

**1: EMPLOYEE ACKNOWLEDGEMENT FORM**

I understand that this HR Manual provides vital information about Hindustan Composites Limited (HCL). If any of my queries are unanswered by this manual, I will consult the HR department for the same.

It is rightly said that 'Nothing is constant except change.' As the information, policies and benefits described here are subject to changes, I acknowledge that revisions to the handbook may occur over a period of time. I understand that revised information may supercede, modify or eliminate existing policies and only the management has the right to make any changes to the policies in this handbook.

Furthermore, I acknowledge that this HR Manual is neither a contract of employment nor a legal document. I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it. I understand that this book is only for my reference and the same will be returned to the HR Department after reading it.

Employee's Name (printed): \_\_\_\_\_

Employee's Signature: \_\_\_\_\_

Form I – Employee Acknowledgement Form

## **2: EMPLOYEE WELCOME MESSAGE**

### **From the Director's desk**

We, at HCL would like to extend a warm welcome to you.

We consider the role of every employee vital – right from the Jr. Officer to the Managing Director. Every individual associated with HCL is an asset of our organization. Irrespective of the department you belong to or your job description, your inputs and involvement will definitely affect the organization's performance. Every individual is responsible in inculcating discipline, ensuring process system dependence and in bringing about cultural transformation. We ensure that systems followed are in compliance with the guidelines laid down. Our systems and processes are reviewed and improved to keep up with the changing times. The human aspect combined with processes will take our organization forward.

One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

This manual describes some of your rights and duties as an employee of HCL and outlines our policies, programs and benefits. It will resolve many queries concerning your employment at HCL.

I hope your association with HCL will be mutually challenging, enjoyable, rewarding and long lasting.

**With Best Wishes**

**Varunn Mody**

### 3: THE HISTORY OF HCL

**The HCL is a part of the Rasoi group, which** was earlier known as the Majegram Tea Company and was founded by an UK group known as the Lord Inchcape Group in the year 1905. Mr. Raghu Mody , the current Chairman of the group , bought out Doyapore Tea Company Limited in July 1964 and the Vanaspati business under the brand name 'RASOI' in March 1965 Mr. Mody built the business, which went on to become the leading Vanaspati business in Eastern India and made the 'RASOI' brand into a household name in Eastern India.

In 1987, the Chairman, Mr. Raghu Mody along with the Late Manoj Mody, his son, spearheaded the Group's diversification and expansion into cosmetics and automotive components. Their efforts were hugely successful by the acquisition of J L Morison (India) Ltd, and Hindustan Ferodo Ltd - now known as Hindustan Composites Ltd.

Hindustan Composites Limited is a pioneer in the development, manufacture & marketing of Friction Materials and Asbestos Industrial Products in India for over 40 years.

Composites, with its wide range of products suitable for a number of general and specialized applications, has been catering to the diversified needs of core sector industries, such as Railways, Engineering, Mining, Aerospace, Steel, Chemical, Petrochemical, Fertilizer, power generation, Ship building, Atomic Energy, Electrical, Oil exploration, Automotive, etc.

A technology driven Company, Composites is committed to continuous upgradation, development of materials and processes, to ensure the highest quality standards.

The firm belief in 'Investment for the Future' has led to continuous upgradation of our R & D facilities. The Company's R & D Centre has been accorded recognition by the Department of Science and Technology, Government of India.

Today, HCL is a part of the Rs. 7 Billion Rasoi Group, racing aggressively in the challenging future under the leadership of Mr. Varunn Mody, ably guided by its visionary Group Chairman Shri Raghu Mody and the team of professionals. It has been growing consistently despite increasingly difficult terrains of the market. Its annual turnover is close to Rs. 1 Billion or US \$ 22 Million.

The other listed group companies in the group are Rasoi Limited and J.L. Morison (India) Ltd. Rasoi built by Shri Raghu Mody is a leading Vanaspati and Edible oil brand in eastern India and looking forward for expansion in the processed food segment. J.L. Morison (India) Ltd. is making a positive difference in the lives of people through excellence in providing and meeting their personal care and healthcare needs. For further information please visit us at ([www.hindcompo.com](http://www.hindcompo.com), [www.therasoigroup.com](http://www.therasoigroup.com))

#### **4: NEW EMPLOYEE ORIENTATION**

HCL welcomes you into its family and wants to ensure that you get the proper start on the job. To acquaint you with our policies and operations, the HR Department will schedule an induction session with you during which you will be briefly explained about the history of HCL, the benefits of being a part of HCL and also told what is expected out of you by the organisation.

