per the Income Tax Act an employee is eligible for reimbursement of conveyance expenses only from residence to office and back to the maximum of Rs.1600 per month. The conveyance reimbursement shall be paid along with the monthly salary.

□ Medical Reimbursements

- 1.60 All employees will be eligible for reimbursement of upto Rs. 15,000 per annum (April - March) towards domiciliary expenses incurred by them, for themselves and/or any member of their family (Note: Family in relation to employee means (a) spouse and children of the employee; and (b) the parents, brothers and sisters of the employee or any of them wholly or mainly dependent on the employee)
- 1.61 Employees can claim the reimbursements by submitting necessary proof documents i.e. bills / receipts for medicines / professional consulting from medical practitioners, to the Finance department on a monthly basis.

- 1.62 In case, the employee does not furnish medical bills, the amount will be taxed at the end of the year.

□ Provident Fund Allowance (PF)

- 1.63 All employees will be eligible for a PF allowance as 12 % of the Basic Salary.

- 1.64 This allowance will be payable as a monthly allowance and when the PF account is opened the same will be deposited in the PF account of the individual.

□ Other Allowances

- 1.65 Details of other allowances if any will be mentioned in the employee's appointment letter under Annual Compensation Plan.

□ Performance Pay

- 1.66 Performance pay or bonus will be paid in any given year as per the performance appraisal process.
- 1.67 Employees who have completed 6 months of service in the organization by October of the given year will be eligible for pro-rata performance pay as per the performance appraisal process.
- 1.68 Performance pay will be payable after appraisals.
- 1.69 Performance pay amount is fully taxable.

□ Annual Salary Revision

- 1.70 The salary for the individual employee will be reviewed annually. The change in the salary will be dependant on the overall performance of the company as well as performance of the individual that will be decided as per the performance appraisal system.

□ Deduction of tax at source from salary (TDS)

- 1.71 In computing the tax deductible at source, the company will take into account any rebate, which is available to the employees as per the provision of the income tax Act, 1961. The employees are required to furnish a declaration **(Annexure 7)** with regard to the investment proposed to be made by them in any eligible instrument latest by April 15 in each year. All new employees are required to furnish the declaration within 15 days of joining the organization.
- 1.72 New employees are also required to furnish the salary certificate from earlier employer on joining.
- 1.73 Employees will then be required to furnish proof of such investments latest by March of each year. In case proofs are not furnished, the rebate as per provisions of Income Tax Act, 1961 cannot be considered and tax will be deducted accordingly.
- 1.74 Employees may contact the Finance department for more details regarding their salary and TDS calculation. The employee is solely responsible for filing their own Income Tax return at the end of the year and the Finance department will issue the Form 16 together with a salary certificate for the financial year.

□ Employee Insurance

- 1.75 XYZ will insure its employees in Grades in I, II, III & IV. The employees will be insured for health for amounts as per the grade structure.
- 1.76 PQR Policy will cover this.
- 1.77 New employees joining on the 15th of the month or earlier will be insured by the end of the month. For employees joining after the 15th, insurance will be done in the next month-end.

□ Reimbursements

- 1.78 Employees can claim reimbursements for expenses done for official

purposes by filling up the expense statements as per **Annexure 1**.

1.79 Reimbursements will be as per the expense approval matrix. The same can be referred in **Annexure 4**.

1.80 No approval is required for reimbursements as per the ceiling. However this is subject to submission of bills.

1.81 For any expenses exceeding the ceiling, approval from the department head is required.

8. Official Travel

□ Local Travel

1.82 Employees' conveyance from residence to office and back is part of the employees' salary and therefore cannot be claimed separately.

1.83 Employees can claim reimbursements for local conveyance as per Annexure

4. No approvals are required for reimbursements within the ceiling. But this is subject to submission of bills. Any exceptions to this will have to be approved by the directors/ CEO. However, approval of the department head is required for submission of any claims at actual.

