

# Leave Policy

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## **TVS Credit Services Limited**

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**Objective:**

The objective of this policy is to foster the well-being of employees by providing clear and comprehensive guidelines for taking leave.

**Coverage:**

The policy is applicable to all full-time employees of the organization.

**Earned Leave (EL):**

The company acknowledges the importance of taking personal time off, therefore, all employees are encouraged to take their leave each year.

**Entitlement:**

- Employees are entitled to eighteen days of earned leave in a financial year
- Leave would be credited on pro-rata basis for each month of completed service
- It is recommended that employees apply for such leave at least seven days in advance after discussion with the reporting manager to ensure business continuity
- Employee can carry forward all the 18 days of EL to the next year

**Casual Leave (CL):****Entitlement:**

- Employees are entitled to six days of casual leave in a financial year
- CL will be credited in advance at the beginning of the year or on date of joining on pro-rata basis as applicable
- Half day CL shall be permissible. Any employee absenting from duties for more than four hours on a working day would be required to apply for casual leave
- In case an employee has exhausted CL they need to apply EL
- It is recommended that employees apply for such leave at least a day in advance after discussion with the reporting manager to ensure business continuity
- In circumstances where employees are unable to apply prior to taking leave they would need to apply for such leave within two days of resuming work
- The CL would lapse in the same FY and there would be no Carry Forward or Encashment

**Sick Leave (SL):**

Sick leave can be used for the employee's illness or injury. For any other reasons one should be availing other leaves type.

**Entitlement:**

- Employees are entitled to twelve days of sick leave in a financial year
- Sick leaves will be credited in advance at the beginning of the year or on date of joining on pro-rata basis as applicable
- Sick leave for 3 continuous days or more needs to be supported by a medical certificate from a registered medical practitioner
- If sick leave is more than 36 days, under any medical conditions that require prolonged bed rest and hospitalization beyond the said period will be reviewed. The Company has the right to take appropriate decision, including termination on health grounds as per the recommendation of the medical board or registered medical practitioner as decided by the Company
- Employees are expected to apply for such leaves within two business days of resuming work
- Management reserves the right to direct an employee to undertake necessary medical examination(s) under the supervision of designated doctor(s) and at such medical facilities as it deems fit to satisfy itself regarding employees, medical fitness and/or for any discretionary dispensation
- Employees can carry forward all twelve days of SL from the current year
- SL are not encashable

**Accumulation of Leave:**

- Accumulation of EL can be done up to a maximum of 45 days
- Accumulation of SL can be done up to a maximum of 36 days
- Accumulation of CL is not permitted

**Encashment of Leave:**

- Encashment of EL will be done for over and above the said limit as on 31st March
- Encashment will be processed along with the March salary basis their basic salary
- Exited employee's leave will be encashed basis their last drawn basic salary along with the full & final settlement
- If an employee opts for partial leave encashment from their accumulated leave balance during the course of the year, last drawn basic salary will be reckoned for encashment.
- Leave encashment is subject to applicable income tax rule

**Mandatory Leave:**

- All employees are encouraged to take a minimum of six days of leave in a year
- Leaves can be taken with flexibility and need not be in a block

**Maternity Leave (ML)****Entitlement:**

- Maternity Leave (ML) is applicable to all women employees from the date of joining
- The provision for ML is governed by the terms of Maternity Benefits Act, 1961
- Entitlement of ML is 30 weeks (26 weeks as per statutory requirement plus 4 weeks of illness leave to cater to any illness arising out of pregnancy or to take care of newborn), including weekly offs and paid holidays starting from and up to eight weeks prior to the expected date of delivery (including the date of delivery) or following the date of delivery up to two children
- ML illness leave must be supported by necessary medical documentation
- If ML is availed an employee is entitled to club Sick Leave, Earned Leave or Casual Leave with it
- ML cannot be split /availed of at different time intervals. This must be taken at one stretch

**Leave for Miscarriage:**

- In the event of miscarriage, an employee can avail leave for 6 weeks from the date of miscarriage
- Employees are required to submit a medical certificate from a registered medical practitioner, to avail this leave

**Application for Maternity Leave:**

- Should an employee wish to proceed on ML, she is required to submit a certificate from a registered medical practitioner minimum 15 days prior to the date on which maternity leave is expected to commence
- ML as applicable is credited to the employee's account only upon request. Such requests are to be sent to the HR department
- Employee proceeding on maternity leave to ensure handover of all pending work are completed in advance to ensure continuity of business

**Accumulation:**

- Accumulation of ML is not allowed

**Encashment:**

- Encashment of ML is not allowed

**Leave for Paternity:**

- An employee is entitled to avail 6 days of paternity leave for the first two children
- Paternity leave can be split and availed, one month prior/after the date of child birth
- There would be no carry forward or encashment for this leave

**Leave for Adoption:**

- An employee is entitled to avail 12 weeks of adoption leave for the first two children
- Adoption leave can be split and availed this has to be taken within a month of adoption
- There would be no carry forward or encashment for this leave
- Employee would need to provide proof of adoption

**Pre - Transfer & Transfer Leave:****Purpose:**

This leave is provided to new hires/ existing employees, only upon company relocation and is applicable once for each relocation transfer

**Entitlement:**

- All employees are entitled to 3 days of pre-transfer leave, with the purpose of familiarizing themselves with the new location, prior to actual relocation
- In addition, employees are entitled to another 3 days of Transfer Leave, upon actual relocation

**Date of Credit:**

- Both, pre-transfer and transfer leave are credited to the employee's account, on request after approval from reporting Manager and Human Resources department.

