

BAHUVIDA LIMITED

HR Policy

COMPENSATION AND BENEFITS

This Chapter deals with the Compensation and Benefits payable to all regular employees of the Company except those who are covered under any separate Agreement.

Payroll Processing

Payroll of all regular employees is processed by the HR Department at the Head Office. The salary of new employees who join on or before 25th of a month will be processed during the same month. Those who join after 25th of the month will get their salary in the next monthly salary processing cycle. The employees will necessarily have to provide a copy of their PAN card at the time of joining so that there is no delay in crediting the salary.

Medical Reimbursement

- a) Employees are paid Medical reimbursement @ 8.33% of monthly Basic Salary subject to a maximum of Rs. 1,000/- per month when it is necessary.
- b) Medical reimbursement on submission of requisite bills, subject to a maximum of Rs. 12,000/-per annum is exempted from income tax.
- c) The coverage includes employees and their family members. Family in relation to member means, (a) spouse and children (b) Parents, minor brothers and sisters who are wholly or mainly dependent on him/her.
- d) Medical allowance payable to all of the employees through monthly salary.
- e) Medical reimbursement for the year must be claimed during the same financial year. Any unclaimed amount will be paid at the end of the financial year. Tax liability, if any, will be borne by the employee.

All expenses towards doctor's fee, medicines, laboratory tests, spectacles, dentures etc. claimed for medical expenses reimbursement, must be supported by proper documents and the same should be submitted to the Accounts Department through HR within the time.

Provident Fund (Employer's Contribution)

Employer's contribution to Provident Fund of an employee is 12% of basic salary per month. For employees drawing basic salary of more than Rs. 6,500/- per month, the basic salary is deemed to be Rs. 6,500/- per month and a PF contribution of Rs. 780/- per month is deposited as employer's contribution to PF. Out of the employer's contribution of 12%, 8.33% subject to a maximum of Rs.541/- per month is diverted to Employee Pension Fund under the PF Act.

Miscellaneous Reimbursements

Telephone Expenses Reimbursement (wherever applicable) amounting upto a maximum of Rs. 6,000/- per annum can be claimed against bills. Any unclaimed amount will be paid as Telephone Expenses Reimbursement at the end of the financial year. Tax liability, if any, will be borne by the employee. Pro-rata Telephone Expenses Reimbursement will be paid for part year of service. (*Note:- For issuance of Mobile Phone handsets to employees specific approval of concerned HOD's or Director is required*). It is the responsibility of the user/employee to keep the mobile handset in fully functional working condition. *The Company will not make any repairs/replacement of the handset within two years of issuing the same.* In case of loss/theft of mobile handset, the employee will make replacement at his own cost. The user/employee will immediately contact the service provider to get the SIM blocked and also file an FIR with the local police station to prevent misuse of the mobile phone and submit a copy of the same to the HR/Admin Departments for getting the replacement. Employees covered by this Policy should try to limit the charges of their mobile calls within their prescribed 'Mobile call limit per month' as mentioned above. Any charges over and above their entitlement will be borne by them. Employees will be required to keep their mobile phones (company's/personal) always ON/ACTIVE for all official communication.

Gift reimbursement (wherever applicable) amounting upto a maximum of Rs. 3,000/- per annum against bills can be claimed annually. Any unclaimed amount will be paid as Gift Reimbursement at the end of the financial year. Tax liability, if any, will be borne by the employee. Pro-rata Gift reimbursement will be paid for part year of service.

Group Personal Accident Insurance Policy

The Company contributes to a Group Personal Accident Insurance Policy in respect of permanent employees on the rolls. The Policy provides for payment of compensation to an employee in the event of his meeting with an accident, except under circumstances listed in the Policy. The “sum insured” is individualized and actual compensation is dependent upon the nature of disability suffered by the employee so insured. The scheme is centrally handled by the HR Department, Head Office at Hyderabad.

ENFORCEMENT OF DISCIPLINE

Acts of Misconduct

Without prejudice to the general meaning of the term “misconduct” it shall be deemed to mean and include those items enumerated in the Standing Orders/Service Rules of the company.

Forms of Punishment

An employee found guilty of misconduct will be liable to any of the following forms of punishment:

- A censure or warning.
- Suspension without pay for a period not exceeding 15 days as per the provisions of the standing orders.
- Withholding of grade increment, reduction of pay or demotion.
- Discharge.

