



# **DISCIPLINARY POLICY AND PROCEDURE**

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**1. OBJECTIVES:**

- a) To maintain a set of standards for workplace behaviour that are reasonable, fair, and equitably applied.
- b) To prescribe corrective actions and outline disciplinary measures to be taken when employee's behaviour is not in keeping with the expectations and requirements.
- c) To set an approach and help employees, Supervisors and Managers to address the behavioural issues which hamper the productivity, culture and objectives of the company.

**2. SCOPE**

This Disciplinary policy and Procedure applies to all employees on the rolls of Titan Company Limited except for those locations and employees who are covered by the certified standing orders.

**3. NEED FOR WORK PLACE DISCIPLINE**

(a) Work place discipline is a system designed to promote orderly performance of work continuously and in a harmonious work environment, through proper adherence of rules and regulations, framed for smooth running of the organisation.

(b) Discipline is essential in any organisation for improving employee morale as well as increasing the productivity.

**4. APPROACH**

The best way to promote discipline is through positive methods such as;

- a) Role modelling by Managers and Leaders
- b) Communicating to employees about the need for discipline and its importance
- c) Judicious and fair enforcement of company policies and guidelines
- d) Encouraging people to build an highly productive and congenial work atmosphere

Since any case of indiscipline is basically a behavioural problem, it is necessary that before taking any punitive action, all efforts should be made to improve the behaviour of the employee by correcting them through education, counselling, persuasion and cautioning. However, if all the efforts to improve the employee fail, the Supervisor/Manager should report the matter to the superiors and HR for appropriate intervention.

Disciplinary action should be supported through investigation, reasonable evidence of guilt and careful consideration of the circumstances of each case before penalty is imposed. Disciplinary action should always be prompt, fair and firm.

## 5. SERVICE CONDITIONS

The service conditions would mean and include the terms and conditions as stated in the following documents, policies, rules and regulations that bind on every employee in terms of his / her employment with the Company:-

- a) Offer letter
- b) Appointment letter
- c) Agreement if any on Confidentiality and non-disclosure
- d) Employee policies (Refer to company's internal portal "me@titan" )
- e) Governing policies on ethical conduct (i.e. TCoC, Gifting policy, Guidelines on honorarium, Whistle blower policy and policy against sexual harassment)
- f) InfoSec policies
- g) Any other policy / guideline that may be announced from time to time in the interest of the organisation

## 6. EXPECTATIONS FROM THE EMPLOYEES

The employees are expected to demonstrate high standard of personal behaviour while interacting with co-employees, superiors, customers and all stakeholders. Integrity, honesty and personal responsibility are the foundations of Titan's functioning. Violation of these expected standards in any form would amount to misconduct and the employees concerned will be liable for disciplinary action.

## 7. MISCONDUCT

"Misconduct" shall mean;

- a) An act of omission or commission in breach of service conditions, express or implied, whether specified herein or otherwise, committed either singly or in collaboration with others, whether amounting to a substantive act, abetment or connivance within the premises or outside of the organization, if it is related to the maintenance of discipline or pertaining to the interest of the company or other employees or officers of the management.
- b) Any act or conduct unbecoming of an employee.
- c) Any act of omission or commission, committed by an employee in violation of law of the land, either in India or outside, will be construed as misconduct, to the extent of its adverse impact on the employment or the company.

## 8. ACTS OF MISCONDUCT

Without the list being exhaustive, following acts shall be deemed to constitute misconduct;

### 8.1) Unauthorised absenteeism

Absence from work without permission and for unsatisfactory cause either intermittently or continuously for any number of days.

### 8.2) Late coming to work / Early leaving

Late coming to work beyond the permitted occurrences or leaving the establishment before the stipulated time without permission.

**8.3) Using abusive language / disorderly behavior**

- a) The uttering of any words or the publication of any writing expressing hatred, ridicule or contempt for any person or group of persons.
- b) Any act whereby an employee discriminates against any other employee or group of employees on the grounds of gender, nationality, race, colour, ethnic origin, sex, marital status, religion, social or economic status, degree of physical or mental ability, sexual orientation or culture.
- c) Any act subversive of discipline either committed during working hours within the company premises or after working hours and outside the premises if such conduct has a bearing on their employment or employee/s or on the reputation of the company.

