



Separation Policy



Disclaimer and confidentiality notice

The policy contained herein, which is applied in accordance with applicable regulations, has been adapted to the extent it is applicable by Bhavna Software India Private Limited (herein referred to as “Bhavna Corp”) in India and is being provided for information purpose(s) only. Unless otherwise specified in this policy, references to “we”, “our” or “organization” are references to Bhavna Corp. Bhavna Corp reserves the right to edit, modify, revise, discontinue or amend this procedure as may be deemed appropriate at any time in whole or in part, for any reason and without prior notice, consent or approval. As such a policy pertains to the personnel of Bhavna Corp and has absolute discretion to make the sole and final decision of any and all issues arising out of this policy. This policy contains proprietary and confidential information of Bhavna Corp and is for internal use and distribution only.

Document History

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Contents

1.0 Objective:	4
2.0 Scope:	4
3.0 Types of Separation Policy:	4
3.1 Voluntary:	4
3.1.1 Exit Process:	4
3.1.2 Exit Procedure:	5
3.1.3 Exit Clearance:	5
3.1.4 Full & Final Settlement Process:	6
3.2 In Voluntary:	7
3.2.1 Unauthorized Absence:	9
4.0 Policy Revision:	10
5.0 Exception Handling:	10
6.0 Reference Documents:	10



1.0 Objective:

To ensure smooth transition following an employee's separation from the organization.

Employees may be separated from employment voluntarily through resignation, job abandonment, sabbatical, or other extended leave or involuntarily through termination, layoff, or position elimination. When this occurs, both the departing employee and the departing employee's reporting manager are required to take specific steps to ensure the employee's and the organization's rights and responsibilities are respected.

2.0 Scope:

This policy applies to all full-time employees, Trainees and Consultants of Bhavna Corp.

3.0 Types of Separation Policy:

- Voluntary
- Involuntary

3.1 Voluntary:

Any team member leaving Bhavna Corp is a loss of knowledge and value for Bhavna Corp. Our attempt will always be to retain our talent and make all efforts to do so. In the event a team member decides to leave Bhavna Corp, we should understand their reasons in depth and learn their perspective.

3.1.1 Exit Process:

- A detailed exit process is carried out for all team members leaving Bhavna Corp. This is necessary from security, financial, administration, asset management, and information management perspective. The exit process applies to all team members leaving Bhavna Corp, whether they are permanent employees or consultants with Bhavna Corp.

Submission Of Resignation:

- In the event the employee decides to resign from the organization, after having an initial discussion with their reporting Manager, the employee has to initiate the resignation process through HRMS system.

Notice Period

- In case the employee wishes to terminate their employment with Bhavna Corp, they must give a notice based on the separation clause mentioned in their appointment letter to allow reasonable time for proper handover of duties and subsequent identification of a suitable replacement, based on the Hiring and Screening Policy. All leaves will be treated based on the Attendance and Leave Policy. However, if the employee wishes to leave the organization earlier, based on the approval of the reporting manager, they are expected to pay the organization in lieu of the shortage in the notice period. A waiver (partial or full) may be made in the notice period only under special circumstances, and only on approval by the CEO. Bhavna Corp reserves the right to terminate the services of an employee as per clauses in their appointment letter.

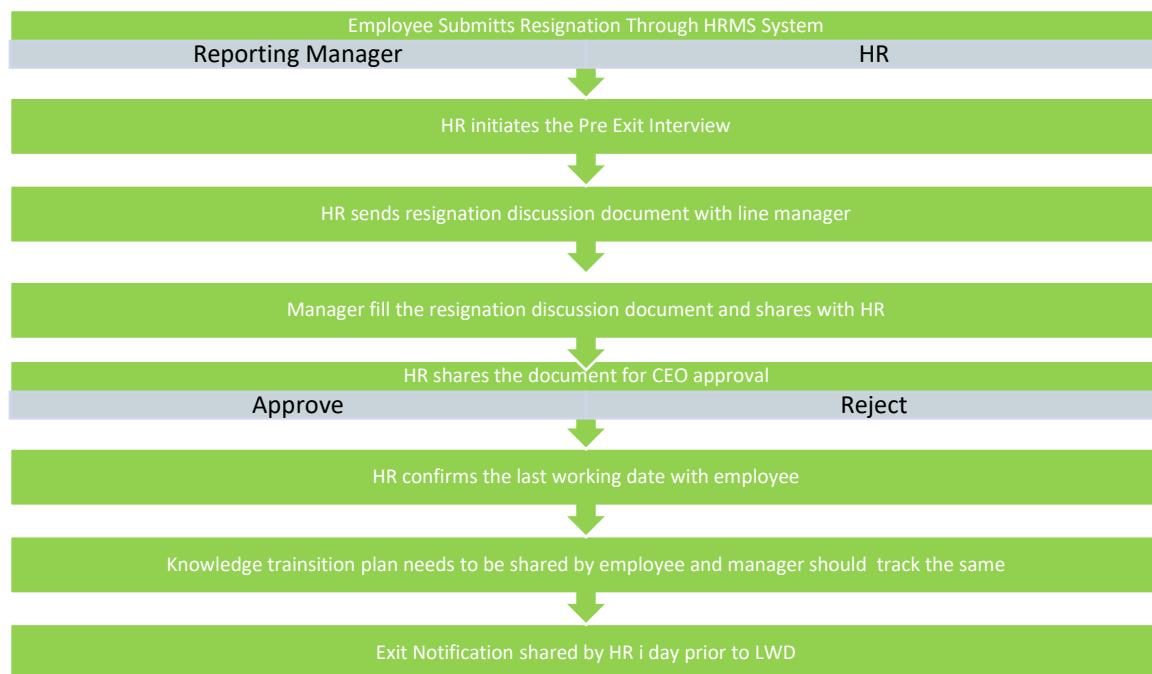
Relieving Process:

- When a team member resigns, the Manager should attempt to understand the reasons and identify means to retain the team member. In case there is no possibility of retaining a team member the exit process should be initiated. The notice period to be served will be as per the agreement.
- During the notice period, it is essential that the necessary project-related information is transferred to another designated team member under the supervision of the Manager.

3.1.2 Exit Procedure:

- Employees initiate the resignation process by submitting the resignation through HRMS (Adrenalin) system.
- On receipt of the resignation letter, HR will conduct the pre-exit interview. Exit interview records are important because they capture the perception of the people who are leaving the organization. The exit interview discussion with the team members is documented and will be shared with the reporting manager and department head.
- HR sends out the resignation discussion document to the employee's reporting manager, within 2 business days from the receipt of the resignation, to be filled and shared for initiating resignation approval from the CEO.
- The Reporting Manager fills in and shares the completed resignation discussion document with HR within 2 days from the receipt of the resignation discussion document.
- HR shares discussion updates with the CEO within 2 business days from the receipt of the resignation and request for approval.
- The reporting manager communicates the last working day to the employee post approval from the CEO copying the reporting manager and department head.
- The reporting manager tracks the transition plan and communicates any changes on the last working day to the employee, hr@bhavnacorp.com, and the department head at the earliest.
- Transition needs to be completed as per the timelines outlined in the knowledge transfer document shared with them. Otherwise, the last working date shall be extended based on pending items mentioned in the knowledge transfer document at the discretion of their reporting manager.
- Exit notification was initiated by the HR team a day before the last working day.

Exit Procedure Flow Chart:



3.1.3 Exit Clearance:

In order to facilitate the smooth separation of employees from Bhavna Corp we are providing below a few guidelines for completing the “Exit Clearance Process”.



- Pre-Exit Formalities- Initiated one day before the Last Working Day of the employee.
 - ✓ HR sends an email to IT, Operations, Timesheet, RM, and Executive team for the access removal.
 - ✓ HR connects with the separating employee a day prior to the exit interview. The exit interview analysis would throw light on how the work, the management, and the manager are perceived by the team members. These could serve as inputs for improvement programs - both for Bhavna Corp and the Managers themselves. The exit interview will also facilitate the process of returning all company assets such as laptops, mobile phones, security passes, company cards, etc.
 - ✓ An email notification along with the exit feedback form, and checklist is sent to the employee a day prior to their last working day regarding –
 - Submission of their tax declaration proof if anything is pending in the HRMS portal.
 - Handing over all the organization property assigned to the employee during their tenure on the last working day.
- On The Day of Exit-
 - ✓ Employees need to get clearance from RM, IT, Operations, and HR team
 - ✓ It is the employee's responsibility to submit the tax proof on/before the last working day and any delay or failure in submission will strictly not be considered.

Note: After the last working day with Bhavna Corp the exited employee will not have access to the HRMS portal.