Issue of Charge Sheet/Letter of Explanation

If misconduct is reported against an employee, the competent authority, before taking any disciplinary action against him, will issue a charge sheet or letter of explanation as the case may be. The charge sheet/letter of explanation should be served on the employee within three working days from the date on which the alleged misconduct has come to light. When for special reasons it is not possible to issue a charge sheet/letter of explanation within three days, the time limit may be extended to seven days from the date the alleged misconduct has come to notice of the competent authority.

Refusal to Accept or Delay in Reply to Charge Sheet

An employee who refuses to accept a charge sheet/letter of explanation or fails to reply to a charge sheet within the prescribed time limit of 48 hours (unless otherwise extended by the competent authority) from the time of issue, should not be taken on duty till he accepts or replies to the charge sheet/letter of explanation as the case may be. The Pay Roll Section should be intimated of the same.

Exoneration from the Charge if Reply is Acceptable

If the explanation given by the employee to the charge sheet/letter of explanation is satisfactory and acceptable, the employee should be informed in writing that he has been exonerated from the charges for which he was issued charge sheet/letter of explanation.

Enquiry

If the explanation given by the employee to the charge sheet/letter of explanation is not satisfactory, an official enquiry will be held by an officer(s) appointed for the purpose. The employee charged with misconduct will be given a reasonable opportunity for explanation and defending his actions. In case the charge sheeted employee gives the names of any employee(s)

as witness in his reply to the charge sheet/letter of explanation or at the beginning of the enquiry, the enquiry officer will intimate to such witnesses to be present for the enquiry. It is entirely up to the discretion of such witnesses to appear at the enquiry.

Suspension Pending Enquiry

An employee who has been issued a charge sheet/letter of explanation for a serious act of misconduct or if it is felt that his presence at the job is likely to affect the efficient running of the department or the employee concerned is likely to influence the witnesses or there is fear that he may destroy evidences relevant for the enquiry, the delinquent employee may be suspended pending enquiry.

The order of suspension will be in writing and shall take effect immediately on communication thereof to the employee. The suspended employee shall not enter the any of the Company's premises during the period of suspension unless otherwise permitted by the competent authority. An employee under suspension pending enquiry, during the period of such suspension, will be paid subsistence allowance @ 50% of his salary up to 60 days. If the enquiry gets delayed beyond 60 days due to the employee's non-availability, the subsistence allowance will be reduced to 25% and if the delay is attributed to the management's inability to conclude the enquiry the subsistence allowance will be paid at the rate of 75% of his salary. Payment of subsistence allowance will be made through the employee's bank account to which salary is remitted.

Action to be Taken on the Conclusion of an Enquiry

The enquiry into the charge sheet/letter of explanation will be conducted by the enquiry officer appointed for the purpose as per the relevant provision of the Company's Standing Orders/Service Rules.

Order of Punishment

The letter awarding the punishment will be given to the employee concerned by the HOD or Director in the presence of representative of HR. In case an employee refuses to accept such an order it will be deemed to have been served on him if a copy thereof is fixed on the notice board of the department and signed copies are sent to his local and home addresses by registered post with acknowledgement due.

Punishment

- Caution: If the misconduct is of a minor nature, the employee may be cautioned verbally or in writing.
- Warning in Writing: An employee who is guilty of misconduct of a minor nature but committed more than once may be warned in writing and copy of the warning letter be kept in his service record.
- Fines: An employee guilty of a misconduct may be fined in accordance with the provisions of Payment of Wages Act, 1936
- Suspension: Depending upon the gravity of the misconduct an employee may be suspended without pay as a disciplinary measure for a period not exceeding 15 days.
- Withholding of Grade Increment: The grade increment of an employee may be withheld at the discretion of the Management if he/she is found guilty of misconduct depending upon the gravity of the offence.
- Demotion or Reduction of Pay: An employee who is guilty of a misconduct not grave enough to warrant discharge may be demoted to a lower post or to a lower salary in the same post.
- Discharge: An employee who is found guilty of a serious misconduct may be discharged from the services of the company subject to the provisions governing discharge of an employee.

Graded Punishment for Chronic Cases of Misconduct

Unauthorized Absence:

An employee who is guilty of absence without information or permission is liable to be punished as follows:-

First offence : Warning in writing.
Second offence : Suspension for 3 days.
Third offence : Suspension for 7 days.
Fourth offence : Suspension for 15 days.
Fifth offence : Discharge.

If an employee absents unauthorizedly for a period of 15 days at a stretch he will be liable to be discharged from the services of the company.