Induction is a serious initiation of a new employee into the family of HCL. It is to facilitate the newcomer to imbibe the HCL values and work culture so that the new employee identifies himself/herself closely with the organisation and there is congruence and mutuality of goals. Induction involves a formal welcome by the HR Dept., filling of requisite forms, collection of the required personal data and a well-planned and structured induction program at the time of joining. The new employee will then be handed over to the Department Head, who will then follow the induction procedure as given below. The period and the contents of such induction program shall depend on the hierarchy, job responsibility, qualification and experience of the new employee.

#### **5: EQUAL EMPLOYMENT OPPORTUNITY**

HCL believes in providing equal opportunity to every individual. Growth of every individual is purely based on his or her meritorious work, qualifications and abilities. HCL does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age or any other characteristic protected by law.

This policy governs all aspects of employment including selection, job assignment, compensation, discipline, termination and access to benefits and training. HCL is committed to provide equal employment opportunities to all employees.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate superior or the **HR** Department. If any employee finds any type of discrimination in the workplace, they are free to report to their respective HOD's or to inform the **HR** Department without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to strict disciplinary action, up to and including termination of employment.

#### **6: EMPLOYEE MEDICAL EXAMINATION**

HCL wishes to maintain a safe and healthy working environment for the benefit of all employees. Following an offer of employment and as a continuing condition of employment, HCL reserves the right to require employees to submit medical fitness certificates at their own cost.

You may be required to have other medical evaluations during your employment if HCL has concerns about your physical ability to perform your job effectively. Subsequent

medical examinations will be for job-related purposes based on business necessity and could be performed by a physician or medical advisor selected and paid for by HCL.

Information on an employee's medical condition or history will be maintained confidentially. Access to this information will be limited to those who have a legitimate need to know.

*If the medical fitness certificate is found to be fake or conceals any facts then the management will have the right to terminate the person concerned.*

## **7: NON-DISCLOSURE**

As a part of your employment with HCL you may have access to confidential and/or proprietary information and records.

The protection of confidential business information and trade secrets is vital to the interests and the success of HCL. Such confidential information includes, but is not limited to the examples like computer processes, computer programs and codes, customer lists, customer preferences, dealer or customer purchase prices, organisation's financial information, marketing strategies, incentive scheme, new materials research, pending projects and proposals, personnel policies , records and prospect lists etc.

Employees are prohibited from using, copying, or disclosing any such confidential information to any other person, employee, firm, corporation, dealers or other entity either during or subsequent to their employment, except as authorized in writing by the management.

Employees who are exposed to confidential information may be required to sign a non-disclosure agreement as a condition of employment. Employees, who improperly use or disclose trade secrets or confidential business information, will be subject to disciplinary action, up to and including termination of employment, even if they do not actually benefit from the disclosed information.

## **8: OUTSIDE EMPLOYMENT**

Any employee of HCL will not indulge in any part- time / consulting activities or any other activities during his / her tenure of employment with us. He / she shall not publish or divulge either during the period of their employment with the company or thereafter to any person any trade secret or any information, plans, drawings, photos or correspondence concerning the business of the Company or any of the dealings, transactions or affairs, which may come to their knowledge during or in the course of his / her employment with us.

## **9: ACCEPTANCE OF GIFTS**

HCL recognizes that in the course of business there may be people who wish to thank HCL employees for their professional services. However, this situation can be misinterpreted. To avoid the opportunity to accept gifts or gratuities in exchange for payment or obligation to do business with an individual or company, HCL *refrains its employees from accepting any type of gifts (whether in cash or kind).*

## **10: CODE OF CONDUCT**

(Please refer Annexure A)

## **11: DRIVING LICENSE**

In order to operate vehicles for HCL, you are required to have a current driver's license and an acceptable driving record. If, at anytime, during your employment you lose your driving privileges and your job requires you to operate a vehicle, you must report that loss to your *superior* immediately.

