Rewards & Recognition

Scheme

BalmerLawrie & Co. Ltd.
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Introduction

This Manual contains the details of the Rewards & Recognition Scheme of Balmer Lawrie & Co. Ltd., covering the following with respect to each of the Awards / Recognitions stated under the Scheme:

- Objectives
- Coverage
- Eligibility
- Rewards / Recognition
- Nomination and Selection Procedure
- Process Flow
- Budget
Rewards & Recognition Scheme

Objective
The objectives of Balmer Lawrie Rewards & Recognition Scheme are to:

- Recognize sustained and exemplary performance by SBUs/work centers (referred to as Entities), Teams and individual Employees
- Create a more productive work environment
- Reinforce a performance driven culture
- Improve Employee Engagement
- Create & sustain a culture of excellence

Awards & Appreciation
The following Awards & Appreciation shall be instituted:

- Best SBU Award
- Best Unit/Branch Award
- Employee of the Year Award
- Young Achiever Award

The above list of Awards are applicable from 2014-15. Awards/Appreciation can be added / deleted from this list from time to time depending on their relevance and implementation experience.

Rewards Committees & Their Function

At the SBU level
To take decision on the Best Unit / Branch Award within the SBU and recommend individual employees for other Awards/Appreciation
- SBU Head (Chairman)
- Any one Corporate Functional Head
- SBU HR Resource (Member Secretary)
- SBU Finance Resource
- Any other person (including an employee) co-opted by the Chairman should necessarily be at the SBU functional head level responsibility.

At the Corporate Function Level
To recommend individual employees for other Awards/Appreciation
- Head of Corporate Affairs
- Head of Finance
- Head of IT
- Head of Technical
- Head of HR (Member Secretary)
- One SBU head each from manufacturing and services business.

At the Company level – Apex Committee
To take decision on the Best SBU and Employees to be Awarded/Appreciated
- C&MD(Chairman)
- Director – Manufacturing
- Director – Services
- Director – HR&CA (Member Secretary)
- Director – Finance
- Any other person (including an employee) co-opted by Chairman to assist the Committee

The Apex Committee besides being the deciding authority on the selection of Best SBU and Employees for Appreciation shall also be responsible for setting qualitative parameters/indicators of performance
on a yearly basis and changing/ modifying the Scheme in any manner, from time to time, as considered appropriate by it.

The functions of the Member Secretary shall be:

- To get nominations from respective SBUs/Functions with regard to meritorious performance by Employees for the:
  - a. Employee of the Year Award
  - b. Young Achiever Award
- To examine the nominations received in terms of their completeness
- To take on record all nominations received by the due date
- To carry out primary evaluation/analysis of data/information received
- To reject such nominations which are primafacie either incomplete or invalid with reason(s) for their rejection
- To coordinate with the Apex Committee/CHR Department, as required
**Best SBU Award**

**Objective**
To recognize and reward the best SBU in terms of performance achieved and excellence demonstrated during the financial year.

**Eligibility**
- All SBUs

**Evaluation parameters**
- Each of the SBUs will be judged based on the following specified parameters vis-à-vis immediately preceding FY:

<table>
<thead>
<tr>
<th>Parameters for Best SBU</th>
<th>Max. Marks</th>
<th>Scoring Methodology</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Performance Related</strong></td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales / Income (% Growth) (Sales/Income is excluding Excise duty, Custom duty, VAT or any other duty, Tax etc. and also excluding interest and other income)</td>
<td>10</td>
<td>SBU with highest growth % will be assigned 10 marks. Marks for other SBUs will be prorated</td>
<td>Example: Suppose T&amp;T Income growth is 20% which is highest compared to all other SBUs. LS is 18%, G&amp;L is 10% etc. Then T&amp;T marks against Sales/Income(% Growth) = 10 LS = (10/20)*18 = 9, G&amp;L = (10/20)*10 = 5</td>
</tr>
<tr>
<td>Profit/PBT (% Growth)</td>
<td>10</td>
<td>SBU with highest PBT growth % will be assigned 10 marks Marks for other SBUs will be prorated</td>
<td></td>
</tr>
<tr>
<td>Non Achievement of MoU Targets</td>
<td>(-5)</td>
<td>SBUs which have not achieved the MOU target at Excellent level will be assigned a negative 5 marks.</td>
<td></td>
</tr>
</tbody>
</table>