**8.4) Usage or possession of alcohol / drugs inside the company premises (Includes stores, offices and any other place where company's business is carried on)**

Drunkenness or possession of any intoxicant liquor or drug within the establishment without the permission in writing of the management.

**8.5) Non-adherence to Standard Operating Procedures / Rules of the company**

- a) Failure to follow established procedures / standing instructions
- b) Habitual or deliberate breach of any rules or instructions for the maintenance and running of any function
- c) Impertinence or rude behavior to co-employee, superior officers, clients, visitors, business partners/associates or govt. officials, whether the act is committed inside the establishment or outside where such acts relate to the working of the company or its reputation

**8.6) Threatening, Coercing, Instigating other employees while on duty or outside the establishment**

- a) Threatening, intimidating, restraining or gheraoing any employee or any person associated with the company, alone or in combination with others or abetting the act in any manner
- b) Participation in or abetting of an illegal strike or instigating others to strike work in contravention to any rule/law.

**8.7) Theft, fraud, providing false or misleading information**

- a) Impersonation or forgery or being an accessory thereto
- b) Providing false information and/or deliberately withholding any relevant information in the application for employment or with reference to any other official requirements.
- c) Act of theft or fraud, in connection with the company's business or property or a theft of another person's property within the company.

**8.8) Sexual Harassment**

Any unwanted or unwelcome sexual advances, requests for sexual favours and other verbal or physical conduct of a sexual nature when submission to or rejection of this conduct explicitly or implicitly affects an individual's employment, causes unreasonable interference with an individual's work performance or creates an intimidating, hostile or offensive work environment.

In this aspect, all the provisions as detailed in the company Policy against Sexual Harassment and The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 shall apply.

**8.9) Damage to property of the company**

Damage to any property of the company whether willful or due to irresponsible action or negligence.

**8.10) Physical Assault**

Physical assault or threat of assault either provoked or otherwise, within the establishment or outside, where such activity relates to the employment, or working of the establishment.

**8.11) Sleeping while on duty**

Sleeping during working hours.

**8.12) Misuse of facilities provided by the company**

- a) Misuse of amenities and facilities provided by the company
- b) Providing false information or production of false certificates / documents for the purpose of securing any privilege / benefits granted by the company.

**8.13) Poor Performance / neglect of work**

- a) Failure to perform normal work or duties
- b) Willfully slowing down the work and any reduction in usual performance
- c) Refusal to work in shifts and/or in other functions or in any other places of business of the company when required to do so.

**8.14) Proxy Attendance Recording**

Punching the attendance card for an employee other than himself / herself or getting his/her attendance card punched by any other person.

**8.15) Dishonesty**

- a) Giving or receiving or attempting to give or receive any bribe, indulging in any illegal gratification or inducing or attempting to induce any person to perform any corrupt act.

- b) Deliberately giving untrue, erroneous or misleading information or testimony about the company, businesses or the stakeholders whether verbally or in writing or through social media.
- c) Willful falsification, defacement or destruction of any records of the company whether maintained by himself/herself or by others.
- d) Applying to a wrong use or for any unauthorised purpose, any funds, assets or property belonging to the Company.
- e) Undertaking private or personal work within the establishment.

#### **8.16) Conviction for any offence**

An employee who has been convicted for any criminal offence is liable to be discharged from the service of the Company from the date of conviction. If an employee is involved in any criminal offence, the employee shall forthwith inform the HR department with full particulars of the proceedings. Failure to do so will amount to misconduct and they shall be liable for appropriate disciplinary action.

### **9. REPORT OF MISCONDUCT**

#### **9.1) Role of supervisor / Manager**

A complaint is the starting point of any disciplinary action. Complaint is nothing but a clear, sequential narration of the facts of incidence of indiscipline by the complainant, in the form of a report to their Superior / HR.