Any workshop employee found driving any customer's vehicle without obtaining proper authorization from the management or the HOD concerned will be fined and strict action will be taken against them.

## **12: ENVIRONMENTAL COMPLIANCE**

HCL complies with all State and Central regulations protecting our environment. As an employee of HCL you agree to adhere to these standards. Your supervisor will inform you of the laws impacting your specific job and will instruct you regarding compliance procedures.

## **13: LEGAL COMPLIANCES**

HCL complies with all State and Central laws impacting the way we conduct our business. As an employee of HCL you agree to adhere to these standards. Your HOD will inform you of the laws impacting your specific job and will instruct you regarding compliance requirements and procedures. Some regulated areas include, but are not limited to the Proof of Car ownership, Cash Reporting and Money Laundering, Odometer Fraud, Used-Car Rule Disclosure, Credit and Leasing Practices Disclosures

## **14: EMPLOYMENT CATEGORIES**

It is the intent of HCL to clarify the definitions of employment classifications so that employees understand their employment status and benefits entitled to.

Each employee belongs to a particular employment category:

CONFIRMED employees are those who have successfully completed their probationary period. Generally, they are eligible for HCL's benefit package, subject to the terms, conditions, and limitations of each benefit program.

PROBATIONARY employees are those whose performance is being evaluated to determine whether further employment in a specific position or with HCL is appropriate. Employees who satisfactorily complete the probationary period will be notified of their new employment status.

## **15: PROBATIONARY PERIOD**

The probationary period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. HCL uses this period to evaluate employee capabilities, work habits, adaptability to our culture and overall performance.

All new and rehired employees work on probationary basis for the first 6 months from their date of hire. Any significant absence will automatically extend the probationary period. If HCL determines that the designated probationary period does not allow sufficient time to thoroughly evaluate the employee's performance; the probationary period may be extended for a specified period as decided by the management but if a probationary employee performs better than acceptance level then he can be made a regular employee before 6 months.

Upon satisfactory completion of the probationary period, employees enter the "confirmed" employment classification only on the receipt of letter of confirmation issued by the Company.

## **16: ACCESS TO PERSONNEL FILES**

HCL maintains personnel files for each employee. The personnel file includes information such as the employee's job application, resume, records of training, documentation of performance appraisals and other employment records.

Personnel files are the property of HCL, and access to the information they contain is restricted. Generally, only the selected personnel of HCL can review information in a file.

## **17: EMPLOYMENT REFERENCE CHECKS**

To ensure that individuals who join HCL are qualified to do the job and bear a good character and have a strong potential to be productive and successful, it is the policy of HCL to check the employment references of all applicants.

## **18: PERSONNEL DATA CHANGES**

It is the responsibility of each employee to promptly notify the HR Department of any changes in personnel data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports should be accurate and current at all times. Also employees must update their details of nomination for settling the PF, Gratuity, ESIC, Medical and Insurance claims. If any personnel data has changed, notify the Human Resources Department through the respective Head of Department within 3 days.

## **19: EMPLOYMENT APPLICATIONS**

HCL relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

## **20: PERFORMANCE EVALUATION**

HCL believes in an open, transparent and unbiased/impartial evaluation of performance of every employee. Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A formal written performance evaluation will be conducted at the end of an employee's initial period of hire, known as the probationary period. Additional formal performance evaluations are conducted to provide both HOD's and employees the opportunity to discuss job tasks, identify and correct weaknesses, recognize and encourage strengths and discuss positive and mutually agreed upon goals.

The management also counsels employees to help do away hindrance in efficient working and also to encourage employees to come up with novel ideas to improve productivity.

## **21: TRANSFER**

Your services are liable to be transferred at the discretion of the Management to any other town/branch/establishment of the Company, or of the Group's Companies and/or any Company in which the Group has substantial control or interest.

## **22. PROMOTION**

HCL believes in organisation growth with Employee growth. To ensure a proper career growth of an employee we practice in impartial and unbiased promotion policy. Promotions are based on the performance, and an employee can reach to the top most position if performs extremely well.