**Proration:**

- Both, Pre-transfer Leave & Transfer leave are not pro-rated.

**Time Limit:**

- If an employee wishes to proceed on Pre-transfer/Transfer Leave, he/she is required to apply for such leave at least 3 working days prior to the actual date of leave after discussing with the reporting manager

**Clubbing of Leave:**

- If Pre-transfer / Transfer Leave is availed, an employee is entitled to club either EL or CL to the max of 3 days with prior approval of reporting manager

**Accumulation:**

- The pre-transfer Leave, if not utilized within 1 month, prior to the effective date of transfer, shall lapse. Likewise, the Transfer Leave, if not utilized within 30 days, from the effective date of transfer, shall lapse

**Encashment:**

- Encashment of Both, Pre-transfer Leave & Transfer is not allowed

**Compensatory Off (C-off):**

Employee may be required to work on public holidays or on weekends. In such a case the employee will be entitled to compensatory off in lieu of working on a holiday

- Employees in level F1 to M2 & A1 to A3 are eligible for compensatory off
- Compensatory off can be availed only when the supervisor at his/her discretion requests the employee to work on holiday/weekend. The employee cannot decide to work on a holiday and then seek compensatory off
- While approving the C-off, the supervisor has to ensure that the entire teams of particular location/ operation do not avail C-off on the same day as it may affect the business operation
- If an employee is working during weekly off or public holiday, he needs to work:
  - I. Min of 4 hrs for 1/2 day's compensatory off
  - II. Min of 8 hrs for 1 day's compensatory off
- Validity of a compensatory off will be 45 days after which they will be lapsed
- A maximum of 3 compensatory offs can be availed in a month by an employee
- Compensatory Off is not encashable. Such Off's cannot be adjusted against the notice period at the time of an employee leaving the organization
- It is mandatory to record such leaves in Bandhan
- Clubbing of such leave is prohibited

**Leave during Notice Period:**

- While serving notice period, an employee shall not be entitled to avail leave. However, if employee avails leave, the tenure of notice period may be extended to the extent of leave availed
- In circumstances where an employee resigns, any leave availed, over and above the prorated entitlement shall be first adjusted against the accumulated SL & EL, if any, shall be recovered at the rate of gross salary per day, through the Full & Final settlement of the employee
- Leave shall continue to accrue during an employee's notice period. Earned leave, if any, during such notice period can be encashed and this amount shall be part of the employee's Full & Final settlement
- The deemed attendance would not be enabled during notice period. The employee will have to regularize their attendance till LWD else this it would be considered as LWP

**Application of Leave:**

- To ensure smooth functioning of the business it is important that employee leave is planned
- It is the responsibility of the employee to apply for leave in Bandhan for proper authorization

**Other terms and conditions:**

- The leave calendar we follow would be basis the financial year of April to March
- Auto-attendance has been enabled for level O1 & above and for others employee will have to ensure regularization
- Regularization of attendance such as leave, Comp off, permission, on-duty etc. for the period from 21st of the previous month to 20th of the current month must be done online on or before 23rd of the current month
- Any request made after 23rd will not be considered for that month's payroll processing and will result in Leave without pay
- In case of ratification of attendance, the online request should be made within 30 days from the date of availing leave / Comp off / permission / on-duty for repayment. Any ratification post 30 days and any form of request for repayment thereafter will not be entertained
- Any unauthorized leave will be viewed seriously, and appropriate action will be initiated by the organization
- Excess leave and leaves without prior approval or leaves that are not applied on time shall be considered as leave without pay
- Intervening holidays during the leave period (Saturdays, Sundays & Public Holidays), shall not be included as part of leave except maternity leave.

## **Responsibilities**

- Employee: To apply for Leave within stipulated timelines
- Reporting Manager: To approve / reject leave, judiciously and within reasonable timelines

## **New Joinees/Probationers:**

In case of new joiner, leave is calculated and credited in advance on Prorata basis as given below:

- Employees joining on or before 15th of the month shall be eligible for full leave credit for that month and employees joining on or after 16th of the month shall not be eligible for leave credit for that month
- Similarly, employees leaving the services of the company on or before 15th of the month shall not be eligible for leave credit for that month and employees leaving the services of the company on or after 16th of the month shall be eligible for full leave credit for that month

## **Public Holidays:**

The company observes certain paid statutory and public holidays gazette by the Government of India. The company shall observe 11 holidays during the year.

The list of 11 fixed holidays will be stipulated by the Human Resources Department and declared and communicated at the beginning of the calendar year. These holidays can be location specific. In addition to the above fixed holidays employees can choose an additional 2 restricted holiday based on their preference and the approval for the same will need to be taken from the reporting manager and applied in the HR system.

**Note:** Restricted Holidays can be chosen from the list of holidays which would be published by the Human Resources Department. The Human Resources Department reserves the right to amend the holiday list published.