3.1.4 Full & Final Settlement Process:

- The team member is to get the necessary signoffs on the clearance form from the concerned departments and hand over the necessary documents for his/her relieving to HR on the last working day for his/her final settlement.
- HR will give all the required input needed to process the full and final settlement of the team member like accrued leave, any loans to be recovered, loss of pay, any asset damage/loss deductions, pay in lieu of notice, etc. to the payroll team.
- The team member's final settlement will be processed once all documents are received and submitted to the F&A/payroll team. The F&A/payroll team will ensure that the team members' final settlements are carried out within 30 days after the exit.
- Recovery towards Shortfall in Notice Period & Payment of Earned Leaves: Both will be prorated as per the number of days. Encashment of earned leave will be based on the basic salary and shortfall in notice period recovery will be based on the Gross Salary outlined in the appointment letter or last appraisal letter along with applicable statutory taxes (e.g. service tax, cess amount, etc.)/or statutory deductions, prevalent at the time of exit of the separating employee.
- Leave Crediting during the Notice Period: All leaves will be treated as per the Attendance and Leave Policy.

Final Payment of Salary:

- After an employee has submitted their resignation, their last month's salary will not be processed along with the payroll and will be made along with the final settlement.
- The final payment of the employee salary will be provided after the following conditions are met:
 - ✓ All organizational properties, i.e. mobile phones, ID Cards, etc. are returned.
 - ✓ All outstanding payments, for example, salary advances, loans, etc. are settled.
 - ✓ The final settlement will be paid through a salary account.



F&F Dates:

LWD falling on	F&F Dates	
1st to 24th of the month	If the Asset is returned by the 24th of the month	Is the Asset returned after the 24th of the month
	On or before the 3rd of next month (Salary Cycle)	15th of next month of LWD
25th to 30th / 31st of the month	If the Asset is returned before the 30th / 31st of the month	Is Asset returned after the 30th / 31st of the month
	15th of next month of LWD	On or before 3rd of the next-to-next month

Form 16:

- Form-16 is a document provided by the Bhavna Corp stating an employee's income from all the sources and the deductions eligible during a financial year. While filing for tax returns, the gross amount of salary inclusive of the taxable value of the perks is to be taken directly from this form. Form 16 will be made available to the employee after three months from the financial year-end.
- This will be sent to the employee's personal email id mentioned in the HRMS portal. Please send a email to hr@bhavnacorp.com for further clarifications.

Gratuity:

- Gratuity is provided to all eligible employees, subject to the rule as referred to in the Payment of Gratuity Act, 1972.
- The gratuity amount is paid basis of the tenure employee who has served the organization as per the act. This includes the leaves which are authorized by the organization.

Provident Fund:

- The transfer of the PF amount to the new employer has to be initiated by the employee. This must be done online through PF Website.

Retirement:

- Employees will retire at the age mentioned under the retirement clause in their appointment letter.
- Thereafter, the organization may offer a new employment contract at its discretion.

3.2 In Voluntary:

- Each employee is considered a key employee in maintaining the quality of our business operations.
- Maintaining integrity is a vital part of our business and the behavior of each employee reflects the success of our organization. When prevailing circumstances justify such action in relation to an employee, the organization's management reserves the right to subject that employee to corrective action up to and including termination of employment. A corrective action policy has been developed which enables the organization to deal effectively and consistently with employee-related issues in a fair and just manner.
- The policy is intended to be a guideline and is not all-inclusive as circumstances and incidents may vary. This guideline is not intended to limit the right of the organization to discipline or terminate employees at any time at its sole discretion where the organization's opinion is that such steps are justified.
- Bhavan Corp has the right to change or modify the policy set forth below at its discretion and without prior notice to employees. This policy is not intended to and does not constitute a contract of employment. This policy applies to employees who are being separated from the organization involuntarily.

• Progressive Disciplinary Steps:

Where the organization finds the employee's performance, behavior, or conduct warrants such action, Bhavna Corp may, at the discretion and judgment of management in appropriate circumstances, pursue the following



steps for disciplinary action. If an employee fails to respond to coaching and/or informal counseling, the following action will provide the framework for corrective measures.

- Types of Actions:

- a) **Initial Verbal Warning:**

- ✓ This is basically a problem-solving session wherein the Project Manager / Reporting Manager conducts a “verbal discussion” related to the performance problem in a private conversation with the employee. The employee is reminded of the need to adhere to and be committed to the work rules and the organizational standards.
 - ✓ This is a first formal step in the disciplinary process and the respective supervisor should end the discussion on a positive note by reiterating the confidence in the employee and the ability to take corrective action within the prescribed timeframe.
 - ✓ The discussion should be documented for reference, with a copy to the department head & HR, even though it only constitutes a verbal warning, as this initial warning will chalk the path for a second verbal discussion before moving to the Second Warning Stage.
 - ✓ The onus of initiating the initial oral warning and the documentation thereafter lies solely with the Manager and the Department Head. The Department Head will also be required to keep the HR informed about the same and a note with proof will go into the personal file of the employee.

