
Separation by Termination – Policy

Version 1.0

Date : 1st December, 2024



Introduction & Background

At Zignuts Technolab, our goal is to foster a productive, respectful, and fair work environment. However, there may be occasions where employee termination is necessary, either due to voluntary separation (graceful termination) or due to disciplinary issues or voluntary abandonment of service that impact our workplace standards and values. This policy outlines the processes of termination, the expectations for employees, and the guidelines for handling each type respectfully and professionally.

This policy ensures that Zignuts Technolab Pvt. Ltd. maintains a respectful, transparent, and lawful approach to termination, supporting both organizational goals and employee dignity.

Please note that all other policies and documents remain unchanged. This means that aside from the updates mentioned here, all other company policies, rules, and documents continue to apply as they were before. Employees should continue to follow the existing guidelines in other areas, unless specifically stated otherwise.



Separation by Termination

Overview

This policy aims to:

- Define the situations and criteria that may lead to termination.
- Ensure clarity and transparency in the termination process.
- Support both the organization and employees in handling termination fairly and respectfully.
- Maintain the integrity, safety, and productivity of our workplace.



Types of Termination

- Graceful Termination
- Termination Due to Disciplinary Actions
- Voluntary Abandonment of Service



Important Terms

Notice Period Guidelines (If applicable)

In case of termination, any leaves taken by the employee/intern will be considered as leave without pay (LWP). Any kind of leaves during the notice period are not acceptable. Leave taken for any reason will result in extending the last working day or will result in LWP depending upon the circumstances and at the discretion of the company.

Data Protection and Confidentiality Obligations

Employees must adhere to confidentiality obligations even after the termination of their employment. Please note that you must have signed a Non-Disclosure Agreement at the time of joining or anytime during your employment with Zignuts. The terms of NDA also apply even after you leave Zignuts. Any unauthorized disclosure or misuse of sensitive information could lead to legal action under applicable laws of India.

Legal Liability for Breach of Contract

Employees found in breach of their contractual obligations, such as violating non-compete or non-solicitation clauses, may face legal action in accordance with Indian laws.

Penalties and Consequences

As per the terms and conditions outlined in the service agreement or the appointment letter or this policy, voluntary abandonment of service may result in penalties. Additionally, the company reserves the right to withhold any outstanding salary and the issuance of any official documents such as an experience letter, relieving letter, or any other certification related to the employee's service. Further, legal actions may be initiated against the employee under the prevailing laws of India.



Graceful Termination

Graceful termination, also known as "**discontinuation of service**" or "**layoff**", refers to situations where initiating the termination is due to non-disciplinary reasons.

Employer-initiated graceful terminations may occur when a role is discontinued or deemed no longer suitable due to factors such as but not limited to redundancy, role restructuring, or other business needs. This process allows employees to exit the company in a dignified and professional manner.

Rationale

This type of termination often arises when the employer identifies a need for organizational restructuring. In such cases, there may be a mutual agreement for separation, respecting both the employee's contributions and future aspirations.



Process for Interns:

1 – Notices/Warnings

When the performance of the intern does not meet the expected standards or the intern's behaviour and conduct is found to be not professional, the Mentor/Manager or the HR sends formal notices/warnings to the concerned intern. Intern is given a reasonable time to improve their performance before further actions are initiated.

2 – Initiating Discussion

The process begins when the Manager/Mentor and the HR or only the HR initiates a formal discussion with the employee regarding the termination. This conversation is intended to confirm the reasons behind the decision, which may stem from factors such as performance or behavioural issues, organizational restructuring, role redundancy, changes in business needs or any other. During this meeting, the employee is provided with a clear explanation of the termination process, ensuring that the employee understands the rationale and the steps involved. The company values transparency and professionalism, so any questions or concerns from the employee are addressed respectfully at this stage.