## **23: JOB DESCRIPTION**

HCL makes every effort to create and maintain accurate job descriptions for all positions within the organization. Each description includes job information, job summary (giving a general overview of the job's purpose), essential duties and responsibilities, qualifications, physical demands and work environment.

## **24: SALARY ADMINISTRATION**

The salary administration program at HCL is created to achieve consistent pay practices, *comply with laws*, and offer competitive salaries within our labor market. HCL is committed to paying its employees equitable and competitive salaries that reflect the requirements and responsibilities of their positions.

## **25: GRATUITY, PROVIDENT FUND AND ESIC**

HCL complies with all State and Central laws related to Salary Administration.

Gratuity : Every eligible employee of HCL is entitled to receive the gratuity amount as per the Payment of Gratuity Act 1972.

Provident Fund : Every eligible employee of HCL is entitled to receive the Provident Fund and pension amount as per the Employees Provident Fund Act 1952.

ESIC: Every eligible employee of HCL is entitled to avail the benefits of ESIC as per Employees State Insurance Act 1948.

Employees must update their details of nomination for settling the PF, Gratuity, ESIC, Medical and Insurance claims

## **26: HOLIDAYS**

Every year the employees in the HCL are entitled for holidays as per latest circular issued by Human Resource Department.

## **27: LEAVE RULES**

### **(I) GENERAL LEAVE RULES**

Employees will be permitted to take leave at the discretion of the management. Leave cannot be claimed as a matter of right. The sanctioning authority reserves the discretion to refuse or revoke leave at any time, if necessary due to exigencies of company's work.

- 1) Each employee must take prior approval/proper authorization (through prescribed form) from their HOD's in advance before availing any type of leave.

- 2) Each employee has to fill any absence from duties (whether authorized or unauthorized) in the leave card and obtain the approval/signature of his/her HOD.
- 3) The leave card has to be kept in proper condition.
- 4) Leaves should be credited into leave card on yearly basis.
- 5) If an employee remains absent beyond the period of leave originally sanctioned or subsequently extended, the employee would lose his lien on his appointment unless he returns within 3 days of expiry of leave and with proper explanation.
- 6) Both the supervisor and the employee at the beginning of the year shall chalk out a plan to identify the staggered leave schedule of each employee of the department to ensure smooth working of the dept.
- 7) The completed leave card has to reach the Payroll Department on the 25<sup>th</sup> day of each month giving the record of preceding month to facilitate the preparation of wages/salaries. Any delay would affect the preparation of entire salary sheet for all employees.
- 8) Any absenteeism of three days without any sanction / approval will be liable for immediate termination.

## **SANCTIONING AUTHORITY**

The rules and procedures pertaining to Casual Leave, Sick Leave, Privilege leave and the sanctioning authority for the aforesaid leave is stipulated below:

- A. At factory and head office, for casual leave, Sick Leave, and privilege Leave which is taken as per rules, the sanctioning authority will be at the level of departmental Head.
- B. Factory locations at Paithan and Bhandara the sanctioning authority will be the concerned departmental Head and in their absence the Plant head.
- C. Regional Offices, the Regional Manager will be the sanctioning authority.

For all exceptional pertaining to regularisation of leave as casual Leave/ Sick Leave/Privilege leave and for all cases of leave without pay, such applications should only be the concerned Divisional Head.

## **(II) TYPES OF LEAVE**

### **SICK LEAVE**

#### **RULES AND PROCEDURES PERTAINING TO SICK LEAVE**

1. 7 days sick leave is applicable for officers, managers and above.

2. Sick Leave of more than 3 days must be certified by the Company's Medical Advisor/Qualified Medical practitioner.
3. Sick Leave cannot be combined with casual leave.
4. No ½ (Half) day Sick Leave will be permitted.
5. Unavailed Sick Leave during the year can be accumulated upto 90 days. Any Sick Leave over and above 90 days will lapse.
6. Intervening holidays will be counted as leave.
7. At the time of Retirement / Resignation Unavailed / accumulated Sick Leave will be treated as lapsed.
8. Unavailed sick Leave will not be encashed.
9. **PROBATIONERS** : Probationers will be eligible for 7 days pro-rata Sick leave during the probationary period.
10. **TRAINEES** : Trainees / Management Trainees / sales Officer trainees will be eligible for 7 days pro-rata Sick Leave during the training period.

