

SOLARA ACTIVE PHARMA SCIENCES LIMITED

SOCIAL SECURITY MEASURES POLICY

Document History		
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Purpose:

This policy outlines Solara's commitment to providing social security and statutory benefits to its employees in compliance with various Social Security Acts enacted by the Government.

Scope:

This policy applies to all management employees, including trainees and those contracted to work at or for Solara, as per the applicable social security acts and any amendments notified in the official gazette.

Applicable Laws/ Compliances:

The policy incorporates the following Social security Acts:

- Payment of Gratuity Act, 1972
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Payment of Bonus Act, 1965 (including amendments)
- Employees State Insurance Act, 1948

Description:**1. Payment of Gratuity Act, 1972:**

1.1. Provides a scheme for gratuity payment to employees on termination of employment after continuous service of at least five years, unless terminated due to death or disablement.

1.2. Eligibility for Gratuity Payment:

- 1.2.1. Superannuation
- 1.2.2. Retirement or resignation
- 1.2.3. Death or disablement due to accident or disease

1.3. Gratuity Calculation Formula:

- 1.3.1. $\text{Gratuity} = \text{Last Drawn Salary (Basic + DA)} \times \frac{15}{26} \times \text{Years of Service}$
- 1.3.2. Maximum Tax-Free Limit: ₹20,00,000.
- 1.3.3. For service below six months, the period is ignored; above six months, it is rounded to one year.

1.4. Forfeiture of Gratuity:

- 1.4.1. An employee needs to complete a minimum of 4 years and 10 month of continuous service term to be eligible, anything less than that will forfeit his/her eligibility of gratuity benefits payout
- 1.4.2. Despite of being eligible if the employee is terminated from service due to riotous conduct, violence, or acts involving moral turpitude during employment, gratuity will be forfeited.

2. Employees' Provident Fund and Miscellaneous Provisions Act, 1952

2.1. Ensures a provident fund, pension fund, and deposit-linked insurance for employees.

2.2. Contribution:

- 2.2.1. Employee Contribution: 12% of Basic + DA.
- 2.2.2. Employer Contribution: 12% of Basic + DA.

2.3. Includes Employees' Deposit-Linked Insurance Scheme (EDLI), providing coverage in case of death.

3. Payment of Bonus Act, 1965 (Amended)

- 3.1. Bonus payments are based on profits or productivity as per statutory provisions.
- 3.2. Eligibility:
 - 3.2.1. Minimum of 30 days of work in the preceding year.
- 3.3. Timing:
 - 3.3.1. Payment within eight months after the financial year ends.
- 3.4. Reckoning of Bonus
 - 3.4.1. Manufacturing Locations: As per Bonus Act and settlements.
 - 3.4.2. Corporate and R&D Centers: As per Bonus Act.
- 3.5. Unclaimed bonuses will be treated as per legal provisions.

4. Employee State Insurance Act, 1948

- 4.1. Provides benefits for sickness, maternity, and employment injuries.
- 4.2. Coverage Limit:
 - 4.2.1. Employees earning up to ₹21,000 per month.
- 4.3. Contributions:
 - 4.3.1. Employee Contribution: 1.75% of wages.
 - 4.3.2. Employer Contribution: 4.75% of wages.

Review & Administration:

The Human Resources Department is responsible for implementing and interpreting this policy. The policy will be reviewed and revised periodically or as needed, based on amendments to the relevant acts and operational requirements.

References:

- Payment of Gratuity Act, 1972
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Payment of Bonus Act, 1965 (Amended)
- Employees State Insurance Act, 1948