Negative Growth / Improvement %, shall be awarded 0 (Zero) marks

<table>
<thead>
<tr>
<th><strong>2 Productivity Related</strong></th>
<th>25</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Volume (% growth)</td>
<td>8</td>
<td>SBU with highest growth in physical volume will be assigned 8 marks. Marks of other SBUs will be prorated</td>
<td>For Service SBUs (including ROFS) these marks will be added to 1(a)-Sales/Income(%growth)</td>
</tr>
<tr>
<td>Value Added/Employee Cost (% improvement)</td>
<td>7</td>
<td>SBU with highest improvement in Value Added/Employee Cost will be assigned 7 marks Marks of other SBUs will be prorated</td>
<td>Value Added is Sales Turnover less Expense on bought out items. Employee cost is manpower cost of all Employees including those on Contractual, Outsourced rolls plus payment made to Labour Contractor</td>
</tr>
</tbody>
</table>
### (c) Debtors Factor days (% improvement)
- SBU with highest improvement in Debtors Factor days will be assigned 10 marks
- Marks of other SBUs will be prorated

<table>
<thead>
<tr>
<th>3</th>
<th>Sustainability</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>HSE Audit score</td>
<td>5</td>
</tr>
</tbody>
</table>
- SBU with highest average HSE Audit score will be assigned 5 marks
- Marks of other SBUs will be prorated

**Average score** = \( \frac{\text{Sum of score of all Units/Branches of a SBU divided by the total number of such Entities}}{\text{For Services SBUs: T&T, LS& ROFS the max. mark will be 3 & the remaining 2 marks will be added to 2(b)- Value Added/Employee Cost (% improvement).}} \)

<table>
<thead>
<tr>
<th>4</th>
<th>Overall performance</th>
<th>50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualitative performance of the SBU in terms of Process/Technology improvement, Customer orientation &amp; Cost savings etc.</td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>
- Marks on this parameter will be awarded by Rewards & Recognition Committee.
- Data/Information on various improvements made/initiatives undertaken to be provided by each SBU

### Overall Performance
- Marks on this parameter will be awarded by Rewards & Recognition Committee.
- Data/Information on various improvements made/initiatives undertaken to be provided by each SBU

### Process Flow:

<table>
<thead>
<tr>
<th>Process</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Time line</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Submission of Application</strong></td>
<td>- Prepare Application recording details of Financial/Physical performance, Productivity factors, MoU Scores achieved, Average HSE Audit score and System/Process improvements / Cost initiatives/initiatives carried out during the previous financial year.</td>
<td>SBU Head</td>
<td>15\textsuperscript{th} March</td>
</tr>
<tr>
<td>- Send to Secretary – Apex R&amp;R Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Analysis and Validation</strong></td>
<td>- Collation, Analysis and Validation of data / information. If required, supplementary data/information will be sought from the SBU Head.</td>
<td>Member Secretary</td>
<td>31\textsuperscript{st} March</td>
</tr>
<tr>
<td>- SBU Head also may be asked to make a Presentation to the Apex R&amp;R Committee.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assessment</strong></td>
<td>- Assessment &amp; awarding of scores by the Apex Committee.</td>
<td>Chairman Apex R&amp;R Committee</td>
<td>1\textsuperscript{st} Week of April</td>
</tr>
<tr>
<td>- Declaration of Award to SBU scoring highest marks.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Reward Details

- A rolling Trophy and a Citation
- Financial contribution for a get together/outing for all employees of the SBU including non-regular (other than Contractors’ workmen)

Mechanism of Administration

- The rolling Trophy & the Citation will be handed over by C&MD to the SBU Head in the Top Management Meet held in April.
- Location wise group photograph of the employees of the SBU will be published in BLOOM & BLOG
- Location wise get together/outing will be organized for all covered employees
- The award details will be appended to the Personal file of the SBU Head, the Departmental Heads and the Unit/Branch Heads, and will be considered as an achievement.