The complainant can be the affected person, superior, peer, team member or a monitoring authority by virtue of the role or a witness to the misconduct, depending on the nature of the case. A complaint is one which;

- a) Is made without any undue delay
- b) Is in writing
- c) Mentions the details of the person who committed the misconduct (i.e. Name, designation and department)
- d) Mentions date, time and place of misconduct
- e) Gives a detailed description of the misconduct
- f) Is specific and with the exact words spoken by the employee, if any

A supervisor / Manager handling a formal complaint or having been made aware of the fact by HR that an offence has been committed, will investigate or have the matter investigated, with the assistance of the Human Resources (where needed) as soon as possible. If the complaint is related to POSH or ETHICS, the same shall be forwarded to the respective committees for further action.

Based on the investigation findings, the respective HR along with function head may take any form of the following actions:

- a) Drop the case
- b) Counsel the employee
- c) Give an oral warning

- d) Give a written warning
- e) Communicate to HR for initiating a formal disciplinary action

The Complainant and the delinquent must provide names of all persons who should be regarded as witnesses as their statements will assist in ensuring a fair hearing of a case. Wherever possible, should there be witnesses who are non-employees, formal statements should be recorded from them as they may be invited to attend the disciplinary hearing. If the misconduct committed is serious in nature, then the delinquent may be suspended forthwith pending charge sheet and enquiry.

### **9.2) Role of HR**

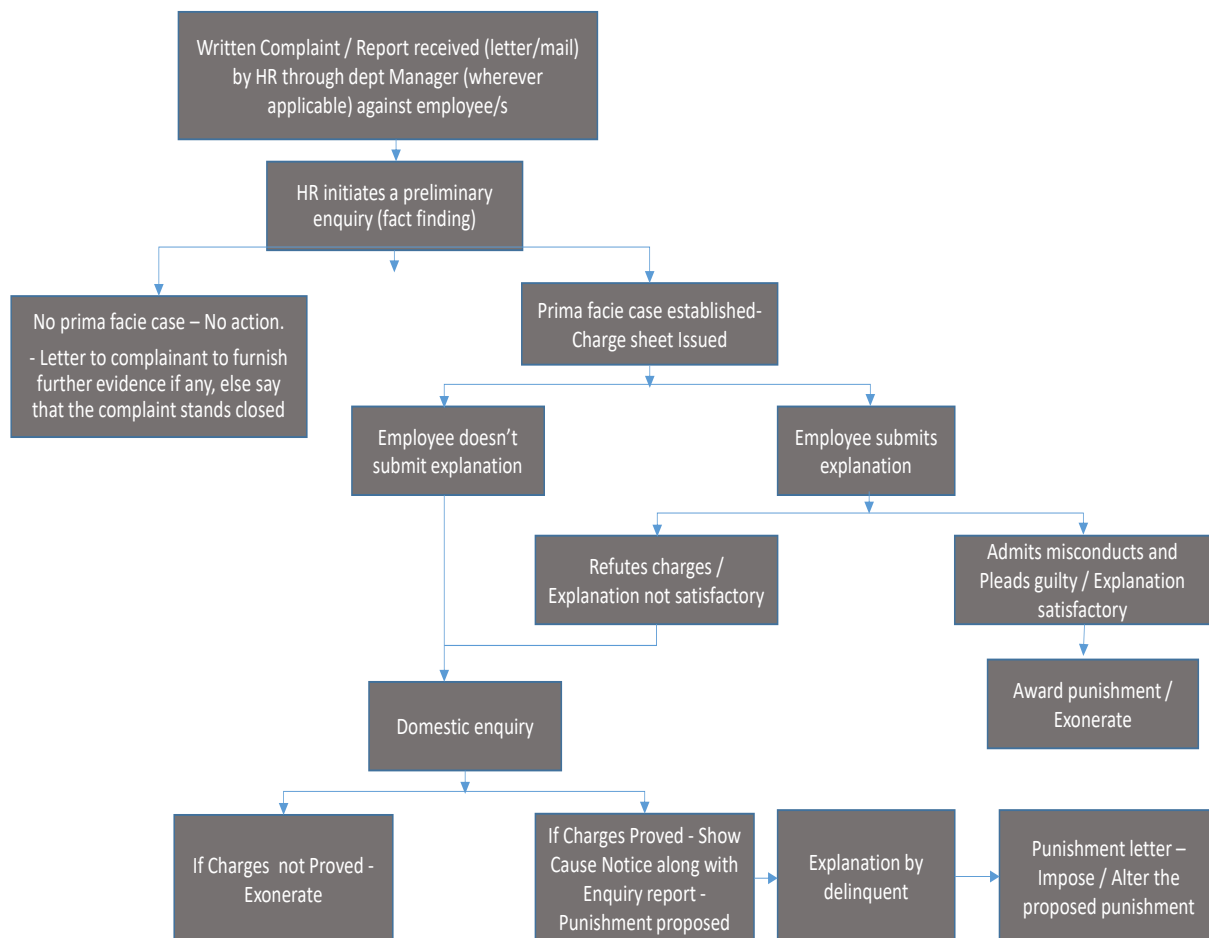
The Human Resources Officer will be responsible for the overall disciplinary proceedings;