1.84 Employees have to submit their conveyance reimbursement form every month and not carry it forward. Conveyance reimbursements will be on a weekly basis.

□ Domestic Travel

1.85 Employees undertaking travel have to submit a travel requisition as per **Annexure 5**.

1.86 In case an advance is required, the same can be obtained based on the travel requisition.

1.87 The mode of travel is a Low Cost airlines / Economy airlines employees.

1.88 **Annexure 4** covers ceilings for reimbursements on lodging & boarding, food & conveyance.

- 1.89 The Expense Statement as per **Annexure 1** must be submitted to the Finance department (with original receipts / bills) within a week of resuming work and needs to be approved by the respective department head/director.

□ Foreign Travel

- 1.90 Employees undertaking travel have to submit a travel requisition as per **Annexure 5a**.
- 1.91 In case an advance is required, the same can be obtained based on the travel requisition.
- 1.92 XYZ will bear all expenses incurred on Visas for countries that proposed to be visited on work including countries that are to be visited en route. Visas will generally be taken for the minimum period required for the purpose of the visit except for frequent travellers where a long-term visa may be desirable. Expenses on Visas for any personal travel during the business trip will have to be borne by the employee.
- 1.93 Airport taxes at all airports will be reimbursed on actual and employees can claim the same as part of the Official Travel expense reimbursement.
- 1.94 Whenever and wherever possible, accommodation will be arranged free of cost by XYZ.
- 1.95 Employees on foreign travel for official purpose will be eligible for a food & conveyance allowance as per the expense approval matrix as per **Annexure 4** (but subject to production of original bills) during the period of foreign travel.
- 1.96 The Expense Statement as per **Annexure 4** must be submitted to the Finance department (with original receipts / bills) as soon as the employee resumes work for payment once approved by the respective department head/General manager.
- 1.97 Advances can be given subject to approval of the HR department.
- 1.98 The settlement would be in Indian Rupees at the exchange rate of the date.
- 1.99 Employees who travel abroad for training / seminars should submit a Programme Report and could also make a presentation on the experience / knowledge gained during the visit. Reading material of the Training should

be submitted to the XYZ Resource Centre.

□ Special projects

- 1.100 An allowance for special projects would be given as per the discretion of the management.

9. Purchase Of Material /Services

- 1.101 For purchase of any material or services, a prior authorisation is required in the form of a material requisition as per **Annexure 3**.
- 1.102 All commitments require appropriate documentation authorisation and approval in advance of the contemplated transaction. The requisition documentation should include requester's name, estimated cost of the request and purpose material/services requested. This should be supported by two quotations for the required material/services.
- 1.103 The originator of the requisition is responsible for obtaining all signatures. Each requisition should be authorised by head of the department (HOD).
- 1.104 Based on the approval matrix (**Annexure 8**), the originator should also obtain an approval.
- 1.105 The company's approval matrix contains a listing of the most common types of commitments and expenditures and the appropriate signature level required.
- 1.106 Employee expense reports must be authorised by the department head. No employee shall approve his/her own expenditures.
- 1.107 Employees are strictly prohibited from requesting that a supplier split the purchase amount on more than one invoice to meet the approval limits of this Policy.
- 1.108 In case of a director, an authorisation should be sought from another director.

10. Leaving Formalities

□ Termination of services

- 1.109 During the probation period, the employee or the organisation shall be

entitled to terminating the employment at any time by one party giving to the other two weeks' notice in writing or two weeks salary in lieu of notice.

1.110 After confirmation, your employment may be terminated at any time by either party giving to the other one months' written notice or one month's salary in lieu of notice.

1.111 The organisation can terminate your employment without notice or salary in lieu of notice on the happening of one or more of the following events:

1.111.1 If any declaration given or information furnished by you to the organization proves to be false or if you are found to have willfully suppressed any material information;

1.111.2 On your being convicted of any felony or being in the opinion of the organization guilty of conduct which constitutes a failure to conscientiously attend to your employment or insubordination or disobedience of lawful instructions;

1.111.3 On your failure to attend for duty at all reasonable times;

1.111.4 On your failing to comply with any of the provisions of your contract of employment

□ Exit Interview

1.112 The HR Department will conduct an exit interview in order to get the employees' reasons for leaving, feedback as well as other inputs or suggestions on the organisation.