## **CASUAL LEAVE**

### **RULES AND PROCEDURES PERTAINING TO CASUAL LEAVE**

1. 6 days casual leave is applicable for officers, managers & above.
2. The officer, Manager and above must apply CL CL within 3 days after joining duty, stating reason for this leave, which should be purely of casual nature.
3. Casual Leave cannot be enjoyed for more than 3 consecutive days.
4. No ½ (Half) day Casual Leave will be permitted.
5. Casual Leave cannot be combined with sick Leave or privilege leave.
6. Intervening holidays will be counted as Leave.
7. Unavailed casual leave will not be carried forward or accumulated.
8. Unavailed casual leave at the end of the Leave year will automatically lapse. The same will not get accumulated in the PL
9. **PROBATIONERS**: Probationers will not be eligible for casual leave during the probation period.
10. **TRAINEES** :Trainees/Management Trainees sales Officer Trainees are not eligible for Casual Leave during the training period.

## **PRIVILEGE LEAVE**

### **RULES AND PROCEDURES PERTAINING TO PRIVILEGE LEAVE**

1. 25 DAYS Privilege leave (including Sundays and Holidays) is applicable for officers Managers and above
2. Eligibility: An officer /Manager will be eligible to avail Privilege Leave only upon confirmation/completion of one year of service.
- 2A. Any exception to the above in the event of emergencies will require approval by Divisional head and such advance privilege Leave sanctioned will be adjusted against the Privilege leave entitlement that will fall due as above.
3. The maximum accumulation of Unavailed Privilege leave will be 90 days. Any privilege Leave over and above 90 days will lapse.

4. To avail of privilege leave the concerned person must apply for a minimum of 5 days of leave.
5. Privilege leave cannot be availed on more than 3 occasions in a leave year.
6. When a concerned applicant is sanctioned Privilege Leave, he/she will have to provide the contact address before proceeding on leave.
7. Extension of privilege Leave beyond the sanctioned Leave will not be permitted unless sanctioned by the divisional Head.
8. **TRAINEES:** Trainees/Management Trainees /Sales Officer Trainees on completion of training period of one year, will be eligible for privilege Leave of 20 days.

## **28: LEAVE TRAVEL AND MEDICAL ALLOWANCES**

The policy on Leave Travel Assistance (LTA) lays down the eligibility criteria in respect of a confirmed employee that he / she should avail at least 05 days privilege leave at a time. In respect of a new appointee i.e. the first LTA claim will be processed on confirmation and completion of one year of service from the date of appointment, the subsequent claims of LTA will have to be made during / before the completion of the year for which the claim is made. Employees should submit all relevant documents in respect of Leave Travel and Medical Expenses to the Accounts / Payroll Department within the stipulated time to avail Tax Concessions (TDS).

## **29: TIMEKEEPING AND PUNCTUALITY**

Accurately recording time worked is the responsibility of every employee. Records of time worked should be precisely maintained to calculate pay of every employee. Time worked is all the time actually spent on the job performing assigned duties.

Every employee has to sign a muster register in the organization. So, it is mandatory for every employee to sign whenever they enter or exit the office premises.

Time keeping records i.e. all Late Coming and Early Going Forms, their regularizations, Training details, Leave Cards and every form related to the calculation of salary should be maintained by their respective departments.

To maintain a safe and productive work environment, HCL expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and delays place a burden on other employees and on HCL. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their HOD as soon as possible in advance of the anticipated delays or absences.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

### **A) Late Coming**

Late coming is not permissible. However subject to unavoidable circumstances it may be allowed upto 30 minutes twice in a month. Three late comings in a month is considered as one day leave.

### **B) Early Going**

Employees are not permitted to go early after reporting for duty. Employees are expected to keep their personal appointments after office hours. However on certain exigencies and in special circumstances if it necessitates the employee to leave office early, which shall be examined on case to case basis for relieving at the discretion of the HOD and might be adjusted against available CL or would have to go on loss of pay.

