

S.R.G. NARROW FAB LIMITED

(Formerly Known as S.R.G. NARROW FAB PRIVATE LIMITED)

Registered Office: R.S. NO. 282/P & 285/P, PLOT NO. 4105, ROAD NO.41,

G. I. D. C. SACHIN, TALANGPUR, Surat, SURAT, Gujarat, India, 394230

CIN: U17122GJ2008PLC055476

website: www.srgelastics.com

Mobile No: +91 9879905050

Email Id: srgelastics12@gmail.com

GRATUITY POLICY

Name of the Factory: S.R.G. Narrow Fab Limited

Factory Address 1ST: R.S. NO. 282/P & 285/P, PLOT NO. 4105, G.I.D.C. SACHIN, TALANGPUR, SACHIN, G.I.D.C., SURAT, CHORASI, SURAT -394230, GUJARAT, INDIA

Factory Address 2ND: Survey No. 271/P and 272/P, Plot No. 4227, SACHIN GIDC, Road Number 42, Shiva Synthetics, Sachin, Surat, Surat, Gujarat, 394230

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Approved By: Dhiraj Ummedsingh Gunecha, Managing Director

1. Introduction

This Gratuity Policy has been framed by S.R.G. NARROW FAB LIMITED ("the Company") in accordance with the provisions of the Payment of Gratuity Act, 1972, the Payment of Gratuity (Central) Rules, 1972, and any amendments thereto. The objective of this policy is to define clear guidelines regarding eligibility, computation, administration, and payment of gratuity to employees, thereby ensuring compliance with statutory obligations and promoting employee welfare.

The Company recognizes gratuity as a statutory terminal benefit payable to eligible employees as a mark of appreciation for their long-term service. This policy outlines the entitlements, procedures, responsibilities, and documentation requirements for the effective implementation of gratuity payments.

2. Scope and Applicability

This Policy applies to all employees (permanent, full-time) of S.R.G. NARROW FAB LIMITED who have completed a minimum continuous service of five years with the Company, except in cases of death or permanent disability where the minimum service requirement is waived as per the Payment of Gratuity Act, 1972.

This policy does not apply to:

- Apprentices engaged under the Apprentices Act.



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- Consultants, contractors, and outsourced personnel.
- Temporary or casual workers unless explicitly covered under statutory provisions.

3. Definitions

For the purpose of this Policy, the following definitions shall apply:

- "Act" means the Payment of Gratuity Act, 1972.
- "Employee" means any person employed on wages in any establishment, factory, or company to do any skilled, semi-skilled, unskilled, manual, supervisory, technical, or clerical work.
- "Completed Year of Service" means continuous service of one year as defined under Section 2A of the Act.
- "Wages" means the last drawn basic wages and dearness allowance.
- "Continuous Service" means uninterrupted service including leave, sickness, accident, lay-off, strike, or lock-out not due to the employee's fault.
- "Gratuity" means the monetary benefit payable under this Policy and the Act.

4. Eligibility for Gratuity

Employees shall be eligible for gratuity under the following conditions:

- Completion of five years of continuous service with the Company.
- In cases of death or permanent disability, the eligibility criteria of five years shall not apply.
- Gratuity becomes payable upon:
 - Superannuation;
 - Retirement or resignation;
 - Termination of employment after continuous service of at least five years;
 - Death or disablement (irrespective of service period)

5. Calculation of Gratuity

Gratuity shall be calculated as per Section 4(2) of the Act:

Gratuity = (Last Drawn Wages x 15 x Number of Completed Years of Service) / 26



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Where:

- Last Drawn Wages = Basic Salary + Dearness Allowance.
- 15 days' wages represent 15/26 of monthly wages.
- Service exceeding six months shall be rounded to the next completed year.

Maximum Limit:

The maximum amount payable shall be the limit notified by the Government from time to time.

Example:

If an employee has completed 12 years and 7 months, and last drawn wages are ₹20,000

Years considered = 13

Gratuity = $(20,000 \times 15 \times 13) / 26$

6. Nomination

Each eligible employee shall submit a nomination in Form F as prescribed under the Act within 30 days of completing one year of service

Key Provisions:

- Employees may nominate one or more family members.
- Nomination can be modified at any time by submitting Form H.
- In absence of a valid nomination, gratuity shall be paid to the legal heirs.

7. Procedure for Claiming Gratuity

7.1 Initiation of Claim

- a) Employee shall apply in Form I within 30 days from the date gratuity becomes payable.
- b) In case of death, Form J or Form K shall be submitted by the nominee or legal heir.



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7.2 Employer's Response

- a) The Company shall verify the application and issue a notice in Form L within 15 days.
- b) The Company shall determine the gratuity amount and communicate the same to the applicant.

7.3 Payment of Gratuity

- a) Payment shall be made within 30 days from the date it becomes payable.
- b) Payment shall be made via bank transfer, cheque, or demand draft.

7.4 Delay and Interest

In case of delayed payment beyond 30 days, the Company shall pay interest as per Section 7(3A) of the Act unless delay is due to the employee's fault

8. Records and Documentation The HR

Department shall maintain the following records:

- Employee nomination forms (Form F & H)
- Gratuity calculation sheets
- Notice of payment in Form L
- Register of gratuity (Form R)
- Correspondence and acknowledgments

These records shall be maintained in physical and digital formats for a minimum period of 8 years or as prescribed under applicable laws.

9. Tax Implications

Gratuity received by an employee shall be exempt from tax up to the statutory limit under Section 10(10) of the Income Tax Act, 1961. Any amount exceeding the prescribed limit shall be taxed as per applicable income tax rules,

Employees are encouraged to consult their tax advisors for individual tax planning



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10. Administration and Review of Policy

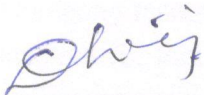
- The HR & Compliance Department shall be responsible for implementing and administering this, Policy.
- Any disputes shall be handled as per the provisions of the Act and escalated to the Controlling Authority where necessary.
- The Company reserves the right to amend or modify this Policy in accordance with changes in law.
- This Policy shall be reviewed every two years or earlier if required by statutory changes

11. Confidentiality and Data Protection

All employee information, including salary details, nominations, documents submitted, and family information, shall be kept confidential and shall be accessed only by authorized personnel for statutory and administrative purposes.

12. Effectiveness

This Policy comes into effect on the date of its approval by the Board of Directors of S.R.G. NARROW FAB LIMITED and shall remain in force until superseded or modified by the Company.



Authorized Signatory

Dhiraj Ummedsingh Gunecha, Managing Director

Date: Surat

Place: 23/06/2026