

NAVACHETANA  
MICROFIN  
SERVICES PVT  
LTD.

## HR POLICY

SHAISHAVI PROJECT  
CONSULTANTS

---

# TABLE OF CONTENT

1.	COMPANY OVERVIEW .....	2
2.	PURPOSE & SCOPE .....	3
3.	CODE OF CONDUCT.....	4
4.	GENERAL POLICIES .....	7
5.	RECRUITMENT POLICY .....	13
6.	PERFORMANCE MANAGEMENT .....	23
7.	COMPENSATION MANAGEMENT .....	27
8.	TRAVEL CONVEYANCE & ACCODOMATION .....	30
9.	SEPARATION .....	36

# HUMAN RESOURCE POLICY

## 1. COMPANY OVERVIEW

Navachetana Foundation (NCF) was incorporated in 1999 under Karnataka Society's Registration Act as Shri Doddaveereshwara Khadi and Village Industries Society. However, the name was changed through amendment to NCF in 2003. It was established with the objective of enhancement of livelihood opportunities for the poor.

Navachetana Foundation - a non-governmental, non-profit organization. Foundation, primarily focused on improving natural resource management in rural areas by initiating and implementing large-scale watershed development and tank rehabilitation projects. Foundation continues to be actively involved in these projects and is committed to strengthening participatory methods for preserving and enhancing community owned natural resources. Over the years, considering the needs of communities, Navachetana has promoted 11 companies. All companies follow social enterprise models, catering to the needs of the communities

### *Navachetana Microfin Service Pvt Ltd.*

NCF started Microfinance operations on April 16, 2006 mainly based on partnership model of ICICI bank. Much of the NCF's credit expansion during 2006-07 was funded through the loan origination route under which the NCF originated loans on behalf of ICICI bank. In the initial phases of starting their Micro Finance services, NCF was supported by Indian Grameen Services to strengthen its Microfinance program implementation capabilities. With the objective of bringing the Micro finance operations under a recognized and regulated entity, the promoters of NCF purchased a Non-Banking Finance Company (NBFC) in August 2008 named Sree Santeshwara Credit and Investment Company Limited and got the name changed as Navachetana Microfin Services Private Limited (NMSPL) on March 2009.

NMSPL took over the loan portfolio and the borrowers of NCF, as a process of consolidating its Micro Finance operations during May 2009. NCF prior to transferring portfolio to NMSPL promoted both joint liability group (JLG) as well as self-help group (SHG) consisting of women members and operating in both rural and urban areas. However going forward, NMSPL has drawn a strategy to expand Microfinance activities only through JLG model. At present NMSPL operates through 44 branches in the 12 districts operating in Karnataka & 3 districts in Maharashtra. Currently NMSPL

promotes Joint Liability Groups (JLGs) consisting of women members, Individual Loan and Housing Loan which may consists men and women and operates in urban, semi-urban and rural areas.

### **Vision**

To visualize a society wherein all the families are empowered to have the basic necessities of life viz. food, health, clothe, shelter and education by engaging themselves in economic activities with the help of microfinance.

### **Mission**

To reach economically backward women and their families for effective poverty alleviation by providing microfinance and bring about ‘financial inclusion’ of all the unprivileged.

## **2. PURPOSE & SCOPE**

The Navachetana Human Resources Policy and Procedures Manual has been developed to facilitate the implementation and clearly define HR policies on attracting, motivating, and retaining the right talent.

The Manual provides guidelines to be followed in the administration of these policies and assists all employees in defining who is responsible for each human resource management decision, and the correct procedure which is to be followed.

The policies specified within are consistent with those of best practice management principles. They have the full support and commitment of Navachetana Management. HR policies must be kept current and relevant. Therefore, from time to time it will be necessary to modify and amend some sections of the policies and procedures, or for new procedures to be added.

### **SCOPE**

The policies and procedures mentioned in the document is applicable to all the areas of operations within Navachetana and all the employees of Navachetana, either probationary, part-time, full- time or consultants or apprentices.

***Effective date of policy: This policy effective with April 1, 2023***

### 3. CODE OF CONDUCT

The code of conduct is applicable to all employees of Navachetana. The Company is committed to conducting its business in accordance with the applicable laws, rules and regulations, and with highest standards of business practices and ethics. The issues covered in this code are of utmost importance to the company, its employee, and members.

All the staff of Navachetana must remember that they are representatives of an institution and that it will be judged by the way they look, act and talk. They are bound to work under code of conduct of the company. The code of conduct aims at encouraging all the members of Navachetana to achieve and maintain the highest standards of conduct and performance.

#### **Purpose of the code of conduct:**

- Encourage high standards of honesty, integrity and ethics among the employees of the company.
- Encourage observance of standards to protect the interest of employees, and members.
- Provide guidance to all Navachetana staff on the standards of the conduct required by the company.
- Achieve responsible use of and control over all the assets and resources employed and entrusted.
- Indicate what actions would constitute as “Breaches of conduct”.
- Describe the action that the company would take as a consequence of breaches of the conduct, and the relative seriousness of those actions.
- Explain the rights of staff.
- The following are some obvious but important obligations that should be followed by every staff.
- Clients and potential clients, and indeed everyone you meet in the course of your work are to be treated with respect, politeness, and honesty.
- Staff will behave in a disciplined manner, with mutual respect, trust and spread fraternity through their interactions with colleagues/clients and outsiders.
- Staff will not use any abusive language either among colleagues, clients or subordinates/supervisors.
- Staff will show respect to the dignity of all colleagues. No usage of authority to undermine a colleague’s sense of pride or dignity.
- Staff are not permitted to accept anything personally from clients and potential clients. Violation of this rule may attract disciplinary action.
- Staff are not permitted to enter into any personal, social or business relations with clients or potential clients.
- Staff will not have any commercial dealings with parties in whom friends or colleagues have a direct financial interest or connection, or indulge in any unethical practices with the funds and work.
- Staff will not engage in outside employment or reveal any confidential information relating to the organization to any outsider, not defame Navachetana or a colleague.

- Staff will not consume alcohol, smoke, or take drugs in the work place in the interest of maintaining organizational culture, the good health and working comfort of all colleagues and visitors.
- Staff will not discriminate based upon caste, creed, religion or gender.

## **Disciplinary Procedure**

The staff of Navachetana are bound to act under the rules and regulations of the company. They are liable to work under discipline and maintain sophisticated culture. Non-compliance of these code of conducts/staff and official rules will result in suitable disciplinary action against the staff member by the appropriate officer(s) of the company.

All cases of alleged misconduct by staff will be considered by a Disciplinary Panel which consist of Audit & HR Head of the company, but not the immediate supervisor of the staff member concerned.

### **Acts and Omissions constituting as misconduct:**

- Wilful in subordination or disobedience whether alone or in other combination with another others of any lawful and reasonable order of a superior.
- Striking work or adopting go slow, pen down strike, either singly or with any other employee without giving due notice prescribed by any law for the time being in force.
- Inciting, whilst in the office, any officer/ or employee to strike work.
- Theft, fraud or dishonesty or misappropriations in connection with the employer's business or property belonging to other employees.
- Taking or giving bribe or any illegal gratification from subordinate. Guest/ clients/ customers of the Company.
- Habitual absence without leaves.
- Drunkenness, fighting, riotous or disorderly behaviour or conduct likely to cause a breach of the peace or conduct endangering the life of safety of any other person or any act subversive of discipline and sufficiency and any act involving moral turpitude, committed within the company or outside.
- Habitual negligence or neglect of the work.
- Threatening or intimidating any employee or clients in the establishment.
- Disclosing to an unauthorized person any information in regard to the working process of the Company.
- Gambling within the Company premises.
- Sleeping while on duty.
- Insubordination, malingering, deliberates, delaying of carrying out of order.
- Collection or canvassing for collection without the written permission of the management of any money within the premises of the company except as sanctioned by any law or agreement for the time being in force.
- Carrying on the money lending or any other private business within the office premises of the Company.
- Commission of any act subversive of discipline or bad behaviour within the company or outside or any act, which may be deemed to be prejudicial to the fame of the company.
- Absence from place of work or office or seat without the permission of his superior.