- Advise and guide all participants on the disciplinary procedures.
- Ensure that the disciplinary procedure is applied fairly and consistently in all cases and principles of natural justice followed.
- When all documentation pertinent to the matter has been collected, the HR Officer shall serve the notices as required on the delinquent or take appropriate action.

The HR officer will be responsible for arranging a suitable venue and date for the enquiry if any, informing all the relevant parties. Informing the delinquent of their rights to representation and arranging for all relevant statements to be taken. It will be responsibility of the concerned HR to ensure all the connected documents are maintained in the individual personal file when the complaint is closed.



## 10. DISCIPLINARY PROCEEDINGS - PROCESS



## 11. PRELIMINARY ENQUIRY

As soon as a complaint is received, it should be evaluated to see whether it is worth dealing with it in an elaborate manner by charge-sheeting the employee and conducting a domestic enquiry or not. This is determined basis the gravity of the misconduct committed by the employee.

Preliminary enquiry is not mandatory in all the cases of reported misconduct. The competent authority may initiate disciplinary proceedings against the employee concerned who has indulged in the misconduct without preliminary enquiry. Whether there may be preliminary enquiry or not, is purely the discretion of the competent authority.

The competent authority may conduct a preliminary enquiry either by self or get it done by another officer (other than the one who has made the complaint or who is a witness to the incident).

The following are the differences between domestic enquiry and preliminary enquiry.

- Preliminary enquiry is not an essential step while domestic enquiry is a must for taking disciplinary action for awarding major penalties.
- Domestic enquiry aims at determining whether charges are established or not while preliminary enquiry is conducted for finding out whether a prima-facie case has been made.
- Preliminary enquiry is not subject to any rules but domestic enquiry is subject to principles of natural justice.

### **11.1) PRINCIPLES OF NATURAL JUSTICE**

A domestic enquiry may be said to be in conformity with the principles of natural justice, when;

- a) The employee proceeded against has been informed clearly of the charges levelled against.
- b) The witnesses are examined ordinarily in the presence of the employee in respect of the Charges.
- c) The employee is given a fair opportunity to cross-examine the witnesses.
- d) The enquiry officer records the findings with reasons in their report.

## **12. CHARGE-SHEET CUM SHOW CAUSE NOTICE**

On the basis of a preliminary enquiry or otherwise, the disciplinary authority is satisfied that a prima-facie case exists and decides to take disciplinary action against the employee concerned, the first thing to be done is to issue a charge-sheet to the delinquent employee. Charge-sheet is a memorandum of charges or allegations levelled against the employee and with the details as given below;

- a) Date of charge sheet.
- b) Name, Employee code, designation and department of delinquent employee.
- c) Date, time and place of incident
- d) Description of incident (Reproduce the language in verbatim if there are words of abuse, defamation or threat)
- e) Details of misconduct with reference to relevant terms of service conditions.
- f) Time for reply and to whom the reply should be submitted.
- g) The charge sheet should be signed by the competent authority. The competent authorities have been designated and only the competent authority as designated should sign the charge sheet.

