

### Revision Record

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Provide Put tick mark on appropriate column

WIP	Use up		Rework		Reject		NA	√
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## **OUR VISION**

*Be the Global Leader in providing end-to-end solutions in Engineering and Manufacturing for both hardware and software products in the high value added markets.*

**SEC : Human Resource Policy**

**SUB : HR Mission**

## HR MISSION

*HR mission of SFO Technologies Pvt. Ltd. is to acquire human assets of global standards, continuously train, retrain and retain them and provide congenial atmosphere for the development of their potential to the fullest possible to produce and deliver globally competitive quality products and services on time to the customers.*

**SEC : Human Resource Policy**

**SUB: Our Core Values**

**OUR CORE VALUES**

Our Core Values are an understanding between the company and the employees who make it succeed.

SFO Technologies believes that the maintenance and growth of its successful world class business enterprise depends on a mutual relationship with its employees.

SFO Technologies' success requires the competence, co-operation, and productivity of its employees, their steadfast commitment to the Company's Code of Conduct, business goals, total quality, customer satisfaction, and continuous improvement, and their dedication to the principles of open communication, interpersonal respect, and civility. At the same time, SFO Technologies recognizes and embraces the responsibilities it has for the well-being of its employees. To meet these responsibilities SFO Technologies, through its community of people, pledges to:

- Maintain open and honest communications and workplace climate of trust and respect of individual dignity.
- Maintain compensation and benefit programs for all that are competitive, internally equitable, and consistent with SFO Technologies's financial well-being and that recognize and reward employee contribution and achievement
- Establish policies and practices with respect to all aspects of employment that are fair, equitable and free of all forms of unlawful discrimination, thus fostering a diverse and globally-competent work-force.
- Provide a clean, safe, and productive work environment
- Established norms to prevent child labour.
- Provide effective personal/career development assistance and meaningful personal/career growth opportunities.

Adhere to high standards of ethical and moral conduct in business and competitive relationships.

- Maintain a focus on a high level of achievement and contribution
- Foster team work.
- Nurture a culture of flexibility and innovation.

**The ultimate objective is that our employees**

**" Be the Best and be at SFO Technologies "**

**SEC : Human Resource Policy**

**SUB : Human Capital Policy**

1. SFO hire employees on the basis of their ability to do the job.
2. SFO will comply with all the local laws and regulations applicable.
3. SFO committed to protects the environment.
4. SFO respects intellectual property of others.
5. SFO will not employ any person below 18 years. Will not employ Juvenile Workers.
6. SFO is an equal opportunity Employer. SFO will not allow any discrimination based on the people with disability, race, colour, age, Sex, gender identity, religion, locality,reprisal/ retention etc. in hiring and employment practices.
7. SFO will not allow any forced labour, bonded labour, involuntary prison labour, slavery, Foreign Migrant workers and Human Trafficking. All works are involuntary, and workers are free to leave/ terminate company employment at any time.
8. SFO will not restrict employees' freedom of movement
9. SFO committed to protecting employees from any type of harassment such as physical, mental, sexual, personal etc. and observe necessary requirements as per relevant statutory laws applicable.
10. SFO will allow break time for pregnant and nursing employees.
11. SFO will allow break time for pregnant and nursing employees. Pregnant women will not employ in hard jobs.
12. SFO provides employees freedom of association and provision for collective bargaining
13. SFO Committed to provide hygienic, healthy and safe work environment.
14. SFO provide freedom to employees to express their ideas / feedbacks.

***SEC : Human Resource Policy***  
***SUB : Collusion Policy***

***Purpose***

***Purpose of this policy is to establish and state the organizations strategy on Collusion.***

***Scope***

***This policy applies to all the subsidiaries of SFO TECHNOLOGIES.***

***Policy Statement***

***At SFO we always believe in maintaining a Healthy and Competitive sprit in all the business we do.***

***By Collusion we mean :***

***An understanding or agreement between two or more parties/agencies to intentionally cooperate to gain an unfair advantage in business, which may include:***

- ***Influencing improperly the actions of another party***
- ***Unauthorized and unacknowledged joint co operation in any kind of task***
- ***Unauthorized and unacknowledged agreement to harm the interest of a third party.***

***It is the corporate policy of the company that we will always protect the interest of all agencies having any kind of business relation with us and that we will not involve in any act of Collusion either with Competitors, Customer or Supplier.***

**SEC: Manpower**

**SUB: Manpower Planning**

**a. Objective**

The objective of manpower planning is to ensure that SFO Technologies has the right type of quality personnel in sufficient numbers at right time so that the company never suffers shortage of manpower.

**b. Procedure**

Requirement of personnel will be derived from long term as well as short term business plans of the company, technology requirements and expected natural wastage

Each division / Department shall prepare a manpower budget in the month of March every year with full justification for increase or decrease and send the same to the Managing Director.

A committee constituted by the Managing Director shall scrutinize the manpower budget and take appropriate decision on the number of employees to be recruited for a particular year or reduced during the year.

All Division / Department Heads shall review their manpower budget approved by the Managing Director in March, periodically as and when required and send amendments, revisions or modifications if any, to the Managing Director for ratification. Such reviews should take place at least once in a quarter.

Personnel will be recruited only if the same is budgeted by the Division / Department and approved by the Managing Director.

Division / Department shall raise their request for manpower in the prescribed form to the HR Department as and when required.

HR Department shall forward the request to Managing Director and Managing Director is the Approving Authority for all manpower requests.

If the manpower request is beyond the approved manpower budget, the Head of the Department / Division should submit the justification for the same with all facts and figures and submit to Corporate – HR. Corporate –



HR shall forward the above manpower request to MD's special approval, along with their recommendations.

**SEC: Manpower**  
**SUB: Recruitment**

**a. Recruitment Policy**

SFO Technologies believes in equality in employment. We do not discriminate any employee or applicant for employment against disability, race, colour, age, gender, Sex, gender identity, religion, etc.

We believe in fair play and abide by the laws of the country

**b. Objective**

The objective of recruitment is to position right person for right job. Also to attract and retain the best available operators, technicians, office staff, supporting staff, professionals and Managers for the most efficient working of SFO Technologies so that our companies become centers of excellence in their respective area of operation.

**c. Minimum age for employment**

The minimum age for employment in SFO Technologies is 18 years. No persons below 18 years will be appointed in any manner.

**d. Procedure for man power requisition**

All Division / Departments should send their requisition for hiring budgeted personnel in the prescribed Man Power Requisition Form to the Corporate HR Department.

**e. Time required for hiring**

Depending on the category of personnel and the skill level required, HR Department needs time to hire personnel fulfilling the necessary procedures and formalities like obtaining approval of the Managing Director, advertising, allowing notice period to the selected personnel etc. Therefore, Division / Department requesting personnel should allow time mentioned below for

hiring personnel

	1. Managers and Professionals	3 - 4 months
2. Engineers	0 - 2 months	
3. Office Staff	0 - 2 months	
4. Apprentices	0 -15 days	
5. Trainees	0 - 10 days	
6. Casual	0 - 2 days	

However, the HR Department shall endeavor to reduce the above-mentioned lead-time and supply the personnel requested for within the minimum possible time. If necessary, we may resort to paying off the notice pay of the selected person to his employer

#### **f. Recruitment Procedure**

Depending on the category of personnel and skill level required, we will be following anyone or more of the following methods of recruitment

##### **a. From the Data bank**

SFO Technologies receives a continuous inflow of applications for employment. These direct applications are used as a Data Bank. Whenever a vacancy arises, first a search will be made in the Data Bank whether the required talent is available in the data Bank. If it is available, these candidates will be invited for undergoing a selection process and if the required talent is not available within the Data bank, other methods of recruitment will be resorted to.

##### **b. Newspaper Advertisement.**

Newspaper advertisement would be in the national main line dailies covering the whole of India or in any certain Newspaper or certain edition of certain newspaper, which cover the desired geographical area depending on the necessity.

Where newspaper is used as a means of recruitment, Managing Director has to approve the layout and design of the advertisement and the media in which the advertisement has to be placed

##### **c. Campus Recruitment**

SFO Technologies resorts to Campus Recruitment as and when required. Such campus recruitment will be from the premier institutions imparting education in engineering and management disciplines

d. Through Job Hunters

SFO Technologies may consider the services of professional job hunters if sourcing talent is found difficult.

e. Employment Exchange

Local employment exchange can also be used as a source of recruitment.

f . Apprenticeship

Apprentice Department of the Government will be used as a source for selecting statutory apprentices

g. ITIs and ITCs

SFO Technologies directly collects lists of recent passed outs from ITIs and ITCs for recruitment of trainees

h. Outsourcing

Outsourcing through professional Manpower Placement Agencies, will be used to fill the vacancies within SFO Technologies.

i. Employee Reference

References of candidates from employees will be considered at the time of recruitment.

**g. Selection Processes**

a. Call Letters

Call letters will be sent to short listed candidates.

b. Place of selection

The selection process can be conducted either in the Division / Department

requesting personnel or in any other place in the country depending on the convenience and cost Effectiveness.

c. Practical Test

Whenever the skill of the person to be hired is the most important criteria, candidates will be given a practical test in the factory. It shall be the responsibility of the head of the hiring department to administer such practical test. Only those who pass the written test will be selected for the personal interview.

d. Written Test

If written test is given to the candidates prior to selection it will be conducted jointly by the head of the Hiring department and the HR Department. Only those who pass the written test will be selected for the personal interview.

e. Bio-Data

All candidates invited to undergoing selection process will be required to fill their bio-data in the format prescribed by the company, which is Annexure-2 of this manual.

f. Verification of Credentials

All certificates and testimonials pertaining to Date of Birth, Qualifications and Experience of the candidates, will be verified by the HR Department

g. Personal Interview

Candidates will be interviewed to assess their suitability to the job. This will be done by a committee to be constituted by the Corporate HR Department and approved by the MD. Head of the Department for which the selection is made and an HR executive will always be there in the interview committee. If necessary, person / persons within the group or out side may be included in the interview committee as subject expert.

h. Re-hiring

As far as possible SFO Technologies would like to retain its employees from recruitment to retirement. Employees who have resigned on their own accord will be considered for re-appointment on merit.

i. Minutes of the interview

Minutes of the interview will be prepared which specifies the list of selected candidates along with recommendation from each interviewer in the prescribed form and submitted to Managing Director for approval.

j. Offer of Appointment

After getting the approved minutes from the Managing Director, candidates selected for employment will be issued an offer of employment

k. Acceptance of Offer

On receipt of the appointment order, the candidate shall give an acceptance of the terms and conditions in the copy of the appointment order and intimate the date of joining. If he/she wants to change the date of joining shall intimate well in advance.

l. Regret Letter

Candidates found unsuitable for employment will be sent a regret letter.

**SEC: Manpower**  
**SUB: Joining Formalities**

**a. Documents to be submitted at the time of joining**

At the time of joining, the employee shall submit the original and copy of the following documents. Originals will be returned after scrutiny of the credentials.

1. Front page of the matriculation certificate as proof of date of birth
2. Aadhaar Card
3. Mark list of matriculation certificate
4. Mark list of Graduation
5. Mark list of qualification specified for the post
6. Certificate of qualification specified for the post
7. Certificates of additional qualifications
8. Relieving Order
9. Experience certificates, if any.
10. 3 passport size photograph

**b. Documents to be filled**

At the time of joining, employee shall fill the following documents.

1. Joining Report
2. Confidentiality Agreement
3. Code of Business Ethics
4. Provident Fund nomination and declaration form (Form 2 (if applicable))
5. Employees State Insurance Declaration form (Form 1)
6. Training Agreement – in case of Management / Engineer Trainees - if applicable
7. National Security Service Nomination Form

**c. Reporting to Reporting Officer for duty**

After comply to all the joining formalities, the candidate will be sent to the

Reporting Officer. Then he/she will be sent for Induction Training.

**SEC: Manpower**  
**SUB: Identity Card**

1. OBJECTIVE

Objective of this policy is to lay down the procedure for issuing identity cards and lay down the related rules

2. Purpose of issuing Identity Cards

Management envisages following purposes for issuing identity cards.

- To establish identity to all employees
- To create a bond between company and employee and to cultivate sense of belongingness and team spirit among all employees
- To control and ensure entry at work place only to authorized employees having valid identity card.
- To record entry and exit time of employee for attendance purpose.
- To regulate access to certain facilities such as ; canteen/cafeteria, transport etc.
- To establish identity at clients / customers place

3. Issue of identity cards.

Single identity card in a prescribed design would be issued to each employee on joining, at company's cost. In case of lost or damage to ID card, another card will be issued to employees and cost of the card will be recovered from the employee.

Company will provide ID card, cover or case, clip, cord etc. along with ID card to protect and display card properly.

4. Wearing ID card is mandatory.

It is mandatory to wear / display company identity card properly at the work place all the time. Company will deny entry to employees not displaying ID cards. It is also mandatory to wear ID Cards at Clients' / Customers' / Vendor's or any other premises, while on visit on behalf of company.

5. General Rules.

1. HR Department is vested with the authority and responsibility as regards issuing of ID card and implementation of this policy.
2. ID Card is a company's property. It is mandatory to return the ID card to company at the time of separation from the company. Return of ID card will be recorded on the NO Due form.
3. Each employee is responsible for safe keeping and preserving his/her ID card as it is. Any changes / alteration made on ID card by employee will be considered as forgery and will lead to disciplinary action.
4. Each ID card is issued to a particular individual employee and it is not transferable. Exchange of ID cards or proxy usage is not allowed and will be viewed very seriously.
5. Loss or robbery of ID card should be immediately reported to HR Dept. and concerned employee will apply for another ID card by a request letter duly approved by the HOD. This letter will also include an undertaking stating that, old card will be returned to company in case it is found at later stage.
6. Security staff is authorized to check ID Cards of the employees at any place / time and will report violations to HR Department. Security staff can also deny entry to employees not having ID card and later can give entry to such employee after establishing his or her identity, in consultation with HR Department.
7. HR Department can issue temporary ID cards as a stop gap arrangement for a fixed temporary period till a permanent ID card is made and issued.

**Return of Identity Card**

At the time of relieving employee should return the ID Card.



This will entered in the "No Due" form. In case of abandonment of employee information will be given to security.

**SEC: Manpower**  
**SUB: Confidentiality Agreement**

At the time of joining, all employees should sign confidentiality agreement with the company meant for confidentiality of any information, data and records. This will also cover the intellectual work products. All the above information, data and intellectual work products shall be sole and exclusive property of the company.

Any employee should not provide / handover any sort of the confidential information to a third party without the knowledge of the company.

The detailed agreement is annexed to this manual

**SEC: Manpower**  
**SUB: Code of Ethics**

All employees of SFO Technologies are requested should observe the highest standards of ethics and integrity in their conduct. The employees have to follow a basic code of ethical business behaviour, which includes among others the following.

1. Complying with all applicable laws in force and those that are amended or framed hereafter.
2. Faithfully carrying out the company policies, rules, regulations, and contracts.
3. Dealing honestly, faithfully and fairly with customers, clients, co-workers, supervisors, company management and the general public.
4. Respecting the company's ownership of all company machinery, equipments, supplies, products, raw materials, books, records and proprietary information and to abide by the confidentiality agreement.
5. Preserving the confidentiality of the company's trade secrets, customer lists, plans and decisions, clients, confidential information about employees and any other information that are not required to be made public.
6. Understanding that books and records are company's property and that it is illegal to remove them. This includes manuals, lists, records, floppies, cassettes and other information that employees use in their daily work,
7. Declining any gifts, gratitude's or payment offered by anyone with whom the company does business. This includes offers of free services, travel, or merchandise. Borrowing from such sources is absolutely prohibited.

Only token gifts, including imprinted pens or calendars and unsolicited gifts worth less than Rs.500/- may be accepted once a year.

8. Disclosing any outside financial interests by the employee and his / her immediate dependants that might influence an employees decisions or actions on the job, including interests in suppliers, customers, clients, or competitors. Employees should not acquire such interests except for publicly traded securities in which the employee owns less than 1% interest.
9. Not accepting any outside employment with a supplier, customer, client or competitor or any other employment that could interfere with his responsibilities to the company. Any employment with any person or business that has business with or competes with the company must be approved in writing by the Authorised Signatory including the acceptance of directorships, honoraria for speeches, classes, seminars etc. or consulting fees.
10. Not using information or authority derived from the employment with the company for personal gain for self or any dependent family member.

*All employees should sign the Code of Business Ethics in the prescribed form*

*SFO shall continuously monitor the scope for improvement of the code of ethics . The improvement points will include customer requirements also.*

### **Procedure For reporting of Violation of Ethics**

When a violation of ethics observed, it shall be reported to the Compliance officer Mr. K Padmanabhan – k.padmanabhan @nestgroup.net , Mob : 9847542258. He will conduct enquiry on the reported violation and submit a detailed report to Management for initiating disciplinary action against the accused.

**SEC: Manpower**  
**SUB: Employee Background**  
**Verification**

**Procedures for background verification of applicants and new recruits**

SFO Technologies receives hundreds of job applications by invitation and otherwise every month from candidates with different social, political, economic, educational and family backgrounds. From many such applicants, we hire hundreds of new employees to be employed in different departments, disciplines, responsibilities and locations.

In this process, it is absolutely necessary to weed out undesirable persons and induct only such persons who are suitable to be employed in our company by all standards.

***a. Verification of Family and Social Backgrounds***

Whenever a job seeker is invited for an interview, the company insist on his producing the school final certificates, which is an authentic record of his name, age, date of birth, names of parents, religion, caste, occupation of

parents, conduct, marks and grade obtained in the final examination. This is the record on which we rely on regarding the candidates.

b. Employment Background Verification

If the applicant is one with previous experience, we insist that he produce experience certificates from his previous employers. Normally an experience certificate is issued by an employer specifying the duration of such employment, nature of the work done by the person and his conduct and character. We normally rely on such authentic certificates issued by companies.

***c. Post Employment Re-check***

Once a person is selected for employment and appointed, we carry out a cross check about the genuineness of the facts disclosed by him in the job application. Normally, in this process, we call the references given by the applicant in the application and also his previous employers, at random.