- Distribution or exhibition within the boundaries of the company of any newspaper, handbills, pamphlets or posters without the previous sanction of the Management.
- Organizing, attending or holding meetings within the boundaries of Company or in any premises owned by the Company in its Offices/estate without previous sanction of the Management or put-up any label or bondage on the arms in demonstration manner or shouting slogans within the premises of the establishment.
- Unauthorized use of company's quarts or land.
- Speculation in any investment or commodity within the premises.
- Spreading false rumours or giving false information which tends to disrupt the atmosphere of the establishment or spread panic among the employees.
- Writing of anonymous or pseudonymous letter/letters criticizing the Company or its Management of the establishment.
- Conviction in any court of law for criminal offence or imprisonment by the order of Magistrate or Police Officer.
- Active involvement in village politics affecting business of the Company.
- Furnishing false information regarding name, father's name, age, and qualification of previous services.
- Breach of any provisions of the any acts constituted as misconduct as defined by the Standing Orders.
- Interference with records, attendance registers etc. either pertaining to self or to any other employees.
- Possession of any lethal or any other weapon within premises without the written permission of the Management.
- Altering, disfiguring, destroying or in any way rendering material put on the notice board, either partly or wholly, unintelligible or altering the meaning originally intended.
- Falsification of records and/ or defalcation on monies of the establishment.
- Threatening, disparaging or intimidating the inquiry officer conducting the domestic inquiry or misbehaving in inquiry proceedings within the establishment or outside.
- Abusing the officers or employees of the establishment or clients or outsiders within the establishment or outside.
- Giving any material inducement to clients to participate in the program.
- Involvement in any activity, which brings the company into disrepute.
- Not giving full cooperation with surprise visits or internal audits for not providing requested documents in a reasonable time.
- Failure of the officer in charge to make up the difference regarding money transaction by the end of the day.

Any officer or employee found guilty of misconduct under the aforesaid standing orders whether of major or minor nature may be given any of the following punishment-

**a) Minor Punishment**

- Warning or written notices.
- Fines according to the provisions of the payment of wages act.
- Withholding of increment for any specific period.
- Suspension without pay
- Demotion to a next junior post, lower place in the scale of pay.

## **b) Major Punishment:**

- Permanent Termination of service.
- Temporary discharge from services until the issue is fully resolved.

Note: A disciplinary action is taken on the staff if/when they fail to comply with the aforesaid rules and policies. However, the decision of the CEO/HRD will be final in case of taking any disciplinary action.

## **4. GENERAL POLICIES**

### **EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT**

Navachetana provides equal employment opportunity to all qualified persons without discrimination on the basis of age, sex, race, disability, marital status or religion in accordance with applicable local, state and national laws and regulations. Navachetana will make reasonable job accommodation for persons with disabilities who can perform the essential functions of the position for which they are qualified and selected.

All employment and promotion decisions will be based solely upon individuals' qualifications, experience, prior contribution and demonstrated capacity to perform at higher or improved levels of performance and will be in accordance with the principle of equal employment opportunity. Navachetana will take whatever affirmative action is necessary to attract and retain qualified persons.

### **PERSONAL CONDUCT**

#### **Dress Code**

Dress choice is a matter of personal discretion, taking into account requirements for any protective clothing, customer/supplier interaction and professional environment. The work attire will have an impact upon organisation's image as well as your work colleagues.

As a minimum standard, dress should be clean, neat and professionally appropriate. The following are examples of items that are not acceptable:

- Casual wear
- Ripped or torn clothing
- Sportswear



Navachetana reserves the right to request a staff member to dress to an appropriate standard as a condition of employment.

## **Email**

Email has legal status as a document and is accepted as evidence in a court of law. Even when it is used for private purposes, Navachetana can be held responsible for the contents of email messages, including any attachments. Access to emails can be demanded as part of legal action in some circumstances.

It is therefore important that email is used within the following guidelines:

- Email should mainly be used for formal business correspondence and care should be taken to maintain the confidentiality of sensitive information. Formal memos, documents and letters for which signatures are important, should be issued on company letterhead regardless of whether a physical or electronic delivery method is used
- If electronic messages need to be preserved, they should be printed out and filed
- Limited private use of email is permitted, provided that such does not interfere with or distract from an employee's work. However, management has the right to access incoming and outgoing email messages to determine whether staff usage or involvement is excessive or inappropriate
- Non-essential email, including personal messages, should be deleted regularly from the 'Sent Items', 'Inbox' and 'Deleted Items' folders to avoid congestion
- All emails sent should include the approved company disclaimer
- No material is to be sent as email that is defamatory, in breach of copyright or business confidentiality, or prejudicial to the good standing of Navachetana in the community or to its relationship with staff, customers, suppliers and any other person or business with whom it has a relationship.
- Email is not to contain material that amounts to gossip about colleagues or that could be offensive, demeaning, persistently irritating, threatening, discriminatory, involves the harassment of others or concerns personal relationships.
- The email records of other persons are not to be accessed except by management (or persons authorised by management) engaged in ensuring compliance with this policy, or by authorised staff who have been requested to attend to a fault, upgrade or similar situation. Access in each case will be limited to the minimum required to complete the task.

- When using email a person must not pretend to be another person or use another person's computer without permission.
- Excessive private use, including mass mailing, "reply to all" etc. that are not part of the person's duties, is not permitted.

Failure to comply with these instructions is a disciplinary offence and will be subject to appropriate investigation. In serious cases, the penalty for an offence, or repetition of an offence, may include dismissal. Staff need to be continually aware some forms of email conduct may also be open to criminal prosecution.

### **Internet**

The internet is a facility provided by Navachetana for business use. Access is authorised by managers on the basis of business needs. Limited private use is permitted provided the private use does not interfere with or distract from a person's work. Management has the right to access the system to determine whether private use is excessive or inappropriate.

The following activities, using Navachetana's internet access are not permitted:

- attending to personal activities of a business nature
- viewing, other than by accident, sites of incoming emails portraying obscene, violent, defamatory and unlawful material and material that could cause Navachetana to be in breach of equal opportunity or anti-discrimination legislation, verbally, in writing or pictorially
- downloading or printing material as described above
- showing to others, or allowing to be seen by others, items as described above
- repeated or prolonged use that is not directly relevant to the user's work
- introducing computer viruses by failing to follow company IT procedures
- downloading software from the internet or from unauthorised disks and CD ROMs on to the internal network

Failure to comply with these instructions is a disciplinary offence and will be subject to appropriate investigation. In serious cases, the penalty for an offence, or repetition of an offence, may include

dismissal. Staff need to be continually aware some forms of internet conduct may also be open to criminal prosecution.

## **WORKING HOURS, ATTENDANCE AND HOLIDAYS**

### General

The normally accepted working terms & conditions for all NAVACHETANA employees are described below.

### Normal Working Hours

The normal working hours for employees shall be as follows:

- Monday to Saturday – 8 hours per day with a lunch break of 1/2 hour between.
- The compensatory off is at the discretion of Functional head's recommendation.
- The attendance will be monitored using manual registers at all offices and when the attendance system is computerized the same will be monitored through Attendance software.
- A Movement register will be maintained in all offices which shall be entered by all employees to enable easy accessibility of members.

### **Attendance and Late Coming**

- Every employee shall mark the Attendance in the Attendance register
- Every employee shall be present at his/her designated work spot punctually at the specified time failing which he/she shall be marked absent in addition to being liable for any disciplinary action. However, the Departmental Head, purely at his/her discretion, may condone late attendance, if the explanation given by the Employee for such late attendance is satisfactory subject to deduction of wages. Such late attendance shall not exceed three times or in a month after which he/she will be liable for disciplinary action.
- If an employee, after reporting for work, is found absent from his/her designated work place during any period of the working hours without permission or without sufficient reason or fails to do the assigned work, he/she shall also be treated as absent for such period and deduction from pay for such period of absence.

### **Holidays**

#### Public Holidays

- All employees shall be entitled to 12 days paid public holidays. In addition to the 12, the management may provide 2 restricted holidays based on regional requirements. The management may decide to provide for an additional holiday if any of the national and festive holiday falls on a Sunday. The following National Holidays are mandatory holidays.

Republic Day	January 26
May Day	May 1
Independence Day	August 15
Gandhi Jayanti	October 2

- If any of the above mandatory holidays fall on a Company declared holiday, an alternative day could be declared as a paid holiday.
- There are TEN festival paid holidays chosen from the list of 52 festivals specified in the scheduled appended to the National and Festival Holidays Act. At the end of the year, basis recommendation from respective State heads, HR shall decide the holidays applicable to respective states, for subsequent calendar year.
- List of National and Festival Holidays to be displayed on the Notice Board of all Branches/offices.
- This is applicable for permanent employees as well as for probationers and trainees.

## **LEAVE RULES**

### **Leaves and entitlement**

Employees under probation are eligible for CL & SL on proportionate basis.