□ General Policy

1.113 Before leaving the company, the employee must ensure that the following formalities are completed

1.113.1 Give a letter a resignation specifying the notice period. The letter must be given to the supervisor

1.113.2 Return all XYZ property i.e. manuals, calculators, floppies, etc.

1.113.3 Get certificate from Accounts that no dues are pending.

1.113.4 Give letter to HR surrendering the Company insurance policies.

1.114 All dues will be settled within 30 days of the date of cessation of employment in the XYZ.

□ Gratuity

1.115 For an employee who has been with the organisation for a minimum of 5 years, gratuity has to be paid at the time of his/her leaving the organisation. Gratuity is calculated as 15 days of basic salary for every completed year of service, based on the last salary. The maximum amount payable as gratuity is either Rs. 3,50,000 or 20 months salary whichever is lower.

□ Service Certificate

1.116 Service Certificates will be issued to a resigning employee at the discretion of the HR department. This must be issued within 30 days of cessation of employment. All dues must have been settled. Service certificates will be issued only to employees having completed a minimum of 1 year of employment with XYZ.

11. Social Media and Social Networking Policy

1. This policy shall apply to all employees of XYZ, excepting those who have been authorized in writing by the company to blog / communicate on its behalf.

2 Personal blogs should have clear disclaimers that the views expressed by the author in the blog are the author's alone and do not represent the views of the company. Be clear and write in first person. Your writing should clearly indicate that you are speaking for yourself and not on behalf of the company.

3 Information published on your blog(s) should comply with the company's confidentiality and disclosure of proprietary data policies. This also applies to comments posted on other blogs, forums and social networking sites.

4 Be respectful to the company, other employees, customers, partners, and competitors.

- 5 Social media and social networking should be on the employees' own time and such activities should not interfere with work commitments. Please refer to IT resource usage policies, as necessary.
- 6 Social networking sites, including but not limited to groups and fan clubs cannot be formed on behalf of the company, except by authorized department and individuals.
- 7 Your online presence reflects on the company. Be aware that your actions captured via images, posts, or comments can reflect as our company's.
- 8 Do not reference or cite company clients, partners, or customer without their express consent. In all cases, do not publish any information regarding a client.
- 9 Respect copyright laws, and reference or cite sources appropriately. Plagiarism applies online as well.
- 10 Company logos and trademarks cannot be used without written consent.

12. Mobile reimbursements

- 2.1 The employees are entitled to reimbursement on their mobile bills used for official purpose according to the limits mentioned in the mobile reimbursement matrix.
- 2.2 All employees in the Founders, Senior Management are allowed reimbursement on their mobile bills.
- 2.3 Employees in the Junior Management band will be allowed reimbursements on mobile bills on need basis with the written approvals from the respective Department Heads.

- 2.4 For availing reimbursement, the mobile bill should be attached to the duly filled expense voucher after deducting personal calls, approved by the Department Head, and submitted to the Finance & Accounts Department.
- 2.5 The reimbursement will be disbursed through cheques in 7 business days.
- 2.6 Any exceptions to this policy will be considered only with the approval of the respective Department Head and the Human Resources Department.

Mobile Reimbursement Matrix

Band/ Level	Location	Maximum Payable (Monthly)
Founding members and Senior management	All	Rs. 3000/-
Middle Management	All	Rs. 1000/-
Junior management	All	Rs. 500/-
Special Eligibility		
Field Staff (of Agency, Corporate Sales & Hotels)	Mumbai, NCR, Bangalore	Rs. 1500/-
	Others – Pune, Ahmadabad, Kolkata, Chennai, Hyderabad*	Rs. 2500/-

* All of them operate out of their home and have no official landline connection.