



## HUMAN RESOURCES MANUAL

### TITLE: EMPLOYEE SEPARATION POLICY

DOC. No. : HRM/HR/04

REV. No. : 00

DATE : 01-12.2020

#### Revision History

| Date        | Changes Made              | Change Made By (MR) | Approved By (HOD) | Affected Section | Revision No. |
|-------------|---------------------------|---------------------|-------------------|------------------|--------------|
| 01.12..2020 | Format built & authorized | Chirag              | ND Saini          | All              | 00           |
|             |                           |                     |                   |                  |              |
|             |                           |                     |                   |                  |              |
|             |                           |                     |                   |                  |              |
|             |                           |                     |                   |                  |              |
|             |                           |                     |                   |                  |              |
|             |                           |                     |                   |                  |              |

#### Document Ownership and Time lines

|                      |                            |                         |                      |
|----------------------|----------------------------|-------------------------|----------------------|
| Title                | EMPLOYEE SEPARATION POLICY | Document Classification | " Internal document" |
| Document Prepared By |                            | Date of Origin          | 01.12.2020 & 00      |
| Document Issued By   |                            | Reviewed on             | 21-03-2025           |
| Document Approved By |                            | Review Due on           | 20-03-2026           |



## **EMPLOYEE SEPARATION**

**Objective:**

1. To ensure smooth separation of the employee.
2. To ensure uniformity of practice in separation procedure.
3. To ensure timely release of the terminal benefits.

**Scope:**

This is applicable for all the employees of the Company.

**Guidelines:**

The separation between the employee and the company may happen under any of the following circumstances :

1. Superannuation / Retirement
2. Resignation
3. Termination
4. Voluntary Cessation / Abandonment /Absconding.
5. Death while in Service
- 6.

- **Superannuation/ Retirement**

1. The normal retirement age is 58 years.
2. As per the requirement of the company, retirement age of any employee may be extended with mutual agreement.
3. The retirement age shall be extended in blocks of two years and more, subject to a maximum employee age of 65 years.
4. Any extension after the age of 60 years shall be subject to the employee's medical and physical fitness as certified by a certified medical practitioner on a yearly basis.



5. The date of Superannuation shall be the last day of the month, on or before which the employee completes the superannuation age.
6. Special KRA's are not applicable for an employee who will separate through retirement mode.

**Procedure:**

- a. The HR department shall provide the details of the employee retiring from the services of the Company Three months in advance to the Director / HOD.
- b. In case of extension of the retirement age, appropriate communication will be sent to the employee and HR. The extension needs to be recommended by the Department Head and approved by the Board. (approved by Board)
- c. In the event of the retiree being allowed for a separation in the normal course, a communication on the same shall be sent to the employee, one month before the superannuation.
- d. The 'No Due Clearance' Form shall be made available one week in advance to the employee and the concerned departments for obtaining the necessary clearances.
- e. On satisfactory completion of the formalities inclusive of settlement of all dues to / from the company, the employee shall be relieved from the services of the company and the relieving letter/service certificate may be issued to the employee.

**Resignation :**

1. An employee leaving the company is required to submit a written resignation letter indicating clearly the date on which he/she would like to be relieved of the duties.
2. Before accepting the resignation, The Director needs to have a discussion with the employee to ascertain the reason and seek a way out to retain the employee.
3. The resignations are accepted taking into consideration the replacement plans for the position and planned for an effective handover.
4. The Notice period starts from the day the written resignation is submitted to the immediate reporting manager. Special KRAs with clear & objective sensor to be framed by HOD & Director jointly within 5 days from the date of resignation for the balance notice period. Special KRAs may include:
  - i. Handing Over of duties & responsibilities to the successor with the time limits.