<b>Criteria</b>	<b>Eligibility</b>	<b>No of days</b>	<b>Calculation &amp; Credit</b>	<b>Validity</b>
Sick & Casual Leave	All employees	12	Pro rata- Monthly	End of calendar year
Privileged Leave	Employees served 12 months	18	Completion of 1 year. Monthly	8 days per annum & 24 in total
Maternity Leave	Women	168	Pre-natal 56 days & post-natal 112 days-On Request	From 7th month of pregnancy to end of 6th month of post-natal care
Miscarriage leave	Women	42	From the date of event-on request	42 days from the date of miscarriage
Paternity Leave	Men employees	3	From the date of event-on request	Within 17 days from the day of child's birth/miscarriage

Bereavement Leave	All employees	3	Within 17 days from the day of even-On request	17 days from the date of demise of spouse, children, prents and in laws
Compensatory Leave	All employees	As applicable	Within 60 days from worked holiday- on request	NA
Special Leave	All employees	Up to 20 days	On request	NA
Leave without pay	All employees	Up to 60 days	On request	NA

- The leave eligibility will be computed on pro-rata basis from the date of joining and will be credited to the employee based on calendar year
- Leave must be applied for in advance, except in cases due to illness/emergency situation the employee need to communicate to the reporting officer in the prescribed company format for leave application.
- In view of exigency of work, an employee may be asked by his Functional Heads to cut short his leave and report back to duty before expiry of his sanctioned leave. In such an event, the unutilized leave shall be credited back to the employee's leave account.
- All the approved leave applications shall be forwarded to HR Department for the purpose of maintaining the leave record of the employees.

### **Casual Leave**

- All employees shall be entitled to net paid casual leave of 12 days in a calendar year. Intervening or pre or suffixing Company declared holidays shall not be counted as Casual Leave. If employee joins in between the calendar year shall be entitled for leave on pro- rata basis.
- In circumstances where advance approval could not be obtained, the concerned employee shall initially take verbal approval of the concerned Reporting Officer and upon resuming duty, get it ratified.
- Unutilized Casual Leave at the end of the year will get lapsed
- Casual leave cannot be taken in conjunction with Sick Leave or Earned leave

### **Bereavement Leave**

- Compassionate leave shall be granted in the event of death of the following;
- Parent (including step-father or step-mother), (ii) spouse, (iii) child, (iv) brother or sister of the employee.

- For natural disaster (e.g. flood, fire etc.) which directly affects the employee, 2 (two) days paid leave shall be granted.

Note- No of days allowed will be at discretion of Management.

#### **Sick Leave**

- Sick leave is defined as absence from work on health grounds. Absence beyond 3 days to be certified by a Government medical officer or any registered medical practitioner.
- Any sick leave availed by staff, if subsequently found to be false, makes him/her liable for disciplinary action.
- All employees shall be entitled to 12 days paid sick leave per calendar year. Accumulation of sick leave is permitted up to 24 days.
- For Staff at Branch level, all leaves to be approved by Chief Manager (State Head in absence of CM) and intimated to Business HR within 36 hours of commencement of such leave otherwise he shall be deemed to be absent without reasonable cause.
- Intervening holidays occurring during Sick Leave shall not be counted.
- Accumulated Sick Leave (if any) will automatically lapse upon staff separation.

#### **Maternity Leave**

- A women employee shall be entitled to 26 (twenty six) weeks /182 days paid maternity leave including rest days and any public holidays that fall during that time.
- If a women employee is absent from work due to any illness or miscarriage during the first 28 weeks of pregnancy, the leave of absence shall be considered as normal sick leave.
- A women employee shall not be entitled to any maternity benefits if at the time of her confinement she has 2 (two) or more surviving natural children irrespective of age.

#### **Paternity Leave**

- All male employees shall be entitled to 5 (Five) days paid paternity leave for the birth of each child up to 2 (two) children

## **5. RECRUITMENT POLICY**

Navachetana is an equal opportunity employer and is committed to extending equal opportunity to all individuals. All decisions on employment will be made solely on the candidate's qualifications and merit without regard for gender, religion, colour, ethnicity, age, marital status, disability or handicaps.

Navachetana aims to attract and retain talented dedicated employees within the compensation parameters while ensuring the neutral, unbiased selection. At the same time adequate precaution is ensured that there is no discrimination on the ground of age, sex, caste, religion etc on the recruitment front.

All those involved in the recruitment process shall keep confidential the identity of the candidates for employment and the deliberations of those responsible for screening candidates, except as provided in this policy.

Manpower requirement is based on the manpower budget. Any new manpower requirement is based on the approval from Managing Director. The job vacancies are circulated through selected interactive recruitment network, internal postings, job postings in approved job portals, employee referrals, recruitment drives in branches/regional offices, advertisements in local newspapers, campus drives, and/or other media.

***Manpower Budget:***

The manpower planning is finalized a month before the beginning of Financial Year basis the inputs from the business plan for the upcoming financial year. Every function shall outline the manpower requirements before the commencement of the financial year at the time of budget preparation. The requirement shall align with the business plan projections of the company and the manpower requirements would be discussed and arrived at with the approval of the respective functional head. Basis the approval of Functional Head from Managing Director or Head HR approval from MD, principal clearance shall be obtained for the Manpower Budget for the Financial Year.

***Manpower Requisition:***

Any other manpower requirement is treated as a new addition and is subject to approval from the MD/CEO/HR Head. The manpower requirement that arises out of the resignation of an employee or the transfer of an employee or the elevation of an employee shall be treated as replacements.

Vacancies arising out of resignations during the year, at the level of Sales Officer, Branch Manager, Branch Accountants, needs to be intimated to Regional HR for the Zone/State wise requirement. Vacancies arising of resignations at the level of Regional Manager and above should be immediately communicated to the Zonal HR /Talent Acquisition team to commence the search and fill up the vacant positions at the earliest with least impact in the business.

Similarly, manpower requirement arising out of the requirements of the support functions like Audit, Risk, Finance, and IT shall be shared to the Talent Acquisition team to commence the recruitment process. Any replacement position shall be processed for recruitment immediately while new requirements need the approval from the MD/CEO/HR Head.

### ***Sourcing of Candidates: Channels of Sourcing:***

The manpower requests, once obtained, have different channels of sourcing manpower. Navachetana believes in building talent through hiring of freshers and in the form of lateral hiring. Building Talent is selecting fresh graduates for field staff through campus hiring; walk-in and placing them as Sales Officers in select branches. The candidates who have been hired through this model have been success stories of inspiration.

### ***Sourcing and Selection through Lateral Hiring:***

The sources of lateral hiring for field staff like Sales Officers, Branch Accountants are:

- Job Postings through Social Media Hiring
- News Paper Advertisement
- Job Postings in Approved Job Portals

HR shall initiate a job posting in the social media and also in the local newspaper for sourcing of candidates after getting clearance from Division HR and Head HR which shall include financial clearance for such advertisements.

Candidate sourcing through on-line portals shall be under the Centralised Talent Acquisition Team. On special approvals the HR shall be provided restricted access to online sourcing through on-line portals like Naukri after getting clearance from HR and TA Head.

### ***Sourcing and Selection through Internal Job Posting***

Any new requirement or vacancy arising out of separation (voluntary/involuntary) at the Branch Manager and above level post is first screened for internal availability of suitable candidates. This is initiated through the Internal Job Posting, which facilitates the career aspirations and progression of the existing employees.



- The Internal Job Posting process shall be rolled out on a quarterly basis subject to the business requirement.
- The vacancy created out of a new requirement or a replacement for Branch Managers and above, is identified for the IJP Posting and approval of Head HR is obtained before the release of the internal advertisement.
- The Talent Acquisition Team of HR Department initiates the IJP for Branch Managers and above positions and releases the internal advertisement.
- The eligible candidates shall submit their applications with an intimation to their supervisors within two weeks from the date of release of advertisement or before the due date.
- Talent Acquisition team of HR Department shall follow the below mentioned criteria to shortlist the candidates before the constituting a panel to validate the applications and invite the shortlisted candidates. Approval is by Committee which shall recommend to MD. The candidates who have not been shortlisted need to be communicated of the decision.

#### Criteria for Selection:

The Talent Acquisition Team shall shortlist the internal candidates with relevant experience and qualification for the said IJP.

The Risk and Audit clearance of the candidates shall be obtained before shortlisting the candidates. Any staff who is having less than 6 months in the same role shall not be eligible. In case of exceptions, approval from Head HR is to be obtained. If the candidates have more than one year of experience, their Performance Appraisal Rating shall be taken into consideration.

The decision to call the candidates for the interview will be the prerogative of the Head Talent Acquisition / Head HR.

#### Selection Process of IJP:

The Talent Acquisition team shall complete the selection of candidates through the IJP within thirty days of release of the advertisement and issue the internal promotion letter to the selected candidates. The same shall be communicated to the respective Head of Department's for their consent.