Habitual Late Coming:

An employee who is a habitual late comer is liable to be punished as under. A habitual late comer is an employee who comes late for more than three occasions in a month for three consecutive months:-

First offence : Warning in writing.
Second offence : Suspension for 3 days.
Third offence : Suspension for 7 days.
Fourth offence : Suspension for 15 days.
Fifth offence : Discharge.

If an employee attends duty punctually for a period of six months, his previous punishment for habitual late coming shall not be taken into account.

Sleeping On Duty:

Sleeping on duty is misconduct. In the event an employee is found guilty of sleeping on duty punishment will be awarded as follows:-

- First offence : Warning in writing.
- Second offence : Suspension for 3 days.
- Third offence : Suspension for 7 days.
- Fourth offence : Suspension for 15 days.
- Fifth offence : Discharge.

Loss of Identity/Attendance Card

For loss of Identity/Attendance Card attributed to negligence or carelessness on the part of an employee the following punishment would be imposed:-

- First offence : A letter of warning and fine at Rs. 1,000/- will be deducted from salary.
- Second offence : 3 days' suspension and fine at Rs. 1,000/- will be deducted from salary.
- Third offence : 7 days' suspension and fine at Rs. 1,000/- will be deducted from salary.
- Fourth offence : 15 days' suspension and fine at Rs. 1,000/- will be deducted from salary.
- Fifth offence : Discharge.

LEAVE

The provisions of leave as contained in this Chapter are applicable to permanent employees working in the Company. Subject to the conditions attached to each, employees are eligible for the following types of leave and paid holidays:-

i) Accident Leave (Injury on Duty):

An employee, who is otherwise not governed by the provisions of Employees' Compensation Act, 1923 and ESIC, if he/she meets with an accident while on duty is granted accident leave money during the period of his/her temporary

disablement due to the injury sustained by him while on duty as certified by the Company's medical authority. The accident leave money so paid will include basic pay and all other allowances.

An employee who is on accident leave and whose retirement falls within the period during which he/she is still undergoing medical treatment for the accident should be continued on service and paid accident leave money until he/she is declared fit or his/her disability is finally assessed. The payment of accident leave money is subject to adjustment against the amount paid under Group Personal Accident Insurance policy, if any.

ii) Casual Leave

An employee is entitled to 7 (Seven) days casual leave in a calendar year which is credited to his account on 1st January. For an employee joining employment during the year, casual leave is credited on pro-rata basis. Casual leave cannot be carried forward to the following year and shall lapse if not availed of during the calendar year.

Casual leave cannot be granted for more than 2 (Two) days at a stretch in a calendar month. Weekly Off, National Holidays or Paid Holidays, either Compulsory or Restricted, falling in between Casual Leave will not be counted as Casual Leave. Casual Leave is allowed to be suffixed or prefixed with any other type of leave. Casual Leave can be availed of for a minimum of half-a-day.

iii) Sick Leave/ESIC leave

An employee is entitled to 5 (Five) days Sick Leave in a calendar year. Sick Leave can be availed of without medical certificate up to two days. Beyond two days an employee needs to submit medical certificate issued by a Registered Medical Practitioner along with his sick leave application. A new entrant who joins employment during middle of a year is entitled to sick leave on pro-rata basis. Sick leave can be availed of for a minimum period of half-a-day. Sick leave

falling on a Weekly Off, National Holiday or Paid Holidays, Compulsory or Restricted, is counted as Sick Leave. Sick Leave can be prefixed or suffixed with any other type of leave. An employee who is covered under Employees' State Insurance Scheme is entitled to sick leave as per the provisions of the Act. Sick leave can be accumulated upto a maximum of 60 days beyond which it lapses.

iv) Maternity Leave

Subject to the provisions of the Maternity Benefit Act, 1961, a female employee who has worked for a period of not less than 180 (One Hundred Eighty) days in the 12 months immediately preceding the date of her expected delivery, is entitled to Maternity Leave with pay as follows:-

- a) For six weeks up to and including the day of delivery and six weeks immediately following that day.
- b) For six weeks immediately following the day of miscarriage.
- c) For a maximum period of one month in addition to the period of leave allowed under (a) and (b) above for illness certified by a Registered Medical Practitioner, arising out of pregnancy, delivery, premature birth of child or miscarriage.