**d. Consequences a False/Fraud Declaration.**

Every employee fills up a company provided Bio-data before interview. In this format there is a clause, which states that if any applicant gives wrong information or omits vital information in the bio-data form filled by him, he is liable for summary dismissal from the employment at any time. On post employment background verification if it comes to our notice that an employee has given wrong or partial information during the hiring process, his services will be terminated without any notice.

**e. Recording of Employee Back Ground Checking**

Back Ground checking of the employee should be done in the prescribed format (Annexure - 10)

**SEC: Manpower**  
**SUB: Job Titles**

Following are the job titles used in SFO Technologies.

Managing Director  
Chief Executive Officer  
President  
Senior Vice President  
Vice President  
Technical Advisor  
General Manager  
Deputy General- Manager  
Assistant General Manager  
Senior Manager  
Manager  
Deputy Manager  
Assistant Manager  
Senior Engineer/Senior Officer  
Engineer/Officer  
Network Engineer  
Project Engineer  
Assistant Engineer/Assistant Officer  
Executive  
Engineer Trainee/Officer Trainee  
Management Trainee  
Senior Supervisor  
Supervisor  
Junior Supervisor  
Supervisor Trainee  
Senior Technical Assistant  
Technical Assistant

Senior Technician  
Technician  
Senior Operator  
Operator  
Semi-skilled Operator  
Un-skilled Operator  
Diploma Trainee  
ITI Trainee.  
SSLC Trainee

**SEC: Manpower**  
**SUB: Positions, Qualifications & Skills**

Positions	Minimum Qualifications required	Skills required
Helper / Office Boy	Non Matric	Not necessary
Security Guard	Non Matric	2 years as Security Guard
Driver	Non Matric + Valid Driving license	2 years
Electrician	ITI Certificate	2 years
Receptionist	Plus Two	Proficiency in English Communication
System Analyst	B.Tech/MCA	Not necessary
Computer Operator	Plus Two / ITI	Knowledge in MS Office
Assistants	B.Sc/ BA / BCom	Knowledge in MS Office
Operator Trainee	SSLC Passed / ITI Failed Passed	Not necessary
Semi Skilled Operator	SSLC	Not necessary
Operator/Junior Operator	ITI Certificate	1 year
Senior Operator/Stores assistant/Purchase assistant	ITI Certificate/ Graduate/SSLC Passed	3 years
Technician/Junior Stores assistant	ITI Certificate	6 years
Senior Technician/Senior assistant stores//Senior store assistant/Senior assistant materials/Stores leader	ITI Certificate/Graduate/ SSLC Passed	9 years
Technical Assistant Trainee	Diploma in Engineering	Not necessary
Technical Assistants/Supervisor	Diploma in Engineering	1 year
Senior Technical Assistants	Diploma in Engineering	3.5 years
Management Trainee	Post Graduation/Professional qualification	Not necessary
Engineer Trainee	Degree in Engineering	Not Necessary
Executive Positions	Qualifications as per requirements	As per requirements



**SEC: Manpower**

**SUB: Classification of Employees**

1. Employees of SFO Technologies are classified into the following categories:

- A) Permanent
  - B) Probationer
  - C) Contract
  - D) Temporary
  - E) Casual
  - F) Trainee
  - G) Apprentice
- a) **Permanent** employee is an employee who has been engaged on a permanent basis and who has been confirmed in any grade after satisfactory completion of the probationary period stipulated in the appointment order issued to him.
- b) **Probationer** is an employee who is provisionally employed to fill a permanent vacancy in a post and has not completed the probationary period stipulated in his appointment order.
- c) **Contract** is an employee appointed on contract for a specific period through a Contractor or directly by the company.
- d) **Temporary** employee means, an employee who is engaged for work which is of a temporary nature and likely to be engaged for a limited period and includes an employee engaged for work of a permanent nature but specifically for a short tenure such as an employee appointed in a leave vacancy or appointed till a permanent arrangement could be made or for other reasons.
- e) **Casual** employee is one whose employment is of a casual nature
- f) **Trainee** is a learner who has been appointed as such for a stipulated period with or without stipend/allowances.
- g) **Apprentice** is a learner who is appointed as such under the Apprenticeship Act 1961.

**SEC: Manpower**  
**SUB: Training, Probation, Confirmation,  
Increment, Promotion**

**a. Training**

Candidate without any experience will be appointed as trainee. His / her training period will be for a period of one year.

Performance of the trainee should be monitored on a periodical basis and this shall be the responsibility of the Department Head. After completion of his training period, based on the performance appraisal from the Dept./Division Head, he/she will be put on probation or will be confirmed in the service.

If the performance of the trainee is not up to the mark during the training period, he/her training will be terminated at any point of time.

**b. Probation**

Appointment to all permanent position and candidates with previous experience will be appointed on Probation for a period of 6 months or one year.

Performance of probationer should be monitored on a monthly basis. This shall be the responsibility of the Department Head.

Probation of any employee can be extended by the management for a like period if his performance during the probation period is not satisfactory

Service of probationer can be terminated at any time during the probation or extended period of probation his performance is unsatisfactory.

No notice is required to be served for termination of employment during probation by either side.

A probationer will be considered as confirmed only if an order to this, effect in writing is issued to him by the competent authority.

If a probationer absents from duty for more than 10 days during the probation period his probation may be extended.

### **c. Confirmation**

#### **(a) Confirmation of Engineer Trainees / Management Trainees**

The performance of the Engineer Trainees / Management Trainees will be evaluated after six months of joining and at the end of the training period.

##### **i) Evaluation after six months**

At this stage, the performance will be evaluated in the prescribed form by the Department Head and which will be reviewed by Unit Head along with Head of HR. The feedback of the appraisal will be communicated to the trainees. Through this, the trainee will be able to understand his/her strengths, weaknesses and areas to be improved.

##### **ii) Evaluation at the end of the training period**

Before 15 days of the completion of the training period, Engineer Trainees / Management Trainees will be given a test in the form of written assignment in the areas where they have been trained and their performance will be appraised thoroughly by the Department Head in the prescribed form. It will be reviewed by the Unit Head and will submit to HR Department with his recommendations. A committee consisting of Unit Head, Operational Head and Head of HR will interview the trainee on the basis of his performance in the assignment and the performance evaluation. The Performance Review Committee will submit the following recommendations to the Managing Director on the basis of the performance of the trainee.

#### **Performance Level**

#### **Recommendation**

Satisfactory

Confirmation

Average

Extension of training period  
for a period of further six months

Below Average

Termination

**(b) Confirmation of Trainees under worker category**

Before 15 days of the completion of training period of trainees in the worker category, performance will be appraised by his / her Department Head and then by Unit Head. Also the trainee will be interviewed by a committee consisting of Unit Head, Operational Head and Head of HR. If the performance of the trainee is found satisfactory, the committee will give their recommendation to Managing Director for confirmation. If the performance is not satisfactory either his training will be extended or he/she will be terminated depending upon the recommendation from the committee.

**(c) Confirmation of Probationers**

Probationers will be confirmed based on the performance review and recommendation from the Unit / Dept. Head.

**d). Increment / Promotion**

**Management Staff:**

Increment will be based on Performance Rating in each year

**Permanent Workmen:**

Increment will be based on scale of pay as per the Long Term Settlement

**SEC: Manpower**  
**SUB: Termination of**  
**Employment**

- a) **Superannuation:** Age of Superannuation is 58 years
- b) **Apprenticeship:** Apprenticeship will terminate on completion of training stipulated in the Apprenticeship Contract.
- c) **Contract:** Contract employment will terminate on completion of the Contract period stipulated in the Contract.
- d) **Training:** Training will terminate on completion of the period of training stipulated in the Contract of Training.
- e) **Poor Performance:** If the performance of a "Trainee" is found unsatisfactory, his training can be terminated at any time during the training period giving one day notice
- f) **Probation:** During probation or extended period of probation, if the performance of an employee is found unsatisfactory, his service can be terminated giving one week notice.
- g) **Temporary:** Any Temporary appointment for a specified period will automatically be terminated on the day of completion of the temporary period stipulated in the appointment order
- h) **Resignation:**
  - a. Any- permanent non-management employee who wish to terminate his employment by way of resignation is required to serve a notice of one month or pay one month salary in lieu of notice.
  - b. All management cadre employees are required to give one-month notice for resignation or pay one month pay in lieu of notice.
- i) **Termination due to Indiscipline:** Service of any employee will be terminated on disciplinary grounds.

**a. Procedure**

1. If an employee wishes to leave the company before attaining the age of superannuation, the employee shall submit his request for resignation in writing to his department head.
2. Department Head should forward the Resignation Letter to Corporate – HR with their recommendation.
3. Corporate – HR should forward the Resignation Letter to MD after a meeting with the employee.
4. Managing Director is the Authority to accept or reject the request for resignation
5. If MD approves the resignation, employee shall be provided with Relieving Order and Service Certificate after settlement of his/her accounts.

**SEC: Manpower**

**SUB: Exit Interview**

**a. Procedure**

1. Feedback is one of the important methods for reviewing the existing policies and giving directions to the desired needs. Exit interview is the time tested method for getting most realistic and reliable positive and negative feedback. An employee who leaves the organisation on superannuation or by resignation tends to give an honest feedback in a free, frank and fearless atmosphere.
2. Exit interview is therefore, adopted as company policy. The following guidelines should be followed to make exit Interview open and meaningful
  - a. Exit interviews should be conducted in respect of separations arising out of resignation or superannuation.
  - b. Exit interview should be conducted in a most informal manner without giving a feeling to the interviewee that he is being interviewed or formally recorded. Once the interviewee gets the feeling that his statements or deliberations are formally recorded, he may become conscious and may not come out openly.
  - c. The Exit Interviews will be conducted by the Supervisor of the employee, his Department Head or an HR Executive.
  - d. The feedback received from Exit Interviews should be meaningfully analysed and corrective actions where necessary should be taken
  - f. Proper record of the feedback and corrective action if any should be maintained.

**SEC: Working Conditions**  
**SUB: Working Days, Weekly**

**Off**

SFO is committed to provide congenial work environment and working conditions to employees. Employees are free to express their ideas or feedback . This feedback will be reviewed and valuable feedback will be implemented.

**a) Working Days**

Working days in a week at SFO Technologies is six days.

**b) Weekly Off**

Sunday will be the weekly off. No employee will be allowed work on the day of weekly off, without special approval from Management.

If any employees worked in 7 consecutive days then the employee shall be provided an off within 3 days from the 7th day. HR shall circulate an off schedule for those who worked in the 7th day.

**c) Special Case**

Security Guards will work all days of the week availing staggered rest day.



**SEC: Working Conditions**

**SUB: Working Hours, Rest Intervals**

**a) Working Hours**

Duration of General Shift is 8½ hours including rest intervals.

Duration of Shifts in rotation is 8.00 hours.

**b) Rest Intervals**

One rest interval of 30 minutes duration and two tea breaks with duration of 10 minutes each are allowed in a shift.

**c) Maximum Hours of work in week**

- Maximum hours in a week shall be 60 hours including spread over.
- Maximum OT hrs that can be engaged will be 50 Hrs in a quarter. A maximum limit of 16 hours is fixed for each employee. OT authorization (Format Number: SG00H40.34) sheet shall be filled and authorized for each employee in cumulative mode and supervisor shall not engage any employee beyond the specified limit of 16 hours in month. The time sheet will be audited by corporate HR on a monthly basis.

**SEC: Working Conditions**

**SUB: Special Group workers**

**a) Juvenile Workers**

As there a policy on minimum age for employment ( 18 Years), SFO shall not employ any juvenile workers under any circumstances.

**b) Pregnant Women**

Company shall give special consideration to pregnant women while they are at work. They will be provided leave and benefits as per maternity benefit Act or ESI Act. Pregnant women will be provided 10 minutes break in every one hour. Pregnant worker shall not be terminated unless otherwise there is serious misconduct from her part.

**d) Nursing Women**

Permission shall be provided to women workers to feed infant children during their duty Hours.

**e) Disabled Workmen Hours of work in week**

Company shall protect disabled employees as part of the social responsibility.

**f) Special Provisions / Restrictions**

Special category employees not allowed to

1. Work Overtime
2. Any hard job create fatigue to the employee.
3. Work involved standing shall not be provided.

4. Shall not engaged in place where chemicals, fumes are involved.
5. Engaged in ground floor area only
6. Seating shall be near exit of the factory
7. Allowed to proceed for rest upon request.

**SEC: Working Conditions**  
**SUB: Overtime**

a. **Procedure**

Engagement of employees to work overtime, maximum hours of overtime permissible and the rate of payment for such overtime work shall be regulated in accordance with the provisions of the Factories Act, 1948( Maximum 50 Hours in a quarter/ in duration of three months)

b. **Overtime Slip**

Before engaging any employee on overtime, immediate superior should fill up an Overtime Requisition Slip of each employee . While engaging employee in overtime, supervisor it is the responsibility of supervisor to ensure that the overtime shall not exceed the allowed limit (16.5 in month). The end of the month , the overtime slip shall send to HR for verification and payment with the approval of department Head.

HR Department will display commuted OT hours of each employee for the payroll month before processing the payment so that the employees can cross check the OT hours and can avoid mismatches.

c. **Payment**

Payment of Overtime wages will be made on a monthly basis along with the wages

Overtime Requisition Slips received by the HR Department will be verified with the attendance details and advice for payment of Overtime will be given by the HR Department to the Finance Department.

**SEC : Wage & Salary Administration**  
**SUB: Components of Salary**

Basic Pay and few Allowances constitute the salary of an employee. The various components in the salary applicable to the different level of employees are as follows.

- 1) WORKMEN
  - Dearness Allowance
  - House Rent Allowance
  - Washing Allowance
  - Shift Allowance
  - Food Allowance
  - Conveyance Allowance
  - Performance Allowance
  - Wave Soldering Allowance
  - Service Weightage
  - Special Allowance
  
- 2) MANAGEMENT STAFF
  - House Rent Allowance
  
  - Conveyance Allowance
  - Food Allowance
  - Performance Allowance
  - Special Allowance

**SEC : Wage & Salary Administration**  
**SUB: Grades & Pay Scales**

**a. Pay Scales**

Pay Scales of workmen are fixed on the basis of long term settlement with the union.

There is no specific Salary scale of Management Staff. Instead of Scales, company is adopting Grades.

**SEC : Wage & Salary Administration**  
**SUB: Dearness Allowance**

Dearness Allowance is a component of the salary of Workmen.

There are two different Dearness Allowance components

1. Fixed Dearness Allowance
2. Variable Dearness Allowance

**a. Fixed Dearness Allowance**

All employees who have a Dearness Allowance component in their salary are eligible for a Fixed Dearness Allowance of Rs.1250/- per month.

**b. Variable Dearness Allowance**

Variable Dearness Allowance paid to employees is linked to Consumer Prize Index Numbers of Ernakulum. This Consumer Prize Index will be provided by the Economics & Statistics Dept., Govt. of Kerala.

As per the Last Long Term wage Settlement with our Trade Union, up to 600 points, there will not be any point value. For every increase from 600 to 1077, the per point value is Rs.3/-. For every point increase over and above 1078, the per point value is Rs.3.30. The variable Dearness Allowance of employee is adjusted on a monthly basis related to the increase / decrease in points.

**SEC : Wage & Salary Administration**  
**SUB: House Rent Allowance**

In order to assist the employees for maintaining a suitable accommodation for them and their family, the company gives all its employees a House Rent Allowance as a component of their salary.

However, Company leased housing may be provided to senior management staff as and when required. Such employees will not be eligible for any House rent Allowance.

House rent Allowance paid to the workman category employees vary from grade to grade.

**SEC : Wage & Salary Administration**  
**SUB: Conveyance Allowance**

1. Conveyance Allowance is a component of the salary of all employees
2. Employees who are provided with the facility of free transport are also entitled for Conveyance Allowance
3. Conveyance Allowance payable to different grades of employees are as below



**SEC : Wage & Salary Administration**  
**SUB: Service Weightage**

Service Weightage is a part of salary of workmen as per the long term settlement. The Service Weightage is different for each employee depending upon the length of the service as on 08/07/2006.

**SEC : Wage & Salary Administration**

**SUB: Performance Allowance**

Performance Allowance is a part of salary of workmen as per the long term settlement. Performance Allowance will vary from one division to other division.

**SEC : Wage & Salary Administration**

**SUB: Shift Allowance**

Shift Allowance is paid to the employees working in three rotating shifts. The rates are as follows

1 <sup>st</sup> Shift	-	Nil
2 <sup>nd</sup> Shift	-	Rs.30/- per shift
3 <sup>rd</sup> Shift	-	Rs.50/- per shift

If an employee is on half day leave, while working in a shift, he will not be eligible for any Shift Allowance.

**SEC : Wage & Salary Administration**

**SUB: Washing Allowance**

Drivers and Security personnel who are provided with uniform are eligible for a washing allowance which at present is Rs.80/- per month

**SEC : Wage & Salary Administration**

**SUB: Wave Soldering Allowance**

Employees who do wave soldering are eligible for a Wave Soldering Allowance of Rs.10/- per shift.

**SEC : Wage & Salary Administration**  
**SUB: Overtime Wages**

Workmen will be paid overtime allowance for the overtime work performed. Company shall pay overtime wages @ of twice the ordinary rate of wages. Ordinary rate of wages includes Basic Pay, Fixed Dearness Allowance and Variable Dearness Allowance.

**Calculation of Overtime Wages is as follows :**

*Overtime Allowance = Wage / 200\*2\* No. of Overtime hours worked*

**SEC : Wage & Salary Administration**  
**SUB: Wage Month, Pay Day and Mode  
of Payment**

**a. Wage Month**

Wage month in SFO Technologies is Calendar month

For the purpose of pay roll, attendance is taken from 26th of the previous month to 25<sup>th</sup> of the current month

**b. Pay Day**

Salary of all employees is paid on 7<sup>th</sup> of every month. If 7<sup>th</sup> is a Holiday or Sunday, salary is paid on the previous day.

**c. Mode of Payment of Salary & Wages**

The policy of the Company is to pay wage and salary of all regular employees through Bank Outsourced temporary labour and Statutory Apprentices will be paid in cash

HR Department will provide all assistance to employees in opening Bank Accounts.