#### Internal Movement of Selected Candidates:

- The selection of candidates by the panel members shall be binding upon the relieving and receiving departments. In other words, the Internal Job Posting cannot be challenged.
- The selected candidate shall furnish his/her preferences in the place of posting. However, the management decision in this regard will be final and binding on the applicant. The place of posting is an organizational requirement and if the candidate has reservations against the place of posting, he/she has the option to accept or deny the posting. If in case, the candidate identified for selection has denied the internal promotion, he/she shall not be considered for elevation during that appraisal period.
- The selected candidate shall be released to the new department or role only after the respective HOD agrees to release the selected candidate within 30 days in the case of Credit Officer/Branch Manager; 60 days for Middle Level of Management (Sr. Executive, Assistant Manager, Deputy Manager, Regional Manager, Manager, Sr. Manager, Chief Manager) and 90 days for Senior Level of Management (AGM, DGM and above).
- The decision on the release of the candidate shall be binding upon the relieving/releasing department's HOD.

### ***Sourcing and Selection through Employee Referral:***

Navachetana believes that a satisfied employee is the best ambassador for Employer Branding. Employee referrals is one of the methods of sourcing candidates. Some of the base rules for Employee Referrals are:

- All employees are eligible to participate in the referral programme.
- The hiring managers cannot refer anyone for a position for which they are directly or indirectly responsible. But they can refer someone for a position that is in a different department/ function, geography, or office. This exception does not apply to the Senior Management or Top Management.
- The referred candidates should not have applied to Navachetana for at least a year. Similarly, rehired employee will not be covered under this Employee Referral.
- Referral candidates should not be related to the employee or a fresh graduate.

### ***Screening and Shortlisting of Candidates***

The Division HR team shall pre- screen application forms and resumes of all walk-in applicants and those gathered from recruitment sources. Prescreening shall include a review of the applicant's credentials and qualifications including but not limited to educational background, employment history, expected remuneration etc.

- **Personal Interview:** The candidates sourced through social media or newspaper advertisement or through recruitment drives or job postings need to appear for a personal interview at the specific branch or regional office.
- The documents that are mandatory for the personal interview are the residence proof, address proof like PAN, Aadhar, Driving License, photocopies for educational proof, photocopies for experience or employment records including payslips.
- All interviews shall be conducted by a panel and the interview panel shall have a minimum of two representatives – One from concerned department and from HR department. Panelist should be at least a skip level supervisor or equivalent cadre.
- The Interview panel shall record their comments/observations as per approved format.
- There shall be no reimbursements for travel or accommodation unless necessary prior approvals are available.

**Pre-Offer documentation:**

On completion of the interview process, the respective HR shall complete the negotiation on the current salary level, expectations, notice period, joining date etc with the shortlisted candidate. Basis expectation gathering, if the respective HR feels that offer is feasible then, he/she has to collect below documents:

- CIBIL/BGV consent form
- KYC proofs (if not already collected by interview stage, should be mandatorily collected at this stage)
- All compensation documents – Last 3 months’ payslips, 3 months bank statements, Annual increment letter indicating performance rating, Relieving letters of previous companies worked
- Educational Documents – 10th,12th and Degree marksheets/certificates (Original Seen and Verified -OSV- attestation by Divisional HR or Regional Manager to be done)

***Release of Offer Letter***

Upon verification of the Pre-offer documents, the Centralised Talent Acquisition team shall perform the following assessments as per the checklist.

- Validate Aadhar with PF portal
- MFIN Blacklist check
- Rehire check

- Two-wheeler DL (CO, BM, RM positions)
- BVG Check from Equifax
- Pass book photocopy

Offer letter will clearly specify the date of joining and validity period. The candidate shall indicate the acceptance of the offer within 10 days of issuance of the offer by a return mail. If the candidate joins beyond the proposed date of joining, approval from Head HR is obtained.

### ***Reference Check***

Once the candidate accepts the offer, the Centralised Talent Acquisition Team will do primary reference check as below in the specific format:

- Lateral hire from non-mF company- from previous employers other than current one
- Lateral hire from MF company- from MFIN website or the HR dept of current employer

If the reference check is negative, the offer shall be held back and an alternate candidate shall be hired.

### ***Appointment Order issuance***

After the offer acceptance of the candidate, the Appointment Order is issued at the time of joining of the candidate. At the time of joining, the original certificates – both educational and employment related, Aadhar Card, PAN and acceptance of resignation letter or relieving letter of the previous employment shall be verified by the HR. The HR will confirm the date of joining of the candidate. Based on the confirmation the Employee Code shall be generated by the Corporate Payroll Team.

The appointment letter shall be initiated by the centralized Talent Acquisition team and issued to the candidate.

### ***Onboarding***

#### **Joining Formalities**

Upon joining, selected candidate must complete the following:

- Obtain the passport size photographs
- Share the appointment and relieving letter from previous organisation
- Bank Passbook copy / Cancelled Cheque (with candidate name printed on it)
- Share or upload the UAN and ESI number

- Acknowledge and accept the Non-Disclosure Agreement (NDA)
- Acknowledge and accept the Code of conduct
- Acknowledge and accept the POSH guidelines.

After the Employee Code is generated a “Welcome” email is sent through HR. The following will be raised through the HR for the IT Asset Allocation and other administrative formalities:

- Creating Login credentials (other applications)
- Email address
- Tab, Laptop and other accessories (as applicable)
- Visiting cards (wherever applicable)
- Identity Card

### ***Induction***

Induction is the process through which a new employee is integrated into the Organization, learning about its corporate culture, policies and procedures and the specifics of their new job.

#### **Classroom / Online - Common Induction**

Any new employee undergoes two days of classroom/online induction within 30 days of joining. This shall be ensured by the HR in coordination with the appraiser of the newly joined employee. The training will be conducted by the Regional Training Managers and the Zonal Training Managers.

During the 2-day induction program, sessions covering below topics are conducted by representatives from various departments

- Company background
- Vision, mission, and values
- NAVACHETANA Organization Structure
- Operational procedures
- HR Policies
- Infrastructure Usage Policy
- Functional Inputs
- Fair Practise Code & Code of Conduct

#### **Classroom/ Online – Role-based Induction**

In addition to the common online induction or the classroom induction, the newly joined employee shall be required to attend one day role-based induction program, wherein the role based training or

functional requirements including clarity on job role, KRAs, Goals/Performance metrics, shall be imparted.

#### Staff Re-Orientation / Refresher Programme – Micro Sessions

New employees and lateral hires will also be invited to attend a Staff Re-Orientation Programme conducted by the Training Team from time to time to help them better understand the vision, mission, objectives and organization structure of NAVACHETANA, as well as its rules and regulations, and code of conduct.

Re-Orientation / Refresher Programme will re-emphasize points covered under induction and role-based inductions and further cover new developments related compliance/ regulations/ processes/ products etc.

#### Trainings based on nominations and Training Need Analysis:

Employees will be nominated for soft skills and behavioral sessions and other sessions to enhance skill levels. These sessions will be based on nominations from respective department heads and basis of Training Need Analysis.

#### Background Verification

Background Verification includes the verification of the previous employment and necessary antecedent verification of staff employees through any agency (ie) which is approved by the Management.

Onboarding team will send mandate of BVG to the specified agency within 15 working days of joining by candidate. In case of negative feedback, the same will be flagged as exception, for resolution / decision by approving authority.

Apart from Address, Employer check, Navachetana may choose to do court verification too, wherever need is felt. If the new joinee is from a Non-MF background, Secondary reference check from last employer to be done.

The agency will submit their report on every employee to the Payroll and Compliance Head within 21 days from the receipt of Document.

## Penalty Guidelines for BVG

Risk level	Category	Action to be taken
<b>High Risk</b>	Fake Documents-Relieving Letter/Offer/Payslip/Bank Statement	Termination
	Terminated from previous employer	Termination
	Not an employee of the Company	Termination
	Fake university	Termination
	Qualification not attained	HR to check if the employee's minimum qualification for the position applied is attained: -
		<b>IF YES: Take clarification letter &amp; allow to continue</b>
		<b>IF NO: Termination</b>
	Not a Direct employee / Previous Employment Hidden	HR to cross-check if the employee had declared this on CV/During Panel Assessment: -
		<b>IF YES (Direct Employment): Take clarification letter &amp; allow to continue.</b>
		If Previous employment is hidden & negative, termination to be initiated
	<b>If not a direct employee: Terminate</b>	
Negative feedback affecting job performance	To be investigated and discussed with Employee, and decide whether to continue based on the assessment.	
Discrepancy in period of stay	<b>Discrepancy &gt; 3 months:</b> Terminate <b>Discrepancy &lt; 3 months:</b> RHR & Supervisor to decide based on assessment & allow to continue	
Absconding	Default separation. Case to be discussed with employee. HR Head to decide based on assessment and document decision in personal file.	