3 – Provision of Notice Period

Once the termination decision is confirmed, the HR provides notice to the employee. In cases of graceful termination for interns, while a notice period is not mandatory, intern may be allocated a certain number of days for the Handover/Turnover (HOTO) process or any other processes. The duration of this period will be determined on a case-by-case

basis, taking into consideration individual circumstances, dependencies, and other relevant factors.

4 – Return of Company Property

As part of the termination process, the intern is required to return all company-owned property with good condition in person at the office on their designated Last Working Day (LWD), as specified by the HR. This includes, but is not limited to, company-issued equipment such as laptops, mobile devices, access cards, ID badges, and any documents, files, or materials related to the employee's role.

5 – Completion of Clearance Procedures

The HR department coordinates with relevant departments, including IT, finance, and facilities, to complete the necessary clearance procedures. This may involve revoking system access, archiving email accounts, and finalizing administrative tasks. The intern is responsible for getting the required clearances from the concerned departments before the final clearance is issued by the HR.

6 – Final Settlement and Compensation

In the case of a graceful termination, the intern will be eligible to receive any outstanding stipend, along with relevant documents issued by the company, such as internship certificate.



Process for Full Time Employees:

1 – Notices/Warnings

When the performance of the employee does not meet the expected standards or the behaviour and conduct is found to be not professional, the Manager and/or the HR sends formal notices/warnings to the concerned employee. The employee is given a reasonable time to improve their performance/conduct before further actions are initiated. This step is optional and it is only applicable to cases related to performance or behaviour.

2 – Initiating Discussion

The process begins when the Manager and/or the HR initiates a formal discussion with the employee regarding the termination. This conversation is intended to confirm the reasons behind the decision, which may stem from factors such as organizational restructuring, role redundancy, changes in business needs or any other. During this meeting, the employee is provided with a clear explanation of the termination process, ensuring that the employee understands the rationale and the steps involved. The company values transparency and professionalism, so any questions or concerns from the employee are addressed respectfully at this stage.

3 – Provision of Notice Period

Once the termination decision is confirmed, the HR provides notice to the employee. In cases of graceful termination, while a notice period is not mandatory, the employer may choose to allocate a certain number of days between 15-60 days, for the outgoing employee to find out a suitable opportunity elsewhere, for the Handover/Turnover (HOTO)

process or any other processes. In certain circumstances, the company may choose to pay severances in lieu of the notice period. The duration of this period and amount of

severances, if any, will be determined on a case-by-case basis, taking into consideration individual circumstances, dependencies, and other relevant factors.

4 – Handover and Knowledge Transfer

During the notice period, the team lead/supervisor/manager will guide and ensure that a thorough handover process is followed. This involves assigning the employee tasks related to documenting and transferring project details, sharing relevant client information, or training other team members, as needed. The aim of this process is to reduce any potential impact on productivity and maintain seamless continuity in projects and client interactions.

5 – Return of Company Property

As part of the termination process, the employee is required to return all company-owned property with good condition in person at the office on their designated Last Working Day (LWD), as specified by the HR. This includes, but is not limited to, company-issued equipment such as laptops, mobile devices, access cards, ID badges, and any documents, files, or materials related to the employee's role.

6 – Completion of Clearance Procedures

The HR department coordinates with relevant departments, including IT, finance, and facilities, to complete the necessary clearance procedures. This may involve revoking system access, archiving email accounts, and finalizing administrative tasks. The employee is responsible for getting the required clearances from the concerned departments before the final clearance is issued by the HR before the LWD.

7 – Final Settlement and Compensation

In the case of a graceful termination, the employee will be eligible to receive any outstanding salary, along with relevant documents issued by the employer, such as an experience letter and a relieving letter.



Termination Due to Disciplinary Actions

Termination due to disciplinary actions, also known as **“firing”** arises when an employee’s conduct violates company policies, standards, ethical expectations or violation of the code of conduct.