**SEC : Wage & Salary Administration**

**SUB: Final Settlement of Accounts**

1. When an employee ceased to be in the service of the company for whatever reason, his or her final settlement of accounts shall be done.
2. When an employee's service is terminated for any reason whatsoever, final settlement of his accounts will be made promptly with due regard to statutory obligations.
3. The first step towards final settlement of accounts of any person who has ceased to be an employee is to send out a "No Objection I No Due Certificate" by the HR Department to the following Heads of Departments
  - a. Head of the Department in which the employee is working.
  - b. Finance Department
  - c. HR Department.
  - d. Materials Department
  - e. Legal Department
  - f. Administration Department
  - g. System Facility Management
  - h. Time Office
3. The Heads of the above Departments should indicate whether there are any dues or not from the employee to his Department in the respective space, sign it and return to the HR Department. The "No Objection / No Due Certificate" Form is annexed to this Manual.
4. On receipt of the "No Objection / No Due Certificate" from all the Departments, the Final Pay statement is prepared and sent to the Finance Department for payment.



**SEC : Wage & Salary Administration**  
**SUB: Attendance Incentive Scheme**

An Attendance Incentive Scheme is prevailing in the company as a motivation to the employees for perfect attendance.

**Salient features of the Attendance Incentive Scheme**

1. The basis for calculation of this incentive is the actual days worked during a financial year.
  - a. If an employee actually works for 295 days in a financial year, he is given an attendance incentive of one month's basic pay.
  - b. If an employee actually works for 293 days in a financial year he will get an attendance incentive of 20 days basic pay.
2. Days actually worked shall not include any kind of leave / loss of pay leave / ESI leave / Maternity leave / Unauthorised absence / layoff / strike / go slow / weekly off days / holidays etc
3. Overtime work is not considered as attendance for calculation of attendance incentive.
4. The attendance incentive is not considered as wages for any purpose
5. The attendance incentive is disbursed during the month of July in the succeeding financial year.
6. It is the responsibility of the HR Representative\_of the unit to project the cases, which are eligible for payment of Attendance Incentive Scheme

**SEC : Leave and Holidays**

**SUB: Leave Rules**

**a. General Conditions:**

1. Applications for leave shall be made only in the prescribed form.
2. Applications for leave shall be submitted to the leave sanctioning authority along with the leave card.
3. Leave of any kind shall be granted only subject to the exigencies of work
4. Leave is not a matter of right and therefore cannot be claimed only because the employees have leave to their credit.
5. Leave once granted may be cancelled by the Management during emergencies i.e. if the exigencies of work so required.
6. The authority empowered to grant leave is also empowered to refuse the same or any unavailed portion of it and recall an employee from leave to resume duty.
7. As far as possible leave, particularly earned leave should be planned and applied in advance.
8. All leave has to be recommended by the immediate superior of the employee and sanctioned by the Department Head/Unit Head and the employee can proceed on leave only after getting the leave sanctioned.
9. For the purpose of administration of leave, a year shall be reckoned from the 1<sup>st</sup> April - 31<sup>st</sup> March.

There are three types of leaves – 1. **Casual Leave** 2. **Sick Leave** 3. **Privilege Leave**

**b. Casual Leave**

Eligibility

All confirmed employees are eligible for casual leave.

Quantum

Maximum of 7 days a year for all categories of employees in the company rolls.

Casual Leave to employees who work for part of the year

Employees who work for a part of the year may be allowed to avail casual leave on pro-rata basis

Maximum casual leave at a time

Casual Leave shall not be granted for more than 3 days at a time

Sundays and Holidays during Casual Leave

Intervening Sundays and holidays falling during the period of Casual Leave will not be counted as Casual Leave. But including Sundays and holiday's total absence of an employee should not exceed 4 days at a time.

Casual Leave in combination with Holidays/Sundays

Employees who wish to avail casual leave in combination with Sundays and holidays should obtain prior permission from the Department Head/ Division Head who will grant such leave subject to the exigencies of work.

Combining Casual Leave with other kind of leave

Casual Leave cannot be combined with any other kind of leave. An employee who proceeds on Casual Leave, if subsequently extends the leave by applying for another type of leave, the original period of Casual Leave sanctioned will be cancelled and the entire period of leave will be treated as part of the leave subsequently applied.

When to apply

Applications for Casual Leave shall be submitted in advance and sanction obtained before availing it. However, in case of emergency, if an employee could not apply for Casual Leave in advance, he should apply for the same within 24 hours of availing it. He should notify the company (his Section Head or Department Head) his inability to report for duty through suitable means of communication before the start of the working hours of the days on which he is on leave.

Accumulation

Casual Leave cannot be carried forward beyond the year. Unavailed portion of Casual Leave shall lapse at the end of the year.

**c. Sick Leave**

Eligibility

Only regular employees are eligible for Sick Leave. ie. Casuals, trainees, contracts are not eligible for Sick Leave

Quantum

ESI covered employees are eligible for 7 days sick leave in a year. Those outside the coverage of ESI will be eligible for 12 days Sick Leave in a year

Maximum Sick Leave at a time for ESI covered employees

Sick Leave will not be granted for more than 2 days at a time for ESI covered employees

Sick Leave in combination with other leave

Sick Leave can be availed in combination with earned leave, Sundays and holidays but not with Casual Leave. Sundays and holidays during the period of Sick Leave

will be counted as Sick Leave

Medical Certificate needed

ESI covered employees availing Sick Leave for more than 2 days shall submit "Sickness Certificate" from the concerned Medical Officer of the ESIC along with the application for leave.

ESI covered employees who availed Sick Leave for more than 2 days shall also produce a "Fitness Certificate" from the concerned ESI Medical Officer, failing which he shall not be permitted to join duty

Employees not covered under ESI shall submit medical certificate from a registered Medical Practitioner if they avail more than 2 days sick leave at a time

Prompt Information compulsory

If an employee, on account of sickness, is unable to report for duty, he shall at once notify the company his incapability to report for duty before the start of the working hours of the day.

Accumulation

ESI covered employees shall not be allowed to carry over Sick Leave to the next year. Unavailed portion of Sick Leave shall lapse at the end of the year.

Employees out of ESI coverage can accumulate Sick Leave up to maximum of 36 days.

**d. Privilege Leave (Earned Leave)**

Eligibility

Regular employees (casuals, temporary, contract, trainees, apprentices etc. excluded) who have worked for a period of 240 days or more during a year (1<sup>st</sup> April to 31<sup>st</sup> March) shall be allowed during the subsequent year earned leave with wages.

The employee whose service commences otherwise than on the first day of April shall be entitled for Earned Leave, if he has worked for more than 2/3 of remainder days in the year

### **Quantum**

#### **a) Workmen**

1. One day for every 12 days actually worked in case of workmen those who joined before 08/07/2003.
2. One day for every 18 days actually worked in case of workmen those who joined on or after 08/07/2003.

#### **b) Executives**

One day for every 18 days actually worked in case of all executives

### **Explanation**

Days actually worked includes weekly off.

Computation of 240 days of work shall be in accordance with the provisions of Section 79 of the Factories Act 1948 i.e.,

- a) Any day of lay off by agreement or contract or as permissible under the standing orders.
- b) In the case of a female worker, maternity leave for any number of days not exceeding 12 weeks and
- c) The leave earned in the year prior to that in which the leave is enjoyed shall be deemed to be days on which the worker has worked in a factory for the purpose of computation of the period of 240 days or more, but he shall not earn leave for these days.

Combination of Earned Leave with Holidays

Sundays and Holidays falling during Earned Leave will be counted as earned leave. Earned leave can be suffixed or prefixed to a Holiday/Sunday. But both prefixing and suffixing will not be allowed

Earned Leave to be applied in advance

Earned leave has to be planned in advance and applications for earned leave has to be submitted at east 10 days before availing

Maximum Number of times in a year.

Earned Leave shall not be granted for more than 5 times in a year.

Accumulation

Earned leave can be accumulated up to 60 days in case of Category A above and 90 days in case of Category B above during the service.

Minimum Earned Leave at a time

Earned Leave shall not be granted for less than one day.

Unauthorised absence

Employees who proceed on leave without getting the leave sanctioned by the Department Head / Division Head shall be treated as on unauthorized absence, which is misconduct as per the Certified Standing Orders. For commitment of the misconduct disciplinary action can be taken against the employee.

Extension of Leave

Any request for extension of leave has to be made in advance and got sanctioned prior to the expiry of the leave granted earlier.

Reporting back for duty after leave

Employees shall report back for duty on expiry of sanctioned leave. Overstay beyond the sanctioned leave shall be treated as unauthorized absence.

Postponement of Increment

In case of unauthorized absence and loss of pay leave other than ESI leave for a period up to 10 days in a year increment of the employee concerned will be extended by equal number of days. In case of leave for more than 10 days, increment will be extended by 6 months.

In case of unauthorized absence and loss of pay leave other than ESI leave promotion of the workmen concerned will be extended by double the number of days.

Habitual Absenteeism

In case of habitual absenteeism of employees, the Company reserves the right to resort to stringent disciplinary action as per the provisions of the Certified Standing Orders and any other relevant law.

Leave to cover Bandh, Harthal etc.

Employees willing to attend duty but unable to do so due to Bandh, Harthal etc. can apply for leave if they have leave of any kind to their credit including Privilege Leave.



**SEC : Leave and Holidays**

**SUB: Leave Encashment**

1. As a measure to reduce absenteeism, SFO Technologies permits its employees to encash their earned Leave subject to the following conditions.
  - a. **Eligibility** : Only confirmed employees are eligible to encash Earned Leave
  - b. **Number of times** : Earned Leave can be encashed only once in a financial year
  - c. **Encashable limits** : Maximum number of Earned Leave that can be encashed at time
    1. In the case of workmen is 60 days
    2. In the case of Executives is 10 days
  - d. **Minimum Balance** : There should be a minimum balance of 30 days Earned Leave after every encashment
  - e. **Sanctioning Authority** : Leave sanctioning Authority can sanction leave encashment also
  - f. **Procedure for Encashment** : Request for PL encashment sanctioned by the leave sanctioning Authority and approved by the Division Head / Department Head should be sent to the HR Department  
  
After scrutinizing, HR Department should forward the request for encashment of Earned Leave to the respective Accounts Department for payment
  - g. **Payment**: Payment on account of leave encashment to employees will be given along with the salary for the month in which Leave Encashment request is made.

**SEC : Leave and Holidays**

**SUB: National and Festival Holidays**

- a) **National Holidays:** All employees are entitled to 4 National holidays every year as per The Kerala Industrial Establishments (National and Festival Holidays) Act, 1963. They are the following.

26 <sup>th</sup> January	Republic Day
1 <sup>st</sup> May	May Day
15 <sup>th</sup> August	Independence Day
2 <sup>nd</sup> October	Gandhi Jayanthi

- b) **Festival Holidays:** In addition to the above; employees are entitled to 9 festival holidays per year, which will be decided as per the provisions of Kerala Industrial establishment (National & Festival Holidays) Act.
- c) **Procedure for Approval:** The list of National & Festival Holidays proposed for adoption for a calendar year has to be submitted to the Assistant Labour Officer in the month of November for his approval in the prescribed form.

The list of National and Festival Holidays proposed for a calendar year, approved by the assistant Labour Officer, shall be displayed in the prescribed form on the notice Board of the company before 31<sup>st</sup> of the previous year.

**SEC : Leave and Holiday**

**SUB: Short Leave**

a. Objective

As per the Leave Rules of the Company, Privilege Leave can be availed for a minimum of one day and Casual Leave and Sick Leave can be availed only for a minimum of half a day. It is however, possible that employees may need to be absent from work for less than half a day, either at the beginning of their working day / shift or at the end of their working day / shift or even in between during the working time. To facilitate such a personal requirement to be away from duty for short duration, the Company has introduced a practice of granting SHORT LEAVE subject to the following conditions.

**b. Rules to be followed for availing Short Leave**

1. Short leave will be granted up to a maximum of 2 hours only at a time.
2. Short leave will be granted only once in a day.
3. Short leave will not be granted for more than 2 times in a month.
4. If a short leave exceeds 2 hours but is not more than 4 hours, it will be treated as half day Casual Leave. If there is no Casual Leave to credit, as Sick Leave. If there is no Casual Leave or Sick Leave to credit, it will be treated as half day leave without pay.
5. If a short leave exceeds 4 hours in a month, it will be treated as full day leave and either Casual Leave or Sick Leave will be adjusted against this on request by the employee. If there is no Casual Leave or Sick Leave to credit, it will be treated as one-day leave without pay.
6. Wages will be deducted for the exact duration of the short leave.
7. Application for availing short leave will be made in the prescribed PERMISSION SLIP before availing.
8. Employee can proceed on short leave only after getting permission slip signed by his immediate supervisor.
9. Short leave will be granted only subject to the exigencies of work. If the exigencies of work so require, the authority empowered to grant short leave is also empowered to refuse short leave. Short leave once granted can be subsequently cancelled by the sanctioning authority.
- 10 Short leave will not be sanctioned in combination with any leave and on a day when one is on half day leave.

**SEC: Factory License**

**SUB: Renewal of Factory License**

As per the Factories Act 1948, every factory should have a valid factory license. The renewal of the Factory License is the responsibility of HR Department. Every year Factory License should be renewed. For this purpose application for renewal should be submitted to Senior Inspector of Factories & Boilers before 31<sup>st</sup> October of every year. Following documents should be submitted before Inspector of Factories and Boilers for renewal / amendment of Factory License.

- a. Form No. 2
- b. Original License
- c. Copy of Challan for the prescribed fee remitted in Treasury.

**SEC: Statutory Benefits**

**SUB: Provident Fund**

1. Employees Provident Fund and Miscellaneous Provisions Act, 1953 has to be implemented in all Units to which the Act applies.
2. There are three different schemes operating under the Employees Provident Fund and Miscellaneous Provisions Act, 1953. They are
  - a) Employees Provident Fund Scheme
  - b) Employees Pension Scheme
  - c) Employees Deposit Linked Insurance Scheme

**a. Employees Provident Fund Scheme**

The fund under the Scheme is operated with the contributions from both Employee and Employer.

**Rate of Contribution**

- 1) 12% of the wages (Basic and Dearness allowance) of the employee is deducted every month by the employer and remitted to the provident fund account of the employee maintained by the Provident Fund Commissioner.
- 2) Employer also contributes an amount equivalent to 3.67% of the wages (Basic + Dearness Allowance) of employees to his Provident Fund account.

**Administrative Charges**

0.5% of the total wages will be paid by the employer as Administrative Charges to the fund.

**Transfer of Provident Fund Account**

New employees who had a Provident Fund account while in their previous employment have to apply for transfer of the same in Form 13 to the Provident Fund Commissioner in whose jurisdiction he was previously employed. This application needs to be certified by the present employer.

### **Nomination**

Each employee shall make in his declaration in Form 2, a nomination conferring the right to receive the amount that stand in his credit in the fund in the event of his/her death.

If the employee has a family at the time of making nomination, the nomination shall be in favour of one or more persons belonging to his family.

If at the time of making the nomination the employee has no family, the nomination may be in favour of any person or persons.

If the employee subsequently acquires a family the above nomination will be deemed to be invalid and the member shall make a fresh nomination in favour of one or more persons belonging to his family.

If the nomination is wholly or partly in favour of a minor, the employee may appoint a major person of his family as guardian of the minor nominee. If there is no major person in his family, the employee may appoint any other person to be a guardian.

A nomination or its modification shall take effect to the extend that it is valid on the date on which it is received by the Commissioner.

### **Returns**

The following returns have to be submitted by the employer to the Provident Fund Commissioner under the Employees Provident Fund Scheme.

1. Declaration and Nomination Form - Form No.2

Every new employee has to fill a Declaration and Nomination form in Form No.2.

2. Monthly Return-Form 12- A

This is a monthly return showing the total number of members in the scheme, new employees in the scheme for the non- employees who left services during the month and the contributions remitted under the Provident Fund, Family Pension and Employees Deposit Linked Insurance

Scheme.

3. Details of employees enrolled during the month (Monthly Return) Form No.5

This is a return of employees qualifying for membership of the Employees Provident Fund for the first time during the month. This is to be sent to the Provident Fund Commissioner along with Form No.2.

4. Details of employees left during the month (Monthly Return) Form No.10

This is a return of members of Employees Provident Fund who have left the service during the month.

5. Annual Return-Form 3A

This is an annual return showing the amount of recoveries in each month during the period from March to February from the wages of each employee's and the amount contributed by employer in respect of each member to Provident Fund and Pension Fund during the above period.

6. Annual Return- Form 6 A

This is an annual contribution statement showing the total amount of recoveries made during the period from March to February from the wages of each employees' and the amount contributed by employer in Provident Fund and Pension Fund for the above said period.

**Closing PF account**

Employee can close his PF account, two months after cessation of his service. For this purpose he should apply in Form 19. Duly filled application will be forwarded to PF office by HR Department.

**Withdrawals from the Provident Fund**

Employees are entitled to a variety of loans and advances from their Provident Fund Account.

For this purpose employee shall fill the withdrawal application Form 31.

**a) For purchase of a dwelling house, Flat or for construction of a dwelling house or purchase of a site**

Conditions

1. Five Years of membership in the Provident Fund
2. Employee's own share of contribution with interest to his credit is not less than *Rs.1,000/-*
3. The dwelling site or the dwelling house or Flat or the house under construction is free from encumbrances.
4. This withdrawal will be sanctioned only for three times.

Eligibility

1. For purchase of a site:

The least of:

- 1 Employee's 24 months Basic Wages and Dearness Allowance
  - 2 Employee's own share of contribution together with employer's share of contribution and interest of both part
  - 3 The total cost towards acquisition of a dwelling site
2. For acquisition of a ready built house / flat or construction of house or flat

The least of:

- i) Employee's 36 months Basic Wages and Dearness Allowance.
- ii) Employee's own share of contribution together with employer's share of contribution and interest of both part.
- iii) The total cost of construction



**b) Addition or Alteration or improvements to the dwelling house**

Conditions

1. The employee can apply for this only after a period of five years from-the-date of completion of the dwelling house.
2. This withdrawal will be sanctioned only for three times.

Eligibility

The least of:

- i) Employee's 12 months Basic Wages and Dearness Allowance
- ii) Employee's own share of contribution with interest

**c) Repayment of Loans**

The employees are entitled for an advance from the Provident Fund for repayment of any outstanding principal and interest obtained from a State Govt., Housing Board, Co-operative Society, HDFC.