## HUMAN RESOURCES MANUAL

### TITLE: EMPLOYEE SEPARATION POLICY

DOC. No. : HRM/HR/04

REV. No. : 00

DATE : 01-12-2020

- ii. Completion of any important task in which the employee was involved before separation
- iii. Any other task.
5. Special KRAs are to be agreed by separating employee & his HOD. All his dues in the company shall be credited to his account only after achievement of at least 70% of Special KRA. Review of Special KRAs shall be done every week to ensure desirable performance & handing over.
6. In all cases a formal intimation should be sent to HR Department on receiving a resignation.
7. The employee needs to serve the notice period as per his grade or pay in lieu of the shortfall.
8. EL may be adjusted against Notice period on the approval of reporting boss & Director.
9. After resignation salary of the month shall be put on hold and will be paid along with full n final payments.
10. In certain cases, the notice period agreement term can be waived. The recommendation for the same needs to be given by the department head, giving appropriate reasons, and approved by the Director.
11. The notice period recovery, if any, shall be done on the Basic Pay.

This decision will be at the discretion of the management. Comparisons/ Precedence may neither be quoted, nor shall be entertained by the Organization

- An exit Interview is seen as a mandatory activity, to be completed by the Reporting Manager & HR, before the employee leaves the Company. This is critical towards improving the work environment.
- Once an employee resigns, he will not be eligible for coverage under any ongoing review.
- In case the person under notice fails to perform at minimum 70% level on weekly reviews,
- Management reserves the right to relieve him / her earlier without paying any notice period beyond the dates he is being relieved. (Early relieving without paying for Balance Notice Period).

#### Procedure:

- i. The Accepted Resignation is forwarded by the Director to HR immediately upon acceptance.
- ii. Immediately upon receipt of the Accepted Resignation Letter, the HR will hand over the No Dues Clearance Form to the employee.
- iii. The employee will take the necessary clearance from all the departments.



- iv. Special KRAs with clear & objective sensor to be framed by HOD & Director jointly within 5 days from the date of resignation for the balance notice period
- v. The Department Head will identify the responsible person for taking the handover from the resigning employee.
- vi. This resigning employee will be responsible for providing accurate brief on all the work at his desk and also handover all the work related documents, drawings etc.
- vii. On receipt of the No Dues Form, each of the departments will verify their records for assets/ loans/advances/ documents issued to the employee and will ascertain the amount to be recovered from the employee, if any, and will mention the amount on the form.
- viii. The completed form will then be sent to HR who will forward the same to the Accounts department for the Full & Final Computation.
- ix. The Process at the resigning employee's end is not considered complete till the time he submits a No Dues Clearance Form to the HR department.
- x. In case organization owes any amount to the employee, the HR department shall contact the employee and arrange to pay the settlement amount and in case employee owes any amount to the organization, the employee shall be relieved from the Company only after clearing all outstanding dues to the Company.
- xi. The full & final settlement of the exiting employee shall be completed immediately on relieving but in any case the same shall not exceed one month from the relieving date, subject to the completion of the formalities required at the employee's end.
- xii. Relieving letter / Service Certificate shall be handed over to employees on the last working day of the employee, subject to no due clearance.
- xiii. While doing the Full and Final settlement, F&A should consider remarks made in the clearance certificate. Any loss or non recovery of company assets and property should be recovered.
- xiv. Besides computing balance salary payable / recoverable, following should also be required to given effect:
  - 1. Annual Leave encashment / adjustment against notice;
  - 2. Recovery of advance / company loan taken by the employee.
  - 3. Recovery of all taxes/ levies
  - 4. Recovery of training expense in case an employee leaves within a year of attending the training programme.
  - 5. Recovery of advance LTA paid if any.
- xv. Where net amount is receivable from the employee, clearance (or a "no dues" certificate) should be issued only when the amount has been credited in the company's bank account.