50% (Fifty Percent) payment to an employee while on maternity leave will be calculated at her basic pay plus other allowances. The amount of maternity benefit for the period preceding the date of expected delivery shall be paid in advance on certification by a Registered Medical Practitioner and the amount due for the post natal period and in case of miscarriage shall be paid within 48 hours of production of proof of delivery/miscarriage. Payment of a medical bonus of Rs. 10,000/- (Rupees Ten Thousands Only) where no pre-natal and post-natal care is provided by the company.

v) Leave Without Pay

An employee who has exhausted all his leaves may be granted leave without pay not exceeding 10 days in a calendar year, either at a stretch or intermittently subject to the discretion of Management. The employee will be required to obtain prior approval of the approving authority before proceeding on leave.

An employee may be granted leave without pay on medical grounds, including a female employee on expiry of maternity leave, up to a maximum of 1 (One) month subject to certification of the sickness by a Registered Medical Practitioner.

Holidays falling between Leave Without Pay will be treated as Leave Without Pay.

National Holidays

- i) 26th January – Republic Day
- ii) 15th August – Independence Day
- iii) 02nd October – Gandhi Jayanti

Compulsory Holidays

- i) Bhogi Day
- ii) Sankranti/Pongal
- iii) Kanuma
- iv) Maha Sivaratri
- v) Ugadi
- vi) Idul Fitr/Ramzan
- vii) Bakrid
- viii) Ganesh Chaturthi
- ix) Dusshera
- x) Diwali

xi) Christmas

General Principles & Procedure for Grant of Leave

All leave is granted at the discretion of the Management. Nothing can limit the discretion of the management to refuse, revoke or curtail leave subject to the exigencies of work. The authority to sanction leave shall be such officers of the Company as may be authorized by the management. National Holidays, Compulsory Holidays and Paid Holidays may be prefixed and suffixed to any leave subject to the provision governing grant of such leave.

An employee who desires to avail of leave has to make an application in the prescribed Leave Format through e-mail. Application for leave of absence for 2 (Two) days or less should ordinarily be made at least 24 hours prior to the beginning of the period for which leave is required. Such leave application is to be disposed of immediately.

Application for leave of absence for more than 2 (Two) days shall ordinarily be made at least 7 days before the date from which the leave is required. The leave application in such cases is to be disposed of within 3 (Three) days. An employee who desires to extend his leave shall make an application in writing to the leave sanctioning authority before expiry of the leave already sanctioned. If the application for leave is on medical grounds he has to submit a medical certificate issued by the Registered Medical Practitioner stating the probable period for which leave is required. On receipt of such an application the HR Department will immediately inform the employee in writing at the address given by the employee whether the extension of leave has been sanctioned, and if so, for what period, or whether extension has been refused.

Employees separating from company's service may, if they so desire, get their notice period adjusted against privilege leave due to them on the date of resignation.

LOAN & ADVANCE

An employee may be considered for payment of advance against salary or loan, subject to the provisions mentioned below, for any of the following purposes:

- Marriage (self/son/daughter/sister/brother)
- Medical/Prolonged illness (self/spouse/son/daughter/parents)
- Death in the family
- Educational assistance (son/daughter)
- Natural calamities

Eligibility: Permanent employees of the Company who have completed at least 1 (One) year service are eligible for payment of advance against salary and those having completed at least 3 (Three) year's service are eligible to apply for loan.

Advance Against Salary: An employee can apply only once in a financial year for payment of advance against salary for an amount not exceeding one month's net salary. The amount so advanced will be adjusted against his salary for the following month(s).

Interest Charge on Loan: An interest @ 12% at 'Reducing Balance Method' is charged on any loan, in excess of Rs. 25,000/- (Rupees Twenty Five Thousands), granted to all categories/grades of employees irrespective of the grounds on which such a loan is sanctioned. In addition, such loans will also attract a taxable perquisite of 1.5% wherever applicable. A post-dated cheque for any amount exceeding Rs. 25,000/- will be taken from the employee concerned as 'Security' which will be returned to him after recovery of the amount paid as loan.

The HR Head will check the eligibility of the employee concerned as per the Policy and forward it to Accounts department with his approval of the amount of Advance/Loan to be granted. The sanctioned amount of Advance/Loan will be paid through an Account Payee Cheque to the employee concerned.

The HR Head will also advise the Salary Section/Payroll officer for deduction of the amount paid as Advance or Loan with interest, as applicable, from the salary of the employee concerned in the approved number of installments from the following month(s). If an employee has already taken a Loan of any amount and has not completely repaid it to the Company, he will not be eligible for another Loan of any nature. Loan can be drawn only once in one financial year.