Conditions

1. 10 years of membership in the Provident Fund.
2. Employee's own share of contribution with interest in his credit is Rs. 1,000/- or more.
3. This withdrawal will be sanctioned only for three times.

Eligibility

The least of:

- i) Employee's 36 months Basic Wages and Dearness Allowance
- ii) Employee's own share of contribution together with employer's share of contribution and interest of both part

- iii) Amount outstanding, principal and interest of the loan

**d) Advance for certain illness and hospitalisation**

Employees are eligible for advance from Provident Fund for their hospitalization lasting for one month or more or major surgical operation in a hospital or treatment of TB, Leprosy, Paralysis, Cancer or mental derangement or heart ailment having granted leave-by his employer for the treatment.

Incase of a member of the employee's family, for hospitalization for one month or more, for a major surgical operation or for treatment of TB, Leprosy, Paralysis, Cancer or mental derangement or heart ailment.

Conditions

1. Employee should not be covered under Employees State Insurance Scheme and benefits there under.
2. A certificate from a Doctor is to be produced specifying the requirement for hospitalization / treatment.
3. This withdrawal will be sanctioned only for three times.

Eligibility

The least of:

- i) Employee's 6 months Basic Wages and Dearness Allowance
- ii) Employee's own share of contribution with interest

**e. Marriage or post matriculation of education of children**

Employees are eligible for loans for his / her marriage and marriage or his / her daughter / son / sister / brother and for post matriculation education of the employees son or daughter.

Conditions

7 years of membership in the fund

Employee's own share of contribution with interest in his credit should be Rs.1,000/- or more.

This withdrawal will be sanctioned only for three times.

Eligibility

Amount not exceeding 50% of the employee's share of contribution with interest.

**f) For financing the employee's Life Insurance Policy.**

Employee is eligible for a Provident Fund advance for paying the premium on a policy of Life Insurance Scheme taken by employee.

Conditions

1. Employee's share of contribution with interest should be sufficient to pay the premium
2. Where the payment is to be made on the first premium, sufficient to pay the premium for two years
3. Only one such policy can be financed from the Provident Fund.
4. This withdrawal will be sanctioned only for three times.
5. The employee can apply for this loan on his behalf to the Provident Fund Commissioner
6. No educational endowment or marriage endowment policy can not be financed from Provident Fund, if such policy is due for payment in all or in part before the member attains the age of 55.

**g) Special Cases**

1. Employee's can avail one or more non recoverable advance not exceeding 50% of his own share of contribution with interest, when he is discharged or dismissed or retrenched by his employer and which is challenged by the employee and the cases is pending in a Court of Law
2. In the case of units locked up or closed down for more than 6 months and the employee who has already been granted one or more non recoverable advances and no compensation is likely to be paid to him at an early date, employee's can avail one or more recoverable advances up to the extend of 100% of employer's total contribution including

interest

Conditions

1. If the establishment remains closed for more than 5 years for reasons other than strike, recoverable advance may be converted in to non recoverable advance on request by the employee
2. Advance under clause 2 is interest free
3. The advance shall be deducted in installments subject to a maximum 36 installments
4. The recovery shall commence from the first wages paid to the employee immediately after the restart of the establishment.

**h) Full Withdrawal**

An employee can withdraw the full amount standing to his credit if anyone of the following case applicable

- a. On retirement from the services after attaining the age of 55 years
- b. On retirement on account of permanent total incapacity for work Migration from India for permanent settlement abroad
- c. Taking employment abroad
- d. Termination of services / Retrenchment
- e. Termination of services under Voluntary retirement Scheme
- f. Employee can withdraw the fund after completing a continuous period of 2 months from the date when he is transferred from an establishment to another establishment where Provident Fund is not applicable but under the same employer or when an employee is discharged and had given retrenchment compensation under ID Act.

### **Accumulation of a diseased employee**

On death of an employee, the provident fund account will be payable' to the nominee in accordance with the nomination given by the employee. If there is no nomination made by the employee, the whole amount shall become payable to members of this family in equal shares

### **Withdrawal before one year of retirement**

Employee can withdraw up to 90% of the amount standing to his credit after attaining the age of 54 years or within one year before actual retirement or Superannuation which ever is later.

### **How to apply**

For withdrawal or for advance, the employee shall apply to the Provident Fund Commissioner in the prescribed form duly authorised by the employer.

### **Annual Statement of Accounts**

After the close of each currency period, Provident fund Organisation will send a Statement of Accounts to each employee through the employer showing the opening balance at the beginning of the period, amount contributed during the year, total amount of interest credited and the closing balance at the end of the period.

## **b. Employees' Pension Scheme**

I. An employee shall be entitled to one of the following pensions.

- |   |                        |   |
|---|------------------------|---|
| 1 | Superannuation Pension | If he has rendered eligible service of 20 years or more and retires on attaining age of 58 years                              |
| 2 | Retirement Pension     | If he has rendered eligible service of 20 years or more and retires/ceases to be in the employment before the age of 58 years |
| 3 | Short Service Pension  | If he has rendered eligible service of 10 years or more but less than 20 years.   |

- 4 Monthly Reduced Pension An employee may be allowed to draw monthly reduced pension from a date earlier than 58 years but not less than 50 years.

**II Option for commutation**

The employee who is eligible for pension can opt for commutation and can commute up to a maximum of 100 times of 1/3rd of his pension. Balance pension will be paid on a monthly basis.

**III Option for return of Capital**

An employee can opt to draw for reduced pension and avail of return of capital under any one of the alternatives given below.

SL	Alternatives	Revised Pension Payable	Amount payable as return of capital
1	Revised pension during life time of member with return of capital on his death	90% of original monthly pension	100 times the original monthly pension on death of the member to the nominee
2	Revised pension during the lifetime of the I member, further reduced pension during lifetime remarriage whichever is earlier and return of capital on widow's death or remarriage.	90% of original monthly pension to the member. On his death 80% of the original monthly pension to the widow	90 times the original monthly pension on death of widow / remarriage
3	Pension for a fixed period of years notwithstanding whether the member lives for that period or not	87.5% of the original monthly pension for a fixed period of 20 years	100 times the original monthly pension at the end of 20 years from the date of commencement of pension to the member if he is alive, otherwise to his nominee

**IV Benefits on leaving service before being eligible for monthly pension**

If an employee has not rendered the eligible service for pension on the date of exit or on attaining 58 years of age whichever is earlier he shall be entitled to withdrawal benefit or if he has not attained the age of 58 years, can opt for scheme certificate.

**V Benefits on permanent and total disablement during the service**

If an employee is permanently and totally disabled during the employment shall be entitled to pension subject to a minimum of 250 per month from the date of permanent total disablement. For this employee should have made at least one month contribution to pension fund.

**VI Benefit to family on death of a member**

**i) Pension to family-** Pension to family will be payable from the date of death of the employee if employee dies in anyone of the following circumstances

- a) while in service after contributing at least one month's contribution to Pension Fund
- b) after the exit from the employment but before attaining the age of 58 years and having rendered service entitling him to receive monthly pension, but before the commencement of pension payment
- c) after commencement of payment of monthly pension

**ii) Monthly widow pension**

The monthly widow pension shall be payable up to the death of the widow or remarriage whichever is earlier

- a. If an employee dies while in service after contributing one month to the pension fund the widow pension will be equivalent to the monthly pension of the employee (admissible as if the employee had retired on the date of death) or *Rs.450/-* or the amount fixed in the

Act, whichever is more.

- a. If an employee dies after the date of exit or before attaining the age of 58 years and has rendered sufficient service for entitlement of monthly pension, the widow\_pension will be equal to monthly pension (as if the employee had retired on the date of exit) or Rs.50/- or the amount fixed by the Act whichever is more
- c. If the employee dies after commencement of payment of monthly pension the widow pension will be equal to 50% of the monthly pension (as if the employee had retired on the date of exit) subject to a minimum of Rs. 250/- per month.

### iii) **Monthly Children Pension/Orphan Pension**

1. Eligible for children falling with the definition of the family, until the child attains the age of 25 years.
2. Monthly pension for each child shall be equal to 25% of the widow/widower pension
3. Permanently and totally disabled child will be entitled to children pension irrespective of age and number of children in the family.
4. If the spouse of the diseased member is not surviving then the monthly orphan pension payable is equal to 75% of the monthly widow pension
5. The minimum orphan pension for each orphan is Rs.170/-.
6. If widow/widower remarriage after sanctioning widow/widower pension the children will be entitle for monthly orphan pension in lieu of monthly children pension.
7. Payable to maximum of 2 children who are elders
8. If there is no spouse/children to the diseased employee, the nominee will receive monthly pension equal to the monthly widow pension
9. If there is no spouse/children and no nomination\_by the employee the pension equivalent to widow shall be paid to dependent\_father or mother. In the event of death of father pensioner the pension shall be extended to the surviving mother lifelong



## **VII Application for Pension /closing of Pension account**

If an employee not rendered less than minimum years of service required for pension, he can close his account or can apply for scheme certificate. For this purpose he should apply in Form 10-C.

### **c. Group Insurance Scheme**

#### **LIC's Group Insurance Scheme in lieu of Employees Deposit Linked Insurance Scheme**

**SFO Technologies** has adopted LIC's Group Insurance Scheme in lieu of Employees Deposit Linked Insurance Scheme described above which provides the following additional benefit to the members.

- h) On the death of an employee who is a member of this scheme, nominee will receive an assurance benefit of *Rs.62,000/-* irrespective of the Provident Fund balance.
- i) An accident benefit provides for payment of an additional amount equal to the sum assured when an employee dies due to accident.

#### **Remittance**

Employer should send the list of employees along with their Basic wages and Dearness Allowance, Date of birth. LIC will intimate the amount of premium and company should remit it before expiry of the policy period.

Also a monthly return in Form 7IF should send to the provident fund authorities.

**SEC: Statutory Benefits**  
**SEC: Employees' State Insurance**

Employees State Insurance Act 1948 provides benefits to covered employees and their family in case of sickness, maternity, employment injury and protection from future uncertainties and situations of distress. SFO Technologies have made available the benefits of ESI to its employees.

**a. Eligibility**

Employees who receive a monthly wage of Rs.10000/- or less are covered under the ESI.

**b. Wage**

**Wage for the purpose of ESI Act**

1. All remuneration in cash to an employee under the terms of contract of employee.
2. Any payment to an employee in respect of any period of authorised leave lock out, strike which is not illegal or layoff
3. Any additional remuneration payable at intervals not exceeding two months.

**Excluded from wages**

Any sum paid to defray the expenses is excluded from the definition of wages. Example washing allowance, daily Bata.

**c. Establishment Code**

Employer has to furnish all the relevant details to the Regional Office, ESIC for registration of the establishment under the ESI Scheme and ESIC Regional office

will allot an Employer's Code Number, which is required to be mentioned in all the correspondence and document by the establishment.

#### **d. Contributions**

Both employee and employer have to contribute towards the scheme

Employee - 1.75% of his wage

Employer - 4.75% of the wage of employee

#### **When is the Contribution payable**

Employer has to deduct the contribution from the employees wages at the time of payment of wages and remit it to the ESI Corporation along with the contribution of the employer within 21 days of the last day of the calendar month in which the contribution fall due.

#### **e. Registration of employees**

##### **Declaration of Employee**

Employees have to make a declaration in Form 1 along with one copy of group photograph with family members eligible for medical benefit. Employer has to send this declaration along with Form 3A in duplicate within 10 days to the Local Office concerned.

##### **Allotment of Insurance Number**

On receipt of the declaration from the employer, the Local Office will allot an Insurance Number to each insured person in respect of whom declaration form has been received and issue identity cards in Form IV to each such person through the employer

The employer shall issue the identity cards to the concerned employees and shall obtain receipt for the identity card.

#### **f. Return of contribution**

This is a half yearly return containing the details such as total number of days worked, amount of wages paid, employee's contribution deducted and average daily wages during a contribution period

Employer has to send a return of contribution in quadruplicate in Form 6 (Annexure -30) along with the copies of challans for the amount deposited in bank to the Local Office by registered post or messenger in respect of all employees for whom contributions were payable in a contribution period so as to reach the office within 42 days of expiry of the contribution period.

### **g. Contribution period and Benefit period**

There are two contribution periods in a financial year. The benefit period of each contribution period will commence after 3 months from the termination of the contribution period. The benefit period for the concerned contribution period is given below.

	<b>Contribution period</b>	<b>Benefit period</b>
1.	1 <sup>st</sup> April to 30 <sup>th</sup> September	1 <sup>st</sup> July to 31 <sup>st</sup> December
2.	1 <sup>st</sup> October to 31 <sup>st</sup> March	1 <sup>st</sup> January to 30 <sup>th</sup> June

### **h. Benefits**

The rate of benefits available to all employees are uniform but the cash benefits available to an employee during a benefit period is related to the amount of contribution made by the employee during the respective contribution period

#### **I Sickness benefit**

- i) Employees are entitled to periodical payment in case of sickness which requires medical treatment and attendance and necessitates abstention from work, certified by a duly appointed Medical Practitioner or by another person possessing such qualifications and experience as the corporation prescribed.
- ii) Employees are eligible for the sickness benefit only if they have contributed not less than 78 days within the contribution period corresponding to the benefit period in which he is availing the benefit.
- iii) Employees are not entitled to benefit for the first 2 days of the sickness in the case of a spell of sickness following at an interval not more than 15 days.

- iv) Employees are not eligible for sickness benefit for more than 91 days in any two consecutive benefit periods.
- v) The daily rate of sickness benefit in respect of a person during any benefit period shall be 'standard benefit rate' corresponding to average daily wages during the corresponding contribution period which is approximately 65% of the average daily wages

## **II Maternity Benefit**

Woman employees are entitled to Maternity Benefit by way of periodical benefit in case of confinement or miscarriage or sickness arising out of pregnancy, confinement, premature birth of a child or miscarriage.

### **Confinement**

Woman employees are eligible to claim maternity benefit for a confinement occurring or expected to occur in a benefit period, if the contributions in respect of her is payable not less than 70 days in the immediately proceeding two consecutive contribution period

She shall be entitled to receive the benefit at the daily rate and the benefit payable in respect of confinement occurring during any benefit period shall be equal to twice the standard benefit rate corresponding to the average daily wages in the corresponding contribution period. She shall be eligible for such benefit which she does not work for remuneration during a period of 12 weeks of which not more than 6 weeks shall proceed the expected date of confinement.

### **Death during / after Confinement**

1. If a woman employee dies during confinement or during the period of 6 weeks immediately following the confinement for which she is entitled to maternity benefit and if the child is alive, maternity benefits shall be paid for all of that period.
2. If the child dies during the above said period then the benefit for the days up to and including the day of death of the child shall be payable to the person nominated by the employee, and if there is no such nominee, then payable to her legal representative.

### **Miscarriage/ Medical termination of Pregnancy**

In case of miscarriage or medical termination of pregnancy the woman employee is eligible for maternity benefit during a period of 6 weeks immediately following the date of her miscarriage or medical termination of pregnancy. In case of sickness arising out of pregnancy, confinement, premature death of child or miscarriage or medical termination of pregnancy, she is eligible for maternity benefit for an additional period not exceeding one month.

### **III Disablement benefit**

Insured Employees are entitled to periodical payments if they suffer disablement as a result of an employment injury arising out of and in the course of the employment. Disablement may be temporary or permanent and it may be partial or total.

Temporary Disablement	Temporary incapacity of doing work resulting from an employment injury which requires medical treatment
Permanent Partial Disablement	Reduces earning capacity of an employee in every employment permanently by way of an employment injury
Permanent Total Disablement	Permanent incapacity to an employee for doing all work resulting from an employment injury

The permanent disability shall be determined by a medical board constituted by the Act. If disablement is temporary, employee shall be eligible to claim disablement benefit for not less than 3 days. If disablement is permanent, employee shall be eligible for periodical payment. For both temporary disablement and permanent total disablement, the benefit is at full rate.

For permanent partial disablement the benefit rate is a certain percentage of the full rate which would have been payable in the case of permanent total disablement.

### **Occupational Disease**

If an employee employed in any employment specified in part A, Part B & Part C of schedule 3 contract any disease specified therein as an occupational disease peculiar to that employment. The daily rate of disablement shall be 40% than the standard benefit rate.

### **Dependant's Benefit**

When an employee dies as a result of an employment injury the dependants are entitled to compensation as follows

- a) when he dies, leaving the widow and children
  - i) To the widow during life until remarriage, and amount equal to three - fifths of the full rate, and if there are two or more widows, the amount payable to widows shall be divided equally.
  - ii) To a legitimate adopted son, an amount equal to two - fifth of the full rate until he attains the age of eighteen years.
  - iii) To a legitimate adopted daughter, an amount equal to two - fifth of the full rate until she attains the age of eighteen years or until marriage whichever is earlier
  
- b) when he dies, leaving other dependants and there is no widow or child for him
  - i) when he dies, leaving other dependants and there is no widow or child for him
  - ii) To any other
    - a) male dependant until he attains the age of 18 years
    - b) female dependant until she attains the age of 18 years or until marriage whichever is earlier equivalent to two-tenths of the full rate

### **Medical Benefit**

Medical benefit is extended to employee and his family

Family means

1. spouse
2. Minor legitimate or adopted child, dependant upon the insured person.
3. a child who is wholly dependant on the earnings of the insured person and who is receiving education till he or she attains the age of 21 years

4. an unmarried daughter
5. a child who is infirm by reasons of any physical or mental abnormality or injury and is wholly dependant on the earning of the insured person, so long as the infirmity continues
6. dependant parents

The family of an employee shall become entitled to medical benefit from the day the employee himself becomes entitled to the medical benefit and will continue to be entitled as long as the insured persons is entitled to receive the medical benefit for himself

The medical benefit can be availed only from the dispensary, hospital, clinic or other institution to which he or his family is allotted or as may be provided by the regulation

A permanently disabled person will continue to receive medical benefit till the date on which he would have vacated the employme,1t on attaining the age of Superannuation, if he contribute to ESI as per the rules.

A superannuated person can get medical benefit if he satisfies the following criteria.