**Termination:**

- a. The Management may decide to terminate the services of any of its employees, as per the terms and conditions of the Letter of Appointment or any modification thereof and in terms of the HR Policy on the code of Conduct, as may be amended from time to time.
- b. The reasons for termination could include, but not limited to, Non Performance, Indiscipline, Misconduct, Insubordination, theft etc.
- c. Apart from the above, the reasons for Termination could also include:
  1. Involvement in activities resulting in punishment or prosecution as per the country's criminal procedure code under due process of law of the country.
  2. Employee(s) compounding with creditors and or failing to discharge financial commitments resulting in being declared insolvent by a competent court.
  3. Employee suffering from mental instability, chronic and acute diseases duly supported by a report from the company's medical advisor /competent medical practitioner, declaring him incapable of discharging his / her duties and responsibilities to the Company.
- d. In view of the legalities, the termination shall be supported with adequate documentation validating the reasons for the action.
- e. A "Show Cause Notice" should be issued by an email or by registered post at postal address given by an employee or last updated in company record detailing the full facts of the case at both the temporary and permanent address of the employee.
- f. A minimum of two notices should be issued before terminating the services suo-moto.
- g. All legal proceedings and notices should be given in consultation with the Legal Counsel and in accordance with the existing standing orders.
- h. The Company shall give the required notice before relieving the employee from service or shall pay the equivalent salary.

**Procedure :**

2. The HR Department shall initiate the process of No Dues Clearance.
3. On receipt of the No Dues Form, each of the departments will verify their records for assets/ loans/advances/ documents issued to the employee and will ascertain the amount to be recovered from the employee, if any, and will mention the amount on the



form. The completed form will then be sent to HR who will forward the same to the accounts department for the Full & Final Computation.

- **Voluntary Cessation / Abandonment :**

1. If an employee remains absent beyond the period of leave originally granted or subsequently extended, he/she shall lose lien on his appointment unless he/she -
  - i. Returns within eight days of the expiry of the leave and
  - ii. Explains to the satisfaction of his/her Reporting Authority / Head-HR, his inability to return before the expiry of his/her leave.
2. An employee who absents himself/herself for eight consecutive working days (point check with existing) without leave or permission and fails to offer satisfactory explanation for such absence within a period of seven days thereafter shall be deemed to have left or abandoned the service in the establishment without notice, thereby automatically terminating his/her contract of service.

**Procedure:**

- i. HR department shall initiate the 'No Due Clearance' process, for all cadres of employees, in this case. Some minimum efforts should be made by HR department to reach the employee; Intimation to Top Management should be made before initiating separation proceedings.
- ii. On receipt of the No Dues Form, each of the departments will verify their records for assets/ loans/advances/ documents issued to the employee and will ascertain the amount to be recovered from the employee, if any, and will mention the amount on the form.
- iii. The completed form will then be sent to HR who will forward the same to the Accounts department for the Full & Final Computation.
- iv. The Company shall recover the notice period payment as per policy.
- v. The Company shall endeavor to pay the due Full & Final amount to the employee within a month of the employee's relieving, subject to the completion of the No Dues form.

- **Death While in Service:**

1. If an employee dies while in service, his/ her nominee shall be paid all the dues, which the company owed to the employee, after adjusting the deceased employee's dues to the Company.
2. HOD shall communicate the HR about the death of the employee.
3. HR representative will be sent to deceased employee's house to assist her/his family members on the day of the death along with a Condolence Message addressed to the family members of the deceased.



## HUMAN RESOURCES MANUAL

### TITLE: EMPLOYEE SEPARATION POLICY

DOC. No. : HRM/HR/04

REV. No. : 00

DATE : 01-12-2020

4. Information about death to be circulated to all the employees of the Organization on the day of the death.
5. HR department shall initiate the 'No Due Clearance' process for all cadres of employees, in this case.
6. On receipt of the 'No Due Clearance' form, all the concerned departments will verify their records for assets/loans/advances issued to the employee and will ascertain the amount to be recovered from the final settlement, and will mention the amount on the form. The form will then be sent to HR department, for computation of final settlement, to be paid to the deceased employee's family.
7. The family of the deceased will be reimbursed, transportation of personal effects at actual, in case of relocation, to his/her native place, as per the entitled Grade of the deceased employee, in line with the Company's Travel Policy.
8. Expedited completion of formalities for release of terminal benefits will be undertaken by the concerned HR Dept, with assistance from the F & A Dept., and the nominee of the deceased employee.

The Company shall consider the notice period as waived off in case of death while in service.

HR Department shall also facilitate that the applicable insurance claims, if any, are paid to the deceased employee's family, from the concerned Insurance Companies