Budget

- Rs. 500 per covered employee
- Covered employees include all regular & non-regular employees excluding Contractor’s workmen of the SBU.
- Rs. 50,000 – 3,00,000 p.a. (Linked to the no. of employees in the SBU)
REWARDS AND RECOGNITION SCHEME
BALMER LAWRIE & Co. Ltd.

Best Unit/Branch Award

Objective

To recognize and reward the best Unit/Branch of a SBU in terms of performance achieved and excellence demonstrated during a financial year.

Eligibility

- All Units/Branches (SBU’s with multiple branches will only be considered for this award)

Evaluation parameters

Each Unit/Branch of an SBU will be assessed based on the following specified parameters vis-à-vis its achievement in the immediately preceding FY:

<table>
<thead>
<tr>
<th>Parameters for Best unit/branch</th>
<th>Max. Marks</th>
<th>Scoring Methodology</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Performance Related</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Sales / Income (% Growth)</td>
<td>10</td>
<td>Unit/branch with highest growth % will be assigned 10 marks. Marks for other units/branches will be prorated</td>
<td>Example: Suppose Tvl. -Delhi Income growth is 30% and this is highest amongst all Travel branches. Tvl.-Kolis 28%, Tvl-Chennai is 10% etc. Then Tvl.-Delhi = 10 / (10/30)*10 = 3.33</td>
</tr>
<tr>
<td>(b) Profit/PBT (% Growth)</td>
<td>10</td>
<td>Unit/branch with highest PBT growth % will be assigned 10 marks Marks for other units/branches will be prorated</td>
<td></td>
</tr>
</tbody>
</table>

Negative Growth / Improvement %, shall be awarded 0 (Zero) marks

2 Productivity Related 25

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Max. Marks</th>
<th>Scoring Methodology</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Physical Volume (% growth)</td>
<td>8</td>
<td>Unit/Branch with highest % growth in physical volume will be assigned 8 marks Marks of other units/branches will be prorated</td>
<td>For units/branches of Service SBUs, these marks will be added to 1(a)- Sales/Income(% growth)</td>
</tr>
<tr>
<td>(b) Value Added/Employee Cost (% improvement)</td>
<td>7</td>
<td>Unit/Branch with highest % improvement in Value Added/Employee Cost will be assigned 7 marks Marks of other units/branches will be prorated</td>
<td>Value Added is Sales Turnover less Expense on bought out items. Employee cost is manpower cost of all Employees including those on Contractual, Outsourced rolls plus payment made to Labour Contractor</td>
</tr>
</tbody>
</table>
**REWARDS AND RECOGNITION SCHEME**
BALMER LAWRIE & Co. Ltd.

<table>
<thead>
<tr>
<th>(c)</th>
<th>Debtors Factor days (% improvement)</th>
<th>10</th>
<th>Unit/Branch with highest improvement in Debtors Factor days will be assigned 10 marks. Marks of other units/branches will be prorated</th>
<th>Example: Suppose in case of Tvl. –Mumbai, the improvement in Debtors factor days is 30% and this is highest amongst all Travel branches. Tvl.- Kol is 28%, Tvl-Chennai is 10% etc. Then, Tvl.-Mum = 10 Tvl-Kol=(10/30)*28 = 9.33, Tvl-Chn=(10/30)*10 =3.33</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Sustainability</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>HSE Audit score</td>
<td>5</td>
<td>Unit/Branch with highest HSE Audit score will be assigned 5 marks. Marks of other units/Branches will be prorated.</td>
<td>For units/branches of TT&amp;LS, the max. marks will be 3 &amp; the remaining 2 marks will be added to 2(b)- Value Added/Employee Cost (% improvement).</td>
</tr>
<tr>
<td>4</td>
<td>Overall performance</td>
<td>50</td>
<td>Qualitative performance of the Unit/Branch in terms of Process/Technology improvement, Customer orientation &amp; Cost savings etc.</td>
<td>Marks on this parameter will be awarded by the Director(I/C). Data/Information on various improvements made/initiatives undertaken to be provided by each Unit/Branch.</td>
</tr>
</tbody>
</table>