1. The person should be an insured person within the meaning of the Act at some stage of his employment.
2. The person should have left insured employment on attaining the age of Superannuation.
3. The person should have superannuated after having been in insurable employment for not less than 5 years.
4. The person must contribute Rs.10 per month to the concerned office of the corporation-in the manner provided.
5. The person must provide the proof of having been in insurable employment for a minimum period of 5 years to the satisfaction of the authorised office.

**Funeral expense benefit**



If an dies while in insurable employment, the eldest surviving member of the family or if has not a family or was not living with his family at the time of death, to the person who actually incurs the expenditure on the funeral of the insured person will be paid Rs.3, 000/- towards the funeral expenditure of the diseased insurance person.

**SEC: Statutory Benefits**

**SUB: Gratuity**

**a. Eligibility**

All employees are eligible for gratuity in accordance with the provisions of the Gratuity Act 1972.

Gratuity shall be payable to an employee on the termination of his employment if he has rendered continuous service for not less than 5 years

- b. On his superannuation
- c. On his retirement or his resignation or
- d. On his death or disablement due to accident or disease provided that the completion of continuous 5 year shall not be necessary where the termination of employment of any employee is due to death or disablement.

**b. Calculation of Gratuity**

For every completed year of service or part thereof in excess of 6 months, the company shall pay gratuity to the employee at the rate of 15 days wages based on the rate of wages last drawn by the employee concerned.

The formula for calculation of Gratuity is as follows:

$$\text{Gratuity} = (\text{Basic Pay} + \text{Dearness Allowance}) / 26 \times 15 \times \text{No. of years of continuous service}$$

**c. Time limit**

Gratuity should be paid within 30 days of the date of separation.

**d. Nomination**

- a. Each employee at the time of joining shall make a nomination in the prescribed form to receive his/her gratuity, in the case of death
- b. The employee may, in his nomination, distribute the amount of gratuity payable to him amongst more than one nominee.

**e. Application for Gratuity**

An application in Form 1 should be submitted to HR Department.

**f. Gratuity Fund Trust.**

Gratuity of employees is administrating by SFO Technologies Employees Gratuity Fund Trust.

**SEC: Statutory Benefits**

**SUB : Maternity Benefit**

**a. Eligibility**

Female employees who are not eligible for maternity benefit under the Employees State Insurance Scheme are eligible for maternity benefit under the Maternity Benefit Act

To be eligible for maternity benefit, a female employee should have actually worked for not less than 160 days in the establishment during the 12 months preceding the date of expected delivery.

**b. Right of woman employee**

Every woman employee entitled to maternity benefit should be paid the same at the rate of the average daily wage for the period of her actual absence, i.e to say, the period immediately preceding the day of her delivery, the actual day of her delivery and any period immediately following that day.

The maximum period for which any woman is entitled to maternity benefit is 24 weeks of which not more than 12 weeks shall precede the date of her expected delivery.

If a woman employee dies during the period of 12 weeks, the maternity benefit shall be payable only for the days up to and including the day of her death.

Where a woman employee having been delivered-of-a-child, dies during her delivery or during the period immediately following the date of her delivery, for which she is entitled for the maternity benefit, leaving behind, in either case, the child, the employer is liable to pay maternity benefit for that entire period. But if the child also dies during the said period, then for the days up to and including the date of the death of the child.

**c. Notice of Claim**

A woman employee eligible for maternity benefit should give a notice in writing in the prescribed form D stating that her maternity benefit and any other amount to which she may be entitled under the Maternity Benefit Act may be paid to her or to such person as she may nominate in the notice and that she will not work in any establishment during the period for which she receives maternity benefit.

In the case of a woman who is pregnant, such notice was state the date from which she will be absent from work, not being a date earlier than 6 weeks from the date of her expected delivery

Any woman who has not given the notice when she was pregnant may give such notice as soon as possible after the delivery.

**d. Payment of Benefit**

The amount of maternity benefit for the period preceding the date of expected delivery should be paid in advance to the woman employee on production of proof of pregnancy and the amount for the subsequent period should be paid within 48 hours of production of proof of delivery

Failure to give notice to the employer will not disentitle a woman to maternity benefit or any other amount under the Maternity Benefit Act

**e. Payment to Nominee**

If a woman entitled to maternity benefit or any other amount under the Act dies before receiving the same, the same should be paid to the person nominated by the woman in the notice given by her and where there is no such nominee, to the legal representative

**f .Benefits.**

**Medical Bonus**

Every woman entitled to maternity benefit shall also be entitled to a medical

bonus for Rs.250/- if no pre-natal confinement and post-natal care is provided for by the employer free of charge.

**Leave for miscarriage etc.**

In case of miscarriage or medical termination of pregnancy a woman employee shall, on production of proof, be entitled to leave with wages at the rate of maternity benefit, for a period of 6 weeks immediately following the day of miscarriage or medical termination of pregnancy.

**Leave with wages for Tubectomy Operation**

In case of Tubectomy Operation a woman shall, on production of proof, be entitled to leave with wages at the rate of maternity benefit for a period of 2 weeks immediately following the day of the operation

**Leave for illness arising out of pregnancy, delivery, Premature birth of child., Miscarriage. Medical Termination of pregnancy**

A woman suffering from illness arising out of pregnancy, delivery, premature birth of child, miscarriage, medical termination of pregnancy shall on production of proof be entitled, in addition to the normal leave, an additional period of one month

**g. Special Condition**

No employer shall employ a woman during the 6 weeks immediately following the day of her delivery. No employer shall discharge or dismiss a woman during her absence under maternity benefit

**SEC: Statutory Benefits**

**SUB: Labour Welfare Fund**

**a. Contribution:** In terms of the Kerala Labour Welfare Act 1977, all employees have to make a contributions of Rs.45/- per half year towards Labour Welfare Fund. The company will make a contribution of Rs. 45/- per employee per half year.

**b. Remittance:** The amount deducted from the employee along with the contribution of the Company has to be remitted to the Labour Welfare Fund Inspector, Ernakulum by account payee cheque in favour of Labour Welfare Commissioner, Trivandrum. The due dates of remittance of half yearly contributions are 15th of January and 15th of July every year. The Form A in which the statement showing the particulars of contributions paid to the Labour Welfare Fund is annexed to this Manual.

1. The remittance from the Company to the Labour Welfare Fund goes to the Labour Welfare Board which, with the contribution from the State Government utilizes the fund for the welfare of the employees and their dependants.

2. Employees are eligible to receive the following benefits from the Labour Welfare Fund.

**c. Benefits**

a) Dependant of an employee who dies while in service gets Rs.10001/-

b) Employee's children gets Industrial Training institute Training in the 12 Industrial Trainll1g Institutes of the state. Such children get a stipend of *Rs.50/-* per month and exemption from payment of tuition fees.

c) Employees visiting Thekkadi either in group or with family get concessional accommodation

d) Employees and their families while visiting Thekkadi gets a subsidy @ *Rs.10/-* paise per kilometer provided the group has minimum 15 persons including the family particulars and their stay at Thekkadi is not less than 12 hrs

- e) Employees are also eligible to get a grant of Rs.1001 - for buying books for their libraries.
- f) Daughters of employees are given training in tailoring with *Rs.50/-* per month as stipend.
- g) Employees are eligible for an assistance *ofRs.1500/-* for treatment of serious illness like cancer, tuberculosis, leprosy etc.
- h) Employees who become handicapped while in service are eligible to get up to *Rs.2500/-* for buying artificial limbs, hearing aids etc.
- i) Dependants of employees are given assistance for self-employment
- j) Educational grant is also given to employees studying in Kerala Labour Welfare Board High School.

**SEC: Welfare Schemes**

**SUB: Leave Travel Allowance (LTA)**

**Leave Travel Allowance**

All confirmed employees are eligible for Leave Travel Allowance

Leave Travel Allowance can be claimed after completion of one year's regular service.

Employees are eligible for Leave Travel Allowance at the rate of one month's basic salary every year.

LTA can be accumulated up to 2 years

For availing LTA employee should avail at least one day Casual Leave or Privilege Leave.

L TA will not be granted against the leave availed before the date of claim

Application for LTA in the prescribed form is to be submitted to HR Department through Department Head.

HR Department will certify the entitlement, leave debiting and forward to respective Accounts Department for payment

The payment of Leave Travel Allowance of employees will be given along with the salary for the month in which the claim for Leave Travel Allowance is given.



**SEC: Welfare Schemes**  
**SUB: Medical Benefits**

It is the policy of the Company to assist all the employees including casual employees to assist medical treatment for him and his family whenever needed. In pursuance of this policy, the Company has adopted the Employee State Insurance Scheme (ESI) for its employees who come under the coverage of the scheme. Salient features of the ESI Scheme and the various benefits available to covered employees are detailed at 07-05. For those who are out of coverage of the ESI, the company has a Medical Allowance Scheme.

**a. Medical Re-imburement Facility**

This benefit is available for only those employees who are not covered under the Employee State Insurance Scheme

Confirmed employees not covered under ESI are eligible for re-imburement of medical expenses incurred by them for medical treatment of themselves and their family members subject to maximum of their one month's basic salary per year.

Family for the purpose of medical reimbursement will mean spouse, dependant parent and dependent children only.

**b. Medi-claim Insurance**

Company is providing Medi-claim Insurance to all workmen in association with M/s. National Insurance Co. Ltd. Through this insurance workmen can avail claim towards medical expenses if there is a minimum of 24 hours hospitalization.

**SEC: Welfare Schemes**

**SUB: Food Allowance**

1. All permanent employees in the Workmen and Supervisory cadres are paid a Food Allowance *of Rs.250/-* per month.
2. All outsourced temporary labour are given a Food Allowance of *Rs.150/-* per month
3. All employees in the Executive category are paid a Food Allowance of *Rs.300/-* per month

**SEC: Welfare Schemes**  
**SUB: Free Transportation**

Free transport facility is provided to the employees of SFO Technologies.

The different pick-up and dropping times and locations are mentioned below.

<u>Time</u>	<u>Pick up / Dropping</u>	<u>Place</u>
07.30 AM	Pick up	Palarivattom
08.20 AM	Pick up	Kakkanad
08.45 AM	Pick up	Kakkanad
03.40 PM	Pick up	Kakkanad
04.05 PM	Dropping	Kakkanad
04.15 PM	Pick up	Kakkanad
04.35 PM	Dropping	Kakkanad
05.05 PM	Dropping	Kakkanad
05.35 PM	Dropping	Palarivattom
10.40 PM	Pick up	Palarivattom
12.10 AM	Dropping	Ernakulam, Thripunithura, Aluva.

**SEC: Welfare Schemes**

**SUB: Locker Room**

All workmen and Supervisors in the manufacturing units are provided with lockers. This is for them to keep their uniforms, personal cloth, safety appliances and gadget issued to them. Keeping unauthorised articles in the locker is prohibited

**SEC: Safety**  
**SUB: Safety Rules**

All factories are bound to follow the Statutory Rules and Regulations on Employee Safety laid down by the Factories Act, 1948.

**General Safety Rules**

- a. All employees should keep their work place clean and tidy
  - e. All employees should use the safety gadgets issued to them, kept for their use while at work.
  - f. All employees are expected to follow the safety rules and regulations that are in force from time to time.
  - g. All employees should follow safe operating procedures for all machinery and equipment.
  - h. All employees should report all unsafe conditions, accidents and injuries to their supervisor immediately.
  - i. Supervisor should inform the occurrence of accident along with the full details in the prescribed Form to HR Department.
  - j. HR department should inform the occurrence of accident to ESI Authorities in Form 16.
  - k. Also should inform Department of Factories & Boilers in Form 18.

**SEC: Safety**

**SUB: Accident Procedure**

The following accident procedure should be followed by all employees in all Factories

**Accident Occurs**

**Any injury**

**Safe guard the injured party**

**Get first aide to the injured**

**Summon vehicle, if necessary**

**Inform Supervisor**

**Inform HR Department**

**Send the injured to Hospital**

**Send Accident Reports under Factories Act & ESI Act**

**SEC: Safety**  
**SUB: First Aid**

First Aid Box containing prescribed First Aid Appliances and Medicines are kept in all Factory floors accessible to all employees at all times. In the unfortunate event of an accident, employees are expected to use the First Aid Appliances and Medicines from the First Aid Box. It is the responsibility of HR Department to ensure that the First Aid Box contains the prescribed items at all times.

It is mandatory from the part of the company to maintain First Aid Box inside the factory area.

**SEC: Safety**

**SUB: Protective Clothing/Uniform**

Employees in selected operations in the Factories are issued protective clothing.

Drivers, Security Personnel and Janitors / Janitresses are also issued uniform by

the Company. Wearing protective clothing / uniform while on duty is compulsory



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**SEC: Safety**

**SUB: Safety Gadgets**

Employees in hazardous operations are provided with safety shoes, facemasks, ear plugs, gloves, etc. They have to compulsory wear while on duty and while performing hazardous operations.

**SEC: Safety**

**SUB: Fire Safety**

Our Factories are equipped with smoke detectors, fire alarms, fire extinguishers and fire hydrants. Some employees are also trained in fire fighting. All employees are expected to know the position of fire extinguishers, position of emergency exit doors and the usage of fire extinguishers.

In every Factory, there will be an identified Safe Assembly Point. All employees should assemble in that area when there is a fire alarm. Frequently fire drill will be conducted to make employees aware.

## **Procedure for Security Applications**

This procedure is applicable for all security functions of the company with regard to personnel and material movement, security training of employees, duties of security personnel and handling of visitors.

### **a. Responsibility**

Head of Administration shall be responsible for the implementation and maintenance of this procedure.

HR department shall be responsible for providing awareness & training to employees on Security practices

### **b. Movement of Employees/ Visitors**

All the staff and workers other than the Executives are allowed to go out only with the "Permission Slip" during the duty hours.

All the Executives other than the Unit Heads should note down in the movement register provided at the security gate, regarding their movement.

The security is authorised to check any personnel leaving the factory premises to see that company's articles of any sort are taken out only with gate-pass. All categories of staff are liable to be checked on this basis. No employee shall object to frisking by the security guard. . All security practiced shall be gender appropriate. Male employees shall be checked by male guards and female employees shall be checked by Female guards.

Security should allow only company staff / workers who possess company identity card to enter the factory premises.

All other persons (i.e., excluding company employees) should be allowed to enter the factory premises with Visitor's /Contractor's pass and badge only. Visitor's need to be informed by the security to display the badge at all times within the company premises and shall return back the badge and the pass duly signed by the concerned person met at the time of leaving . Visitors /Contractors should also

fill up the visitor's register kept at the entrance gate.

Government officials and company staff are not required to take visitor's pass. But such group company staff needs to submit their identity card on request. Government officials need to be accompanied by company personnel at all times.

**c. Movement of Materials/Vehicles.**

Vehicles / materials should go out of the factory only with the gate pass, in which it should be clearly marked whether the material is returnable or non-returnable.

Security officer shall check the material with respect to the gate pass and shall affix the "Security In or out Seal" and shall sign on it.

A separate register shall be kept by security Officer to note down each in and out Entries.

The security in charge of the factory should obtain from the Unit Head / HR Department the list of persons authorized to sign the out pass/ gate pass.

The materials / goods coming into the factory should be allowed to carry inside the factory premises only after obtaining permission from the concerned authority, and after entering in the register provided.

The security personnel is authorised to check the vehicles leaving the factory premises to see that company property of any sort is taken out only with authorized gate pass in the prescribed form.

**d. Movement of Shipments.**

Security Officer shall verify goods which leave the factory for any tampering on packaging, stretch wrap & sealing. He also verifies the goods with respect to the Invoice Copy and shall affix "Security Out "Seal and signature and records shall be maintained.

Security Officer shall verify In Coming goods to the factory with respect to the Invoice Copy and shall affix "Security In "Seal and sign the same and records shall be Maintained

In case of any discrepancy noted in Incoming / Outgoing shipments, Security officer shall inform the details to administration in charge, who shall inform the discrepancy in writing to Logistics / Store in charge to resolve the same.

**e. Other duties of Security Personnel**

All the Security Personnel should wear full uniform, including cap and boots during the duty hours.

Security personnel should attend all the telephone calls after office hours and holidays, and the messages should be clearly intimated to the concerned persons.

Hosting of the national flag on the Republic day and Independence day should be carried out before 8.00 AM by the security personnel.

At security points with more than one security guard, one guard should alternatively go for regular patrolling.

Security personnel are empowered to challenge unauthorized access of persons entering the factory premises. Matter is immediately reported to the Administration in charge.

In general, the security personnel should safe guard the security of the factory in all respects.

**f. Security Training to All Employees**

All employees of the company should be made aware of the companies' security guidelines. HR department should provide training in the security procedure of the company to all new employees at the time of their joining. The basis for this awareness programme shall be this document

A copy of the current security procedure should be available with the security and readily available to all employees. Any changes in the existing security procedure should be made known to all employees by displaying the changed procedure in the company notice board.

All company personnel should be encouraged to act as responsible employees to

ensure that they help the company in maintaining cargo integrity, preventing unauthorized access and theft of company property.

All company personnel should bring to the notice of the Unit Head, any knowledge they get about internal conspiracies / suspicious activities and other actions affecting company security. This should be reported to the Unit head within a maximum of 24 hours

The personnel who give valid input/information on such undesirable tendencies shall be recognized and considered for suitable rewards/incentives

**SEC: Security**

**SUB: Personal Visitors**

All employees are advised to discourage personal visitors to the factory /office. Visitors to employees working in the plant will not be allowed in.

In unavoidable situations employees from the plant may be called to the gate to meet the personal visitor or the security may permit the visitor to speak to the employee over intercom.

Whenever a visitor to an executive is allowed, he will be screened and all particulars will be entered in the Visitors Register kept for the purpose in the security office and then signature obtained. Such visitors will be issued a pass, which the visitor is supposed to get signed by the person whom he visits and return to the security gate at the time of leaving. Such visitors will be let in only after the security contacts the executive concerned and obtains permission.

**SEC: Training & Development**  
**SUB: Employee Performance Review**

Performance of all regular employees is reviewed at a regular interval

The first performance review of a regular employee is on completion of his/her probation

The second performance review of a regular employee is on the anniversary of his date of joining. Third and subsequent performance review of executive staff will be on 1<sup>st</sup> of April every year.