### **30: PAYDAYS**

All employees are paid salary generally on or before the 7<sup>th</sup> day of every month. Each salary will include earnings for all work performed through the end of the previous payroll period and the same will be either directly credited in salary account or paid in cash/cheque.

In the event that a regularly scheduled payday falls on a day off such as a weekend or holiday, employees will receive pay on the next day of work after the regularly scheduled payday.

### **31: ADMINISTRATIVE PAY CORRECTIONS:**

HCL takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Salary Department so that corrections can be made as quickly as possible.

### **32: EMPLOYMENT TERMINATION**

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

- Resignation - voluntary employment termination initiated by an employee.
- Discharge - involuntary employment termination initiated by the organization.
- Layoff - involuntary employment termination initiated by the organization for non-disciplinary reasons.
- Retirement - voluntary employment termination initiated by the employee meeting age,

- length of service and any other criteria for retirement from the organization.

Suggestions, complaints and questions can be voiced in the exit interview. Exit interviews are conducted with the main intention to encourage suggestions, answer questions and to give ear to complaints, thereby promoting better relations between the exiting employee and the organization.

Since employment with HCL is based on mutual consent, both the employee and HCL have the right to terminate employment at will. After completion of necessary formalities, the settlement of the exiting employee will be done promptly.

### **33: SAFETY**

The prevention of accidents and maintenance of safe working conditions is the shared responsibility of HCL and its employees. HCL complies with all requirements of state and local safety regulations to ensure a safe work environment. Supervisors will provide employees with information on company's safety rules and requirements. Employees are expected to cooperate by familiarizing themselves with and obeying all safety rules and regulations.

### **34: WORK SCHEDULES/JOB RESPONSIBILITIES**

Work schedules for employees, may at times, vary in our organization. HOD will inform employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times as well as variations in the total hours that may be scheduled each day and week.

### **35: USE OF PHONE AND MAIL SYSTEMS**

Telephones are provided to conduct company business. Personal use of the telephone for long-distance and toll calls is not permitted. Employees should practice discretion when making local personal calls and the same should be done only in emergencies with the permission of their HOD.

EDP Facilities primarily are set up in the organisation for official use and are of vital importance for our day to day operations. The data and information accessible through these facilities is confidential. These are vital business resources and the property of the organisation. All the users are its custodians must protect it at all times.

### **36: USE OF EQUIPMENT AND COMPANY'S VEHICLES**

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance and follow all operating instructions, safety standards and guidelines.

Please notify the HOD if any equipment, machines, tools or vehicles appear to be damaged, defective or in need of repair. Prompt reporting of damages, defects and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The HOD can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job.

The improper, careless, negligent, destructive or unsafe use or operation of equipment or dealership vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment. Any traffic violations done by employee and resultant fines, while using dealership vehicles are to be borne by the employee alone and the company is not responsible for the same.

### **37: DRUG AND ALCOHOL USE**

It is HCL's desire to provide a drug-free, healthful and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on HCL premises and while conducting business-related activities of HCL premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

**SMOKING:** In keeping with HCL's intent to provide a safe and healthy work environment, smoking in the workplace is strictly prohibited.

**FOOD:** Only vegetarian food is allowed in the premises of the company.

This policy applies equally to all employees, customers, and visitors. Non-compliance of the same would lead to strict disciplinary action, fines and termination.

Chewing paan and consuming alcohol is also strictly prohibited.

### **38: PERSONAL APPEARANCE**

Dress, grooming and personal cleanliness standards contribute to the morale of all employees and affect the business image HCL presents to customers and visitors.

During business hours or when representing HCL, you are expected to present a clean, neat, and tasteful appearance. You should dress and groom yourself according to the requirements of your position and accepted social standards. This is particularly true if your job involves dealing with customers or visitors in person.

Employees in certain departments and positions are required to wear uniforms. Service and body shop employees have safety-related dress and appearance requirements.

In the event of Company providing Uniforms to the said employee, he shall wear the same while on duty. In case he fails to wear the same while on duty Management shall be at liberty to take suitable disciplinary action. Further in the event, the employee fails to serve the Company for a period of two years as per clause (1) hereinabove, the Management shall be free to recover the cost of the uniforms in its entirety or part thereof as deemed proper.