Those desiring to repay the entire outstanding loan in lump sum, at any stage, may do so, but this does not entitle the employee for another loan during the same financial year as mentioned above.

Nothing in this policy prevents the Company from recovering the loan in lesser installments, if the circumstances so require, or recover from any amount other than salary that may become payable to the employee at any time during the period when the loan is outstanding.

PERFORMANCE MANAGEMENT SYAYEM

Objective

The Performance Management System aims at setting goals, reviewing and measuring performance and rewarding employees. The dual objectives of the System for the organization and the individual are as follows:

For the Organization:

- To set goal for individual employees based on business plan of the Company.
- To ensure commitment of employees towards organizational goal.
- To evaluate performance for reward and recognition.
- To identify opportunities for training and development of the individual with reference to job and career demands.

- To aid in succession planning.
- To aid in decisions related to job rotation.

For the Individual:

- To help employees manage (plan, monitor and review) and improve their performance.
- To serve as a basis for coaching and counseling of the individual by the superior.
- To facilitate personal and professional development of the employee.
- To act as a motivating factor and encouragement for employees to perform.

Period & Scope of Performance Management System

The Performance Management System in the Company is a process applicable for a financial year – from 1st April of the year to 31st March of the following year. The system covers all permanent employees, who have worked for a minimum period of three months during the appraisal year. The system has a provision of a mid-year review to give feedback and guidance to employees for enhanced performance.

Suggestion Scheme

Objective: The Company believes that an employee on the job knows the best and can contribute significantly towards its growth and prosperity by enthusiastically participating in management of the affairs of the Company.

The Employee Suggestion Scheme gives an opportunity to employees at all levels to participate in the affairs of the Company and to achieve the goal set by the Company by giving their innovative and creative ideas and getting them implemented through a structured process.

The Scheme is introduced with the following objectives:-

- To stimulate creativity and constructive thinking.
- To enhance participation and belongingness among the employees.

- To recognize constructive ideas by personal rewards/awards.
- To recognize employee who motivate co-employees and implement the suggestions.

INCREMENT & PROMOTION

Increment Policy

Objective: To better overall performance through recognition of individual's contribution, bringing in accountability for individuals, promote teamwork and bring in focus on Company's success as a whole. Excellent performance needs to be recognized and appropriately rewarded. Simultaneously, for non-performers areas of improvement need to be identified and necessary corrective action initiated.

Annual Increment is based on the Following Parameters:

- Individual performance
- Company's performance
- Last year's increment trends
- Industry trend

Increment is based on percentage increase in CTC and is disbursed once in a year. The range of percentage increase is decided taking the above factors into account. In cases of exceptional performance or where the Management feels it necessary, increase in CTC beyond the range may be considered.

Promotion Policy

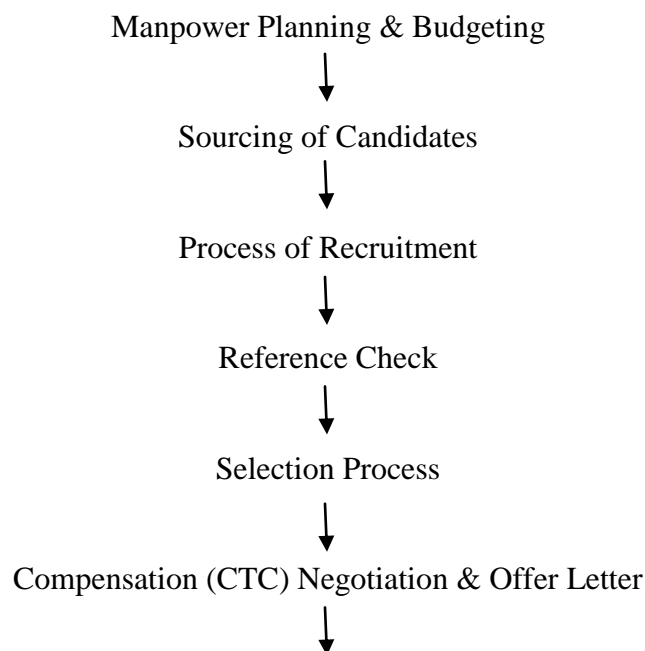
Objective: To reward potential of individuals.

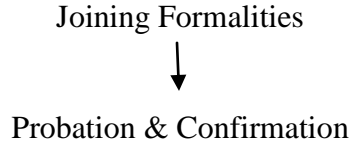
Process: A promotion is a career opportunity for an employee that involves greater responsibilities and may also involve an increase in salary. Promotions of employees generally take place within their own department. However, depending upon business requirement an employee may be transferred and promoted to a position outside his own department provided the employee possesses the requisite qualification and experience for the post. An employee has to complete at least one year's service in his existing designation to be considered eligible for promotion to a higher position. Promotions will generally take place from 1st April along with grant of annual increments.