Performance of a Trainee is reviewed at the end of his training

Separate Performance Appraisal forms are used for the performance review of executive employees and non-executive employees.

HR Dept. will initiate performance review of employees by preparing and sending the appropriate appraisal form to the Department Head / Division Head, 30 days before the due date.

Performance of employees will be rated by his immediate Supervisor and reviewed by the Department Head / Division Head and passed on to HR dept. within 15 days of receipt of the form

All rated and reviewed appraisal forms will be put up to the Managing Director for approval by the HR Department.

Department Managers will conduct performance Appraisal interview of all his staff.



**SEC: Training & Development**  
**SUB: Induction Training**

All new employees will be classified into two categories according to the terms of their employment. One category called contract employees and the other category called regular employee.

New employee coming under the contract category will be given induction training and the same will be recorded in the induction training checklist. This training will cover general rules and regulations applicable to the employer and also the security functions. The objective of induction training is to introduce the new employee to SFO Technologies in general and the units of SFO Technologies where he joins in particular and familiarise him with its culture, its Objectives, value system, philosophies, functions and operations.

In the case of regular employees the induction training will be conducted on the basis of induction training checklist format and also the security. Other than the areas specified in the checklist, each regular employee has to undergo training in the topics mentioned in the Table-2 depending on the department in which they are allocated. Department In Charge is responsible for this. In the case of engineer/officer, Department In Charge will ensure that the person will get familiarized with all other departments and its activities other than the department in which they are allocated. Department In Charge will coordinate this with HR/QA

**SEC: Training & Development**  
**SUB: On the Job Training**

On the job training is mandatory for all the new entrants before they starting work on particular area. On the job training will be taken care by the training team under the supervision of Training Team Leader. Training Coordinator will coordinate over all activities of the training team.

Functioning of the Training Team

Training Team will consists of selected trainers, Training Team Leader and the Training Co-ordinator

Whenever an Employee is joined in the company, Training Coordinator shall inform the concerned Section In Charge. Section in charge shall allot the respective trainers and training process starts. The trainer for an operation department may be a supervisor, the concerned engineer or a trained Operator. The trainer shall train the trainee based on the syllabus provided. Once the operator has read and understood the process instruction/inspection standard the trainer should begin initial training by demonstrating and explaining the process while referencing the process instructions. Once the initial training is completed the new operator should spent appropriate amount of time, depending on the complexity of the process, observing a trained operator performing the process. When the operator being trained understands and is comfortable with the process, he/she should then attempt to run the process with a trained operator watching their performance and giving guidance. The training is said to be complete when:

- a. The operator understands the process.
- b. The operator is producing consistently good quality products.
- c. The operator can set up and run the process without the assistance from another trained operator.
- d. Operator is able to satisfactorily answer the questions of the evaluation test in the concerned area.

The trainer should fill out "Employee Training and Certification Record" and this should be approved by Training Team Leader. This is handed to over to the respective Section in charge.

Whenever an employee is being transferred to any other department or nature of work is changed the same training cycle to be completed.

It is the responsibility of the Section in Charge to ensure that only certified operators are performing the jobs.

Incase of product specific testing, In addition to the basic training, respective section in charge has to demonstrate the testing with respect to the respective test procedure, and to ensure that the trainee is able to do the testing and update the training record

In the event of an operator being transferred to another department, the updated "Employee Training and Certification Record" should be given to and maintained by the new supervisor.

On the job training should be done within month of joining.

### **Evaluation of Training**

On the job training evaluation shall be done through written test or practical test. To pass the on the job training, the trainee should get the marks as per the norms in respective departments

If employee is not satisfying with the norms, he should be retrained.

**SEC: Training & Development**

**SUB: Cross Training**

Skill improvement of the employees necessarily be done on a regular basis. Cross training will help employees to gain multiple skills and this multiple skills provide flexibility to use employees in multiple operations.

**a. Skill Matrix**

HR Department shall identify the skills of each employee and shall keep Skill Matrix of all employees.

**b. Multiple Skills**

HR Department shall ensure all operators are trained in multiple operations in such a way that they can be used in multiple operations without any interruption in operations. It is the responsibility of the HR Department to ensure that all employees should be trained in more than one operation

**c. Recording of Cross Training**

Cross Training should be recorded in Employee Training and Certification Record, Annexed to this Manual.

**SEC: Training & Development**

**SUB: Refresher Training**

Refresher training shall be given to all permanent employees on a regular basis in the following topics.

1. Quality Management System.
2. Environmental Management System
3. Electrostatic Discharge
4. MSD & Handling
5. IPC 610
6. ISO 14000

These topics will be added in the training plan irrespective of the request.

**SEC: Training & Development**

**SUB: Need Based Training**

a. Competency and Training Need Identification

Every year, during the month of December HR Department shall identify the training areas needed from each Division / Department. Department / Division Heads should provide the Training Requirements in accordance with the business / operations requirement. After consolidating the training areas identified, it will be circulated to all Division Heads / Department Heads for identification of employees to be trained.

Division Head / Department Head should identify the employees and sent back to HR Department.

HR Department should also identify the training needs of each employee through Competency Gap Analysis.

Corporate Office will also identify Training needs based on the requirement of new projects or strategic decisions due to emerging trends in technology or market.

b. Training Calendar during the month of January

After consolidating all the training needs and employees identified, HR department shall prepare a Training Calendar. Refresher training also shall be considered at the time of preparing the training calendar during the month of January every year.

The training will be conducted through any of the following training methods.

1. Internal Training.  
Training by Internal Faculty
2. In-house Training  
Training inside the company by external faculty
3. External Training  
Training outside the company by external faculty

HR Department will identify the trainer either from inside the company or externally.

c. Training Feedback

After each training, a Feed Back from the participants shall be collected in the Training Feed Back Form.

d. Effectiveness of training

After three months of the training, the effectiveness will be monitored in the prescribe form.

e. Re - Training

If the effectiveness of training is not satisfactory, the employee/employees should be re-trained in the same area.

f. Open Training

If any training not held as per the plan, that training should be re-scheduled and conducted during the same year itself.

If any employee happened to be absent due to any reason, that employee should be trained in the same year itself.



**SEC: Training & Development**  
**SUB: Statutory Apprenticeship**

The Company shall engage apprentices under the Apprenticeship Act, 1961 and Apprenticeship Amendment Act 1973.

Candidates for engagement as Trade Apprentice will be obtained from the Related Instruction Centre.

Candidates for engagement as Technician Apprentices & Graduate Apprentices will be obtained from the Supervisory Development Centre.

All matters pertaining to the selection, training, stipend, termination & service conditions of the statutory apprentices will be regulated as per the provisions of the Apprenticeship Act, 1961 & Apprenticeship Amendment Act 1973. .

**SEC: Employee Tax**

**SUB: Income Tax**

As per provisions of the Income Tax Act, 1961, being an employee, the Company should deduct Income Tax at the prevailing rates from the salaries of employees if their income from salary exceeds the limits of exemption laid down in the Act.

The Income Tax deducted at source is to be remitted to the Government within 7 days from the last day of the month in which the deduction is made.

The Company is liable to file an Annual Return for all the tax deductions effected from April to March by 31<sup>st</sup> May

Salary includes wages, any fees, commissions, perquisites or profits in lieu or in addition to salary or wages, pension, overtime wages, bonus, incentive, leave travel allowance and gratuity.

The total taxable income of the employee is computed after considering specific provisions laid down in the Act with regard to each allowance and perquisite.

Every employee will be allowed a deduction called standard which is equal to **40% of salary or 30,000/- whichever is less.**

**Presently, the Income Tax is not payable up to a maximum of Rs.50,000/- of taxable income.**

Certain percentage of investments of employees also will be considered as deductions from the income liability.

**SEC: Employee Tax**  
**SUB: Professional Tax**

As per provisions of the Kerala Panchayat Act 1994, all employees whose half yearly salary income exceeds Rs.12,000/- are liable to pay a half yearly Professional Tax to the Panchayat.

The rate of Professional Tax varies according to the income level and is determined by the Panchayat.

Panchayat collects this tax in half yearly installments through the employer

The employer is liable to deduct this tax from the salary of the employees and pay to the Panchayat

Slab	<u>Half yearly income</u>		<u>Professional Tax</u>
I	Rs. 12,000/-	to Rs.17,999/-	Rs. 120/-
II	Rs. 18,000/-	to Rs.29,999/-	Rs. 180/-
III	Rs.30,000/-	to Rs.44,999/ -	Rs. 300/-
IV	Rs.45,000/-	to Rs.59,999/-	Rs. 450/-
V	Rs.60,000/-	to Rs. 74,999/-	Rs. 600/-
VI	Rs.75,000/-	to Rs.99,999/-	Rs. 750/-
VII	Rs. 1,00,000/-	to Rs.1,24,999/-	Rs.1,000/-
VIII	Rs. 25,000/-		Rs.1,250/-

**SEC: Common Rules & Regulations**  
**SUB: Attendance and Punctuality**

Attendance recording of employees will be done using Electronic Attendance data Monitoring System.

All employees are required to record their attendance properly as instructed by the HR Department at the time of reporting for duty, leaving work and lunch / dinner breaks.

Not recording attendance and proxy recording of attendance are misconducts, which if resorted to, will make employees liable to disciplinary action.

No late coming for work is permitted. All employees are expected to report for duty at the appointed time preferably, 15 minutes before

Division Heads / Department Heads / Managers / Officers should report to their place of posting at the appointed time and only after that go to any other location / unit for any official duty.

Division Heads / Department Heads / Managers / Officers going to any location / unit / office for official work should make a record of such movement in the Movement Register kept with the Front Office Executive of the respective Unit.

**SEC: Common Rules & Regulations**

**SUB: Personal Visitors**

Personal visitors to the factory and offices should be discouraged by all employees.

Working time should not be used to receive personal visitors and discussing personal matters with them.

In unavoidable situations, personal visitors may be met briefly in the Conference Room and disposed off.

**SEC: Common Rules & Regulations**

**SUB: Smoking**

The premises of SFO Technologies is smoke free zone.

Smoking is strictly prohibited in all parts of factories including Toilets, locker rooms, cafeteria, utility building, security office and common areas.

Smoking is strictly prohibited in all Offices

Smoking anywhere in the prohibited place is misconduct and any employee found indulging in this misconduct is liable to be disciplinarily dealt with.

**SEC: Common Rules & Regulations**

**SUB: Photography**

Photography is prohibited in SFO Technologies, whether it is a factory, office or other premises.

As photography is prohibited, Cameras will not be allowed to be brought into the Factories / Offices by employees and visitors.

Security Personnel are under orders to detain any camera found in possession of employees and visitors

**SEC: Standing Orders**  
**SUB: Standing Orders**

SFO Technologies has a Certified Standing Order provides the rules and regulations regarding the service conditions, misconduct, disciplinary procedures etc. of employees. The rules and regulations and procedures of following areas are mentioned in the Standing Order.

1. Service.
2. Wage rates
3. Payment of wages
4. Periods and hours of work
5. Shift working
6. Retirement
7. Service obligation of workmen
8. Record of service
9. Attendance and Punctuality
10. ID Card
11. Entry & Exit
12. Search
13. Dress
14. Safety precautions
15. Duties and Obligations of Workmen during working hours
16. Stoppage of work
17. Strikes
18. Leave
19. Holiday
20. Misconducts & Punishments
21. Procedure for dealing with the case of misconduct.
22. Grievance Procedure



**SEC: Discipline**  
**SUB: Misconducts**

Certified Standing Order of SFO Technologies specifically pointing out 81 acts and omissions from the part of employee as misconducts. Also specifying any act or omission or behaviour of an employee which amounts to misconduct as per the ordinary meanings of the terms shall considered as misconduct.

**SEC: Discipline**

**SUB: Disciplinary Procedure &  
Domestic Enquiry**

The procedure for dealing with indiscipline shall be as follows:

1. A workman charged with having committed misconduct shall be served with a written charge sheet setting out briefly the facts of the charge and circumstance alleged and the nature of the misconduct. The charge sheet may specify the period within which the workman shall give a written explanation.
2. Where a workman refuses to receive the charge-sheet, the charge-sheet shall be sent to the workman by post under certificate of posting to the last known address of the workman and a copy of the charge sheet shall be exhibited on the Notice Board and such sending by under certificate of post and affixing the same on the Notice Board shall be deemed to be the proper service of the charge-sheet.
3. The workman shall give his explanation in writing within the time specified in the charge sheet which shall not exceed 3 days.
4. A workman on whom charge sheet has been served may be suspended pending enquiry and shall be intimated to the workman in writing. The workman who is placed under suspension pending enquiry shall be entitled to subsistence allowance subject to and in accordance with the provisions of the Kerala Payment of Subsistence Allowance Act, 1972
5. When the workman submits his explanation and the explanation is found satisfactory, suspension pending enquiry, if any, shall be withdrawn and the period of suspension treated as if the workman was on duty and he shall be entitled to his salary or wages for the period.
6. If no reply is received in respect of the charge sheet within the stipulated or extended time, the management or the authorised authority may proceed on the basis that the workman has no explanation to offer and take further necessary steps as it deems proper and necessary.
7. Where the explanation given by the workman is not found satisfactory and it is considered necessary to take further proceedings under the Standing Orders, the management or the authorised authority may order

- an enquiry into the charge to be held by an Enquiry Officer nominated by the management or the authorised officer.
8. Except where the officer holding the enquiry for reasons to be recorded in writing considers it frivolous or likely to cause undue delay not commensurate with the utility of examining such witnesses, the workman shall be permitted to produce and examine any witness to substantiate his explanation or disprove the charge. He shall be given all reasonable opportunity to cross-examine any witness on whose statement or evidence the charge rests. No outsider will be permitted to take part or represent the person in the enquiry. However, if the workman charged for a misconduct desires and makes a request to the Enquiry Officer, he can at his discretion permit the assistance of any other workman/employee of the company if he is so willing. The management or the authorised authority may, engage a Presenting Officer, who shall be an employee of the company, for prosecuting the charge against the delinquent workman at the enquiry.
  9. The Enquiry Officer shall make a brief record of the statements made and the evidence laid before him both in support of and against the charge, and shall forward his findings to the concerned authority.
  10. The charge sheet, the explanation and record of enquiry with the findings of the Enquiry Officer shall be submitted to the authorised officer for the purpose of taking a final decision. A copy of the finding of the enquiry officer shall be given to the charge sheeted workman and he may submit his representation against the findings to the authorised officer. The decision and punishment, if any, shall be communicated in writing to the workman concerned as early as may be possible.
  11. Where after such examination of the record, the charge against the workman is found unsustainable or disproved, any suspension or extension of suspension shall be withdrawn and the periods of suspension be treated as if the workman was on duty and the workman shall be entitled to wages or salary for the period.
  12. In awarding the punishment under the standing orders, the management or the authorised officer shall take into account the gravity of the misconduct, the previous record, if any, of the workman and any other extenuating or aggravating circumstances that may exist.

**SEC: Discipline**  
**SUB: Punishments**

If an employee is found guilty of any misconduct, any following punishments can be awarded:

1. Censure or warning.
2. Withholding of increments, with or without cumulative effect, or postponing of any increment to any future date with or without cumulative effect.
3. Recovery from his pay of the whole or part of any pecuniary loss caused to the company by such misconduct.
4. Imposition of fine, up to 2% of his salary in a month.
5. Reversion or demotion to lower grade or post or job or time scale or to a lower stage in the same time scale either permanently or for a specified duration.
6. Suspension for a period not exceeding 20 days at a time, without pay or salary, or on such reduced pay/salary as may be ordered.
7. Barring of promotion
8. Discharge
9. Dismissal

**SEC: Discipline**  
**SUB: Notification of Violations**

To reduce/ create an awareness of violations of Rules / Process / procedure / instructions / discipline in employees in manufacturing as well as in other areas following notifications shall be done:

1. Those who are found guilty of critical violations/ mistake/ error in trained processes/ instructions/ specifications/ procedure/ rules shall be issued YELLOW card by the Department Head and shall be entered in the Master Sheet (Format #G4076) keeping to track the violations.
2. The employee shall be given re-training in the area where employee is found guilty of violations and re-certify the employee for performing the work in that area.
3. If any employee is repeating the same violation/ mistake/ error, he/she will be issued RED CARD by the Department Head and shall be entered in the master list (Format #G4076). Also shall recommend HR department for initiation the disciplinary action as per the disciplinary procedure.
4. Intimation of the above actions shall be given to HR Department for updating in HR records and will keep

**SEC: Grievances**  
**SUB: Grievance Redressal**

**Procedure**

Whenever there is a grievance for any employee, the procedure for handling the grievance is as follows:

1. The workman in person will first take up his grievance with his immediate superior.
2. If the workman is not satisfied with the decision of the immediate superior or fails to receive an answer from him within a reasonable period, he will take the grievance to the next immediate superior officer, if any.
3. If the decision of the Officer is not satisfactory or an answer is not received from him within a reasonable period, the workman will present his grievance to the Departmental Head in writing in the Grievance Note Form duly signed by the workman.
4. If the decision of the Head of the Department is not satisfactory or if no reply is received from him within a reasonable period, the workman will present a copy of the grievance Note to the HR Officer who will make necessary entries in the Grievance Register. He will then conduct investigation of all relevant facts and endeavor to settle the grievance satisfactorily.
5. The workman is free to approach HR officer directly , in case of any grievance , if he don't want to come through the above mechanism
6. In case the HR Officer is not in a position to settle the case satisfactorily, he will refer it to the Grievance Committee to be constituted by the management. Before doing so, he will examine the Personal Data of the workman concerned and make necessary entries in the Grievance Note.

7. The Grievance committee, on receipt of the Grievance Note will undertake a careful and objective study of the case and make its recommendations.
  8. If the workman concerned is not satisfied with the disposal by the Grievance Committee, he may take up the matter with the management within a reasonable period.
  9. The HR Officer will implement the final decisions, if any, and will inform the complainant of it in writing.
2. Steps (a), (b), (c), (d) will be taken up by the complainant during his scheduled period of rest or at a time previously fixed. If it is necessary for the workman to leave the department during working hours on a call from the concerned Officers, previous permission of his supervisor must be obtained. If the complaint of the workman arises out of an allegedly unreasonable order issued by a superior, it will be incumbent on the workman to comply with the order and then raise the question of its illegality, impropriety or unreasonableness before the authorities specified in the grievance procedure to take expeditious decision. So long as the workman has not availed of all the steps or grievance procedure machinery and so long as the matter is pending before the authorities mentioned in the grievance procedure neither the workman nor his union shall raise any industrial dispute before any authority.