<b>Medium Risk</b>	Work Negligence	Case to be discussed with employee, HR & Supervisor/COO/FH to decide based on assessment and document decision in personal file
	Overstated/Understated the designation	Case to be discussed with employee, HR & Supervisor/COO/FH to decide based on assessment and document decision in personal file
<b>Low Risk</b>	Previous employer unable to provide the details due to incomplete information	Declaration letter clarifying the case to be taken from the employee

## 6. PERFORMANCE MANAGEMENT

Performance management is a process that helps employees reach higher levels of performance through objective setting, action plans, personal development, and ongoing discussions about organisational goals. Effective staff management propels both the employees' performance and the organisation's performance.

The purpose of having a structured performance management is to ensure that every employee receives direction and communication about their performance. Every staff needs to:

- Identify with the organisation's mission;
- Understand their role and how that contributes to the mission;
- Know specifically what is expected of them;
- Have the capacity, resources, and environment that makes success possible; and
- Receive encouragement, constructive feedback, and opportunities to develop and improve.

A well-designed performance management system and process will:

- Provide consistent and systematic supervision to all staff in the organization.
- Ensure that the mission, goals, objectives, and action plans of the organization are accomplished through individuals
- Focus supervision on promoting and supporting successful performance, not just reprimanding, and correcting poor performance
- Take time to build trust and practice good one-on-one communication: listening, clarifying, and giving and receiving feedback
- Provide the opportunity for staff to participate in planning and monitoring their own work

### Key Result Areas or Goal Setting:



The first step in the Appraisal Process is defining the Key Result Areas. The Functional Head shall establish an outline for Annual Key Result Areas that must be achieved. The standard will be applied in evaluating the staff performance. KRAs should be specific and measurable. All the staff should draft a key action plan at the beginning of the year and the supervisor should review it and submit a signed copy to HR. The KRAs become a record of agreement between the supervisor and staff member. The supervisor should review the plan monthly and guide the staff on how to achieve the target punctually. This document will be used for Annual Performance Appraisal of staff.

### **Procedures for Goal Setting**

The Supervisor shall propose minimum 5 Key Result Areas (KRAs) to achieve –the last area being the self-development goal. The Supervisor shall create an environment that promotes open discussion and continuous learning.

The Supervisor shall assign each KRA a relative standard or target. He/she shall also arrange all the resources and support necessary to achieve the goal on time. Regular review of developmental KRAs and offer realistic feedback shall be done by the Supervisor.

### **Prioritising KRAs**

All staff should not have more than 7 to 8 specified KRAs. The priority setting involves a mutual agreement between the staff and supervisor as well as coordinates emphasis with the other related staff and supervisors.

### **Quality of KRAs**

- Specific: KRAs shall be specific and identify exactly what is to be achieved.
- Measurable: Use specific quantitative or qualitative measures to define the KRAs.
- Achievable: The KRAs should be challenging but achievable.
- Relevant: The KRAs must be relevant to Navachetana and department priorities
- Time-bound: The KRAs must have clear deadlines and checkpoints.

### **Performance Appraisal**

Navachetana is a performance-based organization. Performance on the job is critical to an employee's progress in the organization both in terms compensation and career development. The performance evaluation is used to measure and evaluate the work done by the employee keeping in

mind the job description and set-KRAs and to also identify the individual training needs for future development of the employee.

The performance appraisal period of Navachetana starts from 1st April and ends on 31st March of the following year. The general guidelines for the appraisal process to be followed:

**General Guidelines:**

- Goal Setting is defined at the beginning of the year by the Supervisor. And in case of a new comer, the Supervisor shares the Goals at the time of joining.
- Supervisors need to schedule the appraisal of their team and complete on time.
- Appraisal form needs to be filled up by both the employee and the supervisor on the day of the appraisal.
- The employee and supervisor must be present while the appraisal discussion is being done.
- Part of the appraisal form is the KRA's (Key Result Areas) as arrived based on the plan for last FY. This form is to be filled in by the employee and self-rating on performance need to be given.
- Part of the appraisal form, which is qualitative feedback on the employee, the employee will fill in his/her feedback and self-score.
- After both the parts are filled up by the employee, he/she hands over the document to the supervisor for starting the review process.
- Supervisor will give his/her feedback on the employee's performance and his/her scores viz-a-viz the employee's self-score.
- The supervisor then either forwards the completed form to the Reviewer (or) the reviewer puts his/her score if he/she is present during the appraisal. Alternately, the reviewer can be present during the discussion and put his/her score directly there and finalise the document.
- The average of Supervisor and Reviewer scores is taken to arrive at a final score for each KRA.
- This final document has to be forwarded to the Functional Head for moderation if required.
- Any issues in terms of non-acceptance from the employee appraised needs to be reported to HR as early as possible.
- The responsibility of explaining the variance of rating if any between Self Rating and Supervisor Rating lies with that of the Supervisor.

- If there are any staff movements outside the department or branch, the Appraisal Rating shall be done by the Appraiser who is available on 31st March.

### **Performance Improvement Plan (PIP):**

Objective: The objective of this Performance Improvement Plan (PIP) is to facilitate constructive discussion between the subordinate and his or her supervisor and to clarify the work performance to be improved by the subordinate. The Performance Improvement Plan is subject to the subordinate in the event of continued under performance of three months on a continuous basis.

### **Administration of PIP:**

The Supervisors of staff are encouraged to use the Performance Improvement Plan as a part of the Annual Appraisal Form or at any time during the year to enhance the employee performance.

The Performance Improvement Plan communicates the performance discrepancies, when an improved level of performance is to be achieved and the action plan that will assist the employee in meeting the performance expectations.

Performance Improvement Plans should be implemented to aid in correcting performance challenges associated with the skills and expertise of employees and should not be used to correct inappropriate behavioral conduct or violation of procedures.

Some examples where Performance Improvement Plans can be includes (but not limited to) are:

- Failure to meet targets
- Poor quality of work
- Inappropriate work processes adopted

## 7. COMPENSATION MANAGEMENT

### Elements of Compensation

The elements of the compensation and benefits of an individual member will vary depending upon the grade, market practice and tax rules. In general, the components of compensation would be:

- Basic Salary maximum of 40% of Basic Salary for Credit Officers and 50% of Gross salary for others.
- HRA maximum of 30 % of Basic Salary
- Composite/Special Allowance (reimbursable and other allowances such as fuel/vehicle maintenance/medical reimbursement etc)
- Deferred benefits (inclusive of statutory benefits)

### Annual Increments

Subject to the satisfactory performance of his/her duties during the preceding financial year, every eligible employee may receive an annual increment. The annual revision is based on the Performance Appraisal process and the final decision is subject to the approval of the Board or Management.

Notwithstanding the above, a benchmark study of other MFIs is considered for ensuring the external parity. In addition to this, the internal parity is ensured through salary corrections. All these remain part of the annual compensation review process.

### Payroll

Employees, who are hired on permanent basis, will be paid salary under different heads, but employees who are hired as consultants will be paid a Lump sum after deduction of applicable income tax

#### **Payroll Matrix**

Activity	From	To	Due Date
----------	------	----	----------

A. Monthly Payroll Input: <ul style="list-style-type: none"> <li>• New joinee details with salary break- up;</li> <li>• New staff advance processed during month;</li> <li>• Loss of Pay &amp; LOP reversals;</li> <li>• Leave details of every employee;</li> <li>• Salary Revision with revised component break-up (increment, Promotion, Demotion, Transfers including change of designation)</li> <li>• Salary arrears, if any</li> <li>• Salary Hold &amp; Resigned</li> </ul>	Regional HR/Department Heads	Central Payroll	By 24 <sup>th</sup> of the month
B. All the above inputs will be finalized by Head HR	Department Heads	Central Payroll	By 27 <sup>th</sup> of the month
C. Confirmation of Paysheet Verified the correctness of payroll and signed			By 28 <sup>th</sup> of the month
D. Bank Transfer Report:	Central Payroll	Director/CEO	By 30 <sup>th</sup> or 31 <sup>st</sup> of the month
E. Salary Credit: Salary will be paid from Navachetana Bank Account	Corporate Payroll	Bank	Last day of the month
F. Payslip:		Central Payroll	By 7 <sup>th</sup> of the succeeding month
G. Incentives Payouts- Collection/submission of incentives calculation to HR. Incentive Payouts verification Incentive Payout	Department Heads HR HR	Central Payroll Departments	By 5 <sup>th</sup> of every month By 7 <sup>th</sup> of every month On or before 20 <sup>th</sup>
H. Statutory Reports: Reports required for all statutory remittances: PF, ESI, PT etc will be generated and submitted for information	Corporate Compliance		By 14 <sup>th</sup> /15 <sup>th</sup> of the month

### **Employees Provident Fund (EPF)**

All employees are covered under this scheme from the very first day of their joining the company. This is a retiral benefit under which 12% of their basic salary (except HRA) is deducted from the employee and the employer makes an additional 12% contribution of the basic salary. The total sum amount gets deposited to the provident fund trust amount of individual employee.