**Process Flow:**

<table>
<thead>
<tr>
<th>Process</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Time line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submission of Application</td>
<td>- Prepare Application recording details of Financial/Physical performance, Productivity factors, HSE Score and Systems /Process improvements / Cost savings/ initiatives carried out during the previous financial year. - Send to Secretary – SBU level R&amp;R Committee</td>
<td>Unit/Branch Head</td>
<td>15th April</td>
</tr>
<tr>
<td>Analysis and Validation</td>
<td>- Collation, Analysis and Validation of data / information. If required, supplementary data/ information will be sought from the Unit/Branch Head</td>
<td>Member Secretary</td>
<td>30th April</td>
</tr>
<tr>
<td>Assessment</td>
<td>- Unit/Branch Head may be asked to make a Presentation to the SBU level R&amp;R Committee - Assessment &amp; awarding of scores by the R&amp;R Committee of the SBU - Assessment &amp; awarding of marks on the overall performance of the unit/branch by the Chairman R&amp;R Committee of the SBU</td>
<td></td>
<td>15th May</td>
</tr>
</tbody>
</table>
Director(I/C).
- Declaration of Award to Unit/Branch scoring highest marks.
- Communication to CHRD.

Reward Details

- The Award will be given to the best Unit/Branch of each multi-Unit/Branch SBU
- A rolling Trophy & a Citation
- Company sponsored get together/outing

Mechanism of Administration

- The rolling Trophy & the Citation will be handed over to the Unit/Branch Head by the Director I/C at the location of the selected Unit/Branch in the month of June.
- The group photograph of the employees of the Unit/Branch will be published in BLOOM & BLOG
- A get together/outing will be organized for all covered employees
- The award details will be appended to Personal file of Unit/Branch Head, and will be considered as an achievement.

Budget

- Rs. 300 per covered employee
- Covered employees includes all regular & non regular employees excluding Contractor’s workmen of the Unit/Branch.
- Rs.10,000 – 1,00,000 p.a. (Linked to the no. of employees in the Unit/Branch)
Employee of the Year Award

Objective

To recognize the outstanding employee who may have contributed significantly to meeting/surpassing the objectives/goals/targets of the business, initiated change/driver action towards business/operational excellence in their areas of responsibility, enhanced the external brand image of the organization and demonstrated high degree of organizational/societal leadership.

Eligibility

- All full time employees on the rolls of the Company including those on Fixed Term Contract
- Minimum 2 years of service in the organization
- Minimum rating of A in Last 2 years
- No disciplinary case is pending or contemplated.

Evaluation parameters

- The parameters for assessing/selecting the Employee of the Year award will be as under (supported by documents/facts and figures):

<table>
<thead>
<tr>
<th>Parameters for Employee of the Year Award</th>
<th>Marks</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution to the Objectives/Goals/Targets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a Met / Surpassed Objectives/Goals/Targets set for the Year</td>
<td>40</td>
<td>To be supported with both objective data on achievement of goals/targets besides subjective write ups on initiatives introduced, changes driven, professional laurels achieved and leadership acumen demonstrated both at work and in the societal sphere</td>
</tr>
<tr>
<td>b Initiated change/driver action for achieving excellence</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Professional Achievement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution made in the professional capacity such as achieving leadership positions in Professional/Industry bodies, making significant contribution to the up-gradation of the profession/industry knowledge &amp; practice and in doing so enhancing the brand image of the Company</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Organizational Leadership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a Leadership qualities demonstrated in managing &amp; mentoring teams and employees</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>b Initiative taken/contribution made in activities beyond work such as CSR, Sports, Recreation etc.</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Process Flow:

<table>
<thead>
<tr>
<th>Process</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Time line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nomination by SBU/Functional Head and recommendation to Apex R&amp;R Committee</td>
<td>- SBU/Functional Head to nominate a maximum of one candidate along with detailed justification for their nomination.</td>
<td>SBU/Functional Head</td>
<td>1st April</td>
</tr>
</tbody>
</table>
Collation of additional data / information
- If required, supplementary data/information will be sought from the SBU/Functional Head

Assessment & Selection
- Assessment by the Apex Committee
- Chairman of SBU / Corp. Functional level Committees may be required to make Presentations to Apex Committee justifying their recommendation.
- Declaration of ‘Employee of the Year’ Awards.