#### Constitution of Grievance Committee

Six-member Grievance committee shall be formed with equal representation from employer and employees. At least one women employees shall include in the committee.

**Sec:- Protection from Harassment/  
Discrimination**

**Sub: - Policy & Procedure**

**Policy**

SFO committed to protecting employees from any type of harassment such as physical, mental, sexual, personal etc. and observe necessary requirements as per relevant statutory laws applicable.

**Procedure**

When an employee is harassed – personally, sexually, professionally, mentally – by anybody in the company, Employee can raise their complaint directly to Department Head /HR or sent anonymously to [whistleblower.sfo@nestgroup.net](mailto:whistleblower.sfo@nestgroup.net). Origin of complaint will be kept secretly.

The complaint will be forwarded to the committee. A member from the committee will make a preliminary investigation. Based on his report, committee will consider the case and hear both parties with evidences, if necessary. Based on the evidences, committee shall submit report to Management. Management shall take appropriate action against the accused. If necessary, management shall refer the case to appropriate authorities as per law.

**Committee Members.**

- |                         |   |                             |                |
|-------------------------|---|-----------------------------|----------------|
| 1. Mrs. Latha Lakshmi R | - | General Manager             | - Chair Person |
| 2. Mr. Rajeeth P C      | - | <i>General Manager</i> – HR | - Member       |
| 3. Ms. Aleyamma         | - | Asst. General Manager       | - Member       |
| 4. Adv. Aiswarya        | - | Member, NGO                 |                |
| 5. Beena N              | - | Representative of workmen   |                |



**SEC: Workers Participation**  
**SUB: Works Committee**

**OBJECTIVE**

Objective of Works Committee to promote measures for securing and preserving amity and good relations between the employer and workers and, to the end, to comment upon matters of their common interest or concern and endeavor to compose any material difference of opinion in respect of such matter.

**CONSTITUTION**

Works Committee shall be established with eight members with equal representation from management and workers. If the workers nomination is more than the allocated seats (4 seats), election shall be conducted for allotted seats. Constitution and operations of Works Committee shall be as per the Industrial Dispute Act 1947. Management will nominate committee members from Management side. Union shall nominate their representative. Representation from each category and department will be ensured.

***SEC: Employee suggestion scheme***  
***SUB: Suggestion scheme***

**OBJECTIVES**

- *To provide an opportunity to the employees to communicate their valuable ideas, creative thoughts, develop their talents and achieve cost reduction and increased productivity.*
- *To share benefits resulting from adoption of such suggestions.*
- *To imbibe a spirit of co-operation and teamwork amongst employees at all levels.*
- *Acts as a forum for two way communication*
- *To enhance performance culture and bring continuous improvement*
- *Give the employee chance to present his ideas directly to the top management*
- *Build a happier and more comfortable work environment*

**SCHEME RULES**

- ✓ *Suggestions are welcome from all employees of all plant/operations*
- ✓ *Suggestion is to be submitted in writing in plain paper.*
- ✓ *Suggestions to be deposited in the suggestion box provided at shop floor*
- ✓ *Concept should be explained clearly in Malayalam or English*
- ✓ *Suggestions can be submitted by individual or jointly by a team*

- ✓ *Evaluation of the suggestion received will be done once in every month by an evaluation committee consisting of Plant Manager, Department Head, Quality Head & HR Representative.*
- ✓ *Suggestions should be submitted before implementation.*
- ✓ *If any query or clarification is required the same shall be routed through the concerned HOD.*
- ✓ *The accepted suggestion will be given a chance to be presented before the top management.*
- ✓ *The employee should take part/involve in implementation of suggestion to the maximum extend possible.*
- ✓ *Though the company has a mechanism to address any grievance from employee through grievance committee, if any points revived in the suggestion box is found to be a grievance, the same shall be handed-over to the grievance committee*
- ✓ *Decision of the evaluation committee shall be final in all respect.*

**Sec:- Disaster Management**  
**Sub:- Steps**

**Disaster Management**

A Disaster Management Plan is put in place to protect assets and infrastructure in the event of natural disaster or other calamities.

**Steps for Disaster Management readiness**

**Take appropriate precautions:**

Any easily damageable documentation should be stored in reinforced boxes, to prevent water damage in flooding for example. Paper files take up space and are a fire hazard, clear your offices of paper files that have backed up soft copies.

**Disaster recovery teams:**

Have disaster recovery teams prepared by assessing personnel strengths and weaknesses in terms of knowledge, skill and performance, in order to ensure the best team members are trained and ready and implement succession planning for all levels of personnel. Have all employees compose thorough job descriptions and procedure manuals specific to their roles. Indeed, company has a quality process that does just this. Ensure you regularly test these procedures to see if substitute personnel, guided solely by the documentation provided, can fulfill duties.

**Cross training:**

Ensure cross training across all departments in critical business processes and a mechanism to borrow personnel from other departments or locations within the company. Prioritise critical processes and workflow. Be aware of interpersonal and interdepartmental reliance. Training is key to effective personnel response. Employees are apt to carry out assigned duties correctly if they've had time to review, question and internalise.

**Ensure you have an internal emergency communication plan:**

Incorporate contingency plan developments into monthly newsletters to keep all personnel informed. Maintain current, accurate status information on personnel, facilities, and resources. In the event of an emergency, you will need these items close at hand. As part of your communications survival strategy, pre-plan to have inbound, local and international telephone calls transferred to another number, or to cellular phones after a disaster strikes.

**Fire evacuation procedures:**

Companies have fire evacuation procedures. Ensure these procedures are current and staff is aware of the primary and alternate evacuation routes and their assembly area. When names, phone numbers, equipment, roles and locations change at your company, make sure plans are updated immediately.

**Business survival:**

Prohibiting key executives from traveling on the same aircraft.

Alternative site is not served by the same electrical power grid.

Identify facilities which use hazardous materials and determine whether an incident could affect your facility.

**Safe environment:**

During a recovery operation, watch for signs of excessive stress and fatigue. Even exceptionally good performers reach a point where they no longer can think clearly and are prone to serious error. Identify 'at risk' employees, those who are deeply affected by traumatic stress. Move them to a safe environment under the care of counselors or friends and assess the need for professional intervention.

**Knowledge:**

Ensure that everyone—from the CEO to the temp answering the phones—knows what's expected of them during a disaster. Secure in that knowledge, people are less likely to panic. Conduct background checks of all employees and periodic checks of anyone with access to sensitive information. All employees should be educated on the effects of traumatic stress and in ways to help oneself and others

who have been impacted by a crisis. Train supervisors and personnel in conflict resolution to help deter workplace violence.

**Sub:- Disclosure of  
Information**  
**Sec:- Personal**

**Objective**

This policy ensures the protection of personal data of employees

SFO will collect, use, and provide Personal Information through the fair and legal means.

- **Use within the Scope of Utilization Purpose**  
At the time of collecting any Personal Information, SFO will specify the purpose and scope of its use. SFO will use such collected Personal Information strictly within its originally intended scope of use and limited usage as necessary for business operations.
- **Authorization from the employee**  
In case of necessity in which said Personal Information must be used beyond the above-mentioned scope, SFO will obtain an authorization from the employee to whom such Personal Information relates with regard to the planned use, except as allowed by relevant laws and regulations.
- **Security Measures to Protect Personal Information**  
When handling such Personal Information, SFO will strive to confidentiality of the information within the organisational structure. Top Management and HR department only will be provided access to the personal information.
- **Third Party Provision**  
Unless authorized by the Individual or allowed by relevant laws and regulations, SFO will not provide Personal Information to any third party. In addition, when providing such Personal Information to any third party as authorized or allowed above, SFO will conclude a contract with the third party or take any other measures that obligates the third party to be responsible for the management of the Personal Information to be provided, thereby preventing its leakage to any other party or other misuse

**Request for Disclosure etc. of Personal Information**

SFO will promptly respond to requests from the employee to disclose, correct, add and/or delete his or her Personal Information, to the extent required by relevant laws and regulations.

All document with the personal information shall dispose with shredder with approval in the format G4100

Approval authority for Disposal/ Disclosure shall entrusted with the HR Head.

**Policy Awareness**

SFO will completely inform of this Policy to all of its directors, offices and employees (including commissioned and dispatched personnel) as well as other concerned parties, to ensure that each of them understands the importance of the Policy and conduct him or herself in an appropriate manner to follow the Policy.



**Sec:- Legal Compliance**

**Sub:- Legal**

**SFO Policy**

SFO is committed to comply with all applicable local laws and regulations prevailing in the country.

**Monitoring**

Adherence with all local laws will be monitored on a regular basis by the compliance team

This will be monitored through automated site lex comply.

**Amendments/ Recent Law and regulation**

All amendments and new laws will be updated through lexcomply. The necessary amendments and updated laws will be implemented by concerned stake holders.

**Sec:- Customer Requirements**  
**Sub:- Customer Requirements**

**SFO Policy**

SFO will identify /comply and monitor the customer requirements .

**Identification and Implementation**

Requirement of each customer in terms of manpower/ EHS and other areas will be identified suitability and will be implemented in each and every areas.

**Monitoring**

Once the requirement is identified and implemented , the compliance to customer requirement will be monitored by the compliance team

**Sub:- Vigil Blower Policy**  
**Sec:- Policy**

**VIGIL MECHANISM OF SFO TECHNOLOGIES PRIVATE LIMITED**

SFO Technologies Private Limited (hereafter referred to as "Company" in this document and shall include Subsidiaries, Sub-Subsidiaries and Affiliate Companies) believes in promoting a fair, transparent, ethical and professional work environment. While the company code of conduct defines the expectations from employees in terms of their integrity and professional conduct, the vigil mechanism defines the mechanism for reporting deviations from the standards defined in the code. The Vigil mechanism is implemented not only as a safeguard to unethical practices. This mechanism is intended to provide mechanism for reporting genuine concerns or grievance and ensure that deviations from the company's Code of Conduct and Values are dealt with in a fair and unbiased manner as provided in Section 177 (9) and (10) of the Companies Act, 2013 and the Companies Rules, 2014.

**I. DEFINITIONS**

Definitions of some of the key terms used in this mechanism are given below:

- a) Protected disclosure: Any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the company.
- b) Whistleblower: An individual who makes a protected disclosure under this mechanism. This could be an Employee, Director, Vendor, Partner and Consultant, including Auditors and Advocates of company.
- c) Board of Directors: As defined in Companies Act, 2013
- d) Nominated Director: Director nominated by Board of Directors subject to Section 177 (9) of the Companies Act, 2013 and Chapter XII, The Companies

(Meetings of Board and its Powers) Rules, 2014, Rule 7 (3) for the purpose of addressing the complaints / protected disclosures made under Vigil Mechanism.

However, notwithstanding anything hereunder the Nominated Director can be changed if the Whistle Blown is against such Nominated Director.

e) **Code of Conduct:** A set of rule outlining the responsibilities of or proper practices applicable to all executives and employees of the Company.

f) **Vigilance Officer:** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Disciplinary Committee for its disposal and informing the whistleblower the result thereof. Vigilance Officer for the Purpose of this Mechanism shall be a Third Party not being a related party as defined under the provisions of Section 2 (76) of the Companies Act, 2013.

g) **Investigator:** Third Party assigned with conducting investigation to ascertain the creditability of such whistleblower complaints. For the purpose this Mechanism Investigator shall be the Vigilance Officer as defined under **Section 1 (f) of this Mechanism.**

h) **Subject:** means a person against whom, or in relation to whom a Protected Disclosure is made.

i) **Disciplinary committee:** The Committee of Directors and the Vigilance Officer of the Company, to take disciplinary or corrective action against the Subject as per the company's disciplinary procedures.

## **II. GUIDING PRINCIPLES OF THE VIGIL MECHANISM**

To ensure effective implementation of vigil mechanism, the company shall:

a) Ensure protection of the whistleblower against victimization for the disclosures made by him/her.

- b) Ensure complete confidentiality of the whistleblower identity and the information provided by him/her.
- c) Ensure that the protected disclosure is acted upon and no evidence is concealed or destroyed.
- d) Ensure that the investigation is conducted honestly, neutrally and in an unbiased manner.
- e) Ensure whistleblower would not get involved in conducting any investigative activities other than as instructed or requested by investigator.
- f) Ensure the subject or other involved persons in relation with the protected disclosure be given a fair and without any presumption of guilt, opportunity to be heard.
- g) Ensure disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism.
- h) Ensure that suitable action be taken against the person (where identity is disclosed by the whistle blower) making frivolous protected disclosures with an intention to wrongly defame and tarnish the image of subject as well as to settle his/her personal grudge.

### **III. PROTECTION FOR WHISTLEBLOWER**

- a) The company will make no attempt to discover the identity of an anonymous whistleblower. If the whistleblower's identity becomes known during the course of the investigation, company will ensure that the identity of the whistleblower will be kept anonymous and confidential to the extent possible, unless required by law or in legal proceedings.
- b) A whistleblower reporting issues related to Discrimination or Harassment (eg. sexual harassment, child labour, discrimination, violation of human rights) would

necessarily need to disclose their identity to the Vigilance Officer to enable effective investigation.

c) Any other employee serving as witness or assisting in the said investigation would also be protected to the same extent as the whistleblower.

d) The Vigilance Officer would safeguard the whistleblower from any adverse action. This includes discrimination, victimization, retaliation, demotion or adoption of any unfair employment practices.

e) Protection under this mechanism would not mean protection from disciplinary action arising out of false allegations made by a whistleblower.

f) A whistleblower may not be granted protection under this mechanism if he/she is subject of a separate complaint or allegations related to any misconduct.

#### **IV. COVERAGE OF THE VIGIL MECHANISM**

All employees, directors, vendors, Vendor, Partner and consultants, including auditors and advocates who are associated with company can raise concerns regarding malpractices and events which may negatively impact the company.

a) Accounting, Auditing and Internal Financial Matters

b) Conflict of Interest

c) Disclosure of Confidential Information

d) Discrimination or Harassment

e) Embezzlement

f) Falsification of Contracts, Reports or Records

g) Gifts and Entertainment

h) Improper Supplier or Contractor Activity

i) Theft

j) Time Abuse

k) Violation of Policy

l) Other

## **V. REPORTING MECHANISM**

The whistleblowers are expected to speak up and bring forward the concerns or complaints about issues listed under Section IV Coverage of the vigil mechanism.

To ensure this the Company has established an email separated from NeST Group Servers to report a complaint, and to be maintained individually by the Vigilance Officer. The whistleblower needs to send an email to: [vo.sfetpl@gmail.com](mailto:vo.sfetpl@gmail.com) and follow below mentioned steps:

a) Enter the name of the organization for which whistleblower is submitting a report (SFO Technologies Private Limited/Subsidiaries/ Sub-Subsidiaries/Affiliate Companies).

b) Mention the Violation Category that best describes the issue being reported.

c) Reference Number shall be allotted to the Whistle Blower in the following Format Ref No. \*\*\*\*\*/dd/MM/YYYY.

d) Whistle Blowers are requested to mention reference no. on all future follow-up mails.

Complaints related will be accessible only by the vigilance officer of SFO Technologies Private Limited.

## **VI. INVESTIGATION**

The investigation would be carried out to determine the authenticity of the allegations and through fact- finding process.

a) If initial enquiries by the Vigilance Officer indicate that the concern has no basis, or it is not a matter to be investigation under this Policy, it may be dismissed at this stage with the approval of Nominated Director and the decision will be documented.

b) Where initial enquiries indicate that further investigation is necessary, this will be carried through either by The Vigilance Officer. The investigation would be conducted in a fair manner, as a neutral fact- finding process and without presumption of guilt. A written report of the findings will be made.

c) The Investigation shall consist of the Vigilance Officer and subject to the sole discretion of the Vigilance Officer, also include such other officer/officer(s) of the Company or other third parties to lend in expert advice on the investigation. The investigation team shall not consist of any member with possible involvement in the said allegation or from the same Department (as per company definition) from which the subject and aggrieved belongs.

d) During the course of the investigation:

i. Investigation team will be given authority to take decisions related to the investigation.

ii. Any required information related to the scope of the allegation would be made available to the investigators.

e) The findings of the investigation should be submitted to the Nominated director.

f) Confirmed cases will be submitted to the Disciplinary Committee by the investigator with –its report and findings along with required supporting documents, for confirmation of disciplinary actions

## **VII. ROLE OF INVESTIGATOR**

a) A structured approach should be followed to ascertain the creditability of the charge.

b) Ensure the confidentiality and secrecy of the issue reported and subject is maintained.

c) Provide timely update to the nominated director on on-going investigations and progress of the investigation.



- d) Ensure investigation is carried out in an independent and unbiased manner, without any presumption of guilt.
- e) Document the entire approach of the investigation.
- f) Investigation Report including the approach of investigation be recorded and maintained.
- g) Submit investigation report of all confirmed cases to the disciplinary committee.
- h) Under no circumstances, while or during the process of investigation the identity of the Whistleblower be known to any person other than the Vigilance Officer.

#### **VIII. MAINTAINING SECRECY AND CONFIDENTIALITY**

Company expects individuals involved in the review or investigation to maintain complete confidentiality. Disciplinary action may be initiated against anyone found not complying with the below:

- a. Maintain complete confidentiality and secrecy of the matter.
- b. The matter should not be discussed in social gatherings or with individuals who are not involved in the review or investigation of the matter.
- c. The matter should only be discussed only to the extent or with the persons required for the purpose of completing the investigation.
- d. Ensure confidentiality of documents reviewed during the investigation should be maintained.
- e. Ensure secrecy of the whistleblower, subject, protected disclosure, investigation team and witnesses assisting in the investigation should be maintained.

#### **IX. DISQUALIFICATIONS**

- a) Issues other than those listed under Section IV "Coverage of the vigil mechanism".

b) The complainant is not able to provide specific information that covers at least some of the following points:

- Location of incident
- Timing of incident
- Personnel involved
- Specific evidence
- Frequency of issues

c) In case the complainant is unable to provide adequate information, the Vigilance officer reserves the right to not investigate the reported matter with the permission of nominated director.