Of the sum equal to 12% of an employee's basic which is contributed by the employer, 3.67% is deposited in the pension fund of the respective employee with pension fund maintained at the Regional Provident Fund Commissioner's office and 8.33% goes to the individual provident fund account.

### **Employees State Insurance**

Under this scheme 0.75% of the monthly wages is deducted from the employee and the company contributes an additional of 3.25% of monthly gross wages. The sum total gets deposited at Employee State Insurance Corporation (ESIC) on a monthly basis. In turn, the employees are entitled to free medical treatment at the allotted ESI dispensaries depending on the employee's employed location. The employees whose gross salary is less than or equal to Rs.21,000 and working in ESI covered area are eligible under this scheme.

### **Professional Tax:**

Professional Tax deduction will be done according to the state stipulations. The Professional Tax deducted from the staff are remitted by the thirtieth of the month

### **Tax Computations:**

Form 12BB is obtained from those employees whose income is within the taxable limits at the time of joining or during June for the existing employees of Navachetana.

The payroll team shares the Tax computations to the employees during September of every year. The tax declarations with supporting evidences are collected from the employees during February by the Payroll team. The same is submitted to the Finance team who completes the IT filing.

### **Group Medical Health Insurance:**

All the employees and their dependents (Spouse + 2 children), who are not covered under ESIC scheme are eligible for Group Medical Health Insurance. It is the standard insurance policy as prescribed by IRDA. Insurance company has issued Health Care card to all the employees with unique identification number. It offers cashless treatment in Insurer's hospital and reimbursement of treatment cost for non-network hospital.

### **Group Personal Accident Benefit**

All employees shall be covered under an insured Group Personal Accident policy. This policy shall provide benefits for total permanent disablement and/or death as a result of an accident. In case of any injury due to accident the employee shall claim the medical expense as per existing insurance policy.

### **Bonus**

Employees are entitled to receive bonus in an accounting year subjected to the condition that he/she has worked for not less than 30 working days of that year. Also, wherever the basic salary of an employee exceeds Rs.7000 a per month, then the bonus payable to such employee shall be calculated as if his/her basic salary was equal to INR 7000 per month or the minimum wage for the scheduled employment, as fixed by the appropriate Govt, whichever is higher.

### **Ex-Gratia**

Employer may choose to pay the Ex-gratia to its employee at own discretion. This shall be payable by employer only when the employer derives profit for the said financial year.

### **Gratuity**

Employer may choose to cover the employees under Gratuity Scheme. It is a statutory benefit paid to the employees who have rendered continuous service for at least five years. It is a lump sum amount paid to an employee based on the duration of his/her total service. The benefit gratuity is payable to an employee on cessation of employment (either by resignation, death, retirement or termination, etc) by taking the last drawn salary as the basis for the calculation.

## **8. TRAVEL CONVEYANCE & ACCODOMATION**

### **Business Travel (Domestic Travel, Conveyance And Accommodation Policy)**

The company recognizes the need to provide guidelines for safe and comfortable travel (Both In- and Outstation) and accommodation for employees during outstation business travel.

It does not provide an element of profit or remuneration and is not intended to build status through expensive travel modes. The guidelines for domestic travel have been designed keeping in mind that business tasks are to be performed in an effective and efficient manner. Hence, staff are expected to choose an alternative which does not hamper performance and is cost effective.

### **Scope and Eligibility**

In-Station is defined as travel involving distance of 150 km (To and Fro) from Base location or Office i.e., 75 km one way and shall be governed by “Domestic Conveyance policy”.

Out-station is defined as travel involving distance exceeding 150 km (To and Fro) from Base location or Office and shall be governed by “Domestic Travel Policy”.

- This policy applies to all On-roll employees of Navachetana including employees appointed as consultant.
- This policy would apply to employees on contract, traineeship and other engagements with Navachetana only post explicit approval of functional heads.

### **Domestic Travel**

#### **Travel Advance and Settlement**

- Employees are required to draw a monthly/weekly Travel plan.
- All travel plans must be duly authorized by the immediate supervisor.
- Employees are requested to fill the Travel Advance Request Form and submit to the finance department at least two working days prior to travel.
- Advance amount upto INR 5000 requires approval of Immediate supervisor
- Advance amount above INR 5000 requires Business/Functional Head Approval
- The reimbursement of Travel would be based on submission of original tickets and bills and would be limited to the actual expenses incurred by the employee authorized by the Immediate supervisor or Functional Head (as applicable).
- All expense statement to be checked and signed by Accounts Executive at the Head Office.
- Employees are eligible to claim travel advance only if the entire previous travel advances have been settled and accounted for.
- All Advances must be settled with the Finance Department, along with the Travel Expenditure Report, within 30 days of return from Travel. The employee is required to submit all the supporting documents/ vouchers duly countersigned by the Functional head/Departmental Head for settlement of the same. If a travel continues to remain unsettled beyond the period as mentioned above, the same will be adjusted from the Salary.
- Any delay in claim settlement beyond 30 days and within 60 days would require an exception approval from respective Business/Function Head and CFO
- Delay in claims settlement beyond 60 days will require recommendation from Business/Functional Head and CFO and exception approval from MD.
- Normally expenses are to be incurred in respect of the employee (self) only.
- Travel expense statement needs to be supported with bills, wherever applicable.



### **Travel Eligibility Norms**

<b>Level</b>	<b>Grade/Role equivalents</b>	<b>Distance &gt; 500km</b>	<b>Distance &lt; 500 km</b>
Top Management	Business/Functional Heads / CXOs	Flight (Economy)	2AC Train or equivalent
Senior Management	GM/ DGM/ AGM / Zonal Head/ State Head/ ZHR	Flight (Economy)	2AC Train or equivalent
Middle Management	RCM / CM / Mgr / Sr Mgr / Sr.RHR / RRM RAM/ ZACM / STC/ Branch Head (SEL)	3AC Train or Flight (Economy)*	3AC Train or equivalent
Supervisory and frontline	CO/Sr.CO/BA/Sr.BA/AB M/BM/Sr.BM RACM/RM/RAT/Sr RAT/ RHR/CPO / Tele-Caller/ Audit Exec / Audit Officer/ Data Entry Exec./ STO/ Exec./Exe-COT/ Credit Manager/ Assistant Mgr /Credit Exec. / Collection Exec./ Customer relationship Exec./ Assistant	Non-AC Sleeper Train or Equivalent	Non-AC Sleeper Train or Equivalent

**\*Provided Flight charges are within 3AC Train fare.**

Under following conditions, employees who are not entitled for air travel, can undertake air travel with prior approval from business/functional head:

- Where travel by rail / road exceeds 24 hours
- Where rail / road fare is more than or equal to air fare
- Operational exigencies

### **Travel Booking and Reimbursement:**

- Booking for Flight travel in Navachetana is centralised and to be routed through HO-Admin only.
- Proof of travel by Train or Bus to be attached with the expense statement irrespective of class of travel made. Boarding pass for flight travel is must.
- For Bus ticket valued less than Rs 40/-, employee need not enclose the proof unless specifically requested by the CM
- Travel by unreserved train tickets and payment made to TTE without bills can't be reimbursed.
- Claim of cancellation of train/bus tickets requires proof of original ticket by way of Xerox copy

- Outstation travel by Own car is allowed only for staff in Senior and top management and reimbursable at INR 10 per km for actual distance covered.
- Other staffs may travel by own car, in case of operational exigency or joint travel by multiple staffs, wherein cost is justified, such travel needs to be pre-approved by Functional head or above.

### **Boarding & Lodging**

Boarding expenses (excluding alcoholic beverages, cigarette, tobacco, pan, etc.) are reimbursed on actuals, up to specified limits-as per table given below.

Lodging expenses (excluding Phone calls made from hotel, Laundry, etc.) are reimbursed on actuals, up to specified limits-as per table given below.