In cases of exceptional performance or where the Management feels it necessary, promotion out of turn may be considered.

RECRUITMENT & SELECTION PROCESS

This Policy is applicable to recruitment of personnel for all positions on permanent rolls of the Company in all categories, including Trainees and those recruited on contractual basis for fixed terms. The Policy covers the following functions:-

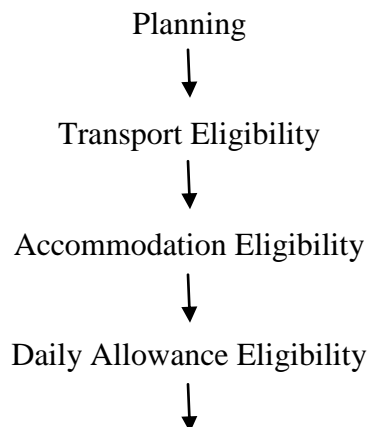


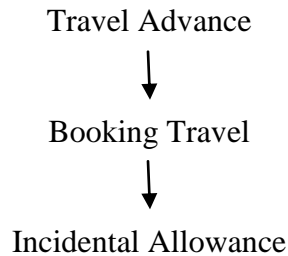


TRAVEL EXPENDITURE

Outdoor work should be carried out, as far as possible, using phone, fax, e-mail, tele-conference, video-conference etc. However, it may become necessary at times to travel outside one's location of work in connection with Company's work. In such an event effort must be made to undertake travel at the minimum possible cost without in anyway compromising the quality of work and the image of the Company. The Company aims to ensure safe and convenient travel for all its employees while keeping all expenses to the required minimum. This Chapter outlines the Travel Expenditure Rules applicable to all of the Company employees. The rules are applicable to all employees of the Company including those on temporary or contract basis who are required (i) local travel within the state limits, and (ii) to travel on outdoor work out of the state. Employees are expected to strictly conform to the laid down rules. Any deviation will need prior written approval of one of the Directors. The Company shall take strict action against any employee misusing or attempting to misuse the travel expenditure rules with possible financial and legal implications.

Procedure before Commencing the Travel





Non-Reimbursable Expenses: The following expenses, if claimed by an employee on tour, will not be reimbursed and will be deducted from the following month(s) salary:

- Any expenses incurred beyond the permissible limits for boarding, lodging, transport and incidentals, unless there is a specific approval from the competent authority.
- Laundry or dry-cleaning expenses unless the employee is travelling for more than 5 days at a stretch, or is compelled to extend his trip unforeseeably, in which case he may seek specific approval from the competent authority and submit the same along with his Travel Expense Statement.
- Alcoholic beverages unless otherwise specifically approved.
- Entertainment expenses for guests and customers, unless prior specific approval is taken from one of the Directors.
- Hotel phones used for outgoing calls only with specific approval. Employees should use their mobile or a PCO.

Procedure after Completing Travel

Travel Expense Statement: All employees should submit their Travel Expense Statement to their respective approval authority for endorsement within 2 (Two) working days from the date of return from their trip. Accounts not settled for more than 7 (Seven) days after the return from the trip, especially where a cash advance has been taken, will be reported to the respective authority for deduction of the advance from the following month(s) salary.

Originals of all applicable bills (travel, food and accommodation etc...) should be attached with the Travel Expense Statement. If the expenditure is recoverable from any client, there should be

a clear indication to that effect on the Travel Expense Statement and the respective bills. Boarding passes in case of air travel should be submitted. In case of railway tickets being purchased by the employee the ticket/ticket number should be given on the Travel Expense Statement. For incidental expenses where no bills can be submitted, hand-written notes should be used, and clearly itemized in the Travel Expense Statement.

The Travel Expense Statement will then be verified and settled by the Accounts Department in accordance with the eligibility of the employees. If for any reason the proposed travel is not undertaken, prompt action should be taken to cancel bookings so as to avoid unnecessary expenses, otherwise the wastage of expenditure will be deducted from the following month(s) salary of proposed traveler/employee.

Tour Report: Depending on the nature of travel, employees are required to submit a Tour Report to their approving authority.

Effective Date:

This Policy shall be in force and effective on and from 01st August, 2017.