#### **X. MANAGEMENT DECISION**

a) Disciplinary committee will take disciplinary or corrective action against the Subject as per the Company's disciplinary procedures and can also take legal action, if required.

b) The decision of Disciplinary committee should be considered as final and no challenge against the decision would be entertained, unless additional information becomes available.

c) In case of frivolous or false complaints, action may be taken against the complainant.

#### **XI. RETENTION OF RECORDS**

Records relevant to the investigation/complaint will be retained for 7 years from the date of closure of Investigation.

#### **XII. RIGHT TO AMENDMENT**

The company holds the right to amend or modify the policy. The updated Vigil mechanism would be shared on company website. **A**

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**Title: HR MANUAL**

**Doc # HRM1000 Rev 10.0**

**Part Number: N/A**

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**Vigilance Officer : Mr. M Ramachandran**

**Email ID : vo.sfotpl@gmail.com**

**Sec:- Business Conduct Policy**

**Sub:- Code**

Certain Ethical standards are the basis of Business conduct policy of SFO Technologies Private Limited (SFO) which applies to all employees, agents, directors and officers (referred to in this document collectively as "employees") of SFO, its subsidiary, Sub-Subsidiary, Associates and Affiliate companies functioning at various geographical locations.

**Guiding principles of Business conduct policy are listed**

**below:-**

- All employees deserve fair and equal opportunity, free from discrimination.
- No employee will allow outside interference or personal relationships to affect his/her responsibility to SFO.
- All SFO employees will operate within the law in carrying out their duties.
- Employees will handle the assets of SFO carefully.
- All SFO employees have a responsibility to work safely and in an environmentally responsible manner.
- SFO employees are ambassadors of the company and are required to act ethically and deal fairly with their fellow employees and third parties in the discharge of their business responsibilities. Employees should at all times consider carefully the image they project.
  - Employees will, to the extent their duties require them to deal with customers, suppliers or competitors, ensure that they are familiar and comply with competition and antitrust laws.
    - Since SFO operates internationally, all employees will, to the extent their duties

require them to have knowledge of international trade laws, ensure that they are familiar and comply with these laws and regulations.

· Employees will, to the extent their duties require them to have knowledge of anti-bribery and corruption laws, ensure that they are familiar and comply with these laws.

The application of the Business Conduct Policy is every employee's responsibility and interpretive support is available from Legal and Secretarial Department, This policy must be an integral part of each employee's daily work practice. It provides an important reference point to assist in the making of business decision.

### **Fundamental Principles**

SFO and all of its subsidiaries have established this policy as a guide to the conduct of their business dealings in accordance with high ethical standards. Such conduct is essential to the success of SFO, and to the success of its employees. All employees who hold leadership responsibilities in SFO must provide employees with fair and honest leadership and must lead by example.

Following Fundamental Principles of appropriate business conduct have been established to be pursued by all employees, directors and officers of SFO (collectively referred to in this document as "employees"). They are applicable in all countries in which SFO operates, unless the laws of those countries require otherwise.

### · **Equal Opportunity**

SFO is committed to providing a work environment that enables all employees to pursue their careers free from discrimination. No personal relationship between an employee and any other employee under his or her leadership shall compromise the

principle that employees who hold leadership responsibilities must treat all other employees in a fair and equal manner.

**Sub:- Sustainability Policy**

**Sec:- Code**

**Scope**

The sustainability policy (the policy) of SFO Technologies Private Limited (SFO) indicates the philosophy of the company wherein the development of the company comprises environmental protection, social justice and equity and overall economic development.

**Purpose**

This policy stipulates various parameters in which business should be conducted between SFO and its customers and/or suppliers. SFO believes that this policy is a concept on which it aspires to build and thereby continue to increase the value for all stakeholders for generations to come, through intensive focus on conservation of energy, technology absorption, along with health, safety and environment protection and to continuously attempt to ensure absolute value creation for the society in line with its business activities.

In this respect, SFO focuses, but not limited to the following key aspects and recommends every employee, customers, suppliers and others concerned, to adopt the same so as to ensure excellence in environmental and social performance.

**· Compliance with laws**

Compliance of statutes, rules and regulations, standards set by various regulators and bodies are ensured in all acts and deed of the company and its employees.

**Sec:- Data Protection**  
**PolicySub:- Policy**

**Data Protection Policyfor Employees, Workers and Consultants**

**IMPORTANT NOTICE**

*This policy does not constitute legal advice. The policy should be tailored to reflect the Employer's specific requirements following a data audit in accordance with the legislation, guidance and Codes of Practice issued by the Information Commissioner. This policy is designed to be used in conjunction with a Data Retention Policy and a Data Security Policy, which will be standard across your organisation and not specific to HR. It is recommended that specific legal advice is taken to ensure your compliance.*

*This policy assumes that you do not send data outside the Organisation or engage in automation/profiling.*

## **1 Overview**

1.1 The Company takes the security and privacy of your data seriously. We need to gather and use information or 'data' about you as part of our business and to manage our relationship with you. We intend to comply with our legal obligations under the **Information Technology (Reasonable security**

**practices and procedures and sensitive personal data or information) Rules, 2011 (“Data Protection Rules”) and the Information Technology Act, 2000 (“IT Act”)** in respect of data privacy and security. We have a duty to notify you of the information contained in this policy.

- 1.2 This policy applies to current and former employees, workers, volunteers, apprentices and consultants. If you fall into one of these categories then you are a ‘data subject’ for the purposes of this policy. You should read this policy alongside your contract of employment (or contract for services) and any other notice we issue to you from time to time in relation to your data.
- 1.3 The Company has separate policies and privacy notices in place in respect of job applicants, customers, suppliers and other categories of data subject.
- 1.4 The Company has measures in place to protect the security of your data in accordance with our Data Security Policy. A copy of this can be obtained from [insert name].
- 1.5 The company will hold data in accordance with our Data Retention Policy. A copy of this can be obtained from [insert name]. We will only hold data for as long as necessary for the purposes for which we collected it.
- 1.6 The Company is a ‘**data controller**’ for the purposes of your personal data. This means that we determine the purpose and means of the processing of your personal data.



- 1.7 This policy explains how the Company will hold and process your information. It explains your rights as a data subject. It also explains your obligations when obtaining, handling, processing or storing personal data in the course of working for, or on behalf of, the Company.
- 1.8 This policy does not form part of your contract of employment (or contract for services if relevant) and can be amended by the Company at any time. It is intended that this policy is fully compliant with the 2018 Act and the GDPR. If any conflict arises between those laws and this policy, the Company intends to comply with the 2018 Act and the GDPR.

## **2 Data Protection Principles**

- 2.1 Personal data must be processed in accordance with six '**Data Protection Principles.**' It must:
- be processed fairly, lawfully and transparently;
  - be collected and processed only for specified, explicit and legitimate purposes;
  - be adequate, relevant and limited to what is necessary for the purposes for which it is processed;
  - be accurate and kept up to date. Any inaccurate data must be deleted or rectified without delay;
  - not be kept for longer than is necessary for the purposes for which it is processed; and
  - be processed securely.

We are accountable for these principles and must be able to show that we are compliant.

### 3 How we define personal data

- 3.1 **'Personal data'** means information which relates to a living person who can be **identified** from that data (a **'data subject'**) on its own, or when taken together with other information which is likely to come into our possession. It includes any expression of opinion about the person and an indication of the intentions of us or others, in respect of that person. It does not include anonymised data.
- 3.2 This policy applies to all personal data whether it is stored electronically, on paper or on other materials.
- 3.3 This personal data might be provided to us by you, or someone else (such as a former employer, your doctor, or a credit reference agency), or it could be created by us. It could be provided or created during the recruitment process or during the course of the contract of employment (or services) or after its termination. It could be created by your manager or other colleagues.
- 3.4 We will collect and use the following types of personal data about you:
- recruitment information such as your application form and CV, references, qualifications and membership of any professional bodies and details of any pre-employment assessments;

- your contact details and date of birth;
- the contact details for your emergency contacts;
- your gender;
- your marital status and family details;
- information about your contract of employment (or services) including start and end dates of employment, role and location, working hours, details of promotion, salary (including details of previous remuneration), pension, benefits and holiday entitlement;
- your bank details and information in relation to your tax status including your national insurance number;
- your identification documents including passport and driving licence and information in relation to your immigration status and right to work for us;
- information relating to disciplinary or grievance investigations and proceedings involving you (whether or not you were the main subject of those proceedings);
- information relating to your performance and behaviour at work;
- training records;
- electronic information in relation to your use of IT systems/swipe cards/telephone systems;
- your images (whether captured on CCTV, by photograph or video);
- any other category of personal data which we may notify you of from time to time.

## 4 How we define special categories of personal data

4.1 **'Special categories of personal data'** are types of personal data consisting of information as to:

- your racial or ethnic origin;
- your political opinions;
- your religious or philosophical beliefs;
- your trade union membership;
- your genetic or biometric data;
- your health;
- your sex life and sexual orientation; and
- any criminal convictions and offences.

We may hold and use any of these special categories of your personal data in accordance with the law.

## 5 How we define processing

5.1 **'Processing'** means any operation which is performed on personal data such as:

- collection, recording, organisation, structuring or storage;
- adaption or alteration;

- retrieval, consultation or use;
- disclosure by transmission, dissemination or otherwise making available;
- alignment or combination; and
- restriction, destruction or erasure.

This includes processing personal data which forms part of a filing system and any automated processing.

## **6 How will we process your personal data?**

6.1 The Company will process your personal data (including special categories of personal data) in accordance with our obligations under the 2018 Act.

6.2 We will use your personal data for:

- performing the contract of employment (or services) between us;
- complying with any legal obligation; or
- if it is necessary for our legitimate interests (or for the legitimate interests of someone else). However, we can only do this if your interests and rights do not override ours (or theirs). You have the right to challenge our legitimate interests and request that we stop this processing. See details of your rights in section 12 below.

We can process your personal data for these purposes without your knowledge or consent. We will not use your personal data for an unrelated

purpose without telling you about it and the legal basis that we intend to rely on for processing it.

If you choose not to provide us with certain personal data you should be aware that we may not be able to carry out certain parts of the contract between us.

## **7 Examples of when we might process your personal data**

7.1 We have to process your personal data in various situations during your recruitment, employment (or engagement) and even following termination of your employment (or engagement).

7.2 For example (and see section 7.5 below for the meaning of the asterisks):

- to decide whether to employ (or engage) you;
- to decide how much to pay you, and the other terms of your contract with us;
- to check you have the legal right to work for us;
- to carry out the contract between us including where relevant, its termination;
- training you and reviewing your performance\*;
- to decide whether to promote you;

- to decide whether and how to manage your performance, absence or conduct\*;
- to carry out a disciplinary or grievance investigation or procedure in relation to you or someone else;
- to determine whether we need to make reasonable adjustments to your workplace or role because of your disability\*;
- to monitor diversity and equal opportunities\*;
- to monitor and protect the security (including network security) of the Company, of you, our other staff, customers and others;
- to monitor and protect the health and safety of you, our other staff, customers and third parties\*;
- to pay you and provide pension and other benefits in accordance with the contract between us\*;
- paying tax and national insurance;
- to provide a reference upon request from another employer;
- to pay trade union subscriptions\*;
- monitoring compliance by you, us and others with our policies and our contractual obligations\*;
- to comply with employment law, immigration law, health and safety law, tax law and other laws which affect us\*;
- to answer questions from insurers in respect of any insurance policies which relate to you\*;
- running our business and planning for the future;
- the prevention and detection of fraud or other criminal offences;

- to defend the Company in respect of any investigation or litigation and to comply with any court or tribunal orders for disclosure\*;
- for any other reason which we may notify you of from time to time.

7.3 We will only process special categories of your personal data (see above) in certain situations in accordance with the law. For example, we can do so if we have your explicit consent. If we asked for your consent to process a special category of personal data then we would explain the reasons for our request. You do not need to consent and can withdraw consent later if you choose by contacting [insert].

7.4 We do not need your consent to process special categories of your personal data when we are processing it for the following purposes, which we may do:

- where it is necessary for carrying out rights and obligations under employment law;
- where it is necessary to protect your vital interests or those of another person where you/they are physically or legally incapable of giving consent;
- where you have made the data public;
- where processing is necessary for the establishment, exercise or defence of legal claims; and



- where processing is necessary for the purposes of occupational medicine or for the assessment of your working capacity.

7.5 We might process special categories of your personal data for the purposes in paragraph 7.2 above which have an asterisk beside them. In particular, we will use information in relation to:

- your race, ethnic origin, religion, sexual orientation or gender to monitor equal opportunities;
- your sickness absence, health and medical conditions to monitor your absence, assess your fitness for work, to pay you benefits, to comply with our legal obligations under employment law including to make reasonable adjustments and to look after your health and safety; and
- your trade union membership to pay any subscriptions and to comply with our legal obligations in respect of trade union members.

7.6 We do not take automated decisions about you using your personal data or use profiling in relation to you. [IF AUTOMATION/PROFILING IS USED THEN EXPLAIN]

## **8 Sharing your personal data**

- 8.1 Sometimes we might share your personal data with group companies or our contractors and agents to carry out our obligations under our contract with you or for our legitimate interests.
- 8.2 We require those companies to keep your personal data confidential and secure and to protect it in accordance with the law and our policies. They are only permitted to process your data for the lawful purpose for which it has been shared and in accordance with our instructions.
- 8.3 We do not send your personal data outside the European Economic Area. If this changes you will be notified of this and the protections which are in place to protect the security of your data will be explained.

## **9 How should you process personal data for the Company?**

- 9.1 Everyone who works for, or on behalf of, the Company has some responsibility for ensuring data is collected, stored and handled appropriately, in line with this policy and the Company's Data Security and Data Retention policies.
- 9.2 The Company's Data Protection Officer/Data Protection Manager **[insert details]** is responsible for reviewing this policy and updating the Board of Directors on the Company's data protection responsibilities and any risks in relation to the processing of data. You should direct any questions in relation to this policy or data protection to this person.

- 9.3 You should only access personal data covered by this policy if you need it for the work you do for, or on behalf of the Company and only if you are authorised to do so. You should only use the data for the specified lawful purpose for which it was obtained.
- 9.4 You should not share personal data informally.
- 9.5 You should keep personal data secure and not share it with unauthorised people.
- 9.6 You should regularly review and update personal data which you have to deal with for work. This includes telling us if your own contact details change.
- 9.7 You should not make unnecessary copies of personal data and should keep and dispose of any copies securely.
- 9.8 You should use strong passwords.
- 9.9 You should lock your computer screens when not at your desk.
- 9.10 Personal data should be encrypted before being transferred electronically to authorised external contacts. Get in Contact with the IT Department for more information on how to do this.
- 9.11 Consider anonymising data or using separate keys/codes so that the data subject cannot be identified.

- 9.12 Do not save personal data to your own personal computers or other devices.
  
- 9.13 Personal data should never be transferred outside the European Economic Area except in compliance with the law and authorisation of the Data Protection Officer [insert name].
  
- 9.14 You should lock drawers and filing cabinets. Do not leave paper with personal data lying about.
  
- 9.15 You should not take personal data away from Company's premises without authorisation from your line manager or Data Protection Officer.
  
- 9.16 Personal data should be shredded and disposed of securely when you have finished with it.
  
- 9.17 You should ask for help from our Data Protection Officer/Data Protection Manager if you are unsure about data protection or if you notice any areas of data protection or security we can improve upon.
  
- 9.18 Any deliberate or negligent breach of this policy by you may result in disciplinary action being taken against you in accordance with our disciplinary procedure.

- 9.19 It is a criminal offence to conceal or destroy personal data which is part of a subject access request. This conduct would also amount to gross misconduct under our disciplinary procedure, which could result in your dismissal.

## **10 How to deal with data breaches**

- 10.1 We have robust measures in place to minimise and prevent data breaches from taking place. Should a breach of personal data occur (whether in respect of you or someone else) then we must take notes and keep evidence of that breach. If the breach is likely to result in a risk to the rights and freedoms of individuals then we must also notify the Chief Technology Officer of the Company within 72 hours.
- 10.2 If you are aware of a data breach you must contact the Chief Technology Officer or any one from the IT Department immediately and keep any evidence you have in relation to the breach.

## **11 Subject access requests**

- 11.1 Data subjects can make a '**subject access request**' ('SAR') to find out the information we hold about them. This request must be made in writing. If you receive such a request you should forward it immediately to the Data Protection Officer/Data Protection Manager who will coordinate a response.
- 11.2 If you would like to make a SAR in relation to your own personal data you should make this in writing to [insert name]. We must respond within one

month unless the request is complex or numerous in which case the period in which we must respond can be extended by a further two months.

- 11.3 There is no fee for making a SAR. However, if your request is manifestly unfounded or excessive we may charge a reasonable administrative fee or refuse to respond to your request.

## **12 Your data subject rights**

- 12.1 You have the right to information about what personal data we process, how and on what basis as set out in this policy.
- 12.2 You have the right to access your own personal data by way of a subject access request (see above).
- 12.3 You can correct any inaccuracies in your personal data. To do you should contact [insert name].
- 12.4 You have the right to request that we erase your personal data where we were not entitled under the law to process it or it is no longer necessary to process it for the purpose it was collected. To do so you should contact [insert name].

- 12.5 While you are requesting that your personal data is corrected or erased or are contesting the lawfulness of our processing, you can apply for its use to be restricted while the application is made. To do so you should contact [insert name].
- 12.6 You have the right to object to data processing where we are relying on a legitimate interest to do so and you think that your rights and interests outweigh our own and you wish us to stop.
- 12.7 You have the right to object if we process your personal data for the purposes of direct marketing.
- 12.8 You have the right to receive a copy of your personal data and to transfer your personal data to another data controller. We will not charge for this and will in most cases aim to do this within one month.
- 12.9 With some exceptions, you have the right not to be subjected to automated decision-making.
- 12.10 You have the right to be notified of a data security breach concerning your personal data.
- 12.11 In most situations we will not rely on your consent as a lawful ground to process your data. If we do however request your consent to the processing of your personal data for a specific purpose, you have the right not to consent or to withdraw your consent later. To withdraw your consent, you should contact HR Head.