- Boarding limit is on the basis of full period of Travel. The daily boarding limit shown in below table is the average rate, for the total travel days.
- The number of travel days are calculated on the basis of nights stayed. Where there is no night stay or where stay is less than 12 hours, staff are eligible to claim boarding expenses on actual, subject to applicable limits in the table.
- Any travel involving stay at single location beyond 14 days will need to be covered under deputation with functional head approval.
- In case of group travel i.e., when more than two employees travel together, and the bills are settled by one employee, the reimbursement can be made provided the bill does not exceed total limit (no. of persons X limit per person). The name and employee codes of all the employees who have shared to be mentioned on such bills.
- In case of group lunch or dinner, when more than one employee eats together, and bills are settled by one employee and it exceeds the individual's limit, the reimbursement can be made provided the total bill does not exceed combined limit. The name and employee codes of all the employees who have shared is to be mentioned on such bills.
- Duplication of claims is not permissible.

- In case of team lunch or dinner, involving Supervisor-subordinates, claim to be raised by Supervisor and not Subordinate. All such claims to be approved by Functional/Business Head or above.
- An employee on leave except due to illness during travel will not be eligible for any reimbursement/per diem on the day of leave.
- 

Level	Grade equivalents	City class	Lodging limit (excl taxes)	Food expense (per day)
Top Management	Business/Functional Heads/CXOs	Class A	Actuals	As per Actuals
		Class B	Actuals	As per Actuals
		Class C	Actuals	As per Actuals
		Class D	Actuals	As per Actuals
Senior Management	AGM/ DGM / GM / Zonal Head/State Head/ ZHR	Class A	3500	900
		Class B	3000	700
		Class C	2500	500
		Class D	2000	400
Middle management	RCM / CM / Mgr / Sr Mgr / Sr.RHR / RRM / ZACM / STC/ Branch Head (SEL) /RAM	Class A	3000	800
		Class B	2500	500
		Class C	2000	400
		Class D	1500	350
Entry Level and Junior Management (Supervisory and frontline)	CO/Sr.CO/BA/Sr.BA/ABM/BM/Sr.BM RACM/RM/RAT/Sr RAT/ RHR/CPO / Tele-Caller/ Audit Exec / Audit Officer/ Data Entry Exec./ STO/ Exec./Exe-COT/ Credit Manager/ Assistant Mgr /Credit Exec. / Collection Exec./ Collection Mgr/Customer relationship Exec./ Assistant/TL-COC	Class A	2500**/1500*	500
	**Double occupancy	Class B	2000**/1250*	400
	*Single occupancy	Class C	1500**/850*	350
		Class D	1000**/650*	300

### *Submission of Travel Expense Report (TER)*

- Within 07 working days of completing the travel, the employee is expected to submit a Travel Expense Report (TER) to the Finance Department, duly approved by his/her HOD indicating the amounts spent by him/her and amounts paid through credit extended to the company. Hotels with which the company has agreements would be covered under the above. Conveyance could be claimed by submitting a statement detailing each visit and the amount spent.
- Finance department will reimburse travel claims which are submitted within 15 days of concerned Travel completion.
- None of the travel claims submitted beyond 60 days will be entertained.
- All Hotel stay bills should have Navachetana GST number of respective State printed on it. In case of omission, the loss of input credit shall be adjusted from the Travel expense payable.
- Allowances shall be paid only against claim preferred by the employee.
- Where the claim is less than the advance taken, the employee would refund the balance and claim the balance in case the claim is more than the advance taken. This shall be done at the time of Submission of the TER. The employee shall always submit the TER along with the refund of balance advance. Deduction from salary for the same shall not be entertained.
- The reporting manager may approve any deviations from the maximum slabs of expenses as stated above, with appropriate justifications.

### *Local Conveyance*

Covers travel for official purpose using own vehicle or public transport or taxi/auto within 75 km radius of base location. (not for travel from home to office and Back)

Local conveyance is not applicable for staff who are paid Travel Allowance (TA) every month towards same purpose.

Employees using Public Transport viz., Bus/suburban trains/ Metro rail can claim reimbursement on actuals. Where such facilities are not conveniently available, Auto/taxis may be used basis authorization from functional head.

Employees using own vehicle, can claim reimbursement on actual basis “per kilometre travelled”, subject to cap indicated below. The same can be submitted as declaration on daily or weekly basis to supervisor for approval.

- Two-wheeler (Motorbike / scooter) - INR 3.5 per km. capped at INR 3500 per month
- Car – INR 10.00 per km. (entitled for employees at Senior and Top Management only).

Conveyance claims beyond monthly capped limit, will need functional head approval.

#### **For safety reasons**

- Travel by own vehicle during night to be avoided.
- Helmet is mandatory for two-wheeler riders.
- Travel by two-wheeler beyond 75 kms one way to be discouraged.

#### **Submission of Local Conveyance Claims:**

- Submission of Local conveyance claim beyond 30 days will not be entertained.
- Submission of fake or forged bills are clear acts violating integrity and hence will make staff liable for appropriate management action.
- Bills submitted without claim template (annexure) will be summarily rejected.
- Reimbursement for Public transport Trip (Bus/Train) claim will be restricted to Forty rupees in the absence of any ticket or bills.
- Reimbursement for food claim will be restricted to Hundred rupees per day in the absence of any bills.

## **9. SEPARATION**

#### **Normal Voluntary Separation:**

Normal Voluntary Resignation is when the employee voluntarily decides to move on and part with the services of the company.

- When the employee wishes to submit his/her resignation, the same has to be send to the reporting officer with copy to HR.
- The official communication on the resignation shall be acknowledged by the immediate supervisor or the appraiser; then forwarded to the reviewer and the Regional HR.
- The Regional HR shall conduct the exit interview. Efforts to retain the staff shall be made by the Regional HR in consultation with the Appraiser and Reviewer.

- The relieving date of the staff is as per the notice period required to be served for the specific band, designation, and grade.
- The relieving date shall be agreed by the Supervisor, after portfolio screening and confirmation of the same in the NOC process.
- The employee has to serve the full notice period which is applicable to his designation and grade.
- Leave balance shall not be adjusted against the notice period. Exceptions in case of medical treatment or illnesses can be considered with the approval of the Functional Head, Head HR and Executive Director.
- The exit clearance is initiated by the Regional HR in the form of NOC – No Objection Certificate, 15 days before the last working day. The NOC process shall be completed by the Central Payroll within 45 days from the date of his last working day.
- In case of normal voluntary resignation, a normal clean relieving letter is issued without any comments/annotations. The relieving letter and the full and final settlement shall be issued within 45 days from the date of his last working day.
- Waiver for shortfall in notice period should be justified by the respective Manager and thereafter recommended by Functional Head. The approval for waiver of notice period shall be made by the Head HR and Executive Director.
- If the staff fails to serve the notice period after submitting the resignation, management action shall be initiated. First letter of advice on the unauthorized absence shall be served to the permanent address of the resigned staff asking him/her to serve the notice period. Thereafter a second and final notice intimating the recovery of notice period is served after 7 days of issue of the first letter. A final termination letter is served if the resigned employee fails to serve the notice period or pay the notice period.

#### **Separation due to Absconding (Involuntary)**

This condition arises when an employee takes unauthorized leave and does not get in touch with the company on the authorization of absence despite sending warning communications on the same. The employee neither serves the notice period (as agreed upon), nor does he / she communicate/ authenticate his/her absence and also does not complete relevant separation formalities.

- On receipt of confirmed information from the Appraiser/reporting manager on the unauthorized absence of 3 continuous working days of the employee, the RHR shall try reaching the employee through phone/email for the first 2 days.
- After this, the HR advises the Payroll and Compliance Team member to raise a **warning letter/ Absence of work/First Absconding Notice** letter. The same shall be sent by registered post/courier to the permanent address of the employee, asking to report immediately after receipt of the letter.
- Communication is simultaneously sent to Admin / IT to temporarily suspend physical & network access of the employee, after the dispatch of the letter by post and mail.
- If the employee fails to report to work for the first letter sent, then a **Failure to Report / warning** letter/Second Absconding Notice is sent to the permanent residential address of the employee after 7 days of the first letter.
- If the employee reports back during any stage of the process, the respective HR
- /Manager shall investigate the case and put up a note for further course of action. If the employee shows interest to resume work depending on the case, and the Head-HR is satisfied on his/her explanation of absence, he/she is taken back on the rolls of the company and disciplinary action is not initiated. Communication is sent to Admin & IT to revoke the suspension of accesses.
- If the employee fails to report back in spite of all communication, termination letter is sent to the employee on the 7th day from the issue of 2nd letter and the employee is removed from the services of (rolls of) the company . All the 1st/2nd/3rd absconding notices/ termination letter can also be sent by email to the personal email address / mobile number officially provided to the Company.
- Full and final settlement is not processed, and relevant salaries are also not processed. However, portfolio scanning of the cluster/branch/region shall be completed by the Branch Manager/Regional Manager and recorded in the NOC format. The NOC format shall be forwarded to the Corporate Payroll for records by the immediate supervisor and the Regional HR. The portfolio scanning should be completed within 30 days of the termination due to absconding.
- Relieving letter and experience certificate shall not be issued for such absconding staff.
- Negative feedback shall be given in reference for such absconding staff.