### **12.1) Time for reply to Charge-sheet**

A reasonable period of time should be given to the charge sheeted employee to submit reply to the Charge-Sheet but not less than 48 hours from the receipt of the Charge-sheet by the employee. If the Charge-sheeted employee requests for extension of time, such request/s may be considered on merit.

### **12.2) Service of Charge-sheet**

Serving the Charge-sheet on the delinquent employee plays a very important role in disciplinary proceedings. Hence, all efforts should be made to see that the Charge-sheet is served on the delinquent employee. The Charge-Sheet shall be handed over to the employee and employee's signature obtained on the office copy.

- a) In case, the employee refuses to accept the Charge-sheet, an endorsement to that effect should be made on the office copy in the presence of at least two witnesses whose signatures should be obtained.
- b) A copy of the charge sheet may be displayed on the notice board of the office or the factory concerned in the event the employee refuses to take delivery of the charge sheet and/or acknowledge, when offered.
- c) In case the concerned employee receives the Charge-sheet but refuses to sign on the office copy, an endorsement to that effect should be made on the office copy and signatures of at least two witnesses may be taken.
- d) If the employee is not present within the organisation due to suspension or any other reason, the Charge-sheet shall be sent to the last known addresses as per the company records (both local as well as permanent) by Registered Post with acknowledgment due and also a copy through email.
- e) If all efforts to serve the Charge-sheet on the employee fail, the Charge-sheet may be published in a local/regional newspaper with a wide circulation.

## **13. SUSPENSION PENDING DOMESTIC ENQUIRY**

The suspension of an employee from duty often arises under the following situations:

### **13.1) Suspension Pending Domestic Enquiry**

If an employee has committed serious act of misconduct such as assault, theft etc., and the employee's presence inside the work premises poses a threat to the safety of the people and materials or likely to be detrimental to further investigation / enquiry, the employee may be kept under suspension immediately, pending investigation. A suspension cannot be called a penalty. It is desirable to issue the order of suspension along with charge-sheet but if it is not possible, the charge-sheet must follow within 7 days of issue of suspension order.

HR officer after consultation with functional head and CPO (Chief People Officer) may issue a letter of suspension from work immediately to the delinquent employee if he/she has allegedly committed or is allegedly involved in any of the following offences.

- a) Assault/attempted assault
- b) Sexual Harassment
- c) Riotous Behaviour
- d) Alcohol and drug offences
- e) Willful loss, damage or misuse of company property
- f) Theft
- g) Offences related to dishonesty

- h) Any act or omission which intentionally endangers the health or safety of others
- i) Abusive or provocative language (when it is likely to cause a disturbance)
- j) For any other reason it is considered that continuance of the employee in the service is against the interest of maintaining discipline or interest of the company.

### **13.2) Status of Suspended Employee**

During the period of suspension, the suspended employee shall not enter the work-premises without the permission of the disciplinary authority or the designated authority.

The employee suspended pending enquiry shall be paid subsistence allowance. No leave shall be granted to a suspended employee during the period of suspension. The suspended employee will not be paid subsistence allowance if the employee is engaged in any other employment, business, profession or vocation.

Subsistence allowance shall be paid to an employee as under;

- a) At the rate of 50% of wages which the employee was entitled to immediately preceding the date of such suspension, for the first 90 days of suspension and
- b) At the rate of 75% of such wages for the remaining period of suspension, if the delay is not directly attributable to the conduct of such employee. If the delay is directly attributable to the conduct of the employee, the subsistence allowance would continue to be paid at the rate of 50% of such wages.
- c) Any enquiry shall be completed within a maximum period of 180 days from the day of suspension.

The payment of above subsistence allowance will be subject to a written declaration by the employees concerned that they are not engaged in other employment or business or profession or vocation as well as their observance of the instructions/ advice contained in the order of suspension issued to them.

If the suspended employee is found guilty of the misconduct alleged and penalty is awarded, employee shall be entitled to such proportion of wages only, as the disciplinary authority may prescribe.

If the suspended employee is found not guilty of the misconduct and exonerated from the charges, employee shall be paid the difference between the subsistence allowance already paid and the actual wages which the employee would have received if the employee had not been suspended.