### **39: RETURN OF PROPERTY**

Employees are responsible for all HCL property, materials, tools and equipment, stationery or written information issued to them or in their possession or control. Employees must return all HCL property immediately upon request or upon termination of employment. HCL may withhold from the employee's settlement the cost of any items that are not returned when required. HCL may also take all action deemed appropriate to recover or protect its property.

### **40: RESIGNATION**

Resignation is a voluntary act initiated by the employee to terminate employment with HCL. After confirmation, advance notice as per mentioned in the appointment letter is required to be given by the resigning employee to the Company.

Prior to an employee's departure, an exit interview will be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

If an employee does not provide advance notice as requested, one months' notice pay would be deducted from his dues.

### **41: SECURITY INSPECTIONS**

HCL wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, HCL prohibits the possession, transfer, sale or use of such materials on its premises. HCL requires the cooperation of all employees in administering this policy.

Desks, lockers and other storage devices may be provided for the convenience of employees but remain the sole property of HCL. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of HCL at any time, either with or without prior notice.

Employees desiring to carry work home or to take any documents home from the workplace must take prior permission of their respective Head of Departments.



## **42: SOLICITATION**

In an effort to ensure a productive and harmonious work environment, and to help ensure the security of HCL personnel and property, persons not employed by HCL may not solicit or distribute literature in the workplace at any time for any purpose.

- HCL recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities at the workplace.
- In addition, the posting of written solicitations on company bulletin boards is restricted. These bulletin boards display important information, If employees have a message of interest to the workplace, they may submit it to the Human Resources Director for approval. The Human Resources Department will post all approved messages.

## **43: PROGRESSIVE DISCIPLINE**

The purpose of this policy is to state HCL's position on administering equitable and consistent discipline for unsatisfactory conduct in the workplace. The best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels.

Disciplinary action may call for any of four steps -- verbal warning, written warning, suspension with or without pay, or termination of employment -- depending on the severity of the problem and the number of occurrences. There may be circumstances when one or more steps are bypassed.

HCL recognizes that there are certain types of employee problems that are serious enough to justify either a suspension, or, in extreme situations, termination of employment, without going through the usual progressive discipline steps.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and HCL.

## **44: PROBLEM RESOLUTION**

You are encouraged to bring concerns or complaints about work-related situations to the attention of your senior or your HOD. Every effort will be made to resolve problems fairly, equitably and promptly.

## **45: WORKPLACE ETIQUETTE**

HCL strives to maintain a positive work environment where employees treat each other with respect and courtesy. Sometimes issues arise when employees are unaware that their behavior in the workplace may be disruptive or annoying to others. Many of these day-to-

day issues can be addressed by politely talking with a co-worker to bring the perceived problem to his or her attention. In most cases, common sense will dictate an appropriate resolution. HCL encourages all employees to keep an open mind and graciously accept constructive feedback or a request to change behavior that may be affecting another employee's ability to concentrate and be productive.

#### **46: RECYCLING**

HCL encourages reducing and when possible eliminating the use of disposable products. Source reduction decreases the consumption of valuable resources through such workplace practices as:

- communication through computer networks with e-mail
- two-sided photocopying
- minimum packaging
- eliminating fax cover sheets
- reusing paper clips, folders, binders and envelopes
- reusing packaging material
- reusing wooden pallets
- turning off lights and air-conditioners when not in use.

If you have any questions or new ideas and suggestions for the reusing program, contact the Suggestion Cell.

#### **47: SUGGESTION PROGRAM**

As employees of HCL have the opportunity to contribute to our future success and growth by submitting suggestions for practical work-improvement or cost-saving ideas. All employees are eligible to participate in the suggestion program.

A suggestion is an idea that will benefit HCL by solving a problem, reducing costs, improving operations or procedures, enhancing customer service, eliminating waste or spoilage, or making HCL a better and safer place to work. Statements of problems without accompanying solutions, or recommendations concerning co-workers and management are not appropriate suggestions.