### **PERFORMANCE BASED SEPARATION**

This is a condition where the employee is found to have very poor performance. This kind of separation arises when the staff has failed to demonstrate his/her capability to deliver the responsibilities assigned to him/her. The immediate supervisor recommends to the Regional HR in case the staff is below the level of Branch Manager and the Zonal HR if the staff is above the Regional Manager level. Based on the recommendation from the supervisor and the reviewer, the staff to be put on Performance Improvement Plan (PIP) as specified in the Performance Management System Policy.

- The staff who is put on PIP is given specific duration to improve his/her performance through the Performance Improvement Plan as per the Performance Management System Policy.
- The performance of the staff who is put on PIP shall be periodically reviewed by the Regional HR/Zonal HR along with the Supervisor and Reviewer.
- The data of the staff who are put on PIP is forwarded to the Central Committee comprising of Audit Head and Executive Director by the Zonal HR. The Committee evaluates the performance of the staff put on PIP and the same shall be forwarded for MD's concurrence.
- If the staff put on PIP expresses his willingness to resign, Functional Head may exercise his right to relieve immediately without insisting on notice period. A written communication is collected from the employee mentioning the same and is approved by the Head HR.
- If on the completion of the Performance Improvement Plan, the staff has not demonstrated any improvement in his work performance as validated by the Committee, either the staff resigns from the service or involuntary separation process is initiated.
- Notice period is not applicable, and the employee is relieved with immediate effect.
- Adjustment of leaves against notice period shortfall is not applicable.
- A normal clean relieving letter is issued without any comments / annotations.
- A normal clean experience certificate is issued without any comments/annotations.
- Full and final settlement is processed, and the employee shall receive the salary due for the notice period.



- Normal feedback is given in case of referral check

### **SEPARATION DUE TO MISCONDUCT:**

This is a condition that arises when the employee is found to have violated the Code of Conduct, General Service Conditions or failed to adhere to the Fair Practices/ failed to practice the Business Code of Ethics.

Also, this condition arises, if the employee failed to follow the Code of Conduct as agreed upon at the time of joining or practiced any act that would cause damage to the internal and external reputation of the organization or its stake holders. It also includes any behavioral misconduct by the employee towards peers / superiors & any other representative of the organization. This also includes acts such as sexual discrimination / harassment.

The Regional HR along with Zonal HR/HR Head shall decide on the management action in consultation with the Legal Officer depending upon the severity of the misconduct. The Management action and process shall be initiated with the issue of show cause notice in conformity with principles of natural justice.

The employee should give in writing confirming his action (confession letter) that led to his/her termination before closure of the formalities. This communication must be approved by the Head HR.

If the management action results in termination of the employment of staff, he/she shall not be given any relieving letter. However, NOC shall be submitted by the Supervisor and Regional HR and profile scanning has to be completed within 30 days of termination.

The data of staff who are separated due to misconduct shall be specified as 'Not-Fit-To-Rehire' in the Equifax portal. The staff who are separated due to misconduct shall be negative feedback at the time of referral check.

The employee is not expected to serve the notice period and is relieved with immediate effect.

### **Separation due to Retirement**

This condition arises when the employee completes 58 years of age and has to be relieved of services. However, this is exempted for Directors.

- The employee is intimated about his retirement /separation at least one month before his relieving date and closure of all statutory eligibilities is facilitated.
- An official communication from the employee on his retirement is sufficient.
- Notice period and leaves balance adjustment against are not applicable.
- Normal relieving letter and normal experience certificates are issued.
- Full and final settlement is processed
- The Full and Final Settlement would include all dues from the company to the employee with reference to the employee's statutory eligibility.

### **Separation Due To Death**

This condition arises at the event of death of an employee while still in the services of the company.

- Relevant documents (death certificates// application et al) are received from the employee's relatives and closure of all statutory eligibilities is (PF, Gratuity et al) facilitated within 30 working days from the date of death
- Collect the death certificate from the legal heir/ nominee/relatives
- Fill all the necessary claim forms for Provident fund, Gratuity and Group Insurance etc.
- Cancellation of Signing Authority (Internal & External) on the ground of death
- Cancellation of power of attorney on the ground of death
- Full and final settlement is processed and would include all dues from the company to the employee with reference to the employee's statutory eligibility.

### **Separation due Permanent Disablement**

This condition arises in the event of the employee being permanently disabled due to some reason, while still in the services of the company.

- The employee is relieved with immediate effect.
- Notice period and leaves balance adjustment against are not applicable.
- Normal relieving letter and normal experience certificates are issued.

- Full and final settlement is processed and the employee shall receive the salary due for the notice period.
- The Full and Final Settlement would include all dues from the company to the employee, but the employee is not paid for the notice period.

## **EXIT PROCESS**

### **Notice Period**

Employees who desire to resign are expected to fulfill the terms and conditions of employment as per the clause of their appointment letter. While a supervisor can accept verbal notice, written notice is mandatory.

During the notice period, the employee must follow all the company policies, procedures and expectations with regard to performance and conduct. The employee must meet with the supervisor to discuss a transition plan for the employee's duties.

In case of dismissal, the notice must include the effective date of termination (when the employee will cease the employment relationship). The respective supervisor should send an email to HR clearly indicating the name of the employee, branch/department and date from which the dismissal is effective. Then, HR will issue a letter of dismissal or termination.

While serving the notice period subsequent to dismissal notice served, the employee will continue to be present at work and follow all the company policies, procedures and expectations with regard to conduct from the date of the notice through the date of dismissal. If the employee requests a leave, the absence is subject to approval by the respective supervisor and based on work).

Notice Period waiver can be recommended by the Functional Head, but the final decision would be with Head HR and Executive Director. Waiving for one employee leads to other employees citing cases to HR requesting for the same.

In case employee has any kind of recovery to be paid to the company, the relieving letter or experience certificate will not be given

### **Expectations During Exit**

The employee must return all company assets/property/receivables prior to the last day of work. This includes Employee ID card, Sim Card, laptop and any document lying at his/her end (Exit Clearance

form Enclosed). Full and final settlement of employees' who have resigned on clear terms as per the conditions of employment will be processed after a clearance form is received at HR primarily from the respective department and from various other departments as applicable. In the case of staffs who have been dismissed, their full and final settlement will be processed within a period of 1 week from the date of effective termination, and this again is subject to clearance received from the respective supervisor, and audit department.

### **Exit Interview**

The Regional HR shall perform the Exit Interview for the staff below the level of Regional Manager and submit the monthly consolidated Exit Interview Analysis to the Zonal HR and Head HR. The consolidated report shall also contain the analytical views and recommendations for further management action and consideration.

For staff above the level of Regional Manager, the Zonal HR shall conduct the Exit Interview and submit the monthly consolidated Exit Interview Analysis for further management action and consideration.

### **Clearance – No Objection Certificate:**

- The process of exit clearance shall start 15 days before the last working date in case of normal or voluntary resignation.
- Intimation to IT Support and IT Infrastructure Team: The last working date in case of normal voluntary separation shall be intimated to the IT department 15 days before the last working date. In all other separations, intimation to IT Team to block the access to the applications and email communications shall be sent on daily basis.
- From Supervisor's end: The immediate supervisor or the Appraiser shall complete the portfolio screening and forward the overdues of the Sales Officer / Sales Executives and cluster diligence report in the NOC. The cluster due diligence report shall contain the following information:
  - Cluster Name & Employee Code
  - Number of Clients
  - Current Cluster POS (as on date)
  - Overdue
- The No Objection Certificate shall contain the handing over & taken over details. This shall include IT Assets, SIM Card, Cluster handed over by the resigned employee and taken over

by the succeeding staff. The succeeding staff's employee code and name shall be mentioned in the NOC.

**Full and Final Settlement Process:**

As soon as exit clearance is received in the form of NOC, the payroll team shall perform the following:

- Verification of Staff Loan balance
- Verification on Surety Loan provided by the staff 3, Verification on the Notice Period served
- Data on Salary and other payment Hold details
- Payment recovery/Other Deduction details check.
- The Full and Final Settlement sheet shall be verified by the Accounts Department and then forwarded to the ex-employee through the respective Regional HR.
- Once ex-employee acknowledges his/her Full and Final Settlement sheet with his/her signature on the one-rupee revenue stamp, the payroll team shall share the Full and Final Settlement Sheet to the Accounts Department for release of payment.