## **14. DOMESTIC ENQUIRY**

If the explanation submitted by the delinquent employee in reply to the charge-sheet is not found satisfactory, the Disciplinary Authority may institute a domestic enquiry by appointing an Enquiry Officer and the Presenting Officer and inform the charge-

sheeted employee about the same. The Enquiry Officer would send a Notice of Enquiry giving him/her sufficient time to attend the enquiry.

The enquiry notice should specify;

- a) Date, Time and Place of enquiry
- b) The name of the Enquiry Officer
- c) That they must keep their witnesses / documents ready
- d) Can take the assistance of their co-employee
- e) That the enquiry will be held ex-parte if they fail to attend

#### **14.1) Enquiry Officer**

- a) An officer of the Company or any external person with subject knowledge may be appointed as an enquiry officer.
- b) Enquiry Officer cannot be a judge in his/her own case.
- c) A person who is the witness in the case or is in the line of reporting or with any interest in the case cannot be an Enquiry Officer.
- d) Enquiry Officer cannot be appointed by a person who is a witness in the case.

#### **14.2) Proceedings of Enquiry**

- a) At the commencement of the enquiry, the charges should be read out and explained to the charge-sheeted employee and it should be asked whether the employee pleads guilty to the charges or not. If the employee admits the guilt, the enquiry officer may direct the employee to give the statement in writing attested by employee's witnesses or record the statement of the employee, obtain employee's signature and the witnesses' signature on the statement and close the enquiry proceedings. Alternatively, the Enquiry Officer can proceed with the enquiry and allow the presenting officer to examine the witnesses in support of the charges and produce the documents in support of the charges and thereafter submit the report.
- b) If, on the other hand, the employee denies the charge, the burden of proving the truth of the charge and the allegations will be on the management and the witnesses for establishing the same should be examined first.
- c) At the conclusion of the statement given by each witness in support of the charges, the same should be read over and explained to the charge-sheeted employee in the language understood by the employee and the employee must be given a chance to cross-examine the witness. An endorsement to this effect should be made at the bottom of the statement.
- d) After the examination and cross-examination of all the witnesses in support of the charges are completed, the charge-sheeted employee should be asked to adduce employee's defence. They may offer themselves to be examined as a witness and also produce witnesses in their defence. The burden of bringing the defence witnesses before the Enquiry Officer is on the charge-sheeted employee. If the employee refuses to examine any witness the same should be recorded by the Enquiry Officer.

**14.3) Ex-parte Enquiry**

When the enquiry is fixed at a particular time, place and date and the charge-sheeted employee does not turn up and seeks a postponement on genuine grounds, the same may be granted. If the charge-sheeted employee makes further attempts for adjournment and the Enquiry Officer is convinced that it is being done with a view to deliberately to delay the proceedings, the Enquiry Officer may proceed with the enquiry ex-parte.

Every adjourned proceeding of the ex-parte enquiry should be duly notified to the charge-sheeted employee. If the employee is present and desires to participate, then the employee should be allowed to do so.

**14.4) Report of the Enquiry Officer**

After the conclusion of the recording of evidence, the Enquiry Officer should prepare and submit the report. The Enquiry Officer should clearly indicate the reasons for arriving at such findings in respect of each charge. The findings must be based on the evidence on record. The enquiry officer should not import the personal knowledge or any material which is not on record. The oral evidence and the documents and records marked as exhibits at the enquiry should alone form the basis for arriving at the findings in respect of each charge.

The Enquiry Officer must discuss the evidence and state his/her reasons for accepting or rejecting the same. The Enquiry Officer should not recommend any punishment to be imposed on the charge-sheeted employee.

An enquiry report prepared by the Enquiry Officer shall contain:

- a) The charges and the statement of the allegations of misconduct and note of the evidence adduced by the Presenting Officer in support of the charges.
- b) The defence of the employee in respect of each of the charges.
- c) An assessment of the evidence in respect of each of the charges.
- d) The findings on each article of charge and the reasons therefor.