Rational

The company is committed to upholding high standards of conduct, ensuring a safe and respectful environment for all employees. When disciplinary actions are required, it’s a step taken only after careful review to protect the company’s integrity and team morale.

These may include, but are not limited to, misconduct, insubordination, unethical behavior, fraud, violation of company policies, confidentiality breaches, harassment, violation of the code of conduct and poor performance that persists despite counseling or corrective efforts.



Process:

1 – Investigation

Upon identifying potential misconduct, an investigation is conducted to confirm the facts. This may involve reviewing evidence, interviewing involved parties, and consulting relevant records. The investigation is carried out by a team, consisting but not limited to, one or more members from the top management, immediate supervisor and manager of the employee, HR Head/Manager and optionally the employee's subordinates or peers, objectively and confidentially, respecting the privacy of all individuals involved, and adhering to company policies.

2 – Counseling and Warnings

For first-time or minor offenses, the HR may decide to provide counseling or issue warnings instead of immediate termination. Counseling allows the company to guide the employee on expected standards of behavior and the consequences of failing to meet these expectations. Depending on the severity of the offense, a verbal or written warning may be issued, which is documented in the employee's record. This step allows the employee an opportunity to correct their behavior while understanding the company's expectations. However, in cases where offenses are severe or repeated, this step may be bypassed, and termination may be considered directly.

3 – Termination Decision

After the investigation is complete, counseling and warnings have been done, a core team, consisting but not limited to, one or more members from the top management, senior employees and HR Head/Manager, reviews the findings and makes a decision regarding termination. This decision is based on the severity of the case, past behavior, and the impact of the misconduct on the organization. Once a decision is reached, the employer prepares a detailed explanation of the reasons behind the termination to ensure clarity and transparency. This rationale is shared with the employee in a formal meeting/via email, during/through which the employee is informed of the decision, along with the reasons for separation.

4 – Immediate Action (If Applicable)

In cases involving gross misconduct, such as fraud, theft, harassment, or actions that compromise the safety and security of the workplace, immediate termination may be necessary. If the employee's continued presence could disrupt the work environment or pose a risk to others, the company may proceed with immediate termination without the usual notice period. This decision is typically reserved for the most serious violations of company policy. Immediate action ensures a safe and productive work environment and is carried out in accordance with company policy.

In cases of gross misconduct or where the presence of the employee could disrupt the work environment, immediate effective termination without notice may be applied.

5 – Final Settlement and Compensation

The company reserves the right to withhold any outstanding salary and the issuance of any official documents such as an experience letter, relieving letter, or any other certification related to the employee's service in cases of termination due to disciplinary actions or in cases of immediate effective termination.



Voluntary Abandonment of Service

It refers to a situation in which an employee willingly and intentionally discontinues their employment without formally resigning or following the established procedures for departure. This could involve the employee not showing up for work, failing to communicate their absence or intentions, and essentially leaving the job without any formal notice or explanation.

Rational

"Voluntary Abandonment of Service" refers to an employee's choice to leave without formal notice, impacting company operations and team productivity.

In such situations, the employee may be subject to penalties in accordance with the terms and conditions outlined in the service agreement (if the employee is under service agreement) or in the appointment letter or as per employee separation policy. It's important to note that the other terms and conditions specified in the agreement will remain unchanged.



Process:

1 – Identification of Voluntary Abandonment

Voluntary abandonment of service occurs when an employee leaves their position without formally resigning, providing any notice, or following the established exit procedures. The most common indicators of voluntary abandonment include prolonged and unexplained absence from work, failure to respond to communication attempts, or any other actions suggesting that the employee has no intention of continuing their employment.

2 – Initial Notification and Attempted Communication

When voluntary abandonment is suspected, the company initiates immediate communication with the employee to verify their status. This involves HR or the employee's direct manager/supervisor/team lead reaching out to the employee through multiple channels, such as phone calls, emails, or text messages, requesting an explanation for their absence.

3 – Declaration of Voluntary Abandonment

Once the efforts to communicate with the employee fails and/or the employee fails to respond back within 3 days, it will be confirmed that the employee has voluntarily abandoned their position, the company will issue a formal notice. This notice will specify that the employee's actions constitute voluntary abandonment of service.

4 – Conclusion of Employment

Following the formal declaration of voluntary abandonment, the employee's employment with the company is considered terminated. The company reserves the right to withhold any outstanding salary and the issuance of any official documents such as an experience letter, relieving letter, or any other certification related to the employee's service in cases of Voluntary Abandonment.



Confidentiality and Documentation for any type of Termination

The termination process is handled with strict confidentiality to protect the privacy and dignity of the departing employee. All discussions, meetings, and documentation related to termination are accessible only to those directly involved, such as the HR department, management, team leads/managers (if necessary) and legal advisors (if necessary). Confidentiality ensures that sensitive information is not disclosed to other employees or external parties, thereby safeguarding both the individual's privacy and the company's reputation.



FAQs

1. What is the applicable notice period if I am terminated from my position?

The notice period for termination varies depending on your position, tenure, and the specific circumstances surrounding the termination. However, if you are terminated due to disciplinary reasons, the company reserves the right to waive the notice period requirement.

2. If I am terminated, how will the company determine the number of days for which I shall be provided a salary? Will I receive official documents, such as an experience or relieving letter, regardless of the termination type?

In cases of graceful termination, the company shall provide salary for the days worked, calculated based on the number of working days, and shall issue documents like experience and relieving letters.

However, if termination occurs due to disciplinary issues or if you voluntarily abandon your position, the company reserves the right to withhold any outstanding salary and official documents, including experience and relieving letters or other certifications of service.

3. Under what circumstances might I face immediate termination without notice?

Immediate termination without notice may occur in cases of gross misconduct, such as fraud, harassment, theft, insubordination or actions that could harm the company or other employees.

4. What types of termination might I face at Zignuts Technolab?

- **Graceful Termination:** This occurs for non-disciplinary reasons, such as redundancy, role restructuring, or business needs, allowing for a professional exit.
- **Termination Due to Disciplinary Actions:** This type of termination is based on policy violations, misconduct, or ethical breaches.
- **Voluntary Abandonment of Service:** This applies if you leave the job without formal notice, fail to communicate your absence, or don't follow the exit procedures.

5. What steps will the company take if I am an intern and my performance does not meet expectations?

If your performance as an intern does not meet expectations, you will first receive a notice or warning to improve. Following that, if necessary, HR or your mentor/manager will hold a formal discussion. Based on the specific case, a notice period shall be provided, and you will be required to complete all handovers, return company property, and clear final formalities before your last working day.

6. Will I receive a notice period if I am terminated?

- **Graceful Termination:** Yes, in most cases, HR may offer a notice period of 15-60 days or provide severance pay in lieu of notice based on the situation.
- **Disciplinary Actions:** For serious policy violations, immediate termination without notice may apply.
- **Interns:** A specific handover period may be provided but isn't mandatory.

7. If I am terminated, shall I receive final documents such as an experience letter or relieving letter?

In cases of graceful termination, you shall be entitled to an experience and relieving letter. However, in cases of voluntary abandonment or termination due to disciplinary actions, the company reserves the right to withhold documents based on the situation and contractual terms.

8. How will the company maintain confidentiality during the termination process?

The company handles the termination process discreetly to protect your privacy. Only HR, management, and directly involved personnel (team lead, manager, supervisor, mentor) shall have access to termination-related information.

9. Are legal actions possible if I abandon my job or violate my contract?

Yes, depending on the case, the company may pursue legal actions under applicable Indian laws if you breach contract terms, abandon your position, or engage in misconduct.



Consequences of Policy Violation

Non-compliance with this policy may result in appropriate disciplinary actions.



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