<table>
<thead>
<tr>
<th>Collation of additional data / information</th>
<th>Member Secretary-Apex R&amp;R Committee</th>
<th>30th April</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment &amp; Selection</td>
<td>Chairman Apex R&amp;R Committee</td>
<td>31st May</td>
</tr>
</tbody>
</table>

**Reward Details**
- Maximum one employee in a year will be awarded
- Framed Certificate signed by C&MD
- Gift Voucher of INR 25,000/-

**Mechanism of Administration**
- The Certificate & the Gift Voucher will be handed over by the C&MD in a special function to be organized at Board Room in the month of June.
- The employee’s photograph and name, with brief details of contribution, will be published in BLOG
- The award details will be appended to the employee’s personal file, and will be considered as a significant achievement

**Budget**
INR 35,000 p.a.
Young Achiever Award

Objective
To honor the pioneering spirit of the young professionals making extraordinary contribution to the organizational objectives, goals and targets in the relevant year and demonstrating high delivery potential and leadership capabilities.

Eligibility
- All Executives below the age of 35 years as on 31st March of the concerned year
- No disciplinary case is pending or contemplated

Evaluation parameters
- The parameters for assessing/selecting the best Young Achiever will be as under (supported by documents/ facts and figures):

<table>
<thead>
<tr>
<th>Parameters for Best Young Achiever Award</th>
<th>Marks</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution to the Objectives/Goals/Targets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a Contribution w.r.t. Targets set for the Year</td>
<td>30</td>
<td>To be supported with both objective data on achievement of goals/ targets besides write ups on extraordinary contribution made, benefit to the organization, leadership acumen demonstrated both at work and in the societal spheres</td>
</tr>
<tr>
<td>b Extraordinary contribution made for organisational benefit</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>c Contribution made to activities beyond work such as CSR, Sports, Cultural activities etc.</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Potential</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a Potential to deliver greater results</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>b Potential to lead self &amp; team in an exemplary manner</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>

100

Process Flow:

<table>
<thead>
<tr>
<th>Process</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Time line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nomination by SBU/Functional Head and recommendation to Apex R&amp;R Committee</td>
<td>- SBU/FunctionalHead to nominate a maximum of one employee along with detailed justification for their nomination.</td>
<td>SBU/Functional Head</td>
<td>1st April</td>
</tr>
<tr>
<td>Collation of additional data / information</td>
<td>- If required, supplementary data/ information will be sought from the SBU/FunctionalHead.</td>
<td>Member Secretary-Apex R&amp;R Committee</td>
<td>30th April</td>
</tr>
<tr>
<td>Assessment &amp; Selection</td>
<td>- Assessment by the Apex Committee</td>
<td>Chairman Apex R&amp;R Committee</td>
<td>31st May</td>
</tr>
</tbody>
</table>
**REWARDS AND RECOGNITION SCHEME**

**BALMER LAWRIE & Co. Ltd.**

- Chairman of SBU / Corp. Functional level Committees may be required to make Presentations to Apex Committee justifying their recommendation.
- Declaration of ‘Young Achiever’ Award.

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**Reward Details**

- In a year only one employee will be awarded
- Framed Certificate signed by C&MD
- Gift Voucher of INR 20,000, encashable at select outlets

**Mechanism of Administration**

- The Certificate & the Gift Voucher will be handed over by the C&MD in a special function to be organized at the Board Room in the month of June.
- The employee’s photograph and name, with brief details of service, will be published in BLOG
- The award details will be appended to the Personal file of the employee, and will be considered as an achievement.

**Budget**

- INR 30,000 p.a.

**General**

1. R & R committees are empowered to take decisions with regard to specified Awards and these decisions shall be final and will not be subject to any question.
2. Various formats etc. required for administering the Scheme properly shall be developed and circulated in due course.
3. Any change/modification to this Rewards & Recognition Scheme shall require the approval of C&MD.

Thank You!