The Enquiry Officer shall forward to the disciplinary authority the records of enquiry which shall include:

- a) The report prepared by them, as stated above
- b) The written statement of defence submitted by the employee
- c) The documentary evidence produced in the course of the enquiry
- d) The orders, if any, made by the disciplinary authority and the enquiry officer in regard to the enquiry.

**15. PENALTY**

The disciplinary authority may accept the findings of the Enquiry Officer and decide the penalty or otherwise. While so deciding, they have to take into consideration the gravity of the misconduct and the past records of the charge-sheeted employee and any other extenuating and/or aggravating circumstances that may exist.

On the basis of the conclusions arrived at in the domestic enquiry, if it is found that the charges levelled against the employee are not proved, they may be exonerated and a letter to that effect may be issued. If any of the charges or all the charges are proved, then the appropriate penalty may be imposed on the employee.

The quantum of penalty imposed on the charge-sheeted employee should be proportionate to the seriousness of the misconduct established. The disciplinary authority may consult respective function head before deciding the penalty.

The disciplinary authority may impose any penalties as laid down under this policy on the employee against whom charges have been proved or for any sufficient cause and good reasons in the interest of the company.

#### **15.1) ISSUE OF SECOND SHOW CAUSE NOTICE**

- a) Disciplinary authority should look in to the findings of the Enquiry Officer. If the charges have been held as proved, a copy of the findings of the Enquiry Officer should be forwarded to the charge sheeted employee and they should be called upon to submit their say with regard to the findings of the Enquiry Officer and also called upon to show cause as to why proposed punishment should not be imposed on them for the charges proved in the enquiry.
- b) If the Disciplinary Authority decides not to agree with the findings arrived at by the Enquiry Officer, it is open to the Authority to disagree with the findings of the Enquiry Officer and record the reasons for the same. In such cases the Disciplinary Authority while forwarding the report and findings of the Enquiry Officer to the charge sheeted employee should clearly state the reasons for disagreement with the findings of the Enquiry Officer and give opportunity to the charge sheeted employee to submit their say in the matter and also show cause as to why proposed punishment should not be imposed.

#### **15.2) FORMS OF PENALTY**

The penalty should be normally commensurate with the gravity of the misconduct. Though it is the management's discretion, the penalty shall be imposed for good and sufficient reasons. Any of the following penalties shall be awarded, as deemed necessary and fit for the case;

- 1) Warning
- 2) Withholding of annual increment for a specific period
- 3) Withholding of Promotion
- 4) Cost recovery from pay
- 5) Suspension from work for 7 days to 30 days without wages
- 6) Reduction to a lower grade
- 7) Discharge from service



## 8) Dismissal from service

While this will help HR officers in implementing the disciplinary procedures in a uniform and fair manner across the company, the penalty can also be different based on circumstances of each case and decided in consultation with respective CEO of the division and the CPO.

**16. COMPETENT AUTHORITY**

The Chief People Officer (CPO) who is the appointing authority of the Company, hereby delegates and empowers the following officers to perform the duties as the competent authorities to the extent as given hereunder;

1. Signing of any communication letter – Regional/location HR Executive/ manager
2. Signing of Charge sheet – Regional / Location HR Head
3. Signing of Second show cause notice with proposed penalty of Warning, 2<sup>nd</sup> warning - Regional / Location HR Head
4. Signing of Second show cause notice with proposed penalty of Withholding of annual increment/promotion, Recovery from pay or suspension from work for 7 days to 30 days and Reduction to lower grade - Head HRBP / Business HR Head, in consultation with CPO
5. Signing of Second show cause notice with proposed penalty of Discharge or Dismissal from service - CPO
6. Notwithstanding the above, if the complaint is against an employee belonging to Band 3 and above – All letters shall be signed by CPO

Any exceptions to this policy can be authorized by CPO / MD.



**SWADESH KUMAR BEHERA**  
**EXECUTIVE VICE PRESIDENT & CPO**

*(For any clarification in this policy, please reach out to regional / location HR or write to [muruganm@titan.co.in](mailto:muruganm@titan.co.in) of HR Compliance & ER team at corporate office)*