All suggestions must be submitted to the Suggestion Committee and should contain a description of the problem or condition to be improved, a detailed explanation of the solution or improvement, and the reasons why it should be implemented. If you have questions or need advice about your idea, contact your HOD for help. As soon as possible, you will be notified of the adoption or rejection of your suggestion.

Special recognition along with an award will be given to employees who submit a suggestion that is implemented.

#### **48: TRAVELLING AND DAILY ALLOWANCE**

The Travelling Allowance and Daily allowance being subject to frequent revision, hence not mentioned in this manual. However, the details of current allowances admissible to employees are available with HR Department. Travelling expenses must be submitted in time and Advances if any must be adjusted at the earliest.

#### **49: TRAINING POLICY**

Training is a very important and essential tool for our continuous development. With rapid technological changes and ever increasing customer expectations, training activity has assumed unprecedented importance.

Training can be professional/job-related/technical or behavioural, and also academic or need based. It may be conducted in-house or externally. In order to get maximum benefit, training must be regular, well planned and focused. It should not be a one-time exercise but be repeated at intervals in the form of refreshers and/or upgrades. Continuous efforts lead to continual improvement. Every individual joining HCL must undergo at least 5 (five) man-days of training in a calendar/financial year as shown below.

Induction – ½ day on the day of joining for new recruits.

Job-related / Technical topics – 2 / 3 days

Behavioural topics – 2 / 3 days

Feedback - ½ day

Training programs organised under the aegis of ‘principals’ and are binding on the respective division are not included in the mandatory 5 days training per head. Assistant Managers and above will be responsible for their subordinates attending the training.

#### **50: ANNEXURE A TO CLAUSE NO 10 – CODE OF CONDUCT**

**Introduction:** This Code of Conduct (hereinafter referred to as "the Code") has been framed and adopted by Hindustan Composites Limited (hereinafter referred to as "the Company") in compliance with the provisions of Clause 49 of the Listing Agreements entered into by the Company with the Bombay Stock Exchange.

**Applicability:** The Code applies to the Members of Board of Directors (hereinafter referred to as "Board Members) and Members of the Senior Management Team of the Company one level below the Managing Director, viz. Presidents, Vice Presidents, Asstt. Vice Presidents, General Managers and all other executives having similar or equivalent rank in the Company and the Company Secretary of the Company (hereinafter referred to as "Senior Managers").

The Company Secretary shall be the Compliance Officer for the purpose of this Code.

The Code shall come into force with effect from 1<sup>st</sup> January, 2006 and future amendments / modifications shall take effect from the date stated therein. The Code shall be posted on the website of the Company.

**Code of Conduct:** The Board Members and Senior Managers shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement. The Board Members and the Senior Managers of the Company:

- 1 Shall maintain and help the Company in maintaining highest degree of Corporate Governance practices.
- 2 Shall act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.
- 3 Shall ensure that they use the Company's assets, properties, information and intellectual rights for official purpose only or as per the terms of their appointment.
- 4 Shall not seek, accept or receive, directly or indirectly, any gift, payments or favour in whatsoever form from Company's business associates, which can be perceived as being given to gain favour or dealing with the Company and shall ensure that the Company's interests are never compromised.
- 5 Shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage.
- 6 Shall not commit any offence involving moral turpitude or any act contrary to law or opposed to the public policy.
- 7 Shall not communicate with any member of press or publicity media or any other outside agency on matters concerning the Company, except through the designated spokespersons or authorized otherwise.
- 8 Shall not, without the prior approval of the Board or Senior Management, as the case may be, accept employment or a position of responsibility with any other organization for remuneration or otherwise that are prejudicial to the interests of the Company and shall not allow personal interest to conflict with the interest of the Company.
- 9 Shall in conformity with applicable legal provisions disclose personal and/ or financial interest in any business dealings concerning the Company and shall declare information about their relatives, including transactions, if any, entered into with them.
- 10 Shall ensure compliance of the prescribed safety & environment related norms and other applicable codes, laws, rules, regulations and statutes, which if not complied with may, otherwise, disqualify him/ her from his/ her association with the Company.
- 11 Shall ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 as also other regulations as may become applicable to them from time to time.