- b) **First Written Warning:**

- ✓ Within 3 weeks of the Initial Verbal Warning, if the problem persists the Immediate manager along with the Department Head and HR will conduct a formal discussion with the employee and fully describe the incident and/or action that may have resulted in the next warning, i.e., this First Written Warning.
 - ✓ The Manager must set the expectation that the employee within the specified time frame must show significant improvement in his/her performance. Also, reconfirm the employee's understanding of his/her responsibility to change.
 - ✓ The 1st Warning Letter will be applicable for a maximum period of 3 months and the employee must be informed that this is the second step of the Disciplinary Process.
 - ✓ An Official written memo needs to be prepared by HR to meet the commitment to bringing the employee's performance to the required standard level; the manager must draft a detailed corrective action plan for improvement of performance. Copies of all documents will be maintained in the personnel files of the employee.
 - ✓ A copy of the Memo along with the detailed Draft-Action Plan should be handed over to the employee who should also be informed that this will be the last step in the Positive Discipline process and any further infractions may result in severe action from the management.

- c) **Second Written Warning:**

- ✓ In case the particular act continues to persist even after the 1st warning letter is issued then after a formal discussion with the respective Department Head, HR will issue a 2nd Warning letter to the effect.
 - ✓ The Second Written Warning should comprise structured documentation highlighting the previous feedback provided to the employee and the improvements if any. The Functional Head will also be required to keep HR informed about the same and a note with proof will go into the Personal File of the employee.

- d) **Final Warning:**

- ✓ Final Warning is given when there is an occurrence of the act even post the 2nd warning letter. The Final warning could result in the termination/suspension of the employee according to the severity of the case.



- ✓ Termination normally occurs only when the disciplinary action process has failed to bring about a positive change in the employee's performance in an acceptable time frame or in case of gross misconduct. The Department Head, in a joint review, will present the case to the CEO/Director and HR.
- ✓ Prior to termination, the Manager must consult HR to help determine whether the previous documentation is sufficient to initiate this step. The termination letter, however, can be only authorized by the HR Department.
- ✓ A termination recommendation note must be completed at this stage and forwarded to Management. HR will then conduct a private one-to-one conversation with the employee to determine the facts from both angles.
- ✓ HR will reserve the right to approve/disapprove the termination based on the relevant facts and severity of the case. This will be done in consultation with Senior Management and will be executed as per the standard process followed by formal communication to the employee through HR.
- ✓ Team members' employment will be immediately terminated, whenever it is deemed necessary in the judgment of the management, including but not limited to the following:
 - Engagement in fraud or other dishonest practices
 - Falsification of records
 - Violation of Organization Policies / Records / Equipment / Systems
 - Behaving in a manner that is Threatening, Intimidating, or Insubordination
 - Removing or destroying organization or customer records or property, releasing confidential or proprietary information without appropriate approval
 - Being under the influence/use/sale/possession of any intoxicating substance or illegal drugs within the organization or customer premises.
 - Possession of weapons or firearms or gambling on organization or customer premises
 - Engaging in other acts would be contrary to the best interests of the organization.
 - Improper use of organization or customer equipment and systems
 - Violations of Indian Central and State laws and regulations
 - Breach of Customer and/or organization confidentiality
 - Breach of Customer and/or organization personal information confidentiality

In certain cases, the Disciplinary Process may start at the Warning Stage. The seriousness of the offense, the history of past disciplinary action, and the totality of circumstances surrounding the affected employees' overall performance may contribute to this decision.

3.2.1 Unauthorized Absence:

In case an employee is on leave for five consecutive days without permission/intimation to the Reporting Manager/Department Head, the Reporting Manager will be responsible for informing the HR Department before expiring the 5th working day from the date of absence of that employee. The HR department will issue an advisory note to its personal and official email id.

After the above-stated step, if there is no communication from the employee concerned, the HR Department will issue a show cause notice to the employee via email within 8 working days from the date of issuance of the advisory note. On further receiving no communication from the employee concerned within the 3rd/4th working day from the date of issuance of the show cause notice, the employee stands terminated, and Management can take legal action against the employee concerned for exercising the same the matter may be sent to the legal department.



4.0 Policy Revision:

The policy shall be reviewed and revised every year considering the business plan, legal enactment /amendments and other social reasons which are in control of the organization.

5.0 Exception Handling:

Management reserves the right to alter/ change/ modify/ obsolete the content of the policy based on the business needs and priorities of the organization.

6.0 Reference Documents:

- Annexure 1 – Exit Feedback Form
- Annexure 2 – Exit Checklist Form
- Annexure 3